

# Omnitex Industries (India) Limited



***26th ANNUAL REPORT 2011-2012***





## Omnitex Industries (India) Limited

<b>Board of Directors</b>	Mr. Amit R. Dalmia Mr. Deepak Advani Mr. J. Ramakrishnan	Chairman Director Director
<b>Auditors</b>	Tembey & Mhatre, Chartered Accountants	
<b>Registrars &amp; Transfer Agents</b>	Adroit Corporate Services Pvt. Ltd. 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400 059.	
<b>Registered Office</b>	317, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai - 400 011.	

### 26<sup>th</sup> Annual General Meeting

Date : 16<sup>th</sup> August, 2012  
Day : Thursday  
Time : 10.00 a.m.  
Venue : "Hall of Quest",  
Nehru Planetarium, Nehru Centre,  
Dr. Annie Besant Road, Worli,  
Mumbai - 400 018.

**Members are requested to bring their copies of the Annual Report to the Annual General Meeting**



## Omnitex Industries (India) Limited

### NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of **Omnitex Industries (India) Limited**, will be held on Thursday, 16<sup>th</sup> August, 2012, at 10.00 a.m., at the "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018., to transact the following business:

#### Ordinary Business

1. To receive, consider, and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date, and Reports of the Directors and Auditors thereon.
2. To appoint Mr. Amit R. Dalmia as a Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To re-appoint auditors and to fix their remuneration.

#### Special Business

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

**"RESOLVED THAT** in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof Mr J Ramakrishnan, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 and who holds office up-to the date of this Annual General Meeting be and is hereby appointed as the Director of the Company subject to retirement by rotation under the provisions of the Articles of the Company."

**By Order of the Board of Directors,**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2012

**Amit R. Dalmia**  
Chairman

#### Registered Office:

317, Tantia Jogani Industrial Premises,  
3rd Floor, J. R. Boricha Marg,  
Lower Parel, Mumbai - 400 011.

#### Notes:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing a Proxy should be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
3. The Register of Members and Share transfer Books of the Company will remain closed from Tuesday the 14<sup>th</sup> August, 2012 to Thursday the 16<sup>th</sup> August, 2012 (both days inclusive).
4. Members / proxies should bring the attendance slip duly filled in for attending the meeting.
5. Members are requested to intimate the change of address, if any to the Registrar and Share Transfer Agents M/s. Adroit Corporate Services Private Limited, 19/20, Jaferbhoy Industrial Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai – 400 059.

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6. Members desiring any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
7. The Members who wish to take advantage of the nomination facility, can obtain the prescribed nomination form, from the Company's Registrar and Transfer Agent.
8. Brief resume of Mr. Amit R Dalmia and Mr. J Ramakrishnan is given in the Corporate Governance Report (Refer Item 15 of the report).

**By Order of the Board of Directors,**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2012.

**Amit R. Dalmia**  
Chairman

**Registered Office:**

317, Tantia Jogani Industrial Premises,  
3rd Floor, J. R. Boricha Marg,  
Lower Parel, Mumbai - 400 011.

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

**Item No 4**

The Board of Directors of the Company has appointed Mr. J Ramakrishnan, as additional Director, pursuant to the provisions of section 260 of the Companies Act, 1956 with effect from March 22, 2012.

In terms of the provisions of Section 260 of the Act, Mr. J Ramakrishnan would hold the office up to the date of this Annual General Meeting of the Company.

The Company has received a Notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. J Ramakrishnan for the Office of Director of the Company under the provisions of Section 257 of the Act.

The Board commends the resolution for your approval

None of the Directors are concerned or interested in the resolution.

**By Order of the Board of Directors,**

**Amit R. Dalmia**  
Chairman

Place : Mumbai  
Date : 30<sup>th</sup> May, 2012

**Registered Office:**

317, Tantia Jogani Industrial Premises,  
3rd Floor, J. R. Boricha Marg,  
Lower Parel, Mumbai-400 011.



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2012.

### 1. FINANCIAL RESULTS

	2011-12 (Rs. in Lacs)	2010-11 (Rs. in Lacs)
Profit before Financial Charges, Depreciation and Taxes	14.90	9.80
Less : Financial Charges	0.29	0.17
Depreciation	5.91	5.39
Current Tax	3.00	0.81
Deferred Tax	(2.53)	2.53
MAT Credit Entitlement	(0.00)	(0.81)
Net Profit after depreciation and tax	8.23	1.71
Add : Loss brought down from earlier year	(89.86)	(91.57)
Prior Period Adjustment for Taxes	(0.27)	(0.00)
Balance (Loss) carried to Balance Sheet	(81.90)	(89.86)

### 2. DIVIDEND

In view of the accumulated losses, your Directors are not in a position to recommend any dividend for the year and regret the same.

### 3. REVIEW OF OPERATION

During the year under review, your Company has earned a net profit of Rs. 8.23 lacs for the year as against net profit of Rs. 1.71 lacs during the previous year.

The Management is exploring investment opportunities that may be deemed most beneficial to the interest of the Company.

### 4. JOINT VENTURE

During the year under review, M/s. Strata Geosystems (India) Private Limited the Joint Venture Company has continued to make good progress and has achieved a turnover of over Rs. 50 Crores and it's outlook is good.

### 5. DIRECTORS

Mr. Amit R. Dalmia will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Mr. Vivek M. Jalan had resigned as Director of the Company w.e.f. 22<sup>nd</sup> March, 2012. Your Directors place on record their appreciation of the valuable service rendered by Mr. Vivek M Jalan during his tenure as Director.

Mr. J. Ramakrishnan was appointed as an additional Director of the Company with effect from 22<sup>nd</sup> March, 2012 and shall hold office up-to the date of the ensuing Annual General Meeting.

**6. DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state as under :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

**7. INSURANCE**

All the properties of the Company including building, furniture, vehicles wherever necessary, and to the extent required, have been adequately insured.

**8. PARTICULARS OF EMPLOYEES**

As there were no employees drawing remuneration more than the limit prescribed under section 217 (2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, statement under section 217(2A) is not annexed.

**9. PARTICULARS OF ENERGY CONSUMPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOING**

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, and forming part of the Directors' Report for the year ended March 31, 2012 is annexed hereto.

**10. AUDITORS**

M/s. Tembey & Mhatre, Chartered Accountants, present auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. Members are requested to consider their re-appointment and authorize the Board of Directors to fix their remuneration.

**11. SECRETARIAL COMPLIANCE CERTIFICATE**

Your Company appointed CS Niraj Trivedi, Practising Company Secretary to conduct Secretarial Audit of the Company in terms of section 383-A of the Companies Act 1956. The Compliance Certificate issued by him is attached hereto.

**12. CORPORATE GOVERNANCE**

Your Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and in the Listing Agreement with the Stock Exchanges. Necessary measures were taken during the year under report to implement the Code of Corporate Governance. A report of the Corporate Governance, along with the Certificate of Compliance from the Auditors forms part of this report.

**13. APPRECIATION**

The Board of Directors records its grateful thanks to all the stakeholders of the Company for their continued support and co-operation.

**On Behalf of the Board of Directors**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2012

**Amit R. Dalmia**  
Chairman



**ANNEXURE TO DIRECTORS' REPORT 2011-12**

Additional information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

**(A) CONSERVATION OF ENERGY:**

**1) Energy Conservation measures taken by the Company:**

Since the Company does not have any manufacturing operations presently, this is not applicable.

