READY FOR LAUNCH!

ORIENT BELL LIMITED | ANNUAL REPORT 2012-13

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 2012-13.

CONTENTS

Orient Bell Limited is one of India's largest ceramic tiles players with a 37-year industry presence.

The management built on its Bell Ceramics acquisition in December 2010 with a decisive 2012-13 initiative.

Extending to the manufacture of digital tiles from the fourth quarter of FY13.

The result is that even as markets remained sluggish in 2012-13, the Company reported a 110 bps EBIDTA margin increase to 10.6%.

ENHANCING VOLUMES, ENRICHING VALUE.

ABOUT US

Orient Bell Limited is one of India's largest ceramic tile manufacturers with a market share of 9% (capacity of 70,000 sq. m per day).

WHAT IS OUR STRATEGY?

To strengthen our business and enhance long-term shareholder value.

HOW WILL WE ACHIEVE THIS?

By reinforcing our position as a preferred partner for our specifier community (architects, interior designers, network and channel partners and retail customers). By providing the industry's widest product range across price points. By enhancing aesthetic and functional value of the customer's space. By providing superior and time-bound service.

WHAT IS OUR FOCUS?

Increase the production of digital tiles and patented-technology products. Optimise our cost structure. De-leverage our Balance Sheet.

SALES FOOTPRINT

Strong presence across Western, Eastern and Southern India through a network of nine exclusive Orient Tiles Boutiques (company-owned and operated), 3,000+ dealers and sub-dealers, 40 warehouses/sales and marketing offices and 600 sales and display counters in multi-brand shops. A strong virtual presence through www.orientbell.com, enabling. customers to browse and select products.

PRODUCTS

Wide range of floor tiles (ceramic, vitrified and ultra-vitrified) and wall tiles (base tiles, structured highlighters and picture tiles) in addition to digital tiles. Filed for patents for Cool Tiles (keeps surface temperature cooler by about 5°C to 20°C) and Life Tiles (germ-free, self-cleaning and air purifier) in FY13 in addition to patents filed for Forever Tiles (highest abrasion-resistant tile surface) and Germ-free Tiles (germicidal and safe for humans, tiles).

LISTING

Equity Shares listed on the Bombay and National Stock Exchanges; market capitalisation stood at ₹ 95 crores (31 March 2013).

KEY CUSTOMERS

AIIMS, AIPL Ambuja, Ambience Ltd, Amrapali Group, Ansal Housing, BPTP, Brahmaputra Infrastructure, DLF, Emaar MGF, GAIL, Indiabulls, L&T, NBCC, NCC Ltd, Omaxe Infrastructure, Police Housing (Delhi and Haryana), Shapoorji Pallonji and Today Homes, among several others.

SHOWPIECE PROJECTS

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

Core IQCAPP values

Integrity

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

Quality

- We provided the 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 cordial relationships with our business partners
- We seek active engagement and delight of our business partners

Performance

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

Asset portfolio

Location	Land spread (acres)	Annual installed capacity (mn sq. m)	Product portfolio	Production 2012-13 (mn sq. m)	Sales* 2012-13 (mn sq. m)
Sikandrabad, Uttar Pradesh	40 acres	14	Wall and floor tiles (all sizes)	13.13	12.74
Dora, Gujarat	28 acres	3	Floor tiles (all sizes)	1.90	1.78
Hoskote, Bengaluru	29 acres	8	Floor tiles (all sizes)	5.92	5.73

*Manufactured sales only

READY FOR LAUNCH... THROUGH ORIENT AND BELL DIGITAL TILES

- Invested ₹ 25 crore in eight digital printers across 90% of our production lines in Sikandrabad, Dora and Hoskote plants (cumulative 55,000 sq. m per day capacity, one of the largest in India's tiles industry)
- The digital printers with eight printing heads (as opposed to the conventional four to five printing heads installed on the printers of most Indian domestic tile manufacturers); this enhances design flexibility, value-addition and aesthetics, translating into a premium in realisations
- The majority of the digital printers were commissioned only during the last quarter of FY13 and hence the digital output is expected to increase in FY14
- Created a large portfolio of designs across different sizes in wall and floor tiles

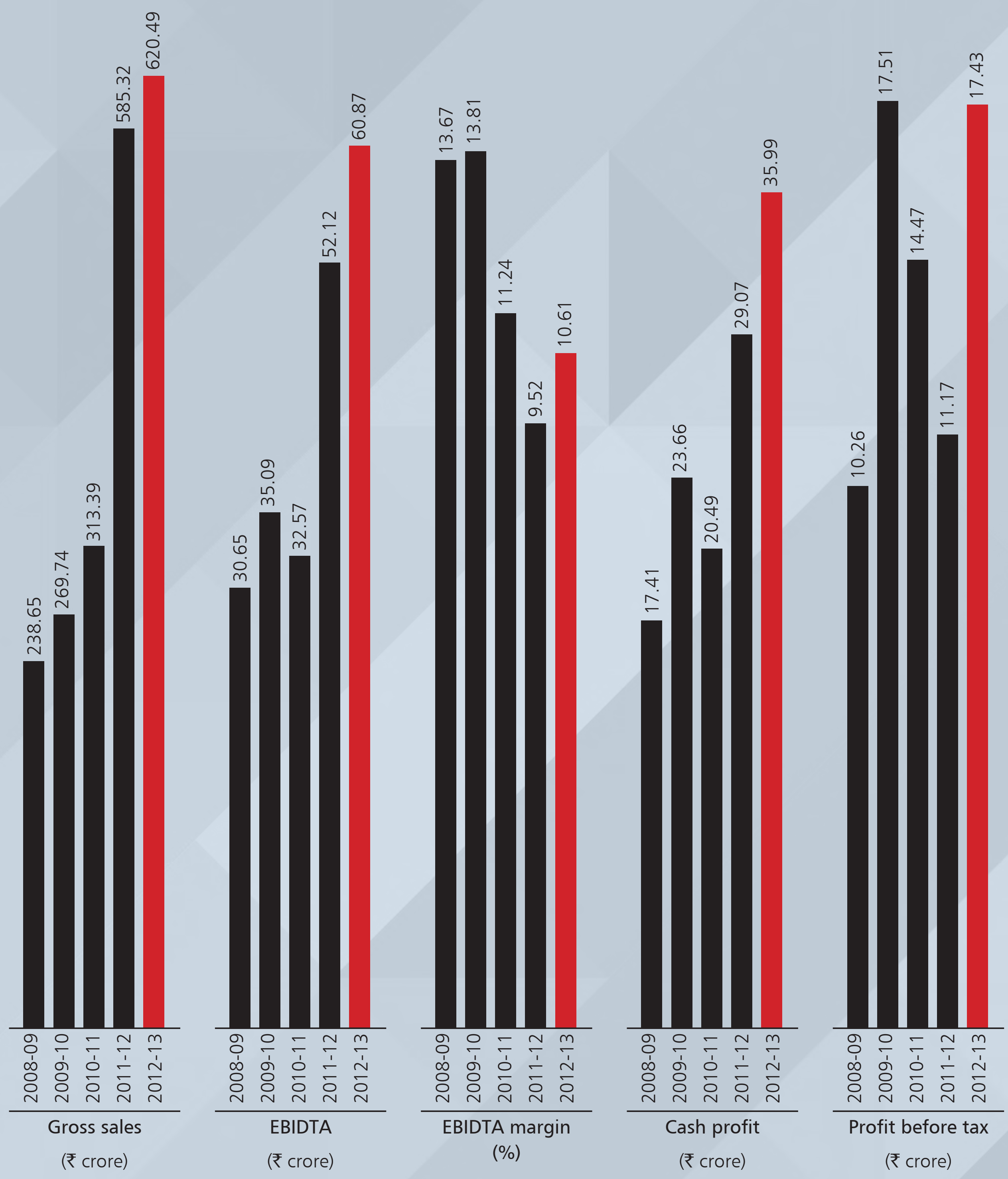
KEY 2012-13 HIGHLIGHTS

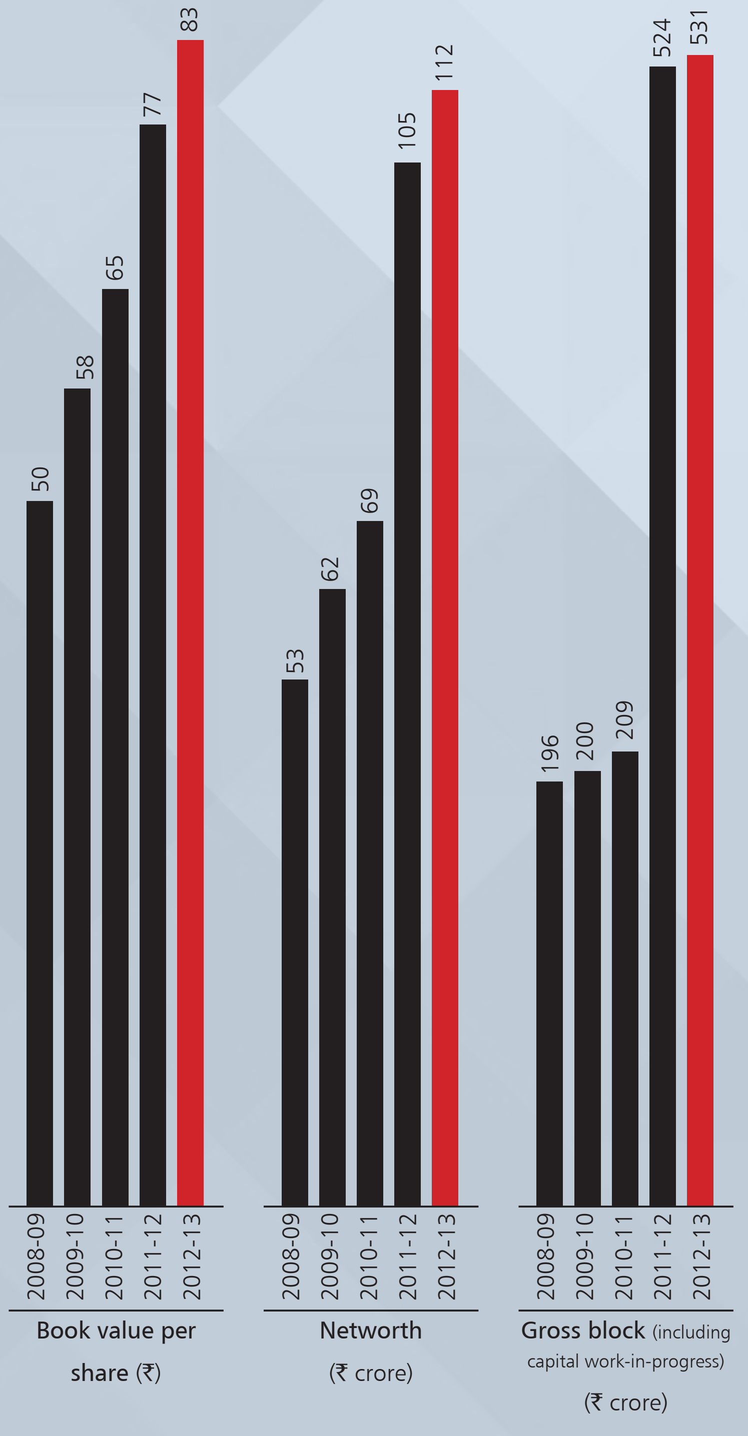
- First line quality improved by 3%
- Launched the unconventional e-slanter and e-showroom programmes on the Company's website for customers to select designs and undertake permutations, translating into increased orders from Indian and international customers
- Established 42 Orient Tiles Boutiques in cities and towns like Jodhpur, Vishakhapatnam, Nellore, Amritsar, Jaipur, Pune, Rewari, Warangal, Pilani and this list is expected to reach to 100 exclusive and multi-point distributors, enhancing our distribution network to 4,000 dealers.
- Continued to launch patented tiles – Cool Tiles (can bring down the inside building temperature by 5^0-20^O Celsius) and Life Tiles (germ-free, self-cleaning and smog-eating tiles) – in addition to the two existing patents of Forever Tiles and Germ-free tiles
- Changed taglines for both Orient ('Har Ghar Khoobsurat Hai') and Bell ('Your House Made Sweet Home') brands; launched jingles/caller tunes for both to strengthen the customer connect

KEY 2012-13 FINANCIAL HIGHLIGHTS

- Reported 6.14% growth in topline (gross) to ₹ 620 crore
- Average tiles realisations increased 9.35% to ₹ 245 per sq. m
- Reported a 55% increase in traded goods through the outsourcing of digital tiles
- Reduced the receivables cycle from 53 days of turnover equivalent to 47 days
- EBIDTA increased 17% to ₹ 61 crore; EBIDTA margin rose 110 bps to 10.6%
- Enhanced credit rating from BBB to BBB+ from Crisil and SB8 to SB7 from SBI (lead consortium working capital financier)
- PBT increased 56% to ₹ 17.43 crore; PAT declined 27% to ₹ 9.83 crore following a deferred tax provision; without this provision, net profit would have increased 56% to ₹ 17.43 crore
- Declared a dividend of 15% (₹ 1.50 per Equity Share)

READY FOR AN EXCITING FUTURE – THE NUMBERS BEHIND OUR STORY





Revenue growth

6%

2011-12 ₹ 585 crore
2012-13 ₹ 620 crore

EBIDTA growth

17%

2011-12 ₹ 52 crore
2012-13 ₹ 61 crore

Cash profit growth

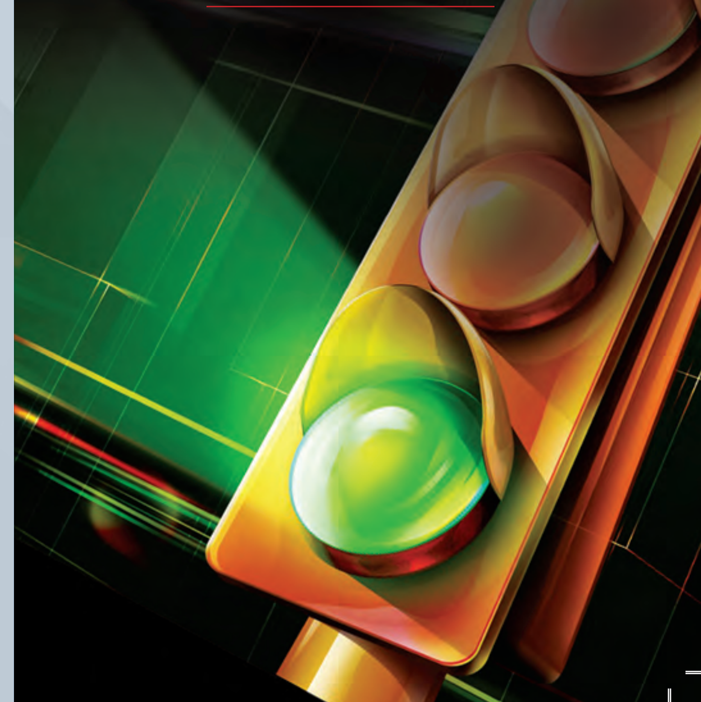
24%

2011-12 ₹ 29 crore
2012-13 ₹ 36 crore

ROCE growth

185 bps

2011-12 14 %
2012-13 16 %



THE BIG PICTURE

"THE YEAR 2012-13 WAS A DECISIVE ONE AT ORIENT BELL. WE ENHANCED OUR FOCUS ON THE DIGITAL TILES SPACE AS A FUTURISTIC TECHNOLOGY AND ORDERED EIGHT STATE-OF-THE-ART ITALIAN DIGITAL PRINTERS TO ENABLE US TO PRINT DIGITAL TILES ON 9 OUT OF 10 PRODUCTION LINES ACROSS OUR PLANTS, ENHANCING OUR COMPETITIVE EDGE OVER THE LONG-TERM".

Mahendra K. Daga,
Chairman and Managing Director

On Orient Bell's 2012-13 performance

The year 2012-13 was a decisive one for our Company as we enhanced our focus on the digital tiles space as a future technology and ordered eight state-of-the-art Italian digital printers. Even as we increased the outsourcing of digital tiles for our Orient and Bell brands starting at the beginning of last year, we took this initiative one step ahead through the commissioning of eight digital printers across 90% of our production lines during the last quarter of FY 13. Following commissioning, our digital tiles revenues during the last quarter surged 154% over the previous quarter, which is a sign of things to come.

On the rationale for entry in the digital tiles space

Orient Bell's entry into the digital tiles space enables us to leverage our long-standing sectoral presence, strengthening our profitability.

- The technology makes it possible to reduce time-to-market from a conventional 30 days to three hours
- Small tile batches can be produced without incurring high costs, encouraging customisation
- Digital tiles command gross margins 10-20% higher than conventional tiles
- Quality output is better since the printing medium does not touch the tiles

On the entry timing into the digital tiles space

As a conscious corporate strategy, we refrained from investing in the digital tiles technology as soon as it came into the country, preferring to wait and watch on how consumers reacted to this new development. Once we read the signs right, we immediately ordered eight state-of-the-art Italian digital printers, with the result that these are among the most contemporary in the industry, giving us a solid lead over the competition. We also availed huge economy-of-scale in purchase cost.

On the advantage of eight printing heads

Digital tile printing is backed by revolutionary technology; it enables tiles to be printed directly from the computer screen. This not only widens the range and depth of designs several fold but also enables printing on textured surfaces, opening up the market for surface materials as well. Therefore, digital tiles find themselves at the incredible intersection of design and surface, widening permutations. At Orient Bell, our digital printers deliver sharper CMYK and colour diversity. Dozens of nozzles eject measured ink quantities at desired frequencies. The computer can also be programmed to create abstract designs so potentially no two designs may be alike. Moreover, value-added materials like reactive and metallic inks can also be used to create dynamic textures, thereby greatly enhancing overall tile aesthetics.

On the strategy to achieve margins growth

The Company strengthened its margins through two initiatives: one, the Company invested in state-of-the-art assets to enhance cost efficiencies, boost volumes and improve quality. The Company's turnover (gross)-to-capital employed ratio increased from 2.19 in 2011-12 to 2.33 in 2012-13. Two, the Company focused on the manufacture of value-added products; average per tile realisations increased by 9.35% during the course of the year. The success of these initiatives was reflected in our EBIDTA margin, which expanded 110 basis points to 10.6% in 2012-13. Moreover, profit before tax also rose by 56% to ₹ 17.43 crore but because of a non-cash deferred tax entry of ₹ 7.60 crore that arose because of regrouping and recasting of Bell books, net profit suffered a 27% fall to ₹ 9.83 crore during the year under review.

On innovation as key a business driver

We realise that if we lead in colour and art, we could lead the industry. What is critical then is a product arsenal to sustain growth. In line with this priority, we launched two patented tiles in 2012-13 (Cool Tiles with a high solar reflective index keeps surface temperatures lower by 5^0-20^0 Celsius and ideal for use in 'green buildings'; Life Tiles that repel water and stains while purifying the atmosphere and are germ-free). These products are also certified by several prominent Indian, Italian and British R&D labs and centres. We also launched two virtual customer engagement programmes - e-showroom and e-slanter - on our website, making it possible for customers to undertake any number of product and space permutations and order online. I am pleased to state that these innovative platforms have enhanced conversion rates, opening up a new revenue stream.

On brick and mortar retail space additions

We launched new Orient Tiles Boutiques in places like Jodhpur, Vishakhapatnam, Nellore, Amritsar, Jaipur, Pune, Rewari, Warangal and Pilani, taking the cumulative store count to 42. We expect our total Orient Tiles Boutiques and Bell Tiles Boutiques to cross 100 stores in FY14, to be set up in several Tier-II and Tier-III cities in addition to key metros, leveraging our launch of digital tiles.

On the outlook for 2013-14 and beyond

We intend to focus on profitable growth by enhancing the output of value-added digital tiles. We also expect to launch new print and radio advertisements to take our product message far and wide with a supporting budget of ₹ 5-10 crore.

Overall, we expect to accelerate our organisational momentum and grow the long-term value of our business.

TWO WORDS HAVE WIDENED OUR ABILITY TO ADDRESS A RANGE OF POCKETS AND PREFERENCES

DIGITAL TILES

At Orient Bell, we launched a full-fledged extension into digital tiles manufacture in the last quarter of FY13 through the incorporation of eight digital printers across nine lines at our three manufacturing facilities.

After seeding the market through outsourcing, we extended to manufacture from March 2013 with corresponding market acceptance.

What makes our digital printers unique is that they possess eight printing heads (as opposed to four to five in conventional printers) in which the CMYK colour system is combined in a multitude of ways to create virtually any colour - enhancing our product range and aesthetics.

Moreover, the Company has the best ink portfolio that can print every colour and perform other special functions.

Within a short time, the Company launched a comprehensive range of digital tiles and enhanced realisations by 2.5% to ₹ 245 per sq. m, translating into an immediate margin improvement.

₹ 33.55 crore – revenue derived from the sale of digital tiles in 2012-13, up from ₹ 1.40 crore in the previous year

WE FOCUSED ON

INNOVATION

AND CREATED A NICHE.

AN INCH WIDE BUT A MILE DEEP.

At Orient Bell, we continued to embrace enterprise-wide innovation through two decisive initiatives in 2012-13, a giant leap forward.

We introduced two new patented tiles comprising the following:

- Cool Tiles (with solar reflective index of 103 as against 78 advised by the USGBC and the IGBC for 'green buildings' that can potentially bring down internal building temperatures by 5^0-20^0 Celsius)

- Life Tiles (germ-free, self-cleaning tiles that repel water and stains and purifies the atmosphere in the presence of UV light)

The result is that the Company now possesses four patented tiles (Forever Tiles and Germ-free Tiles launched in 2011-12), one of the largest such portfolios globally, in the tiles space.

In addition to these launches, we launched an e-showroom showcasing the complete product and information range; our e-slanter on the website enables customers to select products, set it on their desired space (bedroom, kitchen or office) and place an order without physically entering a store. The success of these initiatives is reflected in the fact that we not only increased traffic at our website www.orientbell.com but also led to higher sales conversions from locations as distant as the UK.

34% – PROPORTION OF SALES OF VALUE-ADDED TILES (₹ 300 PER SQ. M AND ABOVE) COMPARED WITH 26% IN 2011-12

COMPETITIVE STRENGTHS

Design portfolio

OVER 2,500 TILE SKUs, ONE OF THE LARGEST AND MOST VIBRANT PRODUCT SUITES IN THE INDUSTRY

Orient Bell possesses a diversified product portfolio comprising premium ceramic and vitrified tiles, wall tiles and highlighters available in various designs and colours. The Company's innovation is reflected in the fact that it launched over 300 tile designs over the last three years, which contributed over 30% of the 2012-13 turnover.

Brand

EVERY RUPEE INVESTED IN BRAND-BUILDING ENABLED THE COMPANY TO GENERATE ₹ 620 IN TURNOVER (2012-13)

Orient Bell's products are marketed to reputed institutional customers comprising DLF, Unitech, Sobha Developers, BPTP, Rahejas, L&T, RITES, CPWD, MES and AAI, among others. The Company's products are installed in several prestigious locations like Rashtrapati Bhavan, Delhi High Court, Delhi Metro Rail Corporation stations, new Kolkata Airport and ITC Sonar Hotel (Kolkata), among others.

Price points

AN ORIENT BELL BRAND IS AVAILABLE FROM ₹ 200 PER SQ. M TO ₹ 3,000 PER SQ. M

Orient Bell's products are available at multiple price points - from the mid to premium for ceramic tiles (₹ 200 to ₹ 3,000 per sq m) and vitrified tiles (₹ 500 to ₹ 1,200 per sq m). Given the price range, we are able to capture consumption shifts across the price spectrum, enabling us to retain customers and sustain year-on-year growth.

Distribution

AN ORIENT BELL PRODUCT IS AVAILABLE EVERY 50 KM ACROSS ITS KEY MARKETS

Orient Bell possesses 42 Orient Tiles Boutiques spread across 30 cities and towns over a cumulative 50,000 sq. ft where it exclusively showcases its entire product range, strengthening customer engagement and translating into rapid offtake. The Company also has a strong and extensive distribution network comprising 3,000+ dealers and sub-dealers, 40 warehouses/ sales and marketing offices and depots, enabling pan-India penetration.

Manufacturing facilities

CAPACITY UTILISATION CLIMBED TO 83% IN 2012-13

Orient Bell's state-of-the-art tiles manufacturing facilities are located in Sikandrabad, Hoskote and Dora with a combined annual production capacity of 25 mn sq. m. The Company consumes natural gas at its Sikandrabad and Dora plants, enabling it to optimise energy and overall production costs. The Hoskote plant uses LPG (almost twice the cost of natural gas) and the dry process, optimising fuel costs.

Flexible

TRADED GOODS VOLUME SALES FROM 13% OF REVENUE IN 2011-12 TO 20% IN 2012-13

Orient Bell possesses a flexible business model with products either manufactured or outsourced (from players in Morbi) to swiftly respond to marketplace developments. With a view to take advantage of marketplace developments, the Company increased traded goods volume sales from 13% of revenue in 2011-12 to 20% in 2012-13.

Operational excellence programmes

PREMIUM QUALITY HAS INCREASED BY 4%

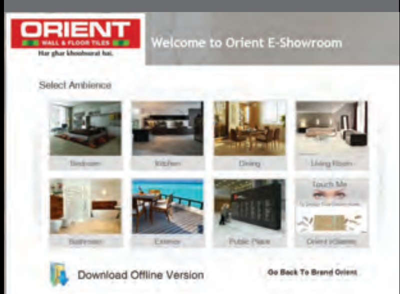
Orient Bell commenced its in-house operational excellence programme in August 2012 with a view to enhance the quality and cleanliness of the shopfloor and the work area by embracing the principles of 5S and Kaizen. Seventy eight groups were created involving more than 200 staff members. Out of 78 groups, 35 projects have been completed while the rest are in progress. Some of the tangible achievements of this programme include gas wastage arrests, enhanced machine and equipment uptime, fired rejection reduction, reduced kiln breakdown, reduced variation in slip residue and reduction in piston pump pressure, among several others.

CUSTOMER-CENTRICITY AT ORIENT BELL

E-SLANTER

Relevant to the digital age, Orient Bell has provided its customers with the best digital solutions for their tile visualisation needs. Normally, the slanter is a wooden display board in tile showrooms used to display tiles and make combinations as per customer requirements. Orient Bell has made the need to manually pick and place tiles redundant with the help of the e-slanter, customers can select tiles on their computers or tablets or other digital screens by clicking/touching/placing wall tiles, floor tiles and even highlighters across their chosen spaces.

E-SHOWROOM



Under e-showrooms, Orient Bell has developed yet another breakthrough customer-centric technology. Customers or any other specifiers can select the type of ambience comprising bedroom, kitchen, dining room, living room, bathroom and public places, among others, to test the combinations of floor and wall tiles and choose the size and type of tiles for the floor and the walls to create their own distinctive look, providing them a life-like representation of tile combinations. This option is available for both online as well as offline versions.

DIGITAL TILES

In an exciting development in 2012-13, Orient Bell commissioned and installed eight state-of-the-art digital printers across all its production lines in all three plants and launched its digital tile portfolio. The launch was met with considerable success as the Company provided a vast range of designs straddling multiple price points.

PATENTED PRODUCTS

With a strong focus and culture on R&D, Orient Bell launched two patented products – 'Life Tiles' and 'Cool Tiles', taking its total patented portfolio to four products. With these patent-pending technologies, the Company has already become the most innovative in its space and with the most patentable technologies in the tile industry. Cool Tiles were developed at Orient Bell using an innovative glaze and process control methodology that makes the tiles an ultra-cool roof and exterior surface solutions product by acquiring an unprecedented solar reflective index (SRI) value of 103. On the other hand, Life Tiles is the result of a remarkable dual-technology that is both clean and green, a photo-catalytic, pollution-neutralising and germicidal tile with self-cleaning properties.

CALL CENTRE

In a first-of-its-kind initiative, Orient bell established a professionally-managed customer service call centre to manage customer queries, generate sales lead as well as provide free information regarding tiles on toll-free calls. Branded as 'Tiles Talk', the service is available on Orient brand's toll-free number 1800 208 1015 and toll-free number of 1800 208 5055 for the Bell brand. Anyone across India can call the toll-free and ask questions relating to buying, using, installing and maintaining tiles. If they are not satisfied with the responses or of they need more information, an expert calls them back.

LAUNCH OF THE WEBSITE WWW.TILESTALK.COM

Orient Bell launched the website www.TilesTalk.com to provide one-stop comprehensive tiles-related information for architects, dealers, masons and others who are connected with the tiles industry. The site also enables these groups to start their own blogs. The TilesTalk application is also available on Apple stores and on Google Play, providing a 360-degree approach to provide education to prospective consumers. Visitors can search for answers or even ask specific questions.

SOCIAL PRESENCE

Facebook: Orient Bell also possesses a catalogue application under TileStyles on the App store and several branded games on Google Play. The Company's Facebook page www.facebook.com/wecoverupbeautifully has over 4.3 lac likes and millions of page views per month, making it one of the top Facebook pages in the country.

YouTube: Orient Bell also has over 5.5 hours of video content on its YouTube page, demonstrating the Company's product efficacy, especially those of its patented products.

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, 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

After 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 Bell's Product Innovation Team and interacting with customers and ensuring that Orient Bell is run by a team of great professionals.

MR. DHRUV M. SAWHNEY

Non-Executive and Independent Director

Mr. Sawhney graduated with a Master's degree in Mechanical Sciences from Emmanuel College, University of Cambridge, U.K. and an M.B.A with distinction from the Wharton School, University of Pennsylvania, U.S.A. He was on the Dean's list for all terms, came second in the University, and is a life member of Beta Gama Sigma.

Mr. Sawhney received the Chevalier de la Legion d'Honneur from President Jacques Chirac of the France, and was made an Honorary Lieutenant of the Royal Victorian Order (LVO) by HM Queen Elizabeth II. Mr. Sawhney was past President of the Confederation of Indian Industry (CII). He received the 'Lifetime Achievement Award' from the Sugar Technologists' Association of India, and was made 'Indian Business Leader of the Year' by Horasis.

Mr. Sawhney is Co-Chair of the Indo-French CEO's Forum set up by the President of France and the Prime Minister of India. He is the Chairman of IIM, Kashipur, and a past Chairman of the Doon School, one of India's premier schools. Mr. Sawhney is also a Companion Member of the Chartered Institute of Management, UK. Mr. Sawhney is Chairman and CEO of Triveni Engineering and Industries Ltd. and Triveni Turbine Ltd.

Mr. Sawhney chairs the Board of Trustees of North India's oldest private charitable hospital (named after his great grandfather, and inaugurated by the first President of India), for the weaker sections of society.

MR. K.M. PAI

Non-Executive and Non-Independent Director

Mr. Pai is M.Sc. from IIT, Bombay, MBA (Finance) from IIM, Bangalore, ACMA, ACS with around 40 years of rich experience across finance, costing, systems, operations, marketing and general management having worked at ABB, BHEL, Bajaj Tempo and Murudeshwar Ceramics. He was last associated with M/s Bell Ceramics Limited (BCL) as its Managing Director looking after the overall working of BCL. He is actively associated with FKCCI and CII and has served on several of their committees.

MS. MADHAVI M. KAPADIA

Non-Executive and Independent Director

Ms. Madhavi M. Kapadia has been nominated by IDBI Bank, one of the Company's lender. She is an economics graduate with post-graduate degree in financial management. She has 30 years experience, with a major exposure in funding projects. She is attached to the Corporate Banking Group of the Bank at present. Being a Nominee Director, she is not liable to retire by rotation.

MR. N.R SRINIVASAN

Non-Executive and Independent Director

By education and profession, Mr. N.R. Srinivasan is a ceramic technologist. As senior advisor to the Government of India and later at the United Nations and as consultant on ceramic industry development, he has over 50 years of experience in this field. He has represented India and the UN in several conferences and has done field work in ceramic industry development in a number of countries and is author of a number of publications.

MR. P.M. MATHAI

Non-Executive and Independent Director

Mr. Mathai is a B.Tech. chemical engineering from IIT Kanpur, PGDM 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 and 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.

MR. R. N. BANSAL

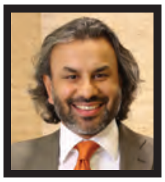
Non-Executive and Independent Director

Mr. R. N. Bansal is a commerce graduate and M. A. (Economics) and an eminent professional. He is a fellow member of the Institute of Chartered Accountants of India since 1954 and an Associate member of the Institute of Company Secretaries of India. He has served the Department of Company Affairs in various capacities such as Registrar of Companies, Regional Director and retired as member, Company Law Board. He was Director (Investment) and Additional Controller of Capital Issues in the Ministry of Finance. He was also a nominee of the Central Government on the Central Council of Institute of Chartered Accountants of India, Institute of Company Secretaries of India and Governing Board of various stock exchanges.

PROFILE OF OUR SENIOR MANAGEMENT TEAM

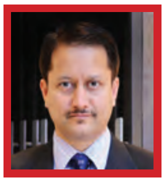
MR. MAHENDRA K. DAGA - *Chairman and Managing Director*

Mr. Mahendra K. Daga, Promoter and Chairman and Managing Director of the Company is an industry stalwart with a vast experience in the Indian tile industry and the commissioning of tile plants. Mr. Daga is the Founder member of Indian Council of Ceramic Tiles & Sanitaryware.



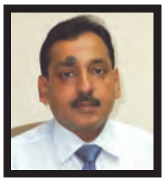
MR. MADHUR DAGA - *Executive Director*

Mr. Madhur Daga is the Promoter and Executive Director of the Company. Having more than 18 years of experience in managing businesses, he is actively engaged in the business focusing on design solutions and marketing with key influencers.



MR. VIJAY SHANKAR SHARMA - *Chief Executive Officer*

Mr. Vijay Shankar Sharma is the Chief Executive Officer of the Company. Mr. Sharma joined the Company as the CFO in the year 2008 and has a rich experience of over 20 years in MNCs like ICI India, Ranbaxy, Idea Cellular and Vodafone.



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 and played a key role in operational integration of Bell Ceramics. Mr. Agarwal has over 25 years of experience in ceramic industry.

MR C.S. MURTHY - *Quality and R&D Head*

Mr. C.S. Murthy is the Quality and R&D Head. He is a chemistry graduate from Karnataka University with a diploma in metallurgy. With around 36 years of total work experience, he heads our Quality, research and development department.

MR. ASHISH MEHTA - *President, Sales and Marketing*

Mr. Ashish Mehta is the President, Sales and Marketing of the Company. Mr. Mehta joined the Company in the year 2011 and has a rich experience of over 23 years in the field of sales and marketing. He has ground level understanding of micro-markets across India, championing the transition of the Company to a B2C company.

MS. MARIA JOSE CASTILLO - *Chief Product and Solution Designer*

Ms. Maria Jose Castillo is the Chief Product and Solution Designer of the Company. She heads the design studios/offices at Sikandrabad (India) and Castellon (Spain). She is a renowned designer in the Spanish tile design and development industry. She brings an international perspective to the tile designing at the Company.

MR JAYWANT M. PURI - *Vice President (Finance and Accounts)*

Mr. Jaywant M. Puri is the Vice President (Finance and Accounts) of the Company. He is responsible for all the strategising and implementation of financial initiatives for both Orient and Bell brands. Mr. Puri has a work experience of over 25 years across organisations like Bharti Airtel, Pepsico, HCL Connect and Escorts.

MR. YASHPAL SONI - *General Manager – Materials*

Mr. Yashpal Soni is General Manager – Materials. He is responsible for planning and implementation of annual budgets for materials resourcing for the plants with focusing on cost reduction, vendor development, enforcing SLAs, freight costs.

MR. R.S. MANN - *AGM-SCM and Technical Services*

Mr. R.S. Mann is AGM- Supply Chain Management and Technical Services. He is responsible for coordination of logistics operations of Orient and Bell brands SKUs being manufactured at plants and in the Western zone.

FOCUSED ON STRENGTHENING SHAREHOLDER VALUE

Earnings per share

Our focus on strengthening earnings per share is reflected in embracing the following initiatives:

- Adding high-value products to our overall portfolio in addition to growing volume sales of our products
- Scaling operational production volumes to not just align with growing marketplace requirements but also optimise overall cost structures through reaping the benefits of economies-of-scale
- Managing working capital responsibly and focusing on de-leveraging our Balance Sheet

Profit before tax (₹ in crore)

2010-11	2011-12	2012-13
14.47	11.17	17.43

Earnings per share (₹)

2010-11	2011-12	2012-13*
9.28	9.93	7.24

* EPS for 2012-13 declined 27% to ₹ 7.24 following a deferred tax provision; without this provision, it would have increased 29% to ₹ 12.84.

Dividend

The focus on rewarding shareholders to grow their value of investments is reflected in our consistent dividend-paying track record. We have also maintained a prudent balance between shareholder payout and funds reinvestment back into business for growing the long-term value of our business.

Dividend per share (%)

2010-11	2011-12	2012-13
20%	15%	15%

Going ahead

Orient Bell expects to embrace several future-facing strategies that will grow the long-term value of its business:

- Focus of patent-pending products and look for licensing opportunities of technology abroad
- Register growing sales of value-added digital tiles and hence strengthen margins
- Grow overall operational volumes to optimise costs of production in addition to benefitting from operational excellence programmes unleashed across all our three units
- Focus on tightening working capital and inventory management to liberate the cash trapped in the system
- Work on retail expansion to achieve wider and deeper product availability, especially coincide with the growing output of digital tiles
- Focus on engaging customers online through our e-showroom and e-slanter programmes in addition to growing traffic to our website and achieving optimal conversion of 'clicks-to-sales'
- Disseminate the core brand message through initiating print as well as radio advertisements

As such, the Company is poised to position itself on the stage where every rupee invested in the business will generate higher returns for stakeholders over the long-term.

STATUTORY SECTION

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 36th Annual Report and the audited accounts for the financial year ended March 31, 2013.

FINANCIAL RESULTS

(₹ in lac)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2013	Year ended March 31, 2012
Gross income	62,360.00	58,661.00	62,360.00	58,661.00
Profit before interest, depreciation and taxation	6,087.59	5,201.14	6,088.46	5,210.76
Interest	2,488.45	2,182.57	2,488.46	2,193.41
Depreciation	1,855.65	1,901.75	1,855.65	1,901.75
Profit before taxation	1,743.49	1,116.82	1,744.35	1,115.61
Tax expense	760.20	(229.74)	760.47	(229.74)
Profit after tax	983.29	1,346.56	983.87	1,345.35
Earning per share (₹)	7.24	9.92	7.25	9.92

OPERATING RESULTS

The financial year 2012-13 was a challenging year. During the year under review 2012-13, your Company has registered a gross income of ₹ 62,360 lac as compared to ₹ 58,661 lac in the previous financial year 2011-12, an increase of about 6%. The slow growth in retail and real estate sector across India contributed to almost flat turnover. Despite the low appreciation in gross sales, the trading sales have increased by 30%. Your Company's profit before tax has improved by 56.13% from ₹ 1,117 lac to ₹ 1,744 lac. The profit after tax has, however, reduced from ₹ 1,347 lac to ₹ 983 lac mainly due to deferred tax of ₹ 783 lac.

PERFORMANCE HIGHLIGHTS

Launch of digital tiles

During the year under review, your Company has purchased eight state-of-the- art digital printers across all its production lines in all three plants and launched its digital tile portfolio. The launch was met with considerable success. Your Company's local and international design teams in coordination with production teams have been working hard to produce our digital collection and at the same time upgrading many products and designs.

Launch of e-slanter and e-showroom applications

Your Company has launched an innovative e-slanter application, the best digital solution to virtually design walls and floors with our tiles. The e-slanter easily and effectively helps customers combine base tiles and highlighters in online or offline mode. We have also introduced improved versions of applications like e-showroom and tilesstyle.in app on iPad. These applications are helping prospective retail & professional customers choose tiles from our e-catalogue and apply those in the chosen area and virtually visualize the chosen tiled area. Your Company has aggressive plans to popularize these applications.

CUSTOMER SERVICE

Your Company has always been customer focused. During the year we made substantial progress to sharpen and deepen the focus by taking a number of measures. Some of them are:

Dedicated Customer Call centre

Your Company is the first in the industry to have a professionally-managed customer service call centre to handle customer queries, handle sales lead as well as to provide free tile education to general public through our toll-free numbers. The service is branded 'Tiles Talk' and is available on Orient brands toll-free number 1800 208 1015 and toll-free number 1800 208 5055 for the Bell brand. Anyone in the country can call and ask anything relating to buying, using, installing or maintaining tiles. If they are not satisfied with the answers or want more information, an expert calls them back.

Launch of website www.TilesTalk.com

Your Company has launched www.TilesTalk.com to provide for a tile-related information portal for architects, dealers, masons and others who are connected with tiles, to form their groups or start their own blogs among others. TilesTalk application is also available on Apple stores and Google play. This 360 degree approach to provide education to prospective consumers is a first-of-its-kind initiative in the industry. It will help general consumers and experts alike. All possible questions on tiling are listed on the website and mobile apps with answers. Visitors can search for answers they need or ask their specific questions. The same interactive website is also available through application on Android phones through Google Play and on iPad through App Store.

Customer Service Tools

We have set up easy tools for customer service and engagement like SMS 'tile' to 54242 for Orient brand and 53636 for Bell brand. Dealer locator service for anyone in the country to locate a nearby dealer by sending SMS 'Orient Locate' or 'Bell Locate' with pin code to 54242. Your Company has also implemented survey tools to survey visitors and customers for feedback, satisfaction or engagement. Many more initiatives for customer service and engagement are under way.

SOCIAL PRESENCE

Orient Bell Limited also has a catalogue application called TileStyles on App Store and several branded games on Google play. The Facebook page of the Company www.facebook.com/wecoverupbeautifully has over 4.3 lac likes and millions of page view per month making it one of the top Facebook pages in the country.

There are dedicated blogs, Linkedin, Twitter, Pinterest and YouTube etc presence for both brands and the Company. YouTube channel 'orient bell limited' and 'will it scratch my tile' have many videos featuring Company products and comparison with competitors.

SOCIAL WELFARE

Your Company has always paid heed towards social welfare and contributing towards it as a social responsibility. Your Company helps underprivileged people, hospitals and educational institutions in cash or in kind either directly or through charitable institutions/ foundations.

PRODUCT TALK

During the year under review, your Company has filed patents for two more technologies named 'Cool tiles' and 'Life tiles'. With this your Company has a portfolio of 4 amazing patent pending technologies including 'Forever tiles' and 'Germ-free tiles'. With the four patent-pending technologies, Forever tiles, Germ-free tiles, Life tiles and Cool tiles, your Company has become the most innovative tile Company and the one with most patent pending technologies in the tile world. Cool tiles were devised at Orient Bell using an innovative glaze and process control method that makes the tiles an ultra cool roof and exterior surface solutions product by acquiring an unprecedented Solar Reflective Index (SRI) value of 103 as certified by Building Energy Performance Laboratory of the Center for Environmental Planning and Technology and the Indian Institute of Science. These Cool Tiles are capable of reducing a building temperature of up to 20 degrees centigrade. They also fight global warming in a major way.

'Life tiles' is the result of an amazing technology that delivers three miraculous qualities in each tile under Sunlight or artificial UV light i) Self Cleaning, ii) Anti bacterial and iii) Smog removal; making them a clean, green and healthy all rolled into one product.

Both Cool Tiles and Life Tiles are in the process of getting registered with Indian Green Building Council (IGBC) and Green

Rating for Integrated Habitat Assessment (GRIHA) and are being launched with premium pricing under both Orient and Bell brands.

Your Company has a dedicated applied Research and Development team and has plan to continue investing in R&D to retain its leadership in innovation.

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, 2013. The total outgo of dividend inclusive of corporate tax on dividend thereon would amount to ₹ 238.20 lac as against ₹ 236.63 lac 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 a 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

In terms of Section 212 of the Companies Act, 1956 read with the General Circular no. 2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Company is not required to attach the annual accounts of its subsidiary Elit International Trading (HK) Pvt. Ltd., subject to fulfillment of conditions stipulated in the said circular. Accordingly, these accounts and the related detailed information will be made available to any shareholder on request. The annual accounts of the subsidiary company will also be kept for inspection by any shareholder at the Corporate Office of your Company and also at the venue during the Annual General Meeting. However, as per the said circular issued by MCA, financial data of the subsidiary has been furnished in the consolidated financial statements forming part of the Annual Report.

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

In accordance with the relevant provisions of Companies Act, 1956 and the Company's Articles of Association, Mr. Dhruv M. Sawhney and Mr. N.R. Srinivasan retires by rotation and being eligible offers themselves for reappointment 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:

(a) that in the preparation of annual accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) 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;

(c) 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;

(d) that the Directors had prepared the accounts for the financial year ended March 31, 2013 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.

AUDITOR'S REPORT

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

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation and gratitude to –

- All the regulatory authorities including SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies and the Depositories.
- All the Bankers, Central and State Governments, their respective departments connected with the business of the Company for their cooperation and continued support.
- The shareholders, customers, vendors, other business partners and channel partners for the trust and confidence reposed by them in the Company.

Your Directors also appreciate the hard work, competence, devoted teamwork and professionalism of the employees of the Company at all levels. The employees continue to remain the Company's most valuable resources and their dedicated efforts and enthusiasm have been pivotal to the Company's growth.

On behalf of the Board

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

Date: 08th August, 2013 — *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. Waste heat from Kilns is recycled at various locations for the purpose of drying and pre heating.
2. Minimized compressed air line losses and optimised its requirement at all points, thereby reducing power consumption.
3. Installed Variable Frequency Drives (VFDs) at multiple locations to save electrical energy.
4. Installed voltage stabilizers for better lighting efficiency.
5. Laid power cables from MP to MF plant for better load sharing of both DG & UPPCL power.
6. Installed CVT on auto sorting machine for smooth operation thereby reducing breakdowns.
7. Installed servo motors on MP dryer for fuel saving and precise control of temperature.
8. Installed cyclic timers in various agitator for power saving.
9. Gas saving in kilns by installing latest combustion system in collaboration with a well known Italian company.
10. Provided energy efficient lights i.e. LED/CFL by progressively replacing Sodium Vapor and Metal Halide Lamps.
11. Reduced idle running of machineries in the plant.
12. Modified the MP-4 press dryer exit unloading roller table so it stops automatically when there are no tiles from the dryer which has resulted in power saving.
13. Time of the Day (TOD) system is continued to take advantage of cheaper energy pricing during Non-peak hour.
14. Reduced gaps in kiln feeding significantly. This has resulted in reduction of both power & fuel consumption.
15. Erection of new FBCC for Raj spray dryer has been completed. This will result in fuel saving. Its commissioning is under process.
16. Provided energy efficient motors for power saving.