**2) Additional Investments and proposal for reduction of Consumption of energy:**

Since the Company does not have any manufacturing operations presently, this is not applicable.

**3) Total energy consumption and energy consumption per unit of production as per Form 'A'.**

**FORM - A**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.**

	2011-12	2010-11
<b>a) POWER &amp; FUEL CONSUMPTION</b>		
<b>Electricity:</b>		
<b>(i) Purchased</b>		
Units (Nos)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Rate/Unit (Rs.)	NIL	NIL
<b>(ii) Own Generation (D.G.)</b>		
Units (Nos)	NIL	NIL
Value of Diesel Consumed (Rs.)	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL
<b>b) CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>Electricity (Units Nos./Kg.)</b>	NIL	NIL

**(B) TECHNOLOGY ABSORPTION**

Efforts in technology absorption as per Form B is given below:

**FORM - B**

**Research And Development (R & D)**

Nil

**Technology absorption, adaptation and innovation:**

Nil

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGOING**

Exports during the year amounted to Rs. Nil. (Previous year Nil). The outgo of Foreign Exchange amounted to Rs. Nil. (Previous year Nil).

**On Behalf of the Board of Directors**

Place : Mumbai

Date : 30<sup>th</sup> May, 2012

**Amit R. Dalmia**

Chairman



**MANAGEMENT DISCUSSION AND ANALYSIS**

(31st March, 2012)

The Company has marginally strengthened its Balance Sheet by bringing down the brought forward losses to Rs. 81.90 lacs. During the year, the Company has continued trading activities and is hopeful of further improvement. The Management is exploring investment in other business opportunities.

**INTERNAL CONTROL AND SYSTEMS**

The Company has adequate internal control procedures commensurate with its size and nature of business. These internal policies ensure efficient use and protection of assets and resources, compliance with policies, statutes and reliability as well as promptness of financial reports.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

**Sales:**

Total income from operations was 39.98 lacs against last year's figure of Rs. 30.12 lacs.

**Profit before Interest, Depreciation , Taxes and Impairment Loss on Fixed Assets:**

The Company has earned an Operational profit of Rs. 14.90 lacs, as against last year's figure of Rs. 9.80 lacs.

**Financial Charges:**

Financial Charges payment increased to Rs. 0.29 lacs from Rs. 0.17 lacs.

**Net Profit:**

The Company has earned a net profit of Rs. 7.96 lacs as against Rs. 1.71 lacs during the previous year

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

There are no material developments on the human resources front.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis may be "forward looking statements" and have been issued as required by applicable Securities Laws and Regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from that envisaged.



## **CORPORATE GOVERNANCE REPORT (31st March, 2012)**

### **1. Philosophy on Corporate Governance**

The Board of Directors are the trustees to the interests of all the stakeholders of the Company, particularly the shareholders and your Board always believed that good corporate governance is critical to the success of the Company. Therefore, your Board continuously reviews the developments on good corporate governance to update its standards on an ongoing basis.

The key elements of corporate governance standards of your Company include:

- a) Adoption of effective measures to protect shareholders' rights
- b) Timely disclosure of quality information about Company's business and operations to improve transparency
- c) Implementation of quality board practices to increase the effectiveness of the Board

### **2. Board of Directors**

Composition of Board and Category of Board of Directors

The Board of directors comprises of total 3 (three) directors as on 31<sup>st</sup> March 2012. All the Directors including Chairman are independent and non executive directors.

Seven Board meetings were held in the year 2011-12 and the gap between two Board meetings did not exceed four months. The same were held on 30<sup>th</sup> May 2011, 1<sup>st</sup> July 2011, 11<sup>th</sup> August 2011, 20<sup>th</sup> September 2011, 15<sup>th</sup> November 2011, 14<sup>th</sup> February 2012 and 22<sup>nd</sup> March 2012.

Attendance of each Director at the Board Meetings and the last AGM, Number of Boards or Board Committees where the Director is a Member / Chairperson are as under:

<b>Name of the Director</b>	<b>Board Meetings Attended During 2011-2012</b>	<b>Attendance at the Last AGM</b>	<b>No of other Directorships in Public Company</b>	<b>Member/Chairperson in no of Board Committees in other Companies as at the date of report</b>
Mr Vivek M. Jalan	7	No	1	2
Mr. Deepak Advani	6	Yes	Nil	-
Mr. Amit R. Dalmia	7	Yes	Nil	-
Mr. J. Ramakrishnan	1	N.A.	Nil	-

Mr. Vivek M Jalan resigned as Director w.e.f. 22<sup>nd</sup> March, 2012

Mr. J Ramakrishnan was appointed as additional director w.e.f. 22<sup>nd</sup> March, 2012

### **3. Audit Committee**

Terms of Reference :

- i. To oversee Company's financial reporting/financial information/financial statements.
- ii. To review with management the Annual Financial Statement before submission to Board, focusing primarily on changes in accounting policies and practices.
- iii. To look into compliance with Stock Exchange and legal requirements concerning financial statements.
- iv. To review internal control systems.
- v. Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- vi. To discuss with the Auditors periodically about internal control system, the scope of audit including the observations of the Auditors and review periodical financial results before submission to the Board.

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The composition of the Audit Committee is as under:

Name of the Member	Chairman / Member	No. of Meeting held	Meetings Attended During 2011-2012
Mr Vivek M. Jalan	Chairman	4	4
Mr. Deepak Advani	Member	4	4
Mr. Amit R. Dalmia	Member	4	4
Mr. J. Ramakrishnan	Member	4	0

Mr. Vivek M Jalan resigned as Director w.e.f. 22<sup>nd</sup> March, 2012

Mr. J Ramakrishnan was appointed as additional director w.e.f. 22<sup>nd</sup> March, 2012

During the year four Audit Committee Meetings were held on 30<sup>th</sup> May 2011, 11<sup>th</sup> August 2011, 15<sup>th</sup> November 2011 and 14<sup>th</sup> February 2012.

#### 4. Remuneration Committee

Since no remuneration other than sitting fees is being paid to any Directors and this being a non-mandatory requirement, the remuneration committee was not constituted.

There are no payments like stock options, pension etc, was made, to any Directors during the year.

#### 5. Shareholders Grievances Committee

Two meetings of the Investors' Grievances Committee were held during the year. The meetings were held on 30<sup>th</sup> October, 2011 and 30<sup>th</sup> March, 2012.

The composition of the committee is as under:

Name of the Member	Chairman / Member	Number of Meetings attended
Mr. Vivek M. Jalan	Chairman	1
Mr. Deepak Advani	Chairman / Member	2
Mr. J. Ramakrishnan	Member	1

Mr. Vivek M Jalan resigned as Director w.e.f. 22<sup>nd</sup> March, 2012

Mr. J Ramakrishnan was appointed as additional director w.e.f. 22<sup>nd</sup> March, 2012

#### Number of Shareholders complaints received during the year.

During 2011-12 three complaints were received and no complaint was pending as on 31<sup>st</sup> March, 2012.