At Hoskote Plant:

1. Provided VFDs at multiple locations for a much higher efficiency in the use of electric power.
2. Minimized compressed air line losses and optimised its requirement at all points, thereby reducing power consumption.
3. Provided energy efficient lighting by progressively replacing Sodium Vapor and Metal Halide Lamps with LED lights. The process is being implemented in phases.
4. Adjustments made in the press dryer without affecting output and quality by which electricity consumption has been reduced.
5. Replaced shrink packing with strapping by which electricity consumption has been reduced.
6. Reduced idle running of machineries in the plant.
7. Continuously maintaining the Time of the Day (TOD) metering to take advantage of cheaper Non-peak hour energy pricing.
8. Regularly purchasing power from Open Access Trade through Indian Energy Exchange to reduce cost of electricity.
9. Reduced LPG consumption in press dryer by modifying hot air circulation mechanism.
10. Reduced gap in kiln feeding significantly. By doing so average production per day has been increased.

At Dora Plant:

1. Provided VFDs at multiple locations for a much higher efficiency in the use of electric power.
2. Electricity supply to Slip House ball mills changed from GEB to GG to reduce dependability on GEB also to utilize maximum efficiency of GG. Combination of VFDs installation and conversion to GG power yielding energy cost reduction.
3. In glaze preparation glaze tank storage agitators modified to reduce power consumption.
4. Changed grinding media from Silica to High Alumina to reduce grinding time – reduced electricity consumption also resulted in increased productivity.
5. Installed cyclic timers at various locations in body preparation for energy conservation.
6. Glost kiln entry table modification planned for replacing mechanical variator drives with Variable Frequency drives.
7. Efforts to reduce Gas consumption in spray dryer by increasing the slip density is in process.

(b) **Additional investment and proposals under evaluation for reduction in consumption of energy are as follows:**

At Sikandrabad Plant:

1. To provide new FBCC for Nassetti spray dryer.
2. The provide energy management system in MF plant.
3. To provide further VFDs in other strategic locations for a much higher efficiency in the use of electric power.
4. To replace many of existing metal halide lamps with LED/CFL lights.

At Hoskote Plant:

1. To provide further VFDs in other strategic locations for a much higher efficiency in the use of electric power.
2. To provide solar switch for auto operation of street lights.
3. To provide air cooling system for hydraulic oil of presses in place of power hungry chilling plant.

At Dora Plant:

1. Planning for utilization of waste heat from Gas generator to spray dryer.
2. Conversion of silica grinding media to alumina in slip house ball mills.
3. To provide solar switch for auto operation of street lights.
4. VFDs in Glaze preparation to reduce power consumption.
5. Procuring new air compressor with VFD and air dryer to improve the efficiency

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

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

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

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

B. TECHNOLOGY ABSORPTION

Research And Development (R&D)

1. Specific areas in which R&D carried out by the Company:
   By an ongoing system of applied research in body composition, by re-engineering the glaze composition and applying value engineering in packing we are able to keep the cost under control despite continuous rise in input costs.

2. Benefits derived as a result of the above R&D:
   Developed lower cost porcelain body.
   Developed high SRI value tiles (Cool Tiles).
   Developed Photo catalytic tiles. (Life tiles)
   Developed anti bacterial tiles (Germ free tiles).
   Developed high abrasion resistance tiles (Forever tiles)

3. Future plan of action:
   The Company has strived to be a leader in manufacturing of quality tiles with rich colours and in different designs at very competitive price. The Research and Development work is an ongoing process which the team at Orient Bell adapts with excellence.

4. 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. Digital printing machine, which is the ultimate technology in printing for high value product, has been installed on all lines and technology absorbed.
2. Installed and commissioned 2 Sizer and Planner Machines at two sorting lines.
3. Installed new touch screen operating panel at PKD entry table.
4. For fuel saving in kilns we have modified our kiln combustion system in collaboration with a leading Company of Italy.
5. More Variable Frequency Drives (VFDs) have been ordered for the electrical energy conservation.
6. Introduced systems for shifting plant rejection to raw material yard by which productivity has been improved.
7. Increased productivity by almost 20% after numerous modifications and system changes in the plant.
8. Successfully started production of digital FT 600x600 mm, 300x600mm, 300x450mm, 300x300mm, 250x375mm & 224x448mm.
9. Started automatic strapping at MF2 line to improve the quality of packing and to improve the productivity as well.

At Hoskote Plant:

1. Installed and commissioned Sizer and Planner Machines in all sorting lines to further improve upon the packing quality.
2. Existing dry edge-cutting has been made online which was earlier offline to improve productivity.
3. Introduced higher capacity Dry Edge Cut machine to improve production, quality and productivity.
4. Digital printing machine has been installed and technology successfully absorbed.
5. Successfully started production of 600x600mm tiles with dry process which is first in India.
6. Production trials are in process to substitute costly Fire clay with suitable local clay to reduce cost of body.
7. Successfully started production of tiles with IS Specification (Min. 300kg/cm^2 MOR and 3-6% WA) by modifying the body formulation.
8. 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. Introduced systems for shifting plant rejection to raw material yard by which productivity has been improved.
11. Modified glaze lines to make it more user friendly, thereby increasing efficiency.
12. Installed Human Machine Interface (HMI) unit at SITI dryer loading and unloading to make it more user friendly.

At Dora Plant:

1 Installed and commissioned Sizer and Planner Machines in sorting line to further improve the packing quality.

2. Successfully incorporated drive unit system for Sizer & Planner along with EPROM software.
3. Existing dry edge-cutting has been made online to improve productivity.
4. Auto packing machine installed and commissioned and technology absorbed, resulted in reduction of packing cost.
5. Digital printing machine has been installed and technology successfully absorbed.
6. Successfully started production of FT Matt & Glossy 600x600 mm edge-cut tiles.
7. Production trials are in process to increase local clay in body formulation.
8. Semi-automatic strapping machines incorporated to improve the quality of packing.
9. Started producing 600x600 mm products complying to IS Standards.

(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**

(a) Auto sorting machine: Year 2011.

(b) Squaring and Chamfering machine: Year 2007.

(c) New Squaring and chamfering machine: Year 2010.

(d) Kiln combustion modification system: Year 2011.

(e) Roto color machines: Year 2011.

(f) Sizer and Planner Machine: Year 2012.

(g) Digital Printing machines: Year 2012&2013.

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Foreign Currency used : ₹ 3,142 Lac.
2. Foreign Currency earned: ₹ 145 Lac.

On behalf of the Board

Place: New Delhi
Date: 08th August, 2013

Mahendra K. Daga
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

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

INDIAN ECONOMY

India is an integral part of the global economy: our exports and imports amount to 43% of the GDP. As a result, the country is not impervious to the events taking place in the rest of the world and the Indian economy too has slowed after 2010-11. The Indian economy decelerated for the second year in succession to 5% in 2012-13 against 6.2 % in 2011-12 – the lowest in the last decade – on account of poor performance of the manufacturing, agriculture and services sectors. An erratic monsoon and drought-like situation in many parts affected the agriculture and manufacturing sectors. The growth in the services sector was also a low 6.6% in 2012-13. This weakness extended into government finances: the fiscal deficit for 2012-13 was estimated at 5.2% of GDP and trade deficit touched an unprecedented USD 190.9 bn in 2012-13.

However, there is no reason for pessimism as even today, out of some of the larger countries of the world, only China and Indonesia have grown faster th dia in 2012-13. And in 2013-14, if we grow at the rate of 5.6% as projected by the IMF, only China would have grown faster than India. The IMF also pegs India's growth to rise to 6.3% in 2014-15.

(Data Source: CMIE-Centre for Monitoring of Indian Economy)

GLOBAL TILE INDUSTRY

The worldwide ceramic tile market is projected to reach 92.78 billion square feet by 2015, due in part to the anticipated economy recovery in the medium term and the ensuing resurgence in construction activity, as well as new product innovations, according to a new report from Global Industry Analysts Inc. The report states that Asia-Pacific and Europe collectively account for more than 80% share of the global market.

(Source: www.prweb.com)

INDIAN TILE INDUSTRY

The ceramic tiles industry worldwide is facing a situation marked by excess capacities and falling margins, and India is no exception. Indian tile industry has been ranked third in terms of tile production with approximately 680 millions square metres production per annum. The per capita consumption of tile in India has increased slightly from 0.42 square metres per person in last year to 0.50 square metres per person this year. The per capita consumption can be compared with China (2.6 square metres per person), Europe (5 to 6 square metres per person) or Brazil (3.4 square metres per person).

The digital tile has been a breakthrough in the tile industry and constitutes a major part of consumption along with the vitrified and porcelain tiles. These new product types are said to be the tiles of the future. Internationally such tiles are already the major sellers.

The organised sector of the tile industry is for about ₹ 7,200 crores which constitutes 40% of the total industry. The rest 60% of the total industry is unorganised sector bearing testimony of the growth potential of this industry.

(Source: www.icctas.com)

OUTLOOK

The key drivers for the ceramic tiles in India are the boom in the housing sector coupled by government policies fueling strong growth in the housing sector. The retail boom in the Indian economy has also influenced the demand for higher end products. Overall the bullish growth estimated for the Indian economy has significantly influenced the growth of the Indian ceramic tiles industry. The rising disposable incomes and affordable EMIs have encouraged the middle class to buy their own dwelling units and refurbish older ones, which hold out a great potential for tile consumption on a good scale. The rich and trendy look of tiles has already overtaken the conventional marble due to its 'easy to lay' and 'easy to maintain' features. Be it hospital, mall, BPO, railway station, airport or any public place, the tiles are everywhere. To maintain the interest of retail investor, inventions are done on a regular basis and introduction of Digital Tile is the newest one. With your Company's continued investment in an European Design Studio and proliferation of contemporary designs which blend Western trends and the Indian palette, there is more choice available to consumers to beautify their living and working spaces in the most durable manner. Your Company's engineering excellence has resulted in 4 specialty patent pending products which span a wide range of features and benefits. Your Company is always customer oriented and has made continual efforts in emphasizing the customer value. Your Company has launched a dedicated customer call centre and a tile related information website www.TilesTalk.com which is also available through applications on Android phones and iPads. E-slanter and e-showroom are two other innovative applications which allow customers to select and combine wall and floor tiles most suitable for their living and working spaces. This unique combination of technical and creative excellence gives us a very positive outlook to significantly increase market share in the future.

OPPORTUNITIES & THREATS

The Ceramic Tile Market in India is showing remarkable growth owing to the booming real estate sector along with the rising disposable income of the consumers. Consumers are becoming style conscious and this aesthetic sense of the consumers is leading to its increased consumption. Moreover, the user industries of ceramic tiles are also growing steadily due to its price competitiveness compared to marble leading to its increased demand from these sectors. This is further aided with the availability of ceramic tiles in various designs and different price slabs at various retail points along with the increased per capita income amongst the consumers. All these factors are indicating towards the bright future of Indian ceramic tiles industry in the coming years.

The unorganised sector and imports remain the major threat for the Indian tile industry. The continuous rise in prices of natural gas and its ripple effect is a key cost related issue impacting the tile industry. China has emerged as a major competitor and is a major threat for the Indian tile market.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Your Company deals with products which come under one segment only i.e. 'ceramics tiles'.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has strong internal control systems which include comprehensive Internal and Statutory audits. The In house internal audit framework helps in identifying the business risks and problem areas which with the guidance of Management and Audit Committee mitigated ensuing better Corporate Governance and greater efficiency. The Internal auditors conduct audits of various departments as per the Annual Internal Audit Plan duly approved by the Audit Committee. The Internal Audit Reports are periodically reviewed by the Audit Committee. The Company is continuously upgrading its internal control systems by various measures such as strengthening of information technology services, Infrastructure and use of external management services and adoption of recommendations of Audit Committee.

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 utilised capacity of all the plants was 74%. The technical performance of the Company has continued to remain satisfactory.

2. **Sales:** The Company's gross turnover increased by 6% during the year 2012-13. This includes export sales of ₹ 145 lac (FOB).

3. **Finance charges:** Finance charges for the year amounted to ₹ 2,488 lac as against the previous year of ₹ 2,183 lac. This increase of ₹ 305 lac 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 ₹ 1,856 lac as against ₹ 1,902 lac of previous year.

5. **Profit:**

a) Profit before Depreciation and Taxation amounted to ₹ 3,599 lac as against the previous year of ₹ 3,019 lac.

b) Provision for taxation-During the financial year 2012-13 the Company was subject to Minimum Alternate Tax.

(c) Net Profit for the year amounted to ₹ 983 lac as against the previous year of ₹ 1,347 lac.

(d) **Cash from Operation:** During the year ₹ 5,834 lac were generated from operations as against the previous year figure of ₹ 4,614 lac.

6. **Fixed Assets:** During the year the Gross Block increased from ₹ 52,240 lac in the previous year to ₹ 53,080 lac in the year 2012-13.

7. **Net Working Capital:**

Inventories increased to ₹13,228 lac from ₹ 10,736 lac in the previous year.

Sundry Debtors decreased to ₹ 7,337 lac as against ₹ 7,898 lac of previous year.

Loans and advances of ₹ 2,680 lac comprise of 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 ₹ 14,959 lac 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 31.03.2013, the total borrowings of the Company were ₹ 18,032 lac as against ₹ 18,223 lac in the previous year.

HUMAN RESOURCE / INDUSTRIAL RELATIONS

Mutual trust and unity of purpose are the pillars on which the corporate edifice is built and true to its philosophy, the Company is committed to maintain harmonious relationship with its work force, it being the active partner in its growth and development. The Company conducts consultations, dialogue, deliberations, negotiations and meetings in a congenial environment and arrives at amicable solutions to issues that crop from time to time.

As on 31st March 2013, the total number of employees on the payrolls of the Company was 1,557.

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	1. Cheap imports from China can affect sales and margins.	The Government of India has imposed Anti Dumping Duty on tile imports from China. Moreover, tile 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. A notification extending Anti Dumping Duty on imports from China except those from a few companies was due to expire on 26.06.2013. It was expected to be extended by the Government. However, due to late filing of appeal for extension of Anti Dumping Duty, the notification was not extended. Therefore, as on date, there is no Anti Dumping Duty on imports from any Company in China. It is pertinent to note that Orient Bell was never part of the domestic industry seeking imposition of Anti Dumping Duty. Chinese prices for most of the products manufactured by our Company are unviable due to higher cost, freight, exchange rate and supply chain issues. However, the manufacturers of large size vitrified products which command higher value are likely to face competition from Chinese imports. We understand that domestic industry is working to have Anti Dumping Duty re-imposed.

Risk Type	Risk Category	Nature of Risk	Measures to mitigate Risk
		2. 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 domestic trading contributed about 25% 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 brand pull.
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 international crude oil of past three years. Rupee exchange rate with USD also impacts natural gas price. Any adverse variation in either or both factors would adversely affect our cost and margins. Our focus on digital products which provide higher margins will help absorb some of the possible cost increase. 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. During the year 2012-13, we have upgrade both Dora and Hoskote plants to produce the popular 600x600mm floor tiles for the first time. The Company will produce this size from both plants with digital printing and Forever Tiles technology.

Risk Type	Risk Category	Nature of Risk	Measures to mitigate Risk
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.
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. We have bought digital printers on one year LC.
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 are only a few gaps.
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

Good governance facilitates efficient, effective and entrepreneurial management that can deliver value for stakeholders over the long-term. It is about commitment to values and an ethical way of conducting business. It is a set of laws, regulations, processes and customs affecting the way a company is directed, administrated, controlled and managed.

Good corporate governance underpins the success and integrity of organisations, institutions and markets. It is one of the essential pillars for building an efficient and sustainable environment. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organisation. The effectiveness of Corporate Governance in our Company depends on regular reviews, preferably regular independent reviews. The Company considers the maintenance of fair and transparent Corporate Governance initiatives to be one of its most important management issues capable of enhancing its organisational systems and structures accordingly.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's Corporate Governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate Governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure. When in doubt, disclose it.
- Make a clear distinction between personal convenience and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- Management is the trustee of the shareholders' capital and not the owner.

Corporate Governance is an integral part of the philosophy of your Company in its pursuit of excellence, growth and value creation. In addition to complying with the statutory requirements, effective governance systems and practices towards improving transparency, disclosures, internal control and promotion of ethics at work place have been one of the main focus areas of the Company.

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 2012-13 is as under:

BOARD OF DIRECTORS

I. Composition of Board

Your Company is headed by an efficient Board of Directors ('Board' for short) that exhibits leadership, integrity and judgment so as to achieve continuing prosperity and to act in the best interests of the Company. The Board plays a critical role in overseeing how the management serves the short and long-term interests of the stakeholders of the Company.

The Board comprises an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of the business in addition to their expertise in their respective areas of specialisation. As on 31st March, 2013, the Board consists of 8 (eight) Directors which include 2 (two) Executive Directors (one Executive Chairman & Managing Director and one Whole Time Director), 4 (four) Independent & Non-Executive Directors, 1 (one) Non-Independent and Non-Executive Director and 1 (one) Nominee Director of IDBI Bank Limited, which is one of the bankers/lenders of the Company. The size and composition of the Board conforms to the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

The Composition of Directors and their other Directorships/Committee Memberships in other Companies are as follows:

Sl. No.	Name of Director	Category	Directorship in other companies*	Committee chairmanship**	Committee membership**
1.	Mr. Mahendra K. Daga	P-E-CMD	3	None	None
2.	Mr. Madhur Daga	P-E-WTD	None	None	None
3.	Mr. R. N. Bansal	I-NED	9	3	6
4.	Mr. Dhruv M. Sawhney	I-NED	5	1	None
5.	Mr. N. R. Srinivasan	I-NED	None	None	None
6.	Mr. P. M. Mathai	I-NED	None	None	None
7.	Mr. K. M. Pai	NI-NED	None	None	None
8.	Ms. Madhavi M. Kapadia	Nominee Director – IDBI Bank Limited	None	None	None

P-E-CMD Promoter & Executive Chairman and Managing Director

P-E-WTD Promoter & Executive Whole Time Director

I-NED Independent Non-Executive Director

NI-NED Non-Independent Non-Executive Director

None of the Directors on the Board is a member of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees as specified in Clause 49, across all the companies in which he/she is a Director.

* Excludes the directorship held in private limited companies, foreign companies and companies incorporated under Section 25 of the Companies Act 1956.

** For this purpose only the membership/chairmanship in Audit Committee and Share Transfer-cum-Investor Grievances Committee in all other public limited companies has been considered.

II. Attendance of Directors at the Board Meetings held during the financial year 2012-2013 and the last Annual General Meeting (AGM)

The detail of attendance of each Director at the Board Meetings held during the year 2012-2013 and last Annual General Meeting is as follows:

Sl. No.	Name of Director	No. of meetings		Whether attended last AGM
		Held	Attended	
1.	Mr. Mahendra K. Daga	6	3	Yes
2.	Mr. Madhur Daga	6	5	No
3.	Mr. R. N. Bansal #	6	3	No
4.	Mr. Dhruv M. Sawhney	6	1	No
5.	Mr. N. R. Srinivasan	6	6	Yes
6.	Mr. K. M. Pai *	6	5	Yes
7.	Mr. P. M. Mathai **	6	5	Yes
8.	Ms. Madhavi M. Kapadia $	6	1	No

* Appointed on 02nd April, 2012

** Appointed on 23rd April, 2012

$ Appointed on 06th June, 2012

Mr. R.N. Bansal has not attended the AGM due to illness. However, Mr. Mahendra K. Daga, Mr. N. R. Srinivasan, Mr. P.M. Mathai and Mr. K.M. Pai, the members of Audit Committee were available at the AGM to answer the queries of shareholders.

III. Meetings of the Board of Directors

Six Board Meetings were held during the financial year 2012 – 13 on 2nd April 2012, 30th May 2012, 14th August 2012, 28th September 2012, 8th November, 2012 and 13th February 2013 respectively. The maximum time gap between any two meetings was 97 days and the minimum time gap was 41 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, Mr. Mahendra K. Daga, Mr. P. M. Mathai and Mr. K. M. Pai are its members. The Company Secretary acts as the Secretary of the Committee.

During the financial year ended on 31st March 2013, four Audit Committee Meetings were held on 30th May 2012, 14th August 2012, 8th November 2012 and 13th February 2013 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	Category	No. of meetings	
			Held	Attended
1.	Mr. R. N. Bansal	Independent, Non-Executive	4	3
2.	Mr. N. R. Srinivasan	Independent, Non-Executive	4	4
3.	Mr. Mahendra K. Daga	Promoter, Executive	4	2
4.	Mr. P. M. Mathai*	Independent, Non-Executive	4	3
5.	Mr. K. M. Pai*	Non-Independent, Non-Executive	4	3

* Appointed as members of the Committee on 30th May 2012.

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 the Chairman with Mr. Mahendra K. Daga and Mr. Madhur Daga as the other two members. The Company Secretary acts as the Secretary of the Committee. During the year ended 31st March 2013, 2 (two) Committee Meetings were held on 04th December 2012 and 31st January 2013 respectively.

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 2012. During the year, the Company has received only six complaints from shareholders out of which five complaints were resolved and one complaint is pending for disposal as on 31st March, 2013.

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 the Remuneration Committee as on 31st March, 2013 is Mr. N. R. Srinivasan as Chairman, Mr. Dhruv M. Sawhney, Mr. R. N. Bansal and Mr. K. M. Pai as its members. The Company Secretary acts as the Secretary of the committee. During the year under review only one meeting of members of Remuneration Committee was held on 14th August, 2012.

The details of remuneration paid to the directors during the financial year 2012-13 are as follows:

(in ₹)

Name of the Director	Salary	Provident fund	Perquisites	Commission	Sitting fee	Total
Mr. Mahendra K. Daga	1,03,40,000	3,900	1,57,141	-	-	1,05,01,041
Mr. Madhur Daga	93,50,000	9,360	1,39,310	-	-	94,98,670
Mr. R. N. Bansal	-	-	-	2,00,000	1,10,000	3,10,000
Mr. Dhruv M. Sawhney	-	-	-	1,00,000	20,000	1,20,000
Mr. N. R. Srinivasan	-	-	-	2,00,000	1,95,000	3,95,000
Mr. K. M. Pai	-	-	-	-	1,50,000	1,50,000
Mr. P. M. Mathai	-	-	-	-	1,45,000	1,45,000
Ms. Madhavi M. Kapadia*	-	-	-	-	20,000	20,000

* Sitting fee was paid in the name of IDBI Bank Limited.

Details of shareholding of Non-Executive Directors as on 31st March 2013

Name of Non-Executive Director	No. of shares held
Mr. R. N. Bansal	Nil
Mr. Dhruv M. Sawhney	Nil
Mr. N. R. Srinivasan	Nil
Mr. K. M. Pai	Nil
Mr. P. M. Mathai	Nil
Ms. Madhavi M. Kapadia	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 practices.

The Company does not operate any Stock Option Scheme as on 31st March, 2013. However, the members of the Company have in an Extraordinary General Meeting held on 10th July, 2013, approved the Orient Bell Employees Stock Option Scheme, 2013. The Directors are not eligible to get any shares under the said Scheme.

iv) Finance and Borrowing Committee

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 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 comprise of three Directors viz. Mr. Mahendra K. Daga as 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 6 (Six) times during the financial year ended 31st March 2013 on 29th August 2012, 6th October 2012, 8th November, 2012, 12th February, 2013, 25th February, 2013 and 25th March, 2013 respectively. All the members were present at the meeting.

v) Compensation Committee

The Compensation Committee is constituted by the Board on 08th November, 2012 for the purpose of finalising, administering and supervising the matters applicable to grant, vest and exercise of options under the Employees Stock Option Scheme and the matters prescribed under the SEBI Guidelines. The Committee comprise of the following Directors:

a. Mr. Madhur Daga
b. Mr. N.R. Srinivasan
c. Mr. R.N. Bansal
d. Mr. P.M. Mathai

No meeting of the Committee was held during the financial year 2012-2013.

General Body Meetings

Detail of last three Annual General Meetings:

Year	Location	Day and date	Time	Special resolutions
2009-10	Regd. Off: 8, Industrial Area Sikandrabad - 203 205, Distt. Bulandshahr (U.P.)	Tuesday, 31st August, 2010	11.30 a.m.	I. Reappointment 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 passed in the Annual General Meeting.
2011-12	-do-	Friday, 28th September, 2012	11.30 a.m.	I. Reappointment of Mr. Mahendra K. Daga as Managing Director of the Company. II. Increase/revision in remuneration of Mr. Madhur Daga as Executive Director.

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

Postal ballot

During the year ended 31st March, 2013, no resolution was passed through postal ballot. No resolution whether Special/ Ordinary Resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

Disclosures

i) The Company does not have any material related party transactions that may have potential conflict with the interests of the Company at large. The details of related party information and transactions are placed before the Audit Committee from time to time. The disclosures regarding the transactions with the related parties are disclosed in note no. 27 forming part of the Accounts.

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

iii) The Company is complying with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has also fulfilled the following non-mandatory requirements as prescribed in Annexure I D 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 concern/the Audit Committee without necessarily informing their supervisors to report about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Further, this mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism.

Subsidiary companies

Your Company does not have a materially non-listed Indian subsidiary company as per the criteria laid down in Clause 49 of the Listing Agreement. However, as on 31st March, 2013 the Company has a wholly owned subsidiary company namely Elit International Trading (HK) Pvt. Limited incorporated in Hong Kong.

Means of communication

The quarterly, half-yearly and annual results of the Company are submitted with Bombay Stock Exchange and National Stock Exchange where the equity shares of the Company are listed and the same are published in leading newspapers viz. Financial Express (English) and Jansatta/ Rashtriya Sahara (Hindi) in compliance with the Listing Agreement.

The results are also posted on 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 has also dedicated an e-mail ID exclusively for redressal of investor complaints in compliance of Clause 47 (f) of the Listing Agreement namely investor@orientbell.com which is also displayed on the Company's website www.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 Chairman and Managing Director and VP (Finance & Accounts) 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 & 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, 2013."

Sd/-

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

Dated: 26th July, 2013 *Chairman & Managing Director*

General shareholder information

Annual General Meeting

Date	27 September, 2013
Time	11.30 a.m.
Venue	8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)
Financial Year	1st April to 31st March
Financial reporting for financial year 2013-14 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.*

*subject to change of law

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 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2013 to 27th September, 2013 (both days inclusive) as well as for the purpose of Annual General Meeting.

Dividend payment for 2012-13

Dividend on Equity Shares as recommended by the Directors for the year ended 31st March 2013 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 19th September, 2013.

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 19th September, 2013.

Listing

Presently, 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 Company has paid the Annual Listing Fee to BSE and NSE for the financial year 2013–14 within stipulated time.

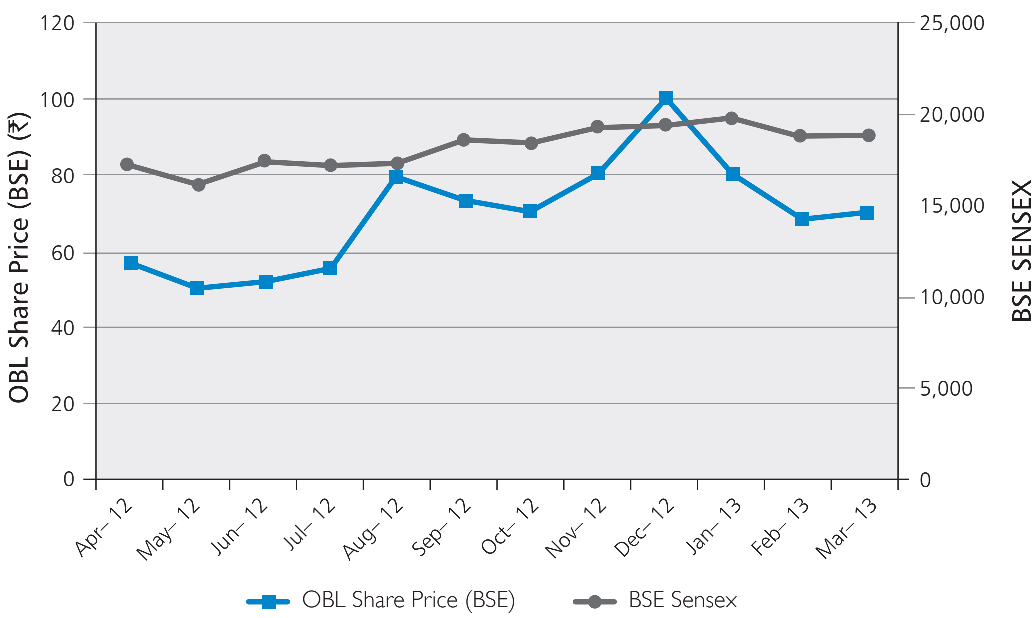
Market price data

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 Limited				BSE Sensex	National Stock Exchange of India Limited			
	High Price	Low Price	Close Price	No. of Shares Traded	Month Close	High Price	Low Price	Close Price	No. of Shares Traded
Apr-12	62.95	52.00	56.60	25,454	17,318.81	57.70	50.55	53.30	25,627
May-12	60.00	42.00	50.40	14,442	16,218.53	56.65	43.00	50.00	15,699
Jun-12	57.00	47.70	52.25	17,119	17,429.98	55.80	47.50	52.00	15,157
Jul-12	59.45	50.55	55.85	25,948	17,236.18	59.70	50.45	55.55	39,890
Aug-12	80.65	52.00	79.50	2,52,318	17,429.56	81.90	50.05	77.55	2,64,933
Sep-12	82.85	66.45	73.30	1,12,959	18,762.74	81.05	70.25	72.80	84,602
Oct-12	77.60	67.25	71.30	17,042	18,505.38	75.70	66.20	71.00	28,045
Nov-12	81.35	67.15	80.35	37,113	19,339.90	81.45	67.65	80.45	51,296
Dec-12	108.95	80.00	99.20	1,32,292	19,426.71	108.50	78.00	99.10	2,68,888
Jan-13	110.75	74.00	80.40	74,318	19,894.98	108.70	79.00	80.00	1,70,960
Feb-13	92.30	68.60	68.65	35,881	18,861.54	92.95	69.00	69.00	91,179
Mar-13	90.00	57.50	70.50	2,74,443	18,835.77	88.45	57.55	71.40	5,35,516

Stock price performance

The performance of Company's Equity Shares during 2012-13 in comparison to BSE Ltd. Sensitive Index was as follows:



Registrar and Share Transfer Agent

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

Share transfer system

Shareholders/Investors are requested to send share transfer related documents directly to our Registrar and Share Transfer Agent or to the 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 a stipulated time frame.

Distribution of shareholding as on 31st March 2013

No. of Shares	Total shareholders	% Total shareholders	Total shares	% Total shares
Up to 500	13,613	93.41	8,44,263	6.22
501 to 1,000	471	3.23	3,51,358	2.59
1,001 to 2,000	242	1.66	3,43,554	2.53
2,001 to 3,000	84	0.58	2,08,725	1.54
3,001 to 4,000	38	0.26	1,35,282	1.00
4,001 to 5,000	36	0.25	1,64,388	1.21
5,001 to 10,000	44	0.30	3,03,312	2.23
10,001 to 50,000	31	0.21	5,99,876	4.42
50,001 and 1,00,000	4	0.03	3,25,071	2.39
1,00,001 and above	10	0.07	1,02,97,622	75.87
Total	14,573	100.00	1,35,73,451	100.00

Shareholding pattern as on 31st March 2013

Category	No. of shares	% of total shares
Promoter and promoter group	1,01,63,287	74.88
Bodies corporate	4,44,967	3.28
General public	29,23,006	21.53
NRIs/OCBs	42,191	0.31
Total	1,35,73,451	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 2013

Electronic holdings			Physical holdings			Total		
No. of folios	No. of shares	%	No. of folios	No. of shares	%	No. of folios	No. of shares	%
10,969	1,30,99,467	96.51	3604	4,73,984	3.49	14,573	1,35,73,451	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/ADR /Warrants

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

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

Corporate office:
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

Address for correspondence:
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:

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

ii) Village Dora, Taluka Amod,
Dist. Bharuch – 392 230,
Gujarat

iii) Village Chokkahalli,
Taluka Hoskote,
Bangalore (Rural) - 562 114,
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 2013, 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: 19.07.2013

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 Mahendra K. Daga, Chairman and Managing Director and Jaywant M. Puri, Vice President (Finance & Accounts) of the Company, hereby certify that :

(a) We have reviewed financial statements and the cash flow statement for the year 2012-2013 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 that:

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

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

(iii) 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.

	Mahendra K. Daga	**Jaywant M. Puri**
Place : New Delhi	*Chairman and Managing Director*	*Vice President*
Date : 8th Aug, 2013		*(Finance & Accounts)*

STANDALONE ACCOUNTS

Independent Auditor's Report

To
The Shareholders
M/S ORIENT BELL LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of M/S ORIENT BELL LIMITED, ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;

   (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

   As required by section 227(3) of the Act, 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 Balance Sheet, Statement of Profit and 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 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 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

   f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

(Sandeep Dinodia)
Partner
M. No. 083689

Place: New Delhi
Dated: 08th August, 2013

Annexure To The Auditor's Report

(Referred to in paragraph 5 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 ₹23,69,99,400 and the year-end balance of loans taken from such parties was ₹16,33,99,400.

(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) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

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, 2013 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 (in ₹)	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	Entry tax and other dues	3,20,813	2002-03	Ghaziabad Tribunal
Local Sales Tax Act	Sales Tax Demand	41,513	2003-04	Allahabad High Court
Local Sales Tax Act	Sales Tax Demand	5,98,623	2003-04	Allahabad High Court
Local Sales Tax Act	Sales Tax Demand	18,94,965	2003-04	Allahabad High Court
Local Sales Tax Act	Sales Tax Demand	19,19,704	2004-05	Allahabad High Court
Local Sales Tax Act	Sales Tax Demand	9,73,790	2004-05	Allahabad High Court
Local Sales Tax Act	Sales Tax Demand	14,87,865	2005-06	Allahabad High Court
Local Sales Tax Act	Sales Tax Demand	15,07,144	2005-06	Allahabad High Court
Local Sales Tax Act	Sales Tax Demand	12,08,757	2005-06	Allahabad High Court
Local Sales Tax Act	Sales Tax Demand	7,65,898	2006-07	Allahabad High Court
Local Sales Tax Act	Sales Tax Demand	1,03,56,746	2001-02	Allahabad High Court
Central Excise Act	Excise And Other Dues	1,15,860	2005-06	Commissioner (Appeals) Noida
Central Excise Act	Excise And Other Dues	27,02,173	2012	CESTAT, New Delhi
Central Excise Act	Excise And Other Dues	6,70,460	2012	CESTAT, New Delhi
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	32,73,194	AY:2009-10	CIT (Appeals), New Delhi
Income Tax Act, 1961	Income Tax demand	15,74,700	AY:2010-11	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), Vadodara
Central Excise & Customs Act	Service Tax demand	6,19,506	2005 to 2011	Service Tax Deptt., Dora, Bharuch
Central Excise & Customs Act	Service Tax demand	4,77,412	2008-09 to 2011-12	Service Tax Deptt. Hoskote, Bangalore
Central Excise & Customs Act	Service Tax demand	48,75,725	2011-12	Dy./Addl. Commissioner Excise Division V.

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

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

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

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

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

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

xvi) 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: 08th August, 2013

Balance Sheet as at March 31, 2013

(Amount in ₹)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	13,57,34,510	13,57,34,510
(b) Reserves and Surplus	4	161,81,71,322	155,66,56,765
		175,39,05,832	169,23,91,275
Non-Current Liabilities			
(a) Long-Term Borrowings	5	82,68,03,298	96,59,48,877
(b) Deferred Tax Liabilities (Net)	6	6,74,40,981	-
(c) Other Long Term Liabilities	7	25,89,859	21,37,333
(d) Long-Term Provisions	8	1,35,60,937	1,33,53,403
		91,03,95,075	98,14,39,613
Current Liabilities			
(a) Short-Term Borrowings	9	97,63,91,139	85,63,20,112
(b) Trade Payables	7	107,18,54,273	98,03,15,402
(c) Other Current Liabilities	7	38,37,47,658	27,06,43,731
(d) Short-Term Provisions	8	4,03,21,712	9,29,99,578
		247,23,14,782	220,02,78,822
TOTAL		**513,66,15,689**	**487,41,09,710**
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		227,46,71,442	233,30,16,985
(ii) Intangible Assets		60,03,809	37,11,939
(iii) Capital Work-in-Progress		18,32,50,815	1,71,05,690
(iv) Intangible Assets under Development		-	12,19,985
(b) Non-Current Investments	11	20,24,08,207	20,24,08,207
(c) Deferred Tax Assets (Net)	6	-	1,08,75,105
(d) Long-Term Loans and Advances	12	13,98,32,759	17,46,67,716
(e) Other Non-Current Assets	14.2	59,29,396	2,12,99,006
		281,20,96,428	276,43,04,633
Current Assets			
(a) Inventories	13	132,28,34,362	107,36,32,394
(b) Trade Receivables	14.1	73,37,26,376	78,97,94,372
(c) Cash and Bank Balance	15	7,88,83,270	6,98,14,912
(d) Short-Term Loans and Advances	12	17,13,08,339	15,14,25,104
(e) Other Current Assets	14.2	1,77,66,912	2,51,38,297
		232,45,19,259	210,98,05,079
TOTAL		**513,66,15,689**	**487,41,09,710**
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)
Partner
M.No. 083689

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: 08th August, 2013

Vijay Shankar Sharma
Chief Executive Officer

Yogesh Mendiratta
Company Secretary

Jaywant Puri
Vice President, Finance & Accounts

Statement of Profit and Loss for the year ended March 31, 2013

(Amount in ₹)

Particulars	Note No.	For the Year ended March 31, 2013	For the Year ended March 31, 2012
I. Revenue from Operations (Gross)	16	620,49,13,281	585,32,55,132
Less: Excise duty		46,78,88,731	39,05,07,483
Revenue from Operations (Net)		573,70,24,550	546,27,47,648
II. Other Income	17	3,10,80,148	1,27,96,535
III. Total Revenue (I + II)		**576,81,04,698**	**547,55,44,183**
IV. Expenses:			
(a) Cost of Materials Consumed	18	99,72,51,785	113,49,62,879
(b) Purchases of Stock-in-Trade	19	162,81,75,210	106,52,63,271
(c) Decrease/ (Increase) in Inventories	19	(28,49,57,875)	(8,74,81,137)
(d) Employee Benefits Expense	20	54,44,89,272	55,23,17,627
(e) Finance Costs	21	24,88,44,564	21,82,56,928
(f) Depreciation and Amortization Expense	22	18,55,64,506	19,01,74,667
(g) Other Expenses	23	227,43,88,094	230,16,15,604
Total expenses		**559,37,55,555**	**537,51,09,840**
V. Profit before exceptional and extraordinary items and tax (III-IV)		17,43,49,143	10,04,34,343
VI. Exceptional items	24	-	(1,12,47,940)
VII. Profit before tax (V - VI)		17,43,49,143	11,16,82,283
VIII. Tax expense:			
Current Tax		3,48,84,000	2,25,62,072
Less:- MAT Credit		(3,48,84,000)	(2,25,62,072)
		-	-
Deferred Tax		7,83,16,086	11,24,391
Income Tax Adjustment for Earlier Years		(22,96,207)	(2,40,98,794)
IX. Profit (Loss) after tax (VII-VIII)		**9,83,29,264**	**13,46,56,686**
X. Earnings per share:	25		
(1) Basic		7.24	12.79
(2) Diluted		7.24	9.92
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)
Partner
M.No. 083689

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: 08th August, 2013

Vijay Shankar Sharma
Chief Executive Officer

Yogesh Mendiratta
Company Secretary

Jaywant Puri
Vice President, Finance & Accounts

Cash Flow Statement for the year ended March 31, 2013

(Amount in ₹)

Particulars		For the Year ended March 31, 2013	For the Year ended March 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax		17,43,49,143	11,16,82,283
Adjustments for:			
Depreciation and amortization		18,55,64,506	19,01,74,667
Interest Paid		24,88,44,564	21,80,50,019
Loss/(Gain) on sale of fixed assets		(88,20,279)	8,01,720
Loss/(Gain) on exchange fluctuation		(35,16,617)	23,03,735
Interest Income		(59,94,971)	(37,58,187)
Misc. liability written back & Non Cash Items		-	(21,40,707)
Sundry Balance Written Off		19,33,454	26,42,079
Depreciation Written Back		-	(1,12,47,940)
Operating profit before working capital changes		**59,23,59,801**	**50,85,07,669**
Movement in working capital:			
Increase/(Decrease) in Trade Payables & Other Current Liabilities		21,00,65,640	16,33,05,825
Increase/(Decrease) in Provisions		(6,55,94,821)	1,02,98,365
(Increase)/Decrease in Trade Receivables		5,43,70,351	(26,09,75,036)
(Increase)/Decrease in Loans and advances		5,21,31,929	10,19,82,899
(Increase)/Decrease in Inventories		(24,92,01,968)	(4,11,56,282)
(Increase)/Decrease in Other Current Assets		(2,60,82,850)	(71,24,636)
(Increase)/Decrease in Other Non-Current Assets		1,53,69,610	(1,34,59,074)
Cash generated from operations		**58,34,17,692**	**46,13,79,731**
Direct Tax paid (Net of Refunds)		2,19,16,794	1,58,13,424
Net cash inflow from/(used in) operating activities	(A)	**56,15,00,898**	**44,55,66,307**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(15,23,13,502)	(11,67,26,337)
Purchase of CWIP		(16,49,25,140)	(78,69,507)
Sale of Fixed Assets		1,86,81,054	77,09,412
Purchase of Investment		-	(20,24,08,207)
Sale of Investment		-	20,07,81,657
Interest Income		59,94,971	37,58,187
Net cash from/ (used in) investing activities	(B)	**(29,25,62,617)**	**(11,47,54,796)**

(Amount in ₹)

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Borrowings and Other Long Term Liabilities	(2,08,16,486)	(6,68,46,086)
Dividend Paid	(2,36,63,107)	(2,45,57,803)
Interest paid (net)	(24,88,44,564)	(21,69,65,640)
Shares to be issued in Amalgamation	-	3,04,34,510
Net cash inflow from/(used in) financing activities (C)	**(29,33,24,157)**	**(27,79,35,018)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(2,43,85,877)**	**5,28,76,493**
Cash and cash equivalents at the beginning of the year	6,02,24,390	17,32,604
Cash and cash equivalents acquired on Amalgamation	-	56,15,293
Cash and cash equivalents at the end of the year	**3,58,38,514**	**6,02,24,390**
Components of cash and cash equivalents		
Cash on hand	7,87,649	12,39,236
Cheques on hand		7,61,106
With banks - on current account	3,33,58,160	5,69,48,005
- on unpaid dividend account	14,70,706	12,76,044
- on deposit account	2,22,000	-
Total Cash and Cash equivalent (Note no. 15)	**3,58,38,514**	**6,02,24,391**

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)
Partner
M.No. 083689

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: 08th August, 2013

Vijay Shankar Sharma
Chief Executive Officer

Yogesh Mendiratta
Company Secretary

Jaywant Puri
Vice President, Finance & Accounts

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

NOTE 1 : CORPORATE INFORMATION

Orient Bell Limited (the Company) 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 brands 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 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 2.1 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNT

a) 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 result 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.

b) 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.

c) Intangible Assets

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

d) 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 installed at Sikanderabad plant till 31st March 2011 which is provided as under:

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

=> 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.

e) Revenue/Purchase Recognition

Revenue is recognized to the extent that it is probable 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 revenue is recognized:

Sale of goods

Revenue from sale of goods is recognised when all the significant risk and rewards of ownership 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 government, 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.

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

Interest income is included under the head "Other Income" in the Statement of Profit and Loss.

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.

f) **Borrowing Cost**

Borrowing costs includes Interest, Amortisation of ancillary 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.

g) **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 recognise 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.

h) **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.

i) **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 cost, 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.

j) **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

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

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.

k) Taxes on Income

Tax expense comprises current tax and deferred tax.

Current Tax

Current Tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessment/appeals. 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 the 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.

l) Employee Benefits

(a) Short-term employee benefit

Short-term employee benefits including short term compensated absences 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.

(b) Defined Contribution Plan

Contributions payable to recognised provident fund, employee state insurance scheme and superannuation scheme, which are substantially defined contribution plans, are recognised as expense in the Statement of Profit and Loss, as they incurred.

In addition to the provident fund contribution to Govt provident funds, the Company is also having its own provident fund irrevocable trust to which contributions of certain employees along with the corresponding employer contributions are deposited within the specified time.

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.

(c) Defined Benefit Plan

The obligation in respect of defined benefit plans, which cover Gratuity, are provided for on the basis of an actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

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.

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.

(d) Other Long-term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

On the basis of Company's policy, compensated absences up to 60 days are recognised as long term employee benefit and compensated absences beyond 60 days, if any are to be recognised as short term employee benefit.

m) 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 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.

n) 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.

o) Lease

Leases, where lessor effectively retains 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.

p) 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.

q) Cash flow Statement

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

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

NOTE 3 : SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised:		
4,00,00,000 (March 31,2012: 4,00,00,000) Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
1,50,00,000 (March 31,2012: 1,50,00,000) Non Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each	15,00,00,000	15,00,00,000
	55,00,00,000	55,00,00,000
Issued, Subscribed & Paid-up:		
1,35,73,451 (March 31,2012: 1,05,30,000) Equity Shares of ₹ 10/- each fully paid up	13,57,34,510	10,53,00,000
Shares Pending Allotment on Amalgamation	-	3,04,34,510
Nil (March 31,2012: 30,43,451) Equity Shares of ₹ 10/- each fully paid up		
	13,57,34,510	13,57,34,510

(a) Reconciliation Statement of Equity Share Capital

(Amount in ₹)

Particulars	March 31, 2013		March 31, 2012	
	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	30,43,451	3,04,34,510	-	-
Less:- Buy back during the year	-	-	-	-
Balances of Shares at the end of the year	1,35,73,451	13,57,34,510	1,05,30,000	10,53,00,000

(b) 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, 2013, the amount of per share dividend recognized as distributions to equity shareholders was ₹1.50 per share (March 31, 2012: ₹1.50 per share). 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.