#### 6. Share Transfer System

A Share Transfer Committee of the Company was constituted by the Board of Directors to specifically look into transfer / dematerialization of shares. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. As on 31<sup>st</sup> March 2012, no shares are pending for transfer for more than 15 days.

The Company has appointed M/s. Adroit Corporate Services Private Limited as its Registrar and Share Transfer Agent for both physical and demat segments w.e.f. 8<sup>th</sup> June, 2001.

#### Compliance Officer

The Company has appointed Mr. J. Ramakrishnan, as the Compliance Officer of the Company w.e.f 1<sup>st</sup> July, 2011.



**7. General Body Meetings**

The details of Annual General Meetings held during the last three years are as under:

Year	Day & Date of Meeting	Time	Place
2008-09	Thursday 24 <sup>th</sup> September, 2009	10.00 a.m.	317, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai 400 011
2009-10	Thursday 29 <sup>th</sup> July, 2010	10.00 a.m.	317, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai 400 011.
2010-11	Thursday 4 <sup>th</sup> August, 2011	10.00 a.m.	317, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai 400 011.

**Postal Ballot**

During last year, the Company has not passed any Special Resolution by Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of special resolution by Postal Ballot.

**8. Disclosure**

1. Related Party Transactions:  
Refer to Note No. 5 of Note 3.2 to the Audited Financial Statement.
  2. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital market during last 3 years:  
There were no instances of non-compliance of any matter related to the capital markets during the last three years.
  3. Outstanding Listing Fees:  
Listing Fees for the year 2011-12 have already been paid to Bombay Stock Exchange where the Company's shares are listed.
  4. A Certificate from the Director, on the financial statement of the Company was placed before the Board.
- 9.** Whistler blower policy being non mandatory the company has not adopted the same . No personnel has been denied access to the audit committee.
- 10.** The company has complied with all the mandatory requirements of the clause 49 of the listing agreement. Regarding adoption of non mandatory requirements, the company will adopt the same over a period of time.

**11. Means of Communication**

The quarterly, half-yearly, nine monthly and yearly financial results of the Company are sent out to the Stock Exchanges immediately after they are approved by the Board. The Company published its un-audited / audited financial results in the following papers from each group:

English	Vernacular
The Financial Express	Mumbai Laksadeep

The un-audited quarterly / half-yearly financial results were considered and approved by the Board of Directors and are filed with the Bombay Stock Exchange where the Company's shares are listed.

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A report on limited review of the financial results for all the quarters was obtained from the auditors of the Company and filed with the Bombay Stock Exchange where the Company's shares are listed.

### 12. Management Discussion and Analysis forms part of this Annual Report.

### 13. General Shareholder Information

**Annual General Meeting** Shall be held on Thursday the 16<sup>th</sup> August, 2012 at 10.00 a.m. at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

**Financial Calendar** 1<sup>st</sup> April to 31<sup>st</sup> March

**Date of Book Closure** 14<sup>th</sup> August, 2012 to 16<sup>th</sup> August, 2012

**Dividend Payment Date** Not Applicable

**Listing on Stock Exchanges** Mumbai

**Stock Code** 514324

**ISIN No.** (for dematerialized shares) **INE814D01010**

**Market Price Date**

High and Low price of equity shares on The Stock Exchange, Mumbai			
Month	Year	High	Low
April	2011	5.10	5.00
May	2011	5.25	5.00
June	2011	5.84	4.81
July	2011	6.75	5.20
August	2011	8.45	6.10
September	2011	11.70	8.17
October	2011	12.19	8.45
November	2011	8.80	7.60
December	2011	7.97	7.60
January	2012	7.25	6.29
February	2012	6.96	5.22
March	2012	10.24	7.30

**Registrar and Transfer Agent**

M/s. Adroit Corporate Services Pvt. Ltd.,  
19/20, Jaferbhoy Industrial Estate,  
1st Floor, Makwana Road,  
Marol Naka, Andheri (East), Mumbai - 400 059.  
Phone: 022-4227 0421 Fax: 2850 3748  
Contact Person: Ms. Surendra Gawade  
E-mail: info@adroitcorporate.com



**Distribution of Shareholding as of 31st March, 2012**

No of Equity Shares Held	No of Shareholders	% of Shareholders	Total No of Shares held	% of Shares Held
Upto - 100	1,227	57.77	1,16,025	2.76
101 - 500	669	31.50	1,85,431	4.41
501 - 1,000	104	4.90	92,951	2.21
1,001 - 2,000	50	2.35	80,770	1.92
2,001 - 3,000	29	1.36	79,764	1.90
3,001 - 4,000	4	0.19	13,349	0.32
4,001 - 5,000	6	0.28	29,748	0.71
5,001 - 10,000	9	0.42	65,439	1.56
10,001 - 20,000	8	0.38	1,21,351	2.89
20,001 - 50,000	4	0.19	1,56,240	3.71
50,001 & above	14	0.66	32,63,032	77.61
<b>Total</b>	<b>2,124</b>	<b>100.00</b>	<b>42,04,100</b>	<b>100.00</b>

**Categories of Shareholding as on 31st March, 2012**

Sr. No.	Category	No of Shares Held	% to Total Shares
<b>A</b>	<b>Promoters Holding</b>		
1	a. Indian Promoter	7,43,670	17.69
	b. Foreign Promoter	Nil	Nil
2	Persons acting in concert	13,91,276	33.09
	<b>Sub-total</b>	<b>21,34,946</b>	<b>50.78</b>
<b>B</b>	<b>Non-Promoter Holding</b>		
3	Institutional Investor		
	a. Mutual Funds	100	0.01
	b. Banks, Financial Institutions	1,75,100	4.16
	c. FII	Nil	Nil
	<b>Sub-total</b>	<b>1,75,200</b>	<b>4.17</b>
4	<b>Others</b>		
	a. Private Corporate Bodies	8,15,030	19.39
	b. Indian Public	10,22,152	24.31
	c. NRIs/OCBs	56,672	1.35
	d. Clearing Members	Nil	Nil
	e. Director	100	
	<b>Sub-total</b>	<b>18,93,954</b>	<b>45.05</b>
	<b>Grand Total</b>	<b>42,04,100</b>	<b>100.00</b>

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<b>Dematerialization of shares</b>	88.37% of shares (as at 31st March, 2012) have been dematerialized.
<b>Details on use of public Funds obtained in the last three years</b>	No fund has been raised from public in the last three years.
<b>Liquidity</b>	The shares of the Company are traded infrequently.
<b>Plant Locations</b>	No Plant
<b>Address for Correspondence</b>	<b>Omnitex Industries (India) Limited,</b> 317-319, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai - 400 011. Phone: 40635100 • Fax: 40635199 E-mail: info@omnitex.com
<b>Insider Trading</b>	In terms of SEBI (Prohibition of Insider Trading) Regulations, 1992 the Company has framed Code of Conduct for dealing in shares of the Company for observance by its Directors and other specified persons.