(c) Details of shareholder holding more than 5 percent shares in the Company

(Amount in ₹)

Particulars	March 31, 2013		March 31, 2012	
	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	28,78,089	21%	28,01,054	27%
Sh Madhur Daga	10,23,264	8%	9,45,993	9%
Good Team Investment & Trading Company Pvt Limited	23,62,914	17%	23,62,914	22%
Orient Bell Holding Trust	20,79,100	15%	-	-

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

NOTE 4 : RESERVES AND SURPLUS

(Amount in ₹)

Particulars		As at March 31, 2013	As at March 31, 2012
Capital Reserve			
Balances at the beginning of the year		25,57,050	-
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**	**25,57,050**
Capital Restructuring			
Balances at the beginning of the year		46,15,903	-
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**	**46,15,903**
Amalgamation Reserve			
Balances at the beginning of the year		9,13,03,550	-
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**	**9,13,03,550**
Securities Premium			
Balances at the beginning of the year		10,00,00,000	-
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**	**10,00,00,000**
Revaluation Reserve			
Balances at the beginning of the year		64,71,59,521	-
Add:- Addition on account of Amalgamation		-	66,13,17,492
Less:- Deletion during the year		52,42,641	-
Less:- Adjusted against depreciation for the year		77,51,678	1,41,57,971
Balances at the end of the year	(E)	**63,41,65,202**	**64,71,59,521**
General Reserve			
Balances at the beginning of the year		46,37,77,035	32,05,05,370
Add:- Addition during the year		98,32,926	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)	**47,36,09,961**	**46,37,77,035**
Surplus / (Deficit) in the statement of Profit & Loss			
Balances as per last Financial statements		24,72,43,706	26,24,14,686
Less:- Loss of the amalgamated Company		-	(10,85,99,811)
Add:- MAT Credit Entitlement		-	3,24,35,252
Add:- Profit for the year		9,83,29,264	13,46,56,686
Less:- Appropriations during the year			
- Proposed Dividend on Equity Shares (Dividend per share ₹1.50 (March 31,2012: ₹ 1.50)		2,03,60,177	2,03,60,177
- Tax on Proposed Dividend		34,60,212	33,02,930
- Transfer to General Reserve		98,32,926	5,00,00,000
Balance at the end of the year	(G)	**31,19,19,656**	**24,72,43,706**
Total Reserves & Surplus (A+B+C+D+E+F+G)		**161,81,71,322**	**155,66,56,765**

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

NOTE 5 : LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Non-current		Current Maturities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Term Loans				
From Banks				
Corporate loans (secured)	38,24,40,789	55,18,06,374	15,04,19,889	5,12,22,667
Buyers Credit (secured)	4,02,61,160	73,49,637	-	-
Vehicle loans (secured)	53,44,494	60,27,680	68,65,479	42,54,600
Corporate loans (unsecured)	4,59,82,238	7,14,05,099	72,60,925	45,37,262
From Financial Institutions				
Corporate loans (unsecured)	7,86,00,000	6,00,00,000	-	-
Other Loans And Advances				
From Related Parties (unsecured) (Refer Note No.27)	16,33,99,400	15,00,00,000	-	-
From Others	-	1,00,36,870	-	-
Trade Deposits (Unsecured)	11,07,75,217	10,93,23,217	-	-
	82,68,03,298	**96,59,48,876**	**16,45,46,293**	**6,00,14,529**
The above amounts includes -			-	
Secured Borrowings	42,80,46,443	56,51,83,690	15,72,85,368	5,54,77,267
Unsecured Borrowings	39,87,56,855	40,07,65,186	72,60,925	45,37,262
Amount disclosed under "Other Current Liabilities" (Note 7)	-	-	(16,45,46,293)	(6,00,14,529)
Total Borrowings	82,68,03,298	96,59,48,876	-	-

a. The nature of Security for Secured Loans are :

(i) Out of the above secured corporate loan, ₹ 0.88 crore (March 31, 2012: ₹ 3.60 crore) 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.

(ii) Out of the above secured corporate loan, ₹ 52.40 crore (March 31, 2012: ₹ 56.69 crore) 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.

(iii) The buyer's credit of ₹ 4.03 crore (March 31, 2012: ₹ 0.73 crore) 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.

(iv) 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.	15,04,19,889	14,89,31,000	14,27,82,000	9,07,28,000
(ii) Vehicle loans from banks are repayable in monthly installments.	68,65,479	39,16,482	14,28,011	-
(iii) Buyers Credit is due for repayment in 2014-15				

c. The nature of guarantee for Unsecured Loans are :

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

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

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

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 loan from bank is repayable in monthly/ quarterly installments.	72,60,925	88,42,763	93,57,350	2,83,82,125
(ii) Loan from Financial Institutions is repayable in 2014-15.	-	7,86,00,000	-	-

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

(iv) Trade deposits are repayable on cessation of business transaction with dealers.

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

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	11,89,16,700	17,62,46,254
Others	9,61,049	-
Gross Deferred Tax Liability	11,98,77,749	17,62,46,254
Deferred Tax Assets		
Unabsorbed Depreciation / Business Loss	3,68,30,041	17,34,50,970
Provision for Doubtful Debts	63,18,202	43,15,863
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	92,88,526	92,08,848
Others	-	1,45,678
Gross Deferred Tax Assets	5,24,36,769	18,71,21,359
Net Deferred Tax Liabilities/ (Assets)	6,74,40,981	(1,08,75,105)

NOTE 7 : OTHER LIABILITIES

(Amount in ₹)

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Trade Payables	-	-	107,18,54,273	98,03,15,402
(refer note (a) below for details of dues to micro and small enterprises)				
Others				
Current maturities of long-term borrowings (Refer note 5)	-	-	16,45,46,293	6,00,14,529
Book Overdraft	-	-	-	16,11,501
Interest Accrued but not due	-	-	1,31,818	-
Unpaid dividends (refer note (b) below)	-	-	14,66,792	12,72,080
Other Payables				
Statutory Dues Payable	-	-	14,78,18,011	11,84,68,194
Other Liabilities	25,89,859	21,37,333	6,97,84,744	8,92,77,427
	25,89,859	21,37,333	38,37,47,658	27,06,43,731
	25,89,859	21,37,333	145,56,01,931	125,09,59,132

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

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

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.

NOTE 8 : PROVISIONS

(Amount in ₹)

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provisions for Employee Benefits				
Leave Encashment	1,35,60,937	1,33,53,403	54,41,957	17,28,727
Other Provisions				
Proposed Dividend	-	-	2,03,60,177	2,03,60,177
Provision for tax on Proposed dividend	-	-	34,60,212	33,02,930
Provision for Income Tax [Net of Advance Tax ₹ 25,319,320 (March 31, 2012 : ₹ 6,03,93,693)]	-	-	1,09,04,186	6,75,00,010
Provision for Wealth Tax [Net of Advance Tax ₹ Nil (March 31, 2012: ₹ 85,504)]	-	-	1,55,180	1,07,734
	1,35,60,937	1,33,53,403	4,03,21,712	9,29,99,578

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
a) Contingent liabilities		
Claims against Company not acknowledged as debt	6,84,94,055	2,30,90,413
Letter of Credit	37,19,28,695	15,76,04,495
Bank Guarantee (Net of Margin)	70,30,362	11,14,270
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,25,17,200	1,29,81,292

NOTE 9 : SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Term Loans From Banks (Secured)		
Buyers Credit	-	2,01,14,638
Other Loans from Banks (secured)		
Cash Credit	84,63,91,139	70,63,50,294
Working Capital demand loan	13,00,00,000	12,98,55,180
Total Short Term Borrowings	97,63,91,139	85,63,20,112

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 Vysya Bank, Axis Bank, Indusind Bank (hereafter called the "Consortium") for secured loans borrowings.

b. The above loans are primarily secured by way of first pari passu charge on entire current assets of the Company and collaterally by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.

c. Other Loans from Banks is repayable on demand and carries interest rate ranges from 12% to 14% p.a.

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

NOTE 10 : FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION/ AMORTIZATION					NET BLOCK	
	As At April 1, 2012	Addition During The Year	Deduction During The Year	As At March 31, 2013	As At April 1, 2012	For The Year	Deduction/ Adjustments During The Year	Charged To Revaluation Reserve	As At March 31, 2013	As At March 31, 2013	As At March 31, 2012
A. Tangible Assets											
Land											
- Freehold	58,11,00,853	6,65,421	-	58,17,66,274	-	-	-	-	-	58,17,66,274	58,11,00,853
- Leasehold	1,86,64,330	38,75,730	-	2,25,40,060	30,84,505	2,73,925	-	-	33,58,430	1,91,81,631	1,55,79,825
Buildings											
- Factory	78,36,84,716	32,90,695	-	78,69,75,411	24,46,58,598	1,82,50,962	-	73,14,082	27,02,23,642	51,67,51,769	53,90,26,117
- Others	5,88,23,349	6,38,334	83,81,580	5,10,80,103	85,69,185	5,69,779	9,11,758	4,37,596	86,64,803	4,24,15,300	5,02,54,164
Leasehold Improvements	2,52,58,112	2,89,218	-	2,55,47,330	53,33,314	48,13,370	-	-	1,01,46,684	1,54,00,646	1,99,24,798
Plant and Equipment	357,52,56,575	11,84,61,539	24,14,73,228	345,22,44,886	252,68,98,823	14,69,34,583	23,52,52,400	-	243,85,81,006	101,36,63,880	104,83,57,752
Furniture and fixtures	5,57,98,255	40,80,289	90,502	5,97,88,042	2,34,03,751	47,90,134	52,785	-	2,81,41,101	3,16,46,941	3,23,94,504
Vehicles	3,71,99,966	94,84,155	14,69,697	4,52,14,424	1,07,36,002	37,92,588	2,60,927	-	1,42,67,663	3,09,46,762	2,64,63,965
Office Equipments	2,46,53,637	23,63,727	1,48,700	2,68,68,664	1,26,23,955	10,89,260	34,848	-	1,36,78,367	1,31,90,297	1,20,29,682
Computers	4,04,21,987	41,03,969	-	4,45,25,955	3,25,36,663	22,81,349	-	-	3,48,18,012	97,07,943	78,85,324
Total	520,08,61,779	14,72,53,077	25,15,63,707	509,65,51,149	286,78,44,795	18,27,95,951	23,65,12,718	77,51,678	282,18,79,707	227,46,71,442	233,30,16,984
B. Intangible Assets											
Computer software	2,31,07,801	50,60,425	-	2,81,68,226	1,93,95,862	27,68,555	-	-	2,21,64,417	60,03,809	37,11,939
Total	2,31,07,801	50,60,425	-	2,81,68,226	1,93,95,862	27,68,555	-	-	2,21,64,417	60,03,809	37,11,939
C. Capital Work in Progress											
CWIP	1,83,25,675	16,49,25,140	-	18,32,50,815	-	-	-	-	-	18,32,50,815	1,83,25,675
Total	1,83,25,675	16,49,25,140	-	18,32,50,815	-	-	-	-	-	18,32,50,815	1,83,25,675

Notes:

a. 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 December 31, 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. During the year, consequent to said revaluation there is an additional charge of depreciation of ₹ 77,51,678 (March 31, 2012: ₹ 1,41,57,971) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Statement of Profit and Loss.

b. Details of Capital Work in Progress:

(Amount in ₹)

Particulars	As on March 31, 2013	As on March 31, 2012
Buildings- Others	51,93,504	1,49,240
Plant and Equipment	17,80,57,312	1,58,12,659
Furniture and fixtures	-	10,07,423
Computer	-	13,56,353
Total	18,32,50,816	1,83,25,675

c. Additions during the year and capital work-in-progress include ₹ 57,16,792 (March 31, 2012: ₹ Nil) being borrowing cost capitalised in accordance with Accounting Standard (AS)16 on "Borrowing Costs" as specified in the Companies (Accounting Standards) Rules, 2006. Asset wise break-up of borrowing cost capitalised is as follows:

(Amount in ₹)

Asset Class	As on March 31, 2013	As on March 31, 2012
Plant and Equipment	2,23,728	-
Capital Work in Progress:-		
Plant and Equipment	54,93,064	-
Total	57,16,792	-

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

NOTE 11 : NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
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 2012: 20,000 nos)	1,32,400	1,32,400
Non- Trade investments (Valued at Cost,unless stated otherwise)		
Investment in Controlled Entity		
Investment in Orient Bell Holding Trust	20,22,75,807	20,22,75,807
	20,24,08,207	20,24,08,207

NOTE 12 : LOANS AND ADVANCES

(Amount in ₹)

Particulars		Non-current		Current	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Capital Advances					
Unsecured, considered good		10,09,274	16,40,211	-	-
	(A)	10,09,274	16,40,211	-	-
Security Deposits					
Unsecured, considered good		3,46,56,406	3,52,02,319	6,40,18,498	5,65,14,196
	(B)	3,46,56,406	3,52,02,319	6,40,18,498	5,65,14,196
Loan and Advances to Related Parties (Refer Note No. 27)					
Unsecured, considered good		-	-	-	-
	(C)	-	-	-	-
Advance Recoverable in cash or in Kind					
Unsecured - considered good		-	-	3,62,58,138	1,85,47,031
Unsecured - Considered Doubtful		-	-	-	-
		-	-	3,62,58,138	1,85,47,031
Less: Provision for doubtful advances		-	-	-	-
	(D)	-	-	3,62,58,138	1,85,47,031
Other Loans and Advances					
Advance Income Tax		1,42,35,239	8,27,77,346	-	-
Advance Wealth Tax		50,516	50,516	-	-
Balance with Government Authorities		-	-	4,58,30,775	5,42,33,639
MAT Credit Entitlement		8,98,81,324	5,49,97,324	-	-
Interest Accrued on Security Deposit		-	-	13,87,669	10,57,199
Prepaid expenses		-	-	1,09,56,382	1,00,16,535
Advances to Employees		-	-	1,28,56,878	1,10,56,505
	(E)	10,41,67,079	13,78,25,186	7,10,31,704	7,63,63,878
Total Loans & Advances (A+B+C+D+E)		13,98,32,759	17,46,67,716	17,13,08,339	15,14,25,104

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

NOTE 13 : INVENTORIES

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Raw Materials	9,39,57,147	11,03,76,476
Good In Transit	1,60,00,653	2,64,35,026
Work In Progress	2,23,20,137	1,79,21,954
Finished Goods	83,40,39,504	65,39,52,661
Traded Goods	20,66,76,134	10,62,03,285
Packing Material	85,01,679	1,40,62,935
Stores and Spares	14,13,39,109	14,46,80,057
	132,28,34,362	107,36,32,394

NOTE 14 : TRADE RECEIVABLES & OTHER ASSETS

(Amount in ₹)

Particulars		Non-current		Current	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
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		-	-	85,26,665	36,63,929
Unsecured, considered good		-	-	3,33,09,416	6,56,36,465
Unsecured, Doubtful		-	-	1,94,73,576	1,94,73,576
		-	-	6,13,09,657	8,87,73,970
Less: Provision for doubtful receivables		-	-	1,94,73,576	1,94,73,576
	(A)	-	-	4,18,36,081	6,93,00,394
Other Receivables					
Secured, considered good		-	-	3,82,03,718	6,67,55,193
Unsecured, considered good		-	-	65,36,86,577	65,37,38,785
	(B)	-	-	69,18,90,295	72,04,93,978
Total	(A+B)	-	-	73,37,26,376	78,97,94,372
14.2 - OTHER ASSETS					
(Unsecured, considered good unless stated otherwise)					
Non-current bank balances (refer note 15)		53,93,452	1,97,11,388	-	-
Others					
Interest accrued on fixed deposits		5,35,944	15,87,618	33,76,237	4,59,413
Export incentive recoverable		-	-	4,38,301	37,32,173
Advances to Suppliers		-	-	1,39,52,374	2,09,46,711
		59,29,396	2,12,99,006	1,77,66,912	2,51,38,297

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

NOTE 15 : CASH & BANK BALANCES

(Amount in ₹)

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Cash & Cash Equivalents				
Balances with Banks :				
In Current Account	-	-	3,33,58,160	5,69,48,005
Deposits with original maturity of less than three months	-	-	2,22,000	-
In Unpaid Dividend Account	-	-	14,70,706	12,76,044
Cash in hand	-	-	7,57,652	8,45,097
Foreign Currency in Hand	-	-	29,997	3,94,139
Cheques in Hand	-	-	-	7,61,106
(A)	-	-	**3,58,38,514**	**6,02,24,391**
Others Bank Balances				
Deposits with original maturity of more than 3 months but less than 12 months	-	-	2,69,42,741	36,84,348
Deposits with original maturity of more than 12 months	53,93,452	1,97,11,388	1,61,02,015	59,06,173
	53,93,452	**1,97,11,388**	**4,30,44,756**	**95,90,521**
Amount disclosed under non-current assets (refer note 14.2)	53,93,452	1,97,11,388	-	-
(B)	-	-	4,30,44,756	95,90,521
Total (A+B)	-	-	**7,88,83,270**	**6,98,14,912**

a) Fixed Deposits with a carrying amount of ₹ 4,82,89,861 (March 31, 2012: ₹ 2,89,76,661) are subject to first charge to secure the Company's loans from banks.

b) Fixed Deposits with a carrying amount of ₹ 3,70,347 (March 31, 2012: ₹ 3,25,248) are pledged with Government Authorities.

NOTE 16 : REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Sale of Product		
Finished Goods	451,75,27,245	475,24,88,953
Traded Goods	167,58,54,302	108,27,85,872
Other Operating Revenues		
Miscellaneous Sale	1,07,95,486	1,37,76,279
Export Incentives	7,36,248	42,04,028
Revenue from operations (gross)	**620,49,13,281**	**585,32,55,132**
Less: Excise duty*	46,78,88,731	39,05,07,483
Revenue from operations (Net)	**573,70,24,550**	**546,27,47,648**

* Excise Duty on Sales amounting to ₹ 46,78,88,731 (March 31, 2012: ₹ 39,05,07,483) has been reduced from Sales and Excise Duty on increase/(decrease) in stock amounting to ₹ 2,44,50,502 (March 31, 2012: ₹ 2,97,17,947) has been considered as Expense in Note No. 23 of Financial Statement.

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
a) Details of products sold		
Finished goods sold		
Tiles	451,75,27,245	475,24,88,953
Traded goods sold		
Tiles	167,58,54,302	108,27,43,415
Others	-	42,457
b) FOB Value of exports	1,45,31,938	6,67,13,238

NOTE 17 : OTHER INCOME

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Income		
On Fixed deposits	32,44,802	30,03,048
On Income Tax Refund	10,08,016	-
Others	17,42,153	7,55,139
Other non-operating income	250,85,178	90,38,348
	3,10,80,148	1,27,96,535

NOTE 18 : COST OF RAW MATERIAL CONSUMED

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Raw Material		
Balances of Raw Material at the beginning of the Year	13,68,11,503	10,07,14,173
Add:- Purchases during the year	95,43,97,429	117,10,60,209
Less:- Balances of Raw Material at the end of the Year	9,39,57,147	13,68,11,503
Total Raw Material Consumption	**99,72,51,785**	**113,49,62,879**
a) Details of Raw Materials Consumed		
Clay & Minerals	36,08,96,736	48,37,44,430
Chemicals & Glaze Materials	63,63,55,049	65,12,18,449
	99,72,51,785	**113,49,62,879**
b) C.I.F. value of Imports		
Raw Material	5,54,39,843	3,93,45,783
Traded Goods	7,24,32,282	5,72,33,942
Capital Goods & Others	14,17,78,617	2,66,32,972
Stores & Spares	3,84,78,697	5,20,48,627
	30,81,29,439	**17,52,61,324**

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Percentage	Amount	Percentage	Amount
c) Consumption of indigenous & imported raw material				
Indigenous	97%	96,28,94,121	96%	109,10,78,282
Imported	3%	3,43,57,664	4%	4,38,84,597

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

NOTE 19 : (INCREASE) / DECREASE IN INVENTORIES

(Amount in ₹)

Particulars		For the year ended March 31, 2013	For the year ended March 31, 2012
Inventories at the beginning of the year			
Work-in-progress		1,79,21,954	2,30,64,041
Work-in-progress acquired through Amalgamation		-	78,09,664
Finished goods			
Manufacturing Goods		65,39,52,661	42,91,73,458
Traded Goods		10,62,03,285	4,05,47,998
Acquired through Amalgamation		-	19,00,01,602
	(A)	77,80,77,899	69,05,96,763
Inventories at the end of the year			
Work-in-progress		2,23,20,137	1,79,21,954
Finished goods			
Manufacturing Goods		83,40,39,504	65,39,52,661
Traded Goods		20,66,76,134	10,62,03,285
	(B)	106,30,35,775	77,80,77,899
(Increase) / Decrease in Inventory	(B-A)	28,49,57,875	8,74,81,137
a) Details of Purchases of Traded Goods			
Indigenous Goods			
Tiles		152,90,53,544	98,96,84,071
Imported Goods			
Tiles		9,91,21,666	7,55,79,200
		162,81,75,210	106,52,63,271
b) Details of Inventories			
Work In Progress			
Tiles		2,23,20,137	1,79,21,954
Traded Goods			
Tiles		20,66,29,137	10,61,56,324
Others		46,997	46,961
Manufactured			
Tiles		83,40,39,504	65,39,52,661

NOTE 20 : EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries, Wages & Bonus	49,89,95,132	50,88,88,074
Contribution to Provident and Other fund	1,72,63,912	1,89,17,850
Gratuity Expense (Refer note below)	88,81,212	29,23,927
Staff Welfare Expenses	1,93,49,016	2,15,87,777
	54,44,89,272	55,23,17,627

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

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	For the year ended March 31, 2013	For the year ended March 31, 2012
Employer's Contribution to Provident Fund/ Pension Fund	1,35,55,237	1,49,09,403
Employer's Contribution to State Insurance	34,16,228	33,47,447

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

(ii) Defined Benefit plans and Other Long term Benefits

a) Contribution to Gratuity Funds- Employee's Gratuity Fund.

b) Leave encashment/ Compensated absence (Long Term)

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in respect of the aforesaid defined benefit plans and other long term benefits based on the following assumptions.