14. Outstanding ADR / GDR / warrants or any convertible instruments, conversion date and likely impact on Equity. - **Not applicable.**

15. **Brief Resume of Persons proposed to be re-appointed/appointed as Director of the Company at the Annual General Meeting.**

Name of the Director	Date of Birth	Date of Appointment	Expertise in Specific functional areas	Qualifications	Directorship held in other Public Companies
Amit R. Dalmia	21/08/1977	29/06/2009	Mr. Amit R. Dalmia has done B. Sc. Economics (B.B.A) from the Wharton School, University of Pennsylvania with specialization in Entrepreneurial Management and Finance. His strength lies in the Application of Information Technology to Business Processes	B.Sc Economics (B.B.A) from the Wharton School, University of Pennsylvania with specialization in Entrepreneurial Management and Finance	NIL
J. Ramakrishnan	30/12/1957	22/03/2012	Has functional expertise in financial and commercial aspects of the business. He is currently working with Strata Geosystems (India) Private Limited. as GM Finance & Taxation	B.Com., Post-Graduate Diploma in Foreign Trade.	NIL

Note : Mr. J. Ramakrishnan is holding 100 equity shares in our company.

**On Behalf of the Board of Directors**

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2012

**Amit R. Dalmia**  
Chairman



**CERTIFICATION BY CHAIRMAN**

I, Amit Dalmia, Chairman, of Omnitex Industries (India) Limited (the Company), hereby certify to the Board that:

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my 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) I am responsible for establishing and maintaining internal controls for financial reporting in the Company and I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit committee
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system
- (e) I affirm that I have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct, if any)
- (f) I further declare that all Board members and Senior Management have affirmed compliance with the code of conduct for the current year.

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2012

**Amit R. Dalmia**  
Chairman

**Declaration on Code of Conduct by Director**

1<sup>st</sup> April, 2012

To,

The Board of Directors,  
**Omnitex Industries (India) Limited,**  
317-319, Tantia Jogani Industrial Premises,  
3rd Floor, J. R. Boricha Marg,  
Lower Parel, Mumbai - 400 011.

Dear Sirs,

I hereby confirm and declare that all the Directors of the Company, as defined in the Code of Conduct of the Company, have submitted annual declarations for the year ended 31st March, 2012 confirming their compliance of the same.

Thanking you,

Yours faithfully,

For **Omnitex Industries (India) Ltd**

**Amit R. Dalmia**  
Chairman



**Auditor's Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement.**

To  
The Members,  
**Omnitex Industries (India) Limited,**

We have examined the compliance of conditions of Corporate Governance by **Omnitex Industries (India) Limited**, for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2012 no investor grievances are pending against the Company exceeding one month as per records maintained by the Company and as per certificates issued by the Registrar which are presented to the Shareholders / Investors Grievance Committee.

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

For **Tembey & Mhatre**,  
Chartered Accountants  
(Registration No. 116359W)

**Shrikant B. Tembey**  
Partner  
Membership No. 33787

Place : Mumbai  
Dated : 30<sup>th</sup> May, 2012



**COMPLIANCE CERTIFICATE**

To,  
The Members,  
**OMNITEX INDUSTRIES (INDIA) LIMITED**  
Mumbai.

**CIN No. L17100MH1987PLC042391**

We have examined the registers, records, books and papers of **M/s. OMNITEX INDUSTRIES (INDIA) LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on **31<sup>st</sup> March 2012**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has maintained all registers as stated in **Annexure "A"** to this certificate, as per the provision of the act and the rules made there under and the same have been properly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies—or other authorities—within the time prescribed under the Act and the rules made there under **except forms as mentioned in Annexure "B"**.
3. The Company being a Public Limited Company, the comments on Paid up capital and Number of Members are not required.
4. The Board of Directors duly met **07 (Seven)** times respectively on **30.05.2011, 01.07.2011, 11.08.2011, 20.09.2011, 15.11.2011, 14.02.2012** and **22.03.2012** in respect of which meeting's notices were given and the proceedings have been recorded and signed in the Minutes Book maintained for the purpose. **No Circular** resolution was passed during the financial year.
5. The Company has closed its Register of Members from **02.08.2011 to 04.08.2011** (both days inclusive) during the financial year and necessary compliance under section 154 of the Companies Act has been fulfilled.
6. The Annual General Meeting for the financial year ended on **31<sup>st</sup> March, 2011** was held on **04<sup>th</sup> August, 2011** after giving due notice to the members of the Company.
7. No Extraordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its directors or persons or firm or companies referred to under Section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, hence, the Company need not to obtain any approvals from the Board of Directors, Members or Central Government.
12. Duly constituted committee of directors has approved the issue of duplicate certificates.
13. The Company has :
  - (i) Delivered all the Certificates on lodgment thereof for transfer/ transmission or any other purpose in accordance with the provision of the Act.
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - (iii) not required to post warrants to any members of the company as no dividend was declared during the financial year.
  - (iv) transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund. **Not Applicable**.
  - (v) duly complied with the requirements of section 217 of the Act

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14. The Board of Directors of the Company is duly constituted. During the period, there was an appointment of additional director, and also cessation of one of the director of the company.
15. The Company has not appointed any Managing Director/ Whole Time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities under the various provisions of the Act and rule made there under.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provision of Section 299 of the Act and the rules made there under.
19. The Company **has not issued** any shares, debentures or other securities during the financial year.
20. The Company **has not** bought back any shares during the financial year.
21. There **was no redemption** of preference shares or debentures during the financial year.
22. There **were no transactions** necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including any unsecured loan falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowing during the financial year ended 31<sup>st</sup> March, 2012.
25. The Company has made investments in and given guarantee or provided securities to other bodies corporate in compliance with the provision of the Act and consequent entries have been made in the registers kept for the purpose.
26. The Company **has not altered** the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company **has not altered** the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company **has not altered** the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company **has not altered** the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company **has not altered** its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for the offences under the Act.
32. The Company **has not received** any money as security from its employees during the Financial Year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act. **Not Applicable**

Place : Vadodara  
Date : 30<sup>th</sup> May, 2012

Sd/-  
Name of Company Secretary : **NIRAJ TRIVEDI**  
C. P. No.: 3123.



**ANNEXURE A**

**OMNITEX INDUSTRIES (INDIA) LIMITED**

**Particulars of Registers maintained by the Company under the Companies Act, 1956.**

<b>Sr. No.</b>	<b>Particulars</b>
1.	Register of Members and Shares Transfer
2.	Copies of Annual Returns under Section 159.
3.	Minutes Books for minutes of meetings of the Board of Directors and Members.
4.	Register of Directors, Managing Director, Manager and Company Secretary under Section 303.
5.	Records pertaining to Directors' Attendance attending their meetings.
6.	Register of Fixed Assets.
7.	Register of Investments, or loans made, guarantee given or securities provided under Section 372A
8.	Register of Proxy
9.	Register of Charges and creating of charge.
10.	Register of Particulars of contract in which Directors are interested.
11.	Register of Duplicate Shares issued

Vadodara,

Date : 30<sup>th</sup> May, 2012

**ANNEXURE B**

**OMNITEX INDUSTRIES (INDIA) LIMITED**

**Particulars of Forms and Returns as filed by the Company with the office of Registrar of Companies or Other authorities during the financial year ended on 31/03/2012.**

<b>Sr. No.</b>	<b>Form No./ Return</b>	<b>Filed under relevant Section of the Act.</b>	<b>Particulars</b>	<b>Date of filing</b>	<b>Whether filed within the prescribed time Yes / No.</b>	<b>If delay in filing whether requisite additional fee paid Yes / N. A.</b>
1	Annual Return	159	Annual General Meeting for the financial year ended 31.03.2011	02.12.2011	No	Yes
2	Annual Accounts	220 (1)	Financial year ended on 31 <sup>st</sup> March, 2011 (In XBRL Format)	28.11.2011	Yes	Not Applicable
3	Compliance Certificates	383A	Financial Year ended on 31 <sup>st</sup> March, 2011.	09.11.2011	No	Yes
4	Form 8	125	Creation of Charge ID 10330500	20.01.2012	Yes	Not Applicable
5	Form 17	138	Satisfaction of Charge ID 10104012	16.01.2012	Yes	Not Applicable
6	Form 32 #	303	Change in Directorship	13.10.2011	No	Yes
7	Form 23 B	224 (1)	Intimation by Auditor to ROC	15.11.2011	Yes	Not Applicable
8	Form 32	303	Appointment of Mr. J. Ramakrishnan as Additional Director of the company.	30.03.2012	Yes	Not Applicable
9	Form 32	303	Cessation of Mr. Vivek Jalan as Director of the company.	16.05.2012	No	Yes

**# e – form is pertaining to the previous year, however, the same was submitted during the year under Report.**

Vadodara,

**AUDITORS' REPORT**

To,  
The Members,  
**OMNITEX INDUSTRIES (INDIA) LIMITED**

1. We have audited the attached Balance Sheet of **OMNITEX INDUSTRIES (INDIA) LIMITED** as at 31<sup>st</sup> March, 2012 and the Profit and Loss Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in Annexure referred to in Paragraph 1 above, we report that:
  - (i) 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;
  - (ii) in our opinion, proper books of account as required by Law have been kept by the Company so far as it appears from our examination of the books;
  - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion and to the best of our information and according to explanations given to us, the Balance Sheet, Profit and Loss Account and the cash flow statement dealt with by this report have been drawn up in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012;
    - b) in the case of the Profit and Loss Account, of the profit of the Company 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.

For **Tembey & Mhatre,**  
F. R. No. 116359W  
Chartered Accountants

**(Shrikant B. Tembey)**  
Partner  
Membership No.: 33787

Place : Mumbai  
Date : 30<sup>th</sup> May 2012



**Annexure to the Auditors' Report**

**Re: OMNITEX INDUSTRIES (INDIA) LIMITED**

**(Referred to in paragraph 1 of our Report of even date)**

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) We are informed that, the fixed assets of the company have been physically verified by the management at reasonable intervals. No material discrepancies were stated to have been noticed on such verification.  
(c) There has not been significant disposal of fixed assets during the year which has affected the going concern.
- (2) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.  
(b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and books records were not material.
- (3) The Company has neither taken nor granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Hence, the provisions of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (4) 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 purchase of inventory, fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (5) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
(b) According to the information and explanations given to us, we are of the opinion that each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (6) The Company has not accepted any deposit from public.
- (7) The Company has an internal audit system commensurate with its size and nature of its business.
- (8) The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, for Companies carrying on the type of business carried on by the Company.
- (9) (a) According to the records of the Company, and on the basis of our examination of the books of accounts, the company is generally regular in depositing with the appropriate authorities statutory dues including Provident Fund, Employees' State Insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues applicable to it.  
(b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess and any other statutory dues with the appropriate authorities which were in arrears, as at 31<sup>st</sup> March 2012 for a period of more than six months from the date they became payable.  
(c) According to the information and explanations given to us, there were no disputed dues of the Company on account of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited, except to the extent of the following:

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Name of the Statute	Nature of the Dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act 1944	Demand on account of cenvat credit availed on certain fixed assets which were disposed off during F.Y 2005-06	8,77,243	01.04.2005 to 31.03.2006	The High Court Gujarat, Ahmedabad.
The Central Excise Act 1944	Penalty	8,77,243	01.04.2005 to 31.03.2006	The High Court Gujarat, Ahmedabad.

- (10) The company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (11) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a bank or financial institution.
- (12) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (13) In our opinion, the company is not a chit fund or a 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.
- (14) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (15) According to the information and explanation given to us, the Company has issued a corporate guarantee for loans taken by a joint venture company from bank. In our opinion, the terms and conditions of the said guarantees are not prima facie prejudicial to the interest of the company. Reference is invited to sub notes 1 & 2 of note no. 3.2.
- (16) According to the information and explanation given to us, the term loans have been applied for the purpose for which they have been raised.
- (17) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments.
- (18) The Company has not made preferential allotment of equity shares during the year to parties covered in the register maintained under section 301 of the Act.
- (19) The Company has not issued any debentures during the year. Hence, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (20) The Company has not raised any money by public issue. Hence, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (21) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **Tembey & Mhatre,**  
F. R. No. 116359W  
Chartered Accountants

**(Shrikant B. Tembey)**  
Partner  
Membership No.: 33787

Place : Mumbai  
Date : 30<sup>th</sup> May, 2012



**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Note	As at 31st March 2012 Rupees	As at 31st March 2011 Rupees
<b>I. EQUITY AND LIABILITIES :</b>			
<b>(1) Shareholders Funds :</b>			
(a) Share Capital	1.1	42,310,000	42,310,000
(b) Reserves and Surplus	1.2	16,057,528	15,261,851
<b>(2) Share Application Money Pending Allotment</b>			
		-	-
<b>(3) Non-current Liabilities</b>			
(a) Long-term Borrowings	1.3	65,791	212,876
(b) Deferred Tax Liabilities (Net)	1.4	-	252,705
(c) Other Long-term Liabilities		-	-
(d) Long-term Provisions		-	-
<b>Current Liabilities</b>			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	1.5	165,349	123,445
(c) Other Current Liabilities	1.6	156,294	141,062
(d) Short-Term Provisions	1.7	246,743	2,631,000
<b>TOTAL :</b>		<b>59,001,705</b>	<b>60,932,939</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	1.8		
(i) Tangible Assets		23,472,869	23,643,176
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(iv) Intangible Assets under Development		-	-
(b) Non-Current Investments	1.9	29,330,880	28,807,800
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans and Advances	1.10	2,641,617	2,776,250
(e) Other Non-current Assets	1.11	7,790	6,227
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables		-	-
(d) Cash and Cash Equivalents	1.12	1,003,731	85,228
(e) Short Term Loans and Advances	1.13	2,297,534	5,516,341
(f) Other Current Assets	1.14	247,284	97,917
<b>TOTAL :</b>		<b>59,001,705</b>	<b>60,932,939</b>
SIGNIFICANT ACCOUNTING POLICIES	3.1		
NOTES ON ACCOUNTS	3.2		

As per our report of even date

**For and on behalf of Board of Directors**

**Tembey & Mhatre**

Chartered Accountants  
FR. No. 116359W

**Amit R Dalmia**  
Chairman

**Deepak Advani**  
Director

**(Shrikant B. Tembey)**

Partner  
M. No. 033787

**J. Ramakrishnan**  
Director

Place : Mumbai  
Dated: 30<sup>th</sup> May, 2012



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### PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012