I. Changes in present value of Defined Benefit obligations :

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit obligation as at the beginning of the year	4,95,34,779	1,50,82,130	5,16,01,998	1,46,18,616
Current Service Cost	49,91,518	36,16,246	59,41,936	19,38,250
Interest Cost	39,62,782	12,06,570	42,57,165	12,15,506
Actuarial (gain) / loss on obligations	28,82,058	33,77,513	(1,05,63,339)	(9,60,487)
Excess of Actual over Estimated	-	-	-	-
Benefits paid	(1,17,08,037)	(70,71,641)	(17,02,981)	(17,29,755)
Defined Benefit obligation at the year end	**4,96,63,100**	**1,62,10,818**	**4,95,34,779**	**1,50,82,130**

II. Change in the Fair Value of Plan Assets

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
	Gratuity (Funded)	Gratuity (Funded)
Opening Fair Value of Plan Assets	3,64,87,290	3,53,41,323
Expected Return on Plan Assets	29,55,470	29,15,660
Contribution by employer	3,25,981	16,57,071
Benefits paid	(25,23,029)	(17,02,981)
actural gain/(loss) on Plan assets	(323)	(17,23,783)
Closing fair value of Plan Assets	3,72,45,389	3,64,87,290

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

III. Reconciliation of present value of defined obligation and fair value of assets

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of Defined Benefit Obligation	(4,96,63,100)	(1,62,10,818)	(4,95,34,779)	(1,51,25,405)
Fair Value of Plan Assets	3,72,45,389	-	3,64,75,904	-
Net Assets/(liability) recognised in Balance Sheet	**(1,24,17,711)**	**(1,62,10,818)**	**(1,30,58,875)**	**(1,51,25,405)**

(Amount in ₹)

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

(Amount in ₹)

Particulars	For the year ended March 31, 2009	
	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of Defined Benefit Obligation	(2,00,38,877)	(18,84,865)
Fair Value of Plan Assets	1,02,92,264	-
Net Assets/(liability) recognised in Balance Sheet	**(97,46,613)**	**(18,84,865)**

IV. Expenses/ (Income) recognized in the statement of Profit & Loss

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current service Cost	49,91,518	36,16,246	59,41,936	19,38,250
Interest Cost on benefit obligation	39,62,782	12,06,570	42,57,165	12,15,506
Expected return on plan assets	(29,55,470)	-	(29,15,660)	-
Acturial (gain)/Loss recognised during the year	28,82,381	61,69,589	(88,28,170)	(9,17,212)
Net benefit expense	**88,81,211**	**109,92,405**	**(15,44,729)**	**22,36,544**

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

Particulars	As at March 31, 2013	As at March 31, 2012
	Gratuity (Funded)	Gratuity (Funded)
Insured with Kotak Mahindra Old Mutual Life Insurance Ltd/Life Insurance Corporation	99.97%	99.90%
Bank Balance	0.03%	0.10%

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

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

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Discount Rate	8.00%	8.00%	8.50%	8.50%
Rate of Increase in compensation	5.50%	5.50%	6.00%	6.00%
Rate of return on Plan assets (for gratuity)	8.10%	-	8.50%	-
Mortality (Published notes under the LIC (1994 - 96) duly modified)	-	-	-	-

Note:

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

(2) On account of short term leave encashment benefit, which is being recognised on the basis of actual eligibility of earned leave beyond 60 days, an expense of ₹ 27,92,076 has been recognised in addition to the expense recognised by Actuarial and a provision of ₹ 27,92,076 has been recognised in addition to the obligation recognised by Actuarial .

NOTE 21 : FINANCE COST

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Expense	23,55,64,510	20,64,47,224
Exchange difference to the extent considered as an adjustment to borrowing cost	19,29,172	12,91,288
Other borrowing costs	1,13,50,882	1,05,18,416
	24,88,44,564	**21,82,56,928**

NOTE 22 : DEPRECIATION AND AMORTISATION EXPENSE

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation and Amortisation	19,33,16,184	20,43,32,639
Less: Transferred from Revaluation Reserve (Refer Note 4)	(77,51,678)	(1,41,57,971)
	18,55,64,506	**19,01,74,667**

NOTE 23 : OTHER EXPENSES

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Stores & Spares consumed	9,63,44,254	16,51,35,121
Packing Material Consumed	19,98,63,599	20,93,61,235
Increase/(Decrease) in Excise Duty	2,44,50,502	2,97,17,947
Natural Gas	108,40,64,931	88,70,84,798
Electricity	14,15,23,743	15,11,73,845
Fuel & Others	7,90,851	5,99,02,101
Rent	4,46,26,892	4,38,16,922
Hire Charges	2,99,22,999	3,13,17,900

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest on delayed payment of Income Tax	13,39,506	10,84,379
Rates & Taxes	33,98,889	51,69,468
Insurance	8,18,210	48,16,876
Repair & Maintenance		
Plant & Machinery	1,84,59,890	1,72,66,844
Buildings	63,76,327	44,59,090
Other	1,29,42,596	1,19,20,519
Designing & Processing	56,32,679	63,29,415
Freight & Forwarding Charges	18,74,06,079	25,40,18,406
Advertisement and Sales Promotion	4,84,16,911	7,04,19,694
Discount	17,75,69,043	16,98,00,540
Sales Commission	5,68,06,910	3,33,47,231
Travelling & Conveyance	6,55,74,291	7,77,16,255
Communication Costs	1,30,91,659	1,14,90,640
Printing & Stationery	54,14,859	44,71,835
Legal & Professional Expenses	1,30,66,370	1,20,80,643
Director's Sitting fees & Other Expenses	14,36,451	6,90,446
Payment to the Auditors (refer note (b) below)	19,18,723	12,25,000
Exchange difference (net)	-	10,12,447
Sundry Balances written off	19,33,454	26,42,079
Trainees & Recruitment	96,35,755	91,28,435
Loss on sale of fixed assets	-	8,01,720
Watch & Ward Expenses	55,44,258	54,47,305
Miscellaneous expenses	1,60,17,463	1,87,66,467
	227,43,88,094	**230,16,15,604**

a) **Consumption of Imported stores and spares**

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Percentage	Amount	Percentage	Amount
Indigenous	83.72%	8,06,58,713	72.50%	11,97,19,293
Imported	16.28%	1,56,85,541	27.50%	4,54,15,828

b) **Payment to the Auditors:**

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
As Auditors	9,50,000	9,50,000
For Taxation matters	1,50,000	1,50,000
For other services	7,32,500	85,000
Reimbursement of Expenses	86,223	40,000
	19,18,723	**12,25,000**

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

c) Gross expenditures in foreign currency (payment basis)

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Travelling	8,55,256	32,95,752
Membership & Subscription	-	45,062
Payment to Technicians	-	1,07,236
Designing & Processing	52,45,100	52,67,955
	61,00,356	**87,16,005**

d) Operating Lease

The Company's significant lease agreements are in the nature of operating leases for premises used at various depots and showrooms. These lease agreements are cancellable by either parties thereto as per the terms and conditions of the agreements. In respect of these leases, lease rent of ₹ 4,46,26,892 (March 31, 2012: ₹ 4,38,16,922) including ₹ 4,98,731 (March 31, 2012 : ₹ Nil) not leviable for the year as per the lease agreement, has been recognised on a straight line basis and the corresponding amount is included in trade payables.

NOTE 24 : EXCEPTIONAL ITEMS

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation Written Back	-	(1,12,47,940)
	-	**(1,12,47,940)**

NOTE 25 : EARNINGS PER SHARE(EPS)

(Amount in ₹)

Particulars		For the year ended March 31, 2013	For the year ended March 31, 20132
Basic Earnings per share			
Profit/Loss attributable to the equity shareholders	(A)	9,83,29,264	13,46,56,686
Weighted Average number of equity shares outstanding at the end of the year	(B)	1,35,73,451	1,05,30,000
Basic Earnings per share	**(A/B)**	**7.24**	**12.79**
Diluted Earnings per share			
Weighted Average number of equity shares in calculating basic EPS		1,35,73,451	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	(C)	1,35,73,451	1,35,73,451
Diluted Earnings per share	**(A/C)**	**7.24**	**9.92**

NOTE 26 :

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.

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

NOTE 27 :

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 Enterprises owned or significantly influenced by Key Managerial Personnel ("KMP") or their relatives (Only with whom the Company had transaction during the year)

(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 (KMP)

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

(b) Mr. Madhur Daga, Executive Director

D Relatives of Key Managerial Personnel (Only with whom the Company had transaction during the year)

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

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

(ii) Disclosure of transactions between the Company and related parties and status of outstandings as on 31st March 2013

(Amount in ₹)

Particulars	Subsidiary Company	Enterprises owned or significantly influenced by KMP or their relatives	Key Managerial Personnel	Relatives of Key Managerial Personnel
Nature of Transaction:				
a) Loan Received	-	71,29,656	3,91,87,789	41,80,130
	(-)	(75,35,000)	(1,89,90,000)	(37,50,000)
b) Loan Given/Repaid	-	2,67,29,656	66,88,389	36,80,130
	(-)	(35,75,000)	(-)	(-)
c) Interest Payment	-	41,57,774	79,84,323	32,30,039
	(-)	(38,12,121)	(69,89,946)	(29,18,521)
d) Hire charges paid	-	18,37,000	-	-
	(-)	(36,83,000)	(-)	(-)
e) Rent Paid	-	12,24,105	-	24,000
	(-)	(8,32,140)	(-)	(24,000)
f) Managerial Remuneration	-	-	1,99,99,711	-
	(-)	(-)	(1,84,65,806)	(-)
g) Security Deposit refunded	-	6,15,000	-	-
	(-)	(11,25,000)	(-)	(-)
h) Legal and Professional Charges	1,59,089	1,50,000	-	-
	(-)	(3,00,000)	(-)	(-)

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

(Amount in ₹)

Particulars	Subsidiary Company	Enterprises owned or significantly influenced by KMP or their relatives	Key Managerial Personnel	Relatives of Key Managerial Personnel
i) Investments made	-	-	-	-
	(1,32,400)	(-)	(-)	(-)
j) Purchases	1,19,40,199	-	-	-
	(-)	(-)	(-)	(-)
Outstanding as on March 31, 2013				
a) Unsecured Loans Payable	-	1,97,00,000	11,22,99,400	3,14,00,000
	(-)	(3,93,00,000)	(7,98,00,000)	(3,09,00,000)
b) Other Current Liabilities	1,59,089	8,31,356	-	-
	(-)	(67,500)	(-)	(-)
c) Other Current Assets	-	9,93,035	-	-
	(-)	(16,08,035)	(-)	(-)
d) Investments	1,32,400	-	-	-
	(1,32,400)	(-)	(-)	(-)

Figures in brackets represents figures for the year ended March 31, 2012.

Disclosure in respect of Material transactions with related parties

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
a) Loan received		
Key Managerial Person		
Mr. Mahendra K. Daga	3,30,53,961	1,24,40,000
Mr. Madhur Daga	61,33,828	65,50,000
Relatives of key Managerial Persons		
Mrs. Sarla Daga	34,80,130	34,50,000
Mrs. Roma Monisha Sakraney Daga	7,00,000	3,00,000
Enterprises owned or significantly influenced by KMP or their relatives		
Mahendra K. Daga - HUF	21,39,555	27,35,000
Goodteam Investment & Trading Co Pvt. Ltd	49,90,101	44,50,000
Iris Designs Pvt Limited	-	3,50,000
b) Loan Given/Repaid		
Key Managerial Person		
Mr. Mahendra K. Daga	12,03,961	-
Mr. Madhur Daga	54,84,428	-
Relatives of key Managerial Persons		
Mrs. Sarla Daga	36,80,130	-
Enterprises owned or significantly influenced by KMP or their relatives		
Iris Designs Pvt Limited	3,50,000	-
Goodteam Investment & Trading Co Pvt. Ltd	2,63,40,101	35,00,000
Mahendra K. Daga - HUF	39,555	75,000
c) Interest Payments		
Key Managerial Person		
Mr. Mahendra K. Daga	54,15,321	45,79,425
Mr. Madhur Daga	25,69,002	24,10,521

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Relative of Key Managerial Persons		
Mrs. Sarla Daga	31,85,271	29,04,302
Mrs. Roma Monisha Sakraney Daga	44,768	14,219
Enterprises owned or significantly influenced by KMP or their relatives		
Goodteam Investment & Trading Co Pvt. Ltd	23,07,271	21,38,658
Iris Designs Pvt Limited	34,425	32,507
Mahendra K. Daga - HUF	18,16,078	16,40,956
d) Hire Charges Paid		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd	18,37,000	36,83,000
e) Rent Paid		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd	9,12,000	6,66,000
Alfa Mercantile Ltd.	1,11,000	48,000
Morning Glory Leasing & Finance Ltd.	76,605	52,140
Iris Designs Pvt Limited	1,24,500	66,000
Relative of Key Managerial Persons		
Mrs. Sarla Daga	24,000	24,000
f) Security Deposit Received		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd	6,15,000	11,25,000
g) Legal & professional Exp		
Subsidiary Company		
ELIT International Trading (HK) Pvt. Ltd.	1,59,089	-
Enterprises owned or significantly influenced by KMP or their relatives		
Morning Glory Leasing & Finance Ltd.	1,50,000	3,00,000
h) Investment made		
ELIT International Trading (HK) Pvt. Ltd.	-	1,32,400
i) Purchases / Sales		
ELIT International Trading (HK) Pvt. Ltd.	1,19,40,199	-
j) Managerial remuneration		
Mr. Mahendra K. Daga		
Salary	67,10,000	99,00,000
Contribution to Provident Fund	3,900	-
Perquisites	37,87,141	1,66,196
Mr. Madhur Daga		
Salary	60,50,000	82,50,000
Contribution to Provident Fund	9,360	9,360
Perquisites	34,39,310	1,40,250
	1,99,99,711	1,84,65,806

Notes Forming Part Of The Financial Statements for the year ended March 31, 2013

NOTE 28 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a. Derivatives outstanding as at the Balance Sheet date

Particulars	Purpose
Forward Contract to buy : Euro : 4,02,018 (March 31, 2012: Euro Nil) against INR amounting to ₹ 2,87,81,520 (March 31,2012: ₹ NIL) US $ NIL (March 31, 2012 : $ 3,77,112) against INR amounting to ₹ NIL (March 31,2012: ₹ 2,01,14,640)	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
(Euro 17,35,501 (March 31, 2012 Euro : 1,08,262) against INR amounting to ₹ 12,44,55,543 (March 31, 2012 : ₹ 73,49,636)) (US $ 155,661 (March 31, 2012 : NIL) against INR amounting to ₹ 84,08,838 (March 31, 2012 : ₹ NIL))	Import of Raw Material, Stores and Capital items

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

d. During the year the Company has provided ₹ 6,03,596 towards premium on forward exchange contracts (March 31, 2012: ₹ 47,605).

NOTE 29 :

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

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

NOTE 30 :

Balances of Sundry Creditors and Debtors are subject to confirmation.

NOTE 31 :

Figures for the previous year have been reclassified/ regrouped wherever considered necessary.

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: 08th August, 2013	Vijay Shankar Sharma *Chief Executive Officer*	Yogesh Mendiratta *Company Secretary*	Jaywant Puri *Vice President, Finance & Accounts*	

CONSOLIDATED ACCOUNTS

Independent Auditors' Report on the Consolidated Financial Statements

To
The Board of Directors
Orient Bell Limited

Report on the Consolidates Financial Statements

1. We have audited the accompanying consolidated financial statements of Orient Bell Limited ("the Company") and its subsidiary (collectively referred to as "the Group") as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto.

Management's Responsibility for the Consolidated Financial Statement

2. Management is responsible for the preparation of these consolidated financial statements that give true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the Group , we are of the opinion that the said consolidated financial statements, read together with significant accounting policies and notes appearing thereon, 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 2013;

   (b) In case of the Consolidated Statement of Profit and Loss, of 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.

Other Matters

6. We did not audit the financial statements of its subsidiary, whose financial statements reflect total assets of ₹1,61,109 & net assets of ₹1,951 as at March 31st 2013, total revenue of ₹1,17,67,094 & net revenue of ₹ Nil & net loss of ₹85,627 for the year ended March 31st 2013. 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.

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

(Sandeep Dinodia)
Partner
M. No. 083689

Place: New Delhi
Dated: 08th August, 2013

INFORMATION ON THE FINANCIALS OF THE SUBSIDIARY COMPANY

(As per General Circular no. 2/2011 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	1,40,179
Reserves	(6,063)	(42,495)
Total Assets	23,036	1,61,450
Total Liabilities	9,099	63,774
Investment made by Subsidiary	-	-
Revenues (Turnover & Other income)	16,78,868	1,17,67,094
Profit before Taxation	15,146	1,06,158
Provisions for Taxation	(2,499)	(17,515)
Profit after tax	12,647	88,642
Proposed Dividend	-	-

*Exchange rate ₹ 7.01 as on 31.03.2013

Consolidated Balance Sheet as at 31st March, 2013

(Amount in ₹)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	13,57,34,510	13,57,34,510
(b) Reserves and Surplus	4	161,81,08,596	155,65,28,744
		175,38,43,106	169,22,63,254
Non-Current Liabilities			
(a) Long-Term Borrowings	5	82,68,03,298	96,59,48,877
(b) Deferred Tax Liabilities (Net)	6	6,74,68,763	-
(c) Other Long Term Liabilities	7	25,89,859	21,37,333
(d) Long-Term Provisions	8	1,35,60,937	1,33,53,403
		91,04,22,857	98,14,39,613
Current Liabilities			
(a) Short-Term Borrowings	9	97,63,91,139	85,63,20,112
(b) Trade Payables	7	107,17,58,769	98,04,35,941
(c) Other Current Liabilities	7	38,37,47,658	27,06,43,731
(d) Short-Term Provisions	8	4,03,21,712	9,29,99,578
		247,22,19,278	220,03,99,362
TOTAL		513,64,85,241	487,41,02,229
II. ASSETS			
Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		227,46,71,442	233,30,16,985
(ii) Intangible Assets		60,03,809	37,11,939
(iii) Capital Work-in-Progress		18,32,50,815	1,71,05,690
(iv) Intangible Assets under Development		-	12,19,985
(b) Non-Current Investments	11	20,22,75,807	20,22,75,807
(c) Deferred Tax Assets (Net)	6	-	1,08,75,105
(d) Long-Term Loans and Advances	12	13,98,32,759	17,46,67,716
(e) Other Non-Current Assets	14.2	59,29,399	2,12,99,005
		281,19,64,031	276,41,72,232
Current Assets			
(a) Inventories	13	132,28,34,362	107,36,32,394
(b) Trade Receivables	14.1	73,37,26,376	78,97,94,372
(c) Cash and Bank Balance	15	7,88,85,221	6,99,39,830
(d) Short-Term Loans and Advances	12	17,13,08,339	15,14,25,104
(e) Other Current Assets	14.2	1,77,66,912	2,51,38,297
		232,45,21,210	210,99,29,997
TOTAL		513,64,85,241	487,41,02,229
Significant Accounting policies	2		

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)
Partner
M.No. 083689

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: 08th August, 2013

Vijay Shankar Sharma
Chief Executive Officer

Yogesh Mendiratta
Company Secretary

Jaywant Puri
Vice President, Finance & Accounts

Consolidated Statement of Profit and Loss for the year ended 31st March 2013

(Amount in ₹)

Particulars	Note No.	For the Year ended March 31, 2013	For the Year ended March 31, 2012
I. Revenue from Operations (Gross)	16	620,49,13,281	585,32,55,132
Less: Excise duty		46,78,88,731	39,05,07,483
Revenue from Operations (Net)		573,70,24,550	546,27,47,648
II. Other Income	17	3,10,80,148	1,27,96,535
III. Total Revenue (I + II)		**576,81,04,698**	**547,55,44,183**
IV. Expenses:			
(a) Cost of Materials Consumed	18	99,72,51,785	113,49,62,879
(b) Purchases of Stock-in-Trade	19	162,81,72,007	106,52,63,271
(c) Decrease/ (Increase) in Inventories	19	(28,49,57,875)	(8,74,81,137)
(d) Employee Benefits Expense	20	54,44,89,272	55,23,17,627
(e) Finance Costs	21	24,88,46,858	21,82,56,928
(f) Depreciation and Amortization Expense	22	18,55,64,506	19,01,74,667
(g) Other Expenses	23	227,43,03,375	230,17,37,405
Total expenses		**559,36,69,927**	**537,52,31,641**
V. Profit before exceptional and extraordinary items and tax (III-IV)		17,44,34,771	10,03,12,542
VI. Exceptional items	24	-	(1,12,47,940)
VII. Profit before tax (V - VI)		**17,44,34,771**	**11,15,60,482**
VIII. Tax expense:			
Current Tax		3,48,84,000	2,25,62,072
Less:- MAT Credit Entitlement		(3,48,84,000)	(2,25,62,072)
		-	-
Deferred Tax		7,83,43,868	11,24,391
Income Tax Adjustment for Earlier Years		(22,96,207)	(2,40,98,794)
IX. Profit (Loss) after tax (VII-VIII)		**9,83,87,110**	**13,45,34,885**
X. Earnings per share:	25		
(1) Basic		7.25	12.79
(2) Diluted		7.25	9.92
Significant Accounting Policies	2		

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)
Partner
M.No. 083689

Mahendra K. Daga
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Executive Director
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R.N. Bansal
Director
Din 00270908

N.R.Srinivasan
Director
Din 00062317

Place: New Delhi
Dated: 08th August, 2013

Vijay Shankar Sharma
Chief Executive Officer

Yogesh Mendiratta
Company Secretary

Jaywant Puri
Vice President, Finance & Accounts

Consolidated Cash Flow Statement for the year ended March 31, 2013

(Amount in ₹)

Particulars		For the Year ended March 31, 2013	For the Year ended March 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before tax		17,44,34,771	11,15,60,482
Adjustments for:			
Depreciation and amortization		18,55,64,506	19,01,74,667
Interest Paid		24,88,46,858	21,80,50,019
Loss/(Gain) on sale of fixed assets		(88,20,279)	8,01,720
Loss/(Gain) on exchange fluctuation		(35,16,617)	23,05,443
Interest Income		(59,94,971)	(37,58,187)
Misc. liability written back & Non Cash Items		-	(21,40,707)
Sundry Balance Written Off		19,33,454	26,42,079
Depreciation Written Back		-	(1,12,47,940)
Operating profit before working capital changes		**59,24,47,723**	**50,83,87,576**
Movement in working capital:			
Increase/(Decrease) in Trade Payables & Other Current Liabilities		20,98,49,597	16,34,26,366
Increase/(Decrease) in Provisions		(6,55,94,821)	1,02,98,365
(Increase)/Decrease in Trade Receivables		5,43,77,802	(26,09,75,036)
(Increase)/Decrease in Loans and advances		5,21,31,929	10,19,74,970
(Increase)/Decrease in Inventories		(24,92,01,968)	(4,11,56,282)
(Increase)/Decrease in Other Current Assets		(2,60,82,850)	(71,24,636)
(Increase)/Decrease in Other Non-Current Assets		1,53,69,606	(1,34,59,074)
Cash generated from operations		**58,32,97,018**	**46,13,72,250**
Direct Tax paid (Net of Refunds)		2,19,16,794	1,58,13,424
Net cash inflow from/(used in) operating activities	(A)	**56,13,80,224**	**44,55,58,826**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(15,23,13,502)	(11,67,26,337)
Purchase of CWIP		(16,49,25,140)	(78,69,507)
Sale of Fixed Assets		1,86,81,054	77,09,412
Purchase of Investment		-	(20,22,75,807)
Sale of Investment		-	20,07,81,657
Interest Income		59,94,971	37,58,187
Net cash from/ (used in) investing activities	(B)	**(29,25,62,617)**	**(11,46,22,396)**

(Amount in ₹)

Particulars		For the Year ended March 31, 2013	For the Year ended March 31, 2012
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (Decrease) in Borrowings and Other Long Term Liabilities		(2,08,16,486)	(6,68,46,086)
Dividend Paid		(2,36,63,107)	(2,45,57,803)
Interest paid (net)		(24,88,46,858)	(21,69,65,640)
Shares to be issued in Amalgamation		-	3,04,34,510
Net cash inflow from/(used in) financing activities	**(C)**	**(29,33,26,451)**	**(27,79,35,018)**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**(2,45,08,845)**	**5,30,01,412**
Cash and cash equivalents at the beginning of the year		6,03,49,309	17,32,604
Cash and cash equivalents acquired on Amalgamation		-	56,15,293
Cash and cash equivalents at the end of the year		**3,58,40,465**	**6,03,49,309**
Components of cash and cash equivalents			
Cash on hand		7,89,600	12,39,236
Cheques on hand		-	7,61,106
With banks - on current account		3,33,58,160	5,70,72,923
- on unpaid dividend account		14,70,706	12,76,044
- on deposit account		2,22,000	-
Total Cash and Cash equivalent (Note no. 15)		**3,58,40,465**	**6,03,49,309**

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)
Partner
M.No. 083689

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: 08th August, 2013

Vijay Shankar Sharma
Chief Executive Officer

Yogesh Mendiratta
Company Secretary

Jaywant Puri
Vice President, Finance & Accounts

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 1 : CORPORATE INFORMATION

Orient Bell Limited (the Company) 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 brands of ceramic and floor tiles.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNT

NOTE 2.1 : 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 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 subsidiaries are not material and there are no material transactions in respect of subsidiary having financial year ended 31st March, 2013.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE 2.2 : THE SUBSIDIARY COMPANY CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS IS :

Name of the Subsidiary	Country of Incorporation	Proportion of ownership interest as on 31.03.2013	Proportion of ownership interest as on 31.03.2012
ELIT International Trading (HK) Pvt. Ltd.	Hong Kong	100%	100%

NOTE 2.3 : 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 2.4 : OTHER SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNT

a) 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 result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Differences between the actual result and estimates are recognized in the year in which the results are known / materialized.