	Note	For the year ended 31st March 2012 Rupees	For the year ended 31st March 2011 Rupees
<b>Revenue</b>			
Revenues from Operations	2.1	3,998,046	3,012,218
Other Income	2.2	2,401,501	1,721,122
<b>Total Revenue</b>		<b>6,399,547</b>	<b>4,733,340</b>
<b>Expenses</b>			
Cost of Material Consumed		3,977,328	3,002,426
Purchase of Stock in Trade		-	-
Change in Inventories of Finished Goods, Work-in-progress and Stock-In-Trade		-	-
Employee Benefit Expenses	2.3	90,000	-
Finance Cost	2.4	29,148	17,325
Depreciation and Amortisation Expenses	1.8	591,113	539,476
Other Expenses	2.5	842,146	750,695
<b>Total Expenses</b>		<b>5,529,735</b>	<b>4,309,922</b>
<b>Profit Before Exceptional and Extra-ordinary Items and Tax</b>		<b>869,812</b>	<b>423,418</b>
Exceptional Items		-	-
<b>Profit Before Extra-ordinary Items and Tax</b>		<b>869,812</b>	<b>423,418</b>
Extra-ordinary items		-	-
<b>Profit Before Tax</b>		<b>869,812</b>	<b>423,418</b>
<b>Tax Expenses</b>			
(a) Current Tax		300,376	81,000
(b) Deferred Tax	1.4	(252,705)	252,705
(c) MAT Credit Entitlement		-	(81,000)
(d) Prior Period Adjustment for Taxes		26,464	-
<b>Profit / (Loss) for the year from continuing operations</b>		<b>795,677</b>	<b>170,713</b>
<b>Profit / (Loss) for the year from discontinuing operations</b>		<b>-</b>	<b>-</b>
Tax Expense of Discontinuing operation		-	-
<b>Profit / (Loss) for the year from discontinuing operations (After Tax)</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the year</b>		<b>795,677</b>	<b>170,713</b>
<b>Earning per Share</b>			
(a) Basic		0.19	0.04
(b) Diluted		0.19	0.04
SIGNIFICANT ACCOUNTING POLICIES	3.1		
NOTES ON ACCOUNTS	3.2		

As per our report of even date

For and on behalf of Board of Directors

**Tembey & Mhatre**

Chartered Accountants  
FR. No. 116359W

**(Shrikant B. Tembey)**

Partner  
M. No. 033787

Place : Mumbai

Dated : 30<sup>th</sup> May, 2012

**Amit R Dalmia**  
Chairman

**Deepak Advani**  
Director

**J. Ramakrishnan**  
Director



**NOTES TO BALANCE SHEET AS AT 31st MARCH, 2012**

**NOTE 1.1: SHARE CAPITAL**

Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956

(Amount In Rupees)

Share Capital	As At 31st March, 2012	As At 31st March, 2011
<b>Authorised</b> 50,00,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
<b>Issued</b> 42,04,100 Equity Shares of Rs. 10/- each	42,041,000	42,041,000
<b>Subscribed &amp; Paid up</b> 42,04,100 Equity Shares of Rs. 10/- each	42,041,000	42,041,000
<b>Forfeited Shares</b> 53,900 Equity Shares of Rs. 10/- each, not fully paid up	269,000	269,000
<b>Total</b>	<b>42,310,000</b>	<b>42,310,000</b>

**NOTE 1.1 A**

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956

Particulars	2011-12		2010-11	
	Equity Shares		Equity Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4,204,100	42,041,000	4,204,100	42,041,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	4,204,100	42,041,000	4,204,100	42,041,000

**NOTE 1.1 B**

Disclosure pursuant to Note no. 6(A)(e) of Part I of Schedule VI to the Companies Act, 1956

**Rights, Preferences and restrictions attached to shares**

The Company has only one class of Equity Shares, having par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held.

Dividend if proposed by the Board of Directors will be subject to the approval of the Shareholders in the ensuing Annual General Meeting except in case of Interim Dividend.

In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**NOTE 1.1 C**

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956

Sr. No.	Name of Shareholder	As At 31 March 2012		As At 31 March 2011	
		No of Shares Held	% of Holding	No of Shares Held	% of Holding
1	Mr. Ashok M Bhawnani	743,670	17.69	743,670	17.69
2	Mrs. Kiron G Advani	444,254	10.57	96,890	2.30
3	Mrs. Manorma N Dalmia	244,282	5.81	244,282	5.81
4	Mr. Narendra Kumar Dalmia	404,590	9.62	253,990	6.04
5	M/s. Dalmia Polytex Private Limited	242,130	5.76	242,130	5.76
6	M/s. Sun-N-Sand Investments and Finance Co. Pvt. Ltd.	-	-	347,364	8.26
7	M/s. Charlie Finance Private Limited	386,050	9.18	386,050	9.18

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### NOTE 1.2: RESERVES AND SURPLUS

Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956

(Amount in Rupees)

Reserves & Surplus	As At 31st March 2012	As At 31st March 2011
<b>a. Securities Premium Account</b>		
Opening Balance	24,248,000	24,248,000
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Closing Balance	<b>24,248,000</b>	<b>24,248,000</b>
<b>b. Surplus / (Deficit)</b>		
Opening balance	(8,986,149)	(9,156,862)
(+) Net Profit/(Net Loss) For the current year	795,677	170,713
Closing Balance	<b>(8,190,472)</b>	<b>(8,986,149)</b>
<b>Total</b>	<b>16,057,528</b>	<b>15,261,851</b>

### NOTE 1.3: LONG-TERM BORROWINGS

Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956

Long Term Borrowings	As At 31st March 2012	As At 31st March 2011
<b>Secured</b>		
<b>Term loans</b>		
from other parties	65,791	212,876
(Secured By Hypothecation of Motor Car)		
(of the above, Rs. Nil is guaranteed by Directors and / or others)		
(Terms of Repayment 35 Monthly EMI's of Rs. 13,493/- each commencing on October, 2010 and ending on August, 2013)		
<b>Total</b>	<b>65,791</b>	<b>212,876</b>

### NOTE 1.4: DEFERRED TAX LIABILITIES (NET)

	Deferred Tax Balance as at March 31, 2011	Charge/(Credit) During the year	Deferred Tax Balance as at March 31, 2012
Deferred Tax Liability on account of: Depreciation	4,396,149	(4,187,288)	<b>208,861</b>
	4,396,149	(4,187,288)	<b>208,861</b>
Deferred Tax Assets on account of:			
a) Unabsorbed Depreciation (restricted in view of losses)	(2,137,225)	1,928,364	<b>(208,861)</b>
b) Brought forward Business Loss	(2,006,219)	2,006,219	-
	(4,143,444)	3,934,583	<b>(208,861)</b>
<b>Net Deferred Tax Liability / (Asset)</b>	<b>252,705</b>	<b>(252,705)</b>	<b>-</b>

Note : Deferred Tax Liability has been reviewed and restated since no depreciation has been claimed in Income-Tax on certain Leased out Fixed Assets. Company has recognised Deferred Tax Assets on unabsorbed depreciation to the extent of Deferred Tax Liability.