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

b) 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.

c) Intangible Assets

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

d) 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 installed at Sikanderabad plant till 31st March 2011 which is provided as under:

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

=> 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.

e) Revenue/Purchase Recognition

Revenue is recognized to the extent that it is probable 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 revenue is recognized:

Sale of goods

Revenue from sale of goods is recognised when all the significant risk and rewards of ownership 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 government, 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.

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.

f) Borrowing Cost

Borrowing costs includes Interest, Amortisation of ancillary 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.

g) 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 recognise a decline other than temporary in the value of the investments.

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

Disposal of Investments

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

h) 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.

i) 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 cost, 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.

j) 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.

k) Taxes on Income

Tax expense comprises current tax and deferred tax.

Current Tax

Current Tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessment/appeals. 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.

l) Employee Benefits

(a) Short-term employee benefit

Short-term employee benefits including short term compensated absences 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.

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

(b) Defined Contribution Plan

Contributions payable to recognised provident fund, employee state insurance scheme and superannuation scheme, which are substantially defined contribution plans, are recognised as expense in the Statement of Profit and Loss, as they incurred.

In addition to the provident fund contribution to Govt provident funds, the Company is also having its own provident fund irrevocable trust to which contributions of certain employees along with the corresponding employer contributions are deposited within the specified time.

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.

(c) Defined Benefit Plan

The obligation in respect of defined benefit plans, which cover Gratuity, are provided for on the basis of an actuarial valuation, using the projected unit credit method, at the end of each financial year.Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

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.

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.

(d) Other Long-term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

On the basis of Company's policy, compensated absences up to 60 days are recognised as long term employee benefit and compensated absences beyond 60 day's, if any are to be recognised as short term employee benefit.

m) 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 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.

n) 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.

o) Lease

Leases, where lessor effectively retains 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.

p) 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.

q) Cash Flow Statement

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

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 3 : SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Authorised:		
4,00,00,000 (March 31,2012: 4,00,00,000) Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
1,50,00,000 (March 31,2012: 1,50,00,000) Non Convertible Redeemable Cumulative Preference Shares of ₹ 10/- each	15,00,00,000	15,00,00,000
	55,00,00,000	**55,00,00,000**
Issued, Subscribed & Paid-up:		
1,35,73,451 (March 31,2012: 1,05,30,000) Equity Shares of ₹ 10/- each fully paid up	13,57,34,510	10,53,00,000
Shares Pending Allotment on Amalgamation	-	3,04,34,510
Nil (March 31,2012: 30,43,451) Equity Shares of ₹ 10/- each fully paid up		
	13,57,34,510	**13,57,34,510**

(a) Reconciliation Statement of Equity Share Capital

(Amount in ₹)

Particulars	March 31, 2013		March 31, 2012	
	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	30,43,451	3,04,34,510	-	-
Less:- Buy back during the year	-	-	-	-
Balances of Shares at the end of the year	**1,35,73,451**	**13,57,34,510**	**1,05,30,000**	**10,53,00,000**

(b) 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, 2013, the amount of per share dividend recognized as distributions to equity shareholders was ₹1.50 per share (March 31, 2012: ₹1.50 per share). 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.

(c) Details of shareholder holding more than 5 percent shares in the Company

(Amount in ₹)

Particulars	March 31, 2013		March 31, 2012	
	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	28,78,089	21%	28,01,054	27%
Sh Madhur Daga	10,23,264	8%	9,45,993	9%
Good Team Investment & Trading Company Pvt Limited	23,62,914	17%	23,62,914	22%
Orient Bell Holding Trust	20,79,100	15%	-	-

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 4 : RESERVES AND SURPLUS

(Amount in ₹)

Particulars		As at March 31, 2013	As at March 31, 2012
Capital Reserve			
Balances at the beginning of the year		25,50,830	-
Add:- Addition on account of Amalgamation		-	25,50,830
Add: Addition on Consolidation		7,449	-
Less:- Deletion / Utilization during the year		-	-
Balances at the end of the year	(A)	**25,58,279**	**25,50,830**
Capital Restructuring			
Balances at the beginning of the year		46,15,903	-
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**	**46,15,903**
Amalgamation Reserve			
Balances at the beginning of the year		9,13,03,550	-
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**	**9,13,03,550**
Securities Premium			
Balances at the beginning of the year		10,00,00,000	-
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**	**10,00,00,000**
Revaluation Reserve			
Balances at the beginning of the year		64,71,59,521	-
Add:- Addition on account of Amalgamation		-	66,13,17,492
Less:- Deletion during the year		52,42,641	-
Less:- Adjusted against depreciation for the year		77,51,678	1,41,57,971
Balances at the end of the year	(E)	**63,41,65,202**	**64,71,59,521**
General Reserve			
Balances at the beginning of the year		46,37,77,035	32,05,05,370
Add:- Addition during the year		98,38,711	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)	**47,36,15,746**	**46,37,77,035**
Surplus / (Deficit) in the statement of Profit & Loss			
Balances as per last Financial statements		24,71,21,905	26,24,14,686
Less:- Loss of the amalgamated Company		-	(10,85,99,811)
Add:- MAT Credit Entitlement		-	3,24,35,252
Add:- Profit for the year		9,83,87,110	13,45,34,885
Less:- Appropriations during the year			
- Proposed Dividend on Equity Shares		2,03,60,177	2,03,60,177
(Dividend per share ₹1.50 (March 31,2012: ₹ 1.50)			
- Tax on Proposed Dividend		34,60,212	33,02,930
- Transfer to General Reserve		98,38,711	5,00,00,000
Balance at the end of the year	(G)	**31,18,49,916**	**24,71,21,905**
Total Reserves & Surplus (A+B+C+D+E+F+G)		**161,81,08,596**	**155,65,28,744**

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 5 : LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Non-current		Current Maturities	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Term Loans				
From Banks				
Corporate loans (secured)	38,24,40,789	55,18,06,374	15,04,19,889	5,12,22,667
Buyers Credit (secured)	4,02,61,160	73,49,637	-	-
Vehicle loans (secured)	53,44,494	60,27,680	68,65,479	42,54,600
Corporate loans (unsecured)	4,59,82,238	7,14,05,099	72,60,925	45,37,262
From Financial Institutions				
Corporate loans (unsecured)	7,86,00,000	6,00,00,000	-	-
Other Loans And Advances				
From Related Parties (unsecured) (Refer Note No.27)	16,33,99,400	15,00,00,000	-	-
From Others	-	1,00,36,870	-	-
Trade Deposits (Unsecured)	11,07,75,217	10,93,23,217	-	-
	82,68,03,298	**96,59,48,876**	**16,45,46,293**	**6,00,14,529**
The above amounts includes -			-	
Secured Borrowings	42,80,46,443	56,51,83,690	15,72,85,368	5,54,77,267
Unsecured Borrowings	39,87,56,855	40,07,65,186	72,60,925	45,37,262
Amount disclosed under "Other Current Liabilities" (Note 7)	-	-	(16,45,46,293)	(6,00,14,529)
Total Borrowings	**82,68,03,298**	**96,59,48,876**	-	-

a. The nature of Security for Secured Loans are :

(i) Out of the above secured corporate loan, ₹ 0.88 crore (March 31, 2012: ₹ 3.60 crore) 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.

(ii) Out of the above secured corporate loan, ₹ 52.40 crore (March 31, 2012: ₹ 56.69 crore) 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.

(iii) The buyer's credit of ₹ 4.03 crore (March 31, 2012: ₹ 0.73 crore) 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.

(iv) 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.	15,04,19,889	14,89,31,000	14,27,82,000	9,07,28,000
(ii) Vehicle loans from banks are repayable in monthly installments.	68,65,479	39,16,482	14,28,011	-
(iii) Buyers Credit is due for repayment in 2014-15				

c. The nature of guarantee for Unsecured Loans are :

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

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

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

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 loan from bank is repayable in monthly/ quarterly installments.	72,60,925	88,42,763	93,57,350	2,83,82,125
(ii) Loan from Financial Institutions is repayable in 2014-15.	-	7,86,00,000	-	-

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

(iv) Trade deposits are repayable on cessation of business transaction with dealers.

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

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	11,89,16,700	17,62,46,254
Others	9,61,049	-
Gross Deferred Tax Liability	11,98,77,749	17,62,46,254
Deferred Tax Assets		
Unabsorbed Depreciation / Business Loss	3,68,02,259	17,34,50,970
Provision for Doubtful Debts	63,18,202	43,15,863
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	92,88,526	92,08,848
Others	-	1,45,678
Gross Deferred Tax Assets	5,24,08,987	18,71,21,359
Net Deferred Tax Liabilities/ (Assets)	6,74,68,763	(1,08,75,105)

NOTE 7 : OTHER LIABILITIES

(Amount in ₹)

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Trade Payables	-	-	107,17,58,769	98,04,35,941
(refer note (a) below for details of dues to micro and small enterprises)				
Others				
Current maturities of long-term borrowings (Refer note 5)	-	-	16,45,46,293	6,00,14,529
Book Overdraft	-	-	-	16,11,501
Interest Accrued but not due	-	-	1,31,818	-
Unpaid dividends (refer note (b) below)	-	-	14,66,792	12,72,080
Other Payables				
Statutory Dues Payable	-	-	14,78,18,011	11,84,68,194
Other Liabilities	25,89,859	21,37,333	6,97,84,744	8,92,77,427
	25,89,859	21,37,333	38,37,47,658	27,06,43,731
	25,89,859	21,37,333	145,55,06,427	125,10,79,671

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.

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

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

NOTE 8 : PROVISIONS

(Amount in ₹)

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Provisions for Employee Benefits				
Leave Encashment	1,35,60,937	1,33,53,403	54,41,957	17,28,727
Other Provisions				
Proposed Dividend	-	-	2,03,60,177	2,03,60,177
Provision for tax on Proposed dividend	-	-	34,60,212	33,02,930
Provision for Income Tax [Net of Advance Tax ₹ 2,53,19,320 (March 31, 2012 : ₹ 6,03,93,693)]	-	-	1,09,04,186	6,75,00,010
Provision for Wealth Tax [Net of Advance Tax ₹ Nil (March 31, 2012: ₹ 85,504)]	-	-	1,55,180	1,07,734
	1,35,60,937	1,33,53,403	4,03,21,712	9,29,99,578

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
a) Contingent liabilities		
Claims against Company not acknowledged as debt	6,84,94,055	2,30,90,413
Letter of Credit	37,19,28,695	15,76,04,495
Bank Guarantee (Net of Margin)	70,30,362	11,14,270
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,25,17,200	1,29,81,292

NOTE 9 : SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Term Loans From Banks (Secured)		
Buyers Credit	-	2,01,14,638
Other Loans from Banks (secured)		
Cash Credit	84,63,91,139	70,63,50,294
Working Capital demand loan	13,00,00,000	12,98,55,180
Total Short Term Borrowings	97,63,91,139	85,63,20,112

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 Vysya Bank, Axis Bank, IndusInd Bank (hereafter called the "Consortium") for secured loans borrowings.

b. The above loans are primarily secured by way of first pari passu charge on entire current assets of the Company and collaterally by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.

c. Other Loans from Banks is repayable on demand and carries interest rate ranges from 12% to 14% p.a.

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 10 : FIXED ASSETS

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION/ AMORTIZATION					NET BLOCK	
	As at April 1, 2012	Addition During The Year	Deduction During The Year	As at March 31, 2013	As at April 1, 2012	For The Year	Deduction/ Adjustments During The Year	Charged To Revaluation Reserve	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
A. Tangible Assets											
Land											
- Freehold	58,11,00,853	6,65,421	-	58,17,66,274	-	-	-	-	-	58,17,66,274	58,11,00,853
- Leasehold	1,86,64,330	38,75,730	-	2,25,40,060	30,84,505	2,73,925	-	-	33,58,430	1,91,81,631	1,55,79,825
Buildings									-		
- Factory	78,36,84,716	32,90,695	-	78,69,75,411	24,46,58,598	1,82,50,962	-	73,14,082	27,02,23,642	51,67,51,769	53,90,26,117
- Others	5,88,23,349	6,38,334	83,81,580	5,10,80,103	85,69,185	5,69,779	9,11,758	4,37,596	86,64,803	4,24,15,300	5,02,54,164
Leasehold Improvements	2,52,58,112	2,89,218	-	2,55,47,330	53,33,314	48,13,370	-	-	1,01,46,684	1,54,00,646	1,99,24,798
Plant and Equipment	357,52,56,575	11,84,61,539	24,14,73,228	345,22,44,886	252,68,98,823	14,69,34,583	23,52,52,400	-	243,85,81,006	101,36,63,880	104,83,57,752
Furniture and Fixtures	5,57,98,255	40,80,289	90,502	5,97,88,042	2,34,03,751	47,90,134	52,785	-	2,81,41,101	3,16,46,941	3,23,94,504
Vehicles	3,71,99,966	94,84,155	14,69,697	4,52,14,424	1,07,36,002	37,92,588	2,60,927	-	1,42,67,663	3,09,46,762	2,64,63,965
Office Equipments	2,46,53,637	23,63,727	1,48,700	2,68,68,664	1,26,23,955	10,89,260	34,848	-	1,36,78,367	1,31,90,297	1,20,29,682
Computers	4,04,21,987	41,03,969	-	4,45,25,955	3,25,36,663	22,81,349	-	-	3,48,18,012	97,07,943	78,85,324
Total	520,08,61,779	14,72,53,077	25,15,63,707	509,65,51,149	286,78,44,795	18,27,95,951	23,65,12,718	77,51,678	282,18,79,707	227,46,71,442	233,30,16,984
B. Intangible Assets											
Computer software	2,31,07,801	50,60,425	-	2,81,68,226	1,93,95,862	27,68,555	-	-	2,21,64,417	60,03,809	37,11,939
Total	2,31,07,801	50,60,425	-	2,81,68,226	1,93,95,862	27,68,555	-	-	2,21,64,417	60,03,809	37,11,939
C. Capital Work in Progress											
CWIP	1,83,25,675	16,49,25,140	-	18,32,50,815	-	-	-	-	-	18,32,50,815	1,83,25,675
Total	1,83,25,675	16,49,25,140	-	18,32,50,815	-	-	-	-	-	18,32,50,815	1,83,25,675

Notes:

a. 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 December 31, 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. During the year, consequent to said revaluation there is an additional charge of depreciation of ₹ 77,51,678 (March 31, 2012: ₹ 1,41,57,971) and an equivalent amount has been withdrawn from Revaluation Reserve and credited to Statement of Profit and Loss.

b. Details of Capital Work in Progress:

(Amount in ₹)

Particulars	As on March 31, 2013	As on March 31, 2012
Buildings- Others	51,93,504	1,49,240
Plant and Equipment	17,80,57,312	1,58,12,659
Furniture and fixtures	-	10,07,423
Computer	-	13,56,353
Total	18,32,50,816	1,83,25,675

c. Additions during the year and capital work-in-progress include ₹ 57,16,792 (March 31, 2012: ₹ Nil) being borrowing cost capitalised in accordance with Accounting Standard (AS)16 on "Borrowing Costs" as specified in the Companies (Accounting Standards) Rules, 2006. Asset wise break-up of borrowing cost capitalised is as follows:

(Amount in ₹)

Asset Class	As on March 31, 2013	As on March 31, 2012
Plant and Equipment	2,23,728	-
Capital Work in Progress:-		
Plant and Equipment	54,93,064	-
Total	57,16,792	-

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 11 : NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Non- Trade investments (Valued at Cost,unless stated otherwise)		
Investment in Controlled Entity		
Investment in Orient Bell Holding Trust	20,22,75,807	20,22,75,807
	20,22,75,807	**20,22,75,807**

NOTE 12 : LOANS AND ADVANCES

(Amount in ₹)

Particulars		Non-current		Current	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Capital Advances					
Unsecured, considered good		10,09,274	16,40,211	-	-
	(A)	**10,09,274**	**16,40,211**	**-**	**-**
Security Deposits					
Unsecured, considered good		3,46,56,406	3,52,02,319	6,40,18,498	5,65,14,196
	(B)	**3,46,56,406**	**3,52,02,319**	**6,40,18,498**	**5,65,14,196**
Loan and Advances to Related Parties (Refer Note No. 27)					
Unsecured, considered good		-	-	-	-
	(C)	**-**	**-**	**-**	**-**
Advance Recoverable in cash or in Kind					
Unsecured - considered good		-	-	3,62,58,138	1,85,47,031
Unsecured - Considered Doubtful		-	-	-	-
		-	-	3,62,58,138	1,85,47,031
Less: Provision for doubtful advances		-	-	-	-
	(D)	**-**	**-**	**3,62,58,138**	**1,85,47,031**
Other Loans and Advances					
Advance Income Tax		1,42,35,239	8,27,77,346	-	-
Advance Wealth Tax		50,516	50,516	-	-
Balance with Government Authorities		-	-	4,58,30,775	5,42,33,639
MAT Credit Entitlement		8,98,81,324	5,49,97,324	-	-
Interest Accrued on Security Deposit		-	-	13,87,669	10,57,199
Prepaid expenses		-	-	1,09,56,382	1,00,16,535
Advances to Employees		-	-	1,28,56,878	1,10,56,505
	(E)	**10,41,67,079**	**13,78,25,186**	**7,10,31,704**	**7,63,63,878**
Total Loans & Advances (A+B+C+D+E)		**13,98,32,759**	**17,46,67,716**	**17,13,08,339**	**15,14,25,104**

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 13 : INVENTORIES

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
Raw Materials	9,39,57,147	11,03,76,476
Good In Transit	1,60,00,653	2,64,35,026
Work In Progress	2,23,20,137	1,79,21,954
Finished Goods	83,40,39,504	65,39,52,661
Traded Goods	20,66,76,134	10,62,03,285
Packing Material	85,01,679	1,40,62,935
Stores and Spares	14,13,39,109	14,46,80,057
	132,28,34,362	107,36,32,394

NOTE 14 : TRADE RECEIVABLES & OTHER ASSETS

(Amount in ₹)

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
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	-	-	85,26,665	36,63,929
Unsecured, considered good	-	-	3,33,09,416	6,56,36,465
Unsecured, Doubtful	-	-	1,94,73,576	1,94,73,576
	-	-	6,13,09,657	8,87,73,970
Less: Provision for doubtful receivables	-	-	1,94,73,576	1,94,73,576
(A)	-	-	4,18,36,081	6,93,00,394
Other Receivables				
Secured, considered good	-	-	3,82,03,718	6,67,55,193
Unsecured, considered good	-	-	65,36,86,577	65,37,38,785
(B)	-	-	69,18,90,295	72,04,93,978
Total (A+B)	-	-	73,37,26,376	78,97,94,372
14.2 - OTHER ASSETS				
(Unsecured, considered good unless stated otherwise)				
Non-current bank balances (refer note 15)	53,93,452	1,97,11,388	-	-
Others				
Interest accrued on fixed deposits	5,35,944	15,87,618	33,76,237	4,59,413
Export incentive recoverable	-	-	4,38,301	37,32,173
Advances to Suppliers	-	-	1,39,52,374	2,09,46,711
	59,29,396	2,12,99,006	1,77,66,912	2,51,38,297

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 15 : CASH & BANK BALANCES

(Amount in ₹)

Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Cash & Cash Equivalents				
Balances with Banks :				
In Current Account	-	-	3,33,58,160	5,70,72,923
Deposits with original maturity of less than three months	-	-	2,22,000	-
In Unpaid Dividend Account	-	-	14,70,706	12,76,044
Cash in hand	-	-	7,59,603	8,45,097
Foreign Currency in Hand	-	-	29,997	3,94,139
Cheques in Hand	-	-	-	7,61,106
	-	**-**	**3,58,40,465**	**6,03,49,309**
Others Bank Balances				
Deposits with original maturity of more than 3 months but less than 12 months	-	-	2,69,42,741	36,84,348
Deposits with original maturity of more than 12 months	53,93,452	1,97,11,388	1,61,02,015	59,06,173
	53,93,452	1,97,11,388	4,30,44,756	95,90,521
Amount disclosed under non-current assets (refer note 14.2)	53,93,452	1,97,11,388	-	-
	-	-	4,30,44,756	95,90,521
	-	-	7,88,85,221	6,99,39,830

a) Fixed Deposits with a carrying amount of ₹ 4,82,89,861 (March 31, 2012: ₹ 2,89,76,661) are subject to first charge to secure the Company's loans from banks.

b) Fixed Deposits with a carrying amount of ₹ 3,70,347 (March 31, 2012: ₹ 3,25,248) are pledged with Government Authorities.

NOTE 16 : REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Sale of Product		
Finished Goods	451,75,27,245	475,24,88,953
Traded Goods	167,58,54,302	108,27,85,872
Other Operating Revenues		
Miscellaneous Sale	1,07,95,486	1,37,76,279
Export Incentives	7,36,248	42,04,028
Revenue from operations (gross)	**620,49,13,281**	**585,32,55,132**
Less: Excise duty*	46,78,88,731	39,05,07,483
Revenue from operations (Net)	**573,70,24,550**	**546,27,47,648**

* Excise Duty on Sales amounting to ₹ 46,78,88,731 (March 31, 2012: ₹ 39,05,07,483) has been reduced from Sales and Excise Duty on increase/(decrease) in stock amounting to ₹ 2,44,50,502 (March 31, 2012: ₹ 2,97,17,947) has been considered as Expense in Note No. 23 of Financial Statement.