**NOTE 1.5: TRADE PAYABLES** (Amount in Rupees)

Trade Payable	As At 31st March 2012	As At 31st March 2011
(a) Sundry Creditors	111,194	56,785
(b) Outstanding Liability for Expenses	54,155	66,660
<b>Total</b>	<b>165,349</b>	<b>123,445</b>

**NOTE 1.6: OTHER CURRENT LIABILITIES**

Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956

Other Current Liabilities	As At 31st March 2012	As At 31st March 2011
(a) Current maturities of long-term debt	147,085	132,998
(b) <u>Other payables</u> TDS	9,209	8,064
<b>Total</b>	<b>156,294</b>	<b>141,062</b>

**NOTE 1.7: SHORT TERM PROVISIONS**

Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956

Short Term Provisions	As At 31st March 2012	As At 31st March 2011
<b>Others</b>		
Provision for Tax	246,743	2,631,000
<b>Total</b>	<b>246,743</b>	<b>2,631,000</b>

**NOTE 1.9: NON-CURRENT INVESTMENTS**

Disclosure pursuant to Note no. 6(K) of Part I of Schedule VI to the Companies Act, 1956

Non-Current Investments	As At 31st March 2012	As At 31st March 2011
<b>Other Investments</b>		
Investment in Equity Instrument of Joint Venture Company (Unquoted) 7,20,098 (Previous year 7,11,380) Fully paid-up Equity Shares of Rs. 10/- each, in Strata Geosystems (India) Pvt. Ltd.	29,330,880	28,807,800
	<b>29,330,880</b>	28,807,800
<b>Less: Provision for diminution in value of investments</b>	-	-
<b>Total</b>	<b>29,330,880</b>	<b>28,807,800</b>

**NOTE 1.10: LONG TERM LOANS AND ADVANCES**

Disclosure pursuant to Note no. 6(L) of Part I of Schedule VI to the Companies Act, 1956

Long Term Loans and Advances	As At 31st March 2012	As At 31st March 2011
<b>a. Security Deposits</b>		
Unsecured, considered good		
Deposit with Court	192,000	192,000
Deposit with Sales Tax Authorities	25,000	25,000
Deposit with Electricity company	5,250	5,250
	<b>222,250</b>	222,250
<b>b. Other loans and advances</b>		
Mat Credit Entitlement	2,419,367	2,554,000
	<b>2,419,367</b>	2,554,000
<b>Total</b>	<b>2,641,617</b>	<b>2,776,250</b>

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### NOTE 1.11: OTHER NON CURRENT ASSETS

(Amount in Rupees)

Disclosure pursuant to Note no. 6 (M) of Part I of Schedule VI to the Companies Act, 1956

Other Non Current Assets	As At 31st March 2012	As At 31st March 2011
Others - Interest Due on Deposits	7,790	6,227
<b>Total</b>	<b>7,790</b>	<b>6,227</b>

### NOTE 1.12: CASH AND CASH EQUIVALENTS

Disclosure pursuant to Note no.6 (Q) of Part I of Schedule VI to the Companies Act, 1956

Cash and cash equivalents	As At 31st March 2012	As At 31st March 2011
<b>a. Balances with banks</b>		
In current accounts	988,476	64,608
Bank deposits with more than 12 months maturity	2,000	2,000
<b>b. Cash on hand</b>	13,255	18,620
<b>Total</b>	<b>1,003,731</b>	<b>85,228</b>

### NOTE 1.13: SHORT TERM LOANS AND ADVANCES

Disclosure pursuant to Note no. 6 (R) of Part I of Schedule VI to the Companies Act, 1956

Short-term loans and advances	As At 31st March 2012	As At 31st March 2011
<b>Unsecured, considered good</b>		
Inter-corporate Deposit	1,700,000	2,700,000
Prepaid Expenses	1,222	1,550
Prepaid Insurance	10,511	3,044
Other Receivable	2,896	-
Advance Tax and TDS	582,905	2,811,747
<b>Total</b>	<b>2,297,534</b>	<b>5,516,341</b>

### NOTE 1.14: OTHER CURRENT ASSETS

Disclosure pursuant to Note no. 6 (S) of Part I of Schedule VI to the Companies Act, 1956

Other Current Assets	As At 31st March 2012	As At 31st March 2011
Interest Receivable	247,284	97,917
<b>Total</b>	<b>247,284</b>	<b>97,917</b>

### NOTE 1.15: CONTINGENT LIABILITIES AND COMMITMENTS (Refer Note 3.2)

Disclosure pursuant to Note no. 6 (T) of Part I of Schedule VI to the Companies Act, 1956

Contingent liabilities and commitments (to the extent not provided for)	As At 31st March 2012	As At 31st March 2011
<b>(a) Contingent Liabilities</b>		
(i) Claims against the company not acknowledged as debt	-	-
(ii) Guarantees	210,000,000	127,500,000
(iii) Other money for which the company is contingently liable	1,946,486	1,946,486
	<b>211,946,486</b>	<b>129,446,486</b>
<b>(b) Commitments</b>	-	-
	-	-
<b>Total</b>	<b>211,946,486</b>	<b>129,446,486</b>



**Note: 1.8 : FIXED ASSETS**

(Amount in Rupees)

Particulars	Gross Block-At Cost			As at March 31, 2012	Depreciation			Net Block		
	As at April 1, 2011	Additions during the Year	Deductions/ Impairment during the Year		Upto March 31, 2011	For the Year	Adjustments	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
<b>Tangible Assets</b>										
Office Building	21,350,044	-		<b>21,350,044</b>	710,852	348,007	-	<b>1,058,859</b>	<b>20,291,185</b>	20,639,192
Electrical Installations	424,006	-		<b>424,006</b>	15,119	20,140	-	<b>35,259</b>	<b>388,747</b>	408,887
Furniture and Fixtures	1,223,252	-		<b>1,223,252</b>	56,016	77,432	-	<b>133,448</b>	<b>1,089,804</b>	1,167,236
Office and Other Equipments	516,001	-		<b>516,001</b>	16,998	24,510	-	<b>41,508</b>	<b>474,493</b>	499,003
Vehicles	1,196,871	701,000	(529,762)	<b>1,368,109</b>	268,013	121,024	(249,568)	<b>139,469</b>	<b>1,228,640</b>	928,858
Total for Tangible Assets	24,710,174	701,000	(529,762)	<b>24,881,412</b>	1,066,998	591,113	(249,568)	<b>1,408,543</b>	<b>23,472,869</b>	23,643,176
Total for Tangible Assets (Previous Year)	23,349,023	1,852,669	(491,518)	<b>24,710,174</b>	715,321	539,476	(187,799)	<b>1,066,998</b>	<b>23,643,176</b>	22,633,702
<b>Intangible Assets</b>	NIL	NIL	NIL	<b>NIL</b>	NIL	NIL	NIL	<b>NIL</b>	<b>NIL</b>	NIL
	NIL	NIL	NIL	<b>NIL</b>	NIL	NIL	NIL	<b>NIL</b>	<b>NIL</b>	NIL
<b>Capital Work in Progress</b>	NIL	NIL	NIL	<b>NIL</b>	NIL	NIL	NIL	<b>NIL</b>	<b>NIL</b>	NIL
	NIL	NIL	NIL	<b>NIL</b>	NIL	NIL	NIL	<b>NIL</b>	<b>NIL</b>	NIL
<b>Intangible Assets under Development</b>	NIL	NIL	NIL	<b>NIL</b>	NIL	NIL	NIL	<b>NIL</b>	<b>NIL</b>	NIL
	NIL	NIL	NIL	<b>NIL</b>	NIL	NIL	NIL	<b>NIL</b>	<b>NIL</b>	NIL

**NOTES :**

- Office Building includes Rs. 500/- being value of 10 fully paid shares of Rs. 50 each in Tantia Jogani Industrial Premises Co-operative Society Limited
- Secured Loan from others of Rs. 2,12,876/- is secured by vehicle acquired.