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
a) Details of products sold		
Finished goods sold		
Tiles	451,75,27,245	475,24,88,953
Traded goods sold		
Tiles	167,58,54,302	108,27,43,415
Others	-	42,457
b) FOB Value of exports	1,45,31,938	6,67,13,238

NOTE 17 : OTHER INCOME

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Income		
On Fixed deposits	32,44,802	30,03,048
On Income Tax Refund	10,08,016	-
Others	17,42,153	7,55,139
Other non-operating income	2,50,85,178	90,38,348
	3,10,80,148	1,27,96,535

NOTE 18 : COST OF RAW MATERIAL CONSUMED

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Raw Material		
Balances of Raw Material at the beginning of the Year	13,68,11,503	10,07,14,173
Add:- Purchases during the year	95,43,97,429	117,10,60,209
Less:- Balances of Raw Material at the end of the Year	9,39,57,147	13,68,11,503
Total Raw Material Consumption	99,72,51,785	113,49,62,879
a) Details of Raw Materials Consumed		
Clay & Minerals	36,08,96,736	48,37,44,430
Chemicals & Glaze Materials	63,63,55,049	65,12,18,449
	99,72,51,785	113,49,62,879
b) C.I.F. value of Imports		
Raw Material	5,54,39,843	3,93,45,783
Traded Goods	7,24,32,282	5,72,33,942
Capital Goods & Others	14,17,78,617	2,66,32,972
Stores & Spares	3,84,78,697	5,20,48,627
	30,81,29,439	17,52,61,324

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Percentage	Amount	Percentage	Amount
c) Consumption of indigenous & imported raw material				
Indigenous	97%	96,28,94,121	96%	109,10,78,282
Imported	3%	3,43,57,664	4%	4,38,84,597

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 19 : (INCREASE) / DECREASE IN INVENTORIES

(Amount in ₹)

Particulars		For the year ended March 31, 2013	For the year ended March 31, 2012
Inventories at the beginning of the year			
Work-in-progress		1,79,21,954	2,30,64,041
Work-in-progress acquired through Amalgamation		-	78,09,664
Finished goods			
Manufacturing Goods		65,39,52,661	42,91,73,458
Traded Goods		10,62,03,285	4,05,47,998
Acquired through Amalgamation		-	19,00,01,602
	(A)	77,80,77,899	69,05,96,763
Inventories at the end of the year			
Work-in-progress		2,23,20,137	1,79,21,954
Finished goods			
Manufacturing Goods		83,40,39,504	65,39,52,661
Traded Goods		20,66,76,134	10,62,03,285
	(B)	106,30,35,775	77,80,77,899
(Increase) / Decrease in Inventory	(B-A)	28,49,57,875	8,74,81,137
a) Details of Purchases of Traded Goods			
Indigenous Goods			
Tiles		152,90,53,544	98,96,84,071
Imported Goods			
Tiles		9,91,18,463	7,55,79,200
		162,81,72,007	106,52,63,271
b) Details of Inventories			
Work In Progress			
Tiles		2,23,20,137	1,79,21,954
Traded Goods			
Tiles		20,66,29,137	10,61,56,324
Others		46,997	46,961
Manufactured			
Tiles		83,40,39,504	65,39,52,661

NOTE 20 : EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries, Wages & Bonus	49,89,95,132	50,88,88,074
Contribution to Provident and Other fund	1,72,63,912	1,89,17,850
Gratuity Expense (Refer note below)	88,81,212	29,23,927
Staff Welfare Expenses	1,93,49,016	2,15,87,777
	54,44,89,272	55,23,17,627

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

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	For the year ended March 31, 2013	For the year ended March 31, 2012
Employer's Contribution to Provident Fund/ Pension Fund	1,35,55,237	1,49,09,403
Employer's Contribution to State Insurance	34,16,228	33,47,447

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

(ii) Defined Benefit plans and Other Long term Benefits

a) Contribution to Gratuity Funds- Employee's Gratuity Fund.

b) Leave encashment/ Compensated absence (Long Term)

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation was carried out in respect of the aforesaid defined benefit plans and other long term benefits based on the following assumptions.

I. Changes in present value of Defined Benefit obligations :

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit obligation as at the beginning of the year	4,95,34,779	1,50,82,130	5,16,01,998	1,46,18,616
Current Service Cost	49,91,518	36,16,246	59,41,936	19,38,250
Interest Cost	39,62,782	12,06,570	42,57,165	12,15,506
Actuarial (gain) / loss on obligations	28,82,058	33,77,513	(1,05,63,339)	(9,60,487)
Excess of Actual over Estimated	-	-	-	-
Benefits paid	(1,17,08,037)	(70,71,641)	(17,02,981)	(17,29,755)
Defined Benefit obligation at the year end	4,96,63,100	1,62,10,818	4,95,34,779	1,50,82,130

II. Change in the Fair Value of Plan Assets

(Amount in ₹)

Particulars	As at March 31, 2013	As at March 31, 2012
	Gratuity (Funded)	Gratuity (Funded)
Opening Fair Value of Plan Assets	3,64,87,290	3,53,41,323
Expected Return on Plan Assets	29,55,470	29,15,660
Contribution by employer	3,25,981	16,57,071
Benefits paid	(25,23,029)	(17,02,981)
actural gain/(loss) on Plan assets	(323)	(1,723,783)
Closing fair value of Plan Assets	3,72,45,389	3,64,87,290

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

III. Reconciliation of present value of defined obligation and fair value of assets

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of Defined Benefit Obligation	(4,96,63,100)	(1,62,10,818)	(4,95,34,779)	(1,51,25,405)
Fair Value of Plan Assets	3,72,45,389	-	3,64,75,904	-
Net Assets/(liability) recognised in Balance Sheet	**(1,24,17,711)**	**(1,62,10,818)**	**(1,30,58,875)**	**(1,51,25,405)**

(Amount in ₹)

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

(Amount in ₹)

Particulars	For the year ended March 31, 2009	
	Gratuity (Funded)	Leave Encashment (Unfunded)
Present Value of Defined Benefit Obligation	(2,00,38,877)	(18,84,865)
Fair Value of Plan Assets	1,02,92,264	-
Net Assets/(liability) recognised in Balance Sheet	**(97,46,613)**	**(18,84,865)**

IV. Expenses/ (Income) recognized in the statement of Profit & Loss

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Current service Cost	49,91,518	36,16,246	59,41,936	19,38,250
Interest Cost on benefit obligation	39,62,782	12,06,570	42,57,165	12,15,506
Expected return on plan assets	(29,55,470)	-	(29,15,660)	-
Acturial (gain)/Loss recognised during the year	28,82,381	61,69,589	(88,28,170)	(9,17,212)
Net benefit expense	**88,81,211**	**1,09,92,405**	**(15,44,729)**	**22,36,544**

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

Particulars	As at March 31, 2013	As at March 31, 2012
	Gratuity (Funded)	Gratuity (Funded)
Insured with Kotak Mahindra Old Mutual Life Insurance Ltd/Life Insurance Corporation	99.97%	99.90%
Bank Balance	0.03%	0.10%

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

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

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
Discount Rate	8.00%	8.00%	8.50%	8.50%
Rate of Increase in compensation	5.50%	5.50%	6.00%	6.00%
Rate of return on Plan assets (for gratuity)	8.10%	-	8.50%	-
Mortality (Published notes under the LIC (1994 - 96) duly modified)	-	-	-	-

Notes:

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

(2) On account of short term leave encashment benefit, which is being recognised on the basis of actual eligibility of earned leave beyond 60 days, an expense of ₹ 27,92,076 has been recognised in addition to the expense recognised by Actuarial and a provision of ₹ 27,92,076 has been recognised in addition to the obligation recognised by Actuarial.

NOTE 21 : FINANCE COST

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Interest Expense	23,55,64,510	20,64,47,224
Exchange difference to the extent considered as an adjustment to borrowing cost	19,31,466	12,91,288
Other borrowing costs	1,13,50,882	1,05,18,416
	24,88,46,858	**21,82,56,928**

NOTE 22 : DEPRECIATION AND AMORTISATION EXPENSE

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation and Amortisation	19,33,16,184	20,43,32,639
Less: Transferred from Revaluation Reserve (Refer Note 4)	(77,51,678)	(1,41,57,971)
	18,55,64,506	**19,01,74,667**

NOTE 23 : OTHER EXPENSES

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Stores & Spares consumed	9,63,44,254	16,51,35,121
Packing Material Consumed	19,98,63,599	20,93,61,235
Increase/(Decrease) in Excise Duty	2,44,50,502	2,97,17,947
Natural Gas	108,40,64,931	88,70,84,798
Electricity	14,15,23,743	15,11,73,845
Fuel & Others	7,90,851	5,99,02,101
Rent	4,46,26,892	4,38,16,922
Hire Charges	2,99,22,999	3,13,17,900
Interest on delayed payment of Income Tax	13,39,506	10,84,379

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Rates & Taxes	33,98,889	51,69,468
Insurance	8,18,210	48,16,876
Repair & Maintenance		
Plant & Machinery	1,84,59,890	1,72,66,844
Buildings	63,76,327	44,59,090
Other	1,29,42,596	1,19,20,519
Designing & Processing	56,32,679	63,29,415
Freight & Forwarding Charges	18,74,06,079	25,40,18,406
Advertisement and Sales Promotion	4,84,16,911	7,04,19,694
Discount	17,75,69,043	16,98,00,540
Sales Commission	5,68,06,910	3,33,47,231
Travelling & Conveyance	6,55,74,291	7,77,16,255
Communication Costs	1,30,91,659	1,14,90,640
Printing & Stationery	54,14,859	44,71,835
Legal & Professional Exps.	1,30,66,370	1,20,80,643
Director's Sitting fees & Other Expenses	14,36,451	6,90,446
Payment to the Auditors (refer note (b) below)	19,18,723	12,25,000
Exchange difference (net)	-	10,12,447
Sundry Balances written off	19,33,454	26,42,079
Trainees & Recruitment	96,35,755	91,28,435
Loss on sale of fixed assets	-	8,01,720
Watch & Ward Expenses	55,44,258	54,47,305
Miscellaneous expenses	1,59,32,744	1,88,88,268
	227,43,03,375	230,17,37,405

a) Consumption of Imported stores and spares

(Amount in ₹)

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	Percentage	Amount	Percentage	Amount
Indigenous	83.72%	8,06,58,713	72.50%	11,97,19,293
Imported	16.28%	1,56,85,541	27.50%	4,54,15,828

b) Payment to the Auditors:

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
As Auditors	9,50,000	9,50,000
For Taxation matters	1,50,000	1,50,000
For other services	7,32,500	85,000
Reimbursement of Expenses	86,223	40,000
	19,18,723	12,25,000

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

c) Gross expenditures in foreign currency (payment basis)

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Travelling	8,55,256	32,95,752
Membership & Subscription	-	45,062
Payment to Technicians	-	1,07,236
Designing & Processing	52,45,100	52,67,955
	61,00,356	**87,16,005**

d) Operating Lease

The Company's significant lease agreements are in the nature of operating leases for premises used at various depots and showrooms. These lease agreements are cancellable by either parties thereto as per the terms and conditions of the agreements. In respect of these leases, lease rent of ₹ 4,46,26,892 (March 31, 2012: ₹ 4,38,16,922) including ₹ 4,98,731 (March 31, 2012 : ₹ Nil) not leviable for the year as per the lease agreement, has been recognised on a straight line basis and the corresponding amount is included in trade payables.

NOTE 24 : EXCEPTIONAL ITEMS

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation Written Back	-	(1,12,47,940)
	-	**(1,12,47,940)**

NOTE 25 : EARNINGS PER SHARE(EPS)

(Amount in ₹)

Particulars		For the year ended March 31, 2013	For the year ended March 31, 20132
Basic Earnings per share			
Profit/Loss attributable to the equity shareholders	(A)	9,83,87,110	13,45,34,885
Weighted Average number of equity shares outstanding at the end of the year	(B)	1,35,73,451	1,05,30,000
Basic Earnings per share	(A/B)	7.25	12.79
Diluted Earnings per share			
Weighted Average number of equity shares in calculating basic EPS		1,35,73,451	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	(C)	1,35,73,451	1,35,73,451
Diluted Earnings per share	(A/C)	7.25	9.91

NOTE 26 :

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.

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 27 :

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 Enterprises owned or significantly influenced by Key Managerial Personnel ("KMP") or their relatives (Only with whom the Company had transaction during the year)

(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 (KMP)

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

(b) Mr. Madhur Daga, Executive Director

D Relatives of Key Managerial Personnel (Only with whom the Company had transaction during the year)

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

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

(ii) Disclosure of transactions between the Company and related parties and status of outstandings as on 31st March 2013

(Amount in ₹)

Particulars	Subsidiary Company	Enterprises owned or significantly influenced by KMP or their relatives	Key Managerial Personnel	Relatives of Key Managerial Personnel
Nature of Transaction:				
a) Loan Received	-	71,29,656	3,91,87,789	41,80,130
	(-)	(75,35,000)	(1,89,90,000)	(37,50,000)
b) Loan Given/Repaid	-	2,67,29,656	66,88,389	36,80,130
	(-)	(35,75,000)	(-)	(-)
c) Interest Payment	-	41,57,774	79,84,323	32,30,039
	(-)	(38,12,121)	(69,89,946)	(29,18,521)
d) Hire charges paid	-	18,37,000	-	-
	(-)	(36,83,000)	(-)	(-)
e) Rent Paid	-	12,24,105	-	24,000
	(-)	(8,32,140)	(-)	(24,000)
f) Managerial Remuneration	-	-	1,99,99,711	-
	(-)	(-)	(1,84,65,806)	(-)
g) Security Deposit refunded	-	6,15,000	-	-
	(-)	(11,25,000)	(-)	(-)
h) Legal and Professional Charges	1,59,089	1,50,000	-	-
	(-)	(3,00,000)	(-)	(-)

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

(Amount in ₹)

Particulars	Subsidiary Company	Enterprises owned or significantly influenced by KMP or their relatives	Key Managerial Personnel	Relatives of Key Managerial Personnel
i) Investments made	-	-	-	-
	(1,32,400)	(-)	(-)	(-)
j) Purchases	1,19,40,199	-	-	-
	(-)	(-)	(-)	(-)
Outstanding as on March 31, 2013				
a) Unsecured Loans Payable	-	1,97,00,000	11,22,99,400	3,14,00,000
	(-)	(3,93,00,000)	(7,98,00,000)	(3,09,00,000)
b) Other Current Liabilities	1,59,089	8,31,356	-	-
	(-)	(67,500)	(-)	(-)
c) Other Current Assets	-	9,93,035	-	-
	(-)	(16,08,035)	(-)	(-)
d) Investments	1,32,400	-	-	-
	(1,32,400)	(-)	(-)	(-)

Figures in brackets represents figures for the year ended March 31, 2012.

Disclosure in respect of Material transactions with related parties

(Amount in ₹)

Particulars		For the year ended March 31, 2013	For the year ended March 31, 2012
a)	Loan received		
	Key Managerial Person		
	Mr. Mahendra K. Daga	3,30,53,961	1,24,40,000
	Mr. Madhur Daga	61,33,828	65,50,000
	Relatives of key Managerial Persons		
	Mrs. Sarla Daga	34,80,130	34,50,000
	Mrs. Roma Monisha Sakraney Daga	7,00,000	3,00,000
	Enterprises owned or significantly influenced by KMP or their relatives		
	Mahendra K. Daga - HUF	21,39,555	27,35,000
	Goodteam Investment & Trading Co Pvt. Ltd	49,90,101	44,50,000
	Iris Designs Pvt Limited	-	3,50,000
b)	Loan Given/Repaid		
	Key Managerial Person		
	Mr. Mahendra K. Daga	12,03,961	-
	Mr. Madhur Daga	54,84,428	-
	Relatives of Key Managerial Persons		
	Mrs. Sarla Daga	36,80,130	-
	Enterprises owned or significantly influenced by KMP or their relatives		
	Iris Designs Pvt Ltd.	3,50,000	-
	Goodteam Investment & Trading Co Pvt. Ltd	2,63,40,101	35,00,000
	Mahendra K. Daga - HUF	39,555	75,000
c)	Interest Payments		
	Key Managerial Person		
	Mahendra K. Daga	54,15,321	45,79,425
	Madhur Daga	25,69,002	24,10,521
	Relative of Key Managerial Persons		

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

(Amount in ₹)

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Mrs. Sarla Daga	31,85,271	29,04,302
Mrs. Roma Monisha Sakraney Daga	44,768	14,219
Enterprises owned or significantly influenced by KMP or their relatives		
Goodteam Investment & Trading Co Pvt. Ltd	23,07,271	21,38,658
Iris Designs Pvt Ltd.	34,425	32,507
Mahendra K. Daga - HUF	18,16,078	16,40,956
d) Hire Charges Paid		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd.	18,37,000	36,83,000
e) Rent Paid		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd.	9,12,000	6,66,000
Alfa Mercantile Ltd.	1,11,000	48,000
Morning Glory Leasing & Finance Ltd.	76,605	52,140
Iris Designs Pvt Ltd.	1,24,500	66,000
Relative of Key Managerial Persons		
Mrs. Sarla Daga	24,000	24,000
f) Security Deposit Received		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Ltd.	6,15,000	11,25,000
g) Legal & professional Exp		
Subsidiary Company		
ELIT International Trading (HK) Pvt. Ltd.	1,59,089	-
Enterprises owned or significantly influenced by KMP or their relatives		
Morning Glory Leasing & Finance Ltd.	1,50,000	3,00,000
h) Investment made		
ELIT International Trading (HK) Pvt. Ltd.	-	1,32,400
i) Purchases / Sales		
ELIT International Trading (HK) Pvt. Ltd.	1,19,40,199	-
j) Managerial remuneration		
Mr. Mahendra K. Daga		
Salary	67,10,000	99,00,000
Contribution to Provident Fund	3,900	-
Perquisites	37,87,141	1,66,196
Mr. Madhur Daga		
Salary	60,50,000	82,50,000
Contribution to Provident Fund	9,360	9,360
Perquisites	34,39,310	1,40,250
	1,99,99,711	**1,84,65,806**

Notes Forming Part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 28 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

a. Derivatives outstanding as at the Balance Sheet date

Particulars	Purpose
Forward Contract to buy : Euro : 4,02,018 (March 31, 2012: Euro Nil) against INR amounting to ₹ 2,87,81,520 (March 31,2012: ₹ NIL) US $ NIL (March 31, 2012 : $ 3,77,112) against INR amounting to ₹ NIL (March 31,2012: ₹ 2,01,14,640)	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
Euro 17,35,501 (March 31, 2012 Euro : 1,08,262) against INR amounting to ₹ 12,44,55,543 (March 31, 2012 : ₹ 73,49,636) US $ 1,55,661 (March 31, 2012 : NIL) against INR amounting to ₹ 84,08,838 (March 31, 2012 : ₹ NIL)	Import of Raw Material, Stores and Capital items

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

d. During the year the Company has provided ₹ 6,03,596 towards premium on forward exchange contracts (March 31, 2012: ₹ 47,605).

NOTE 29 :

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

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

NOTE 30 :

Balances of Sundry Creditors and Debtors are subject to confirmation.

NOTE 31 :

Figures for the previous year have been reclassified/ regrouped wherever considered necessary.

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 : 08th August, 2013	*Chief Executive Officer*	*Company Secretary*	*Vice President, Finance & Accounts*

Corporate information

BOARD OF DIRECTORS
Mr. Mahendra K. Daga, Chairman & Managing Director
Mr. Madhur Daga, Executive Director
Mr. Dhruv M. Sawhney
Mr. K.M. Pai
Ms. Madhavi M. Kapadia, Nominee Director – IDBI Bank
Mr. N.R. Srinivasan
Mr. P.M. Mathai
Mr. R.N. Bansal

CHIEF EXECUTIVE OFFICER
Mr. Vijay Shankar Sharma

AUDIT COMMITTEE
Mr. R.N. Bansal, Chairman
Mr. K.M. Pai
Mr. Mahendra K. Daga
Mr. N.R. Srinivasan
Mr. P.M. Mathai

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. K.M. Pai
Mr. R.N. Bansal

COMPANY SECRETARY & HEAD-LEGAL
Mr. Yogesh Mendiratta

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

BANKERS / LENDERS
Axis Bank
Export Import Bank of India
IDBI Bank
ING Vysya Bank
Indusind Bank
Punjab National Bank
State Bank of India
Tata Capital Financial Services Limited

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. Industrial 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

ALL YOU WANTED TO KNOW ABOUT DIGITAL TILES

Q. What is digital printing and how is it different from other forms of printing?

Digital printing is a method of printing using digital techniques in which data and images are printed directly from a computer onto paper or any other suitable medium or substrate, for instance a tile. A simple example is the familiar digital printer (also referred as ink-jet printer) used in homes and offices for printing documents and photo-quality images. Ordinary screen printers and rotary printers are on-contact printers, while digital printing is an off-contact printing process.

Q. What are the advantages of a digital printing?

A digital printer offers tremendous advantages over traditional printing techniques. Very high resolution, real-life like pictures, ability to print on curved, uneven or textured surfaces and customised solutions are some of the advantages of a digital printer. In addition, digital printing not just shrinks time-to-market (in terms of an immediacy in converting designs onto tiles) but also offers very high flexibility in terms of switching and even shrinking batch sizes.

Q. How is a digital printer able to produce so many colours on a single tile? Why can't many colours be printed with traditional screen printing technology?

The digital printer is based on the CMYK colour process. Four colours – cyan, magenta, yellow and black, abbreviated as CMYK are combined in several ways to create virtually any colour required. In traditional screen printing, one screen is required for each colour and not more than three or four such screens can be employed on a typical glazing line thus limiting the number of colours to maximum of three or four.

Q. How does a digital printer work?

The heart of any digital printer is the printer head. Every print head contains hundred of tiny nozzles through which a measured quantity of ink is ejected. Piezoelectric crystals present in the print head nozzles vibrate at desired frequency and eject precise amounts of ink droplets. Hundreds of such nozzles work in tandem to create millions of such drops or dots that together combine to form the desired design or image.

Q. What kinds of inks are used for printing?

Digital printers used for printing on paper use organic solvent-based inks. The inks used for digital printing on tiles comprises a special formulation and is made from a suspension of extra fine inorganic pigments.

ORIENT WALL & FLOOR TILES

Har ghar khoobsurat hai.

Bell WALL & FLOOR TILES

Your house made sweet home.

Corporate Office:

Iris House, 16 Business Centre, Nangal Raya

New Delhi 110046

Tel: +91 11 47119100

Visit us at: www.orientbell.com

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FORM A

1.	Name of the Company:	**ORIENT BELL LIMITED**
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

Sandeep Dinodia
Partner
S. R. Dinodia & Co.
Statutory Auditors

Mahendra K. Daga
Chairman & Managing Director

R. N. Bansal
Chairman of Audit Committee

Jaywant M. Puri
Vice President, Finance & Accounts

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Bell | BellService@OrientBell.com | Toll Free : 1800 208 5055 (Mon - Sat 9.30 to 18.30 hrs.) | SMS: TILE to 54242 | www.OrientBell.com/Bell

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