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**NOTE TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012**

**NOTE 2.1: REVENUE FROM OPERATIONS**

Disclosure pursuant to Note no. 2 of Part II of Schedule VI to the Companies Act, 1956 (In Rupees)

Revenue from operations	For the year ended March 31, 2012	For the year ended March 31, 2011
Sale of products	3,998,046	3,012,218
Less: Excise duty	-	-
<b>Total</b>	<b>3,998,046</b>	<b>3,012,218</b>

**NOTE 2.2: OTHER INCOME**

Disclosure pursuant to Note no. 4 of Part II of Schedule VI to the Companies Act, 1956

Other Income	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest Income	265,501	266,122
Other non-operating income		
Rent *	2,136,000	1,455,000
<b>Total</b>	<b>2,401,501</b>	<b>1,721,122</b>

\* Licence Fees received for premises and amenities from Joint Venture Company

**NOTE 2.3: EMPLOYEE BENEFIT EXPENSE**

Disclosure pursuant to Note no. 5(i)(a) of Part II of Schedule VI to the Companies Act, 1956

Employee Benefits Expense	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries and Wages	90,000	-
<b>Total</b>	<b>90,000</b>	<b>-</b>

**NOTE 2.4: FINANCE COSTS**

Disclosure pursuant to Note no. 3 of Part II of Schedule VI to the Companies Act, 1956

Finance Costs	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest expense	29,148	17,325
<b>Total</b>	<b>29,148</b>	<b>17,325</b>

**NOTE 2.5: OTHER EXPENSES**

Other expenses	For the year ended March 31, 2012	For the year ended March 31, 2011
Repairs to Building	126,060	162,781
Repairs to others	104,540	20,095
Loss on Sale of Assets	80,195	58,719
Insurance	17,560	11,729
Rates and Taxes	482	2,555
Travelling and Conveyance	1,417	9,792
Communication Expenses	16,614	19,609
Legal and Professional Expenses	262,040	227,548
Printing and Stationery	59,331	28,047
Advertisement Expenses	27,102	24,472
Director's Sitting Fees	52,500	37,500
Payments to the auditor		
a. for statutory audit matters	25,000	25,000
b. for tax audit	7,500	7,500
c. for other services - Limited Review Fees	7,500	7,500
d. for reimbursement of expenses (incl Service Tax)	4,944	4,122
Miscellaneous Expenses	47,023	102,299
Bank Charges	2,338	1,427
<b>Total</b>	<b>842,146</b>	<b>750,695</b>

Disclosure pertaining to Accounting Standard 18 'Related Party Disclosures'

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
1. Licence Fees Received for Use of Premises and amenities from Joint Venture Company	2,136,000	1,455,000
2. Sitting Fees to Directors	52,500	37,500



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit / (Loss) before extraordinary items and tax		<b>869,812</b>		423,418
<i>Adjustments for:</i>				
Depreciation and amortisation	<b>591,113</b>		539,476	
(Profit) / loss on sale / write off of assets	<b>80,195</b>		58,719	
Finance costs	<b>29,148</b>		17,325	
Interest income	<b>(265,501)</b>		(266,122)	
Rental income from investment properties	<b>(2,136,000)</b>		(1,455,000)	
		<b>(1,701,045)</b>		(1,105,602)
Operating profit / (loss) before working capital changes		<b>(831,233)</b>		(682,184)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Trade receivables	-		24,851	
Short-term loans and advances	<b>(10,035)</b>		13,735	
Long-term loans and advances	<b>134,633</b>		(81,000)	
Other non-current assets	<b>(1,563)</b>		(1,020)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	<b>41,904</b>		(191,997)	
Other current liabilities	<b>15,232</b>		107,607	
Other long-term liabilities	<b>(147,085)</b>		212,876	
		<b>33,086</b>		85,052
		<b>(798,147)</b>		(597,132)
Cash flow from extraordinary items		-		-
Cash generated from operations		<b>(798,147)</b>		(597,132)
Net income tax (paid) / refunds		-		-
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(798,147)</b>		(597,132)
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	<b>(701,000)</b>		(1,852,669)	
Proceeds from sale of fixed assets	<b>200,000</b>		245,000	
Inter-corporate deposits (net)	<b>1,000,000</b>		(200,000)	
Purchase of long-term investments				
- Joint ventures	<b>(523,080)</b>		-	
Interest received				
- Others	<b>116,134</b>		799,604	
Rental income from operating leases	<b>2,136,000</b>		1,455,000	
		<b>2,228,054</b>		446,935
Cash flow from extraordinary items		-		-
Net income tax (paid) / refunds		<b>482,256</b>		434,650
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>1,745,798</b>		12,285



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Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Rupees	Rupees	Rupees	Rupees
<b>C. Cash flow from financing activities</b>				
Finance cost	(29,148)		(17,325)	
		(29,148)		(17,325)
Cash flow from extraordinary items		-		-
<b>Net cash flow from / (used in) financing activities (C)</b>		(29,148)		(17,325)
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		918,503		(602,172)
Cash and cash equivalents at the beginning of the year		85,228		687,400
<b>Cash and cash equivalents at the end of the year</b>		1,003,731		85,228
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		-		-
Cash and cash equivalents as per Balance Sheet (Refer Note 1.12)		1,003,731		85,228
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i>		(2,000)		(2,000)
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i> )		1,001,731		83,228
<b>Cash and cash equivalents at the end of the year *</b>		1,001,731		83,228
* Comprises:				
(a) Cash on hand		13,255		18,620
(b) Cheques, drafts on hand		-		-
(c) Balances with banks				
In current accounts		988,476		64,608
		1,001,731		83,228
<b>Notes:</b>				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.				
<b>See accompanying notes forming part of the financial statements</b>				
As per our report of even date		<b>For and on behalf of Board of Directors</b>		
<b>Tembey &amp; Mhatre</b> Chartered Accountants FR. No. 116359W		<b>Amit R Dalmia</b> Chairman	<b>Deepak Advani</b> Director	
<b>(Shrikant B. Tembey)</b> Partner M. No. 033787		<b>J. Ramakrishnan</b> Director		
Place : Mumbai Dated: 30 <sup>th</sup> May, 2012				



**NOTE – “3.1”**

**FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012  
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Accounting:**

The financial statements have been prepared on the basis of historical costs under the accrual system of accounting and applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and are in accordance with the requirements of the Companies Act, 1956.

**2. Valuation of Inventories:**

Inventories are valued at Lower of Cost and Net Realisable Value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost is arrived at on First In First Out (FIFO) basis. Due allowance is estimated and made for defective and obsolete items, wherever considered necessary.

**3. Investments:**

Investments, being long term, are stated at cost; where there is a decline, other than temporary, the resultant reduction in carrying amount is charged to the Profit and Loss Account.

**4. Valuation of Fixed Assets:**

- a. All the Fixed Assets are capitalised at cost (Net of refundable duties) inclusive of all expenses relating to the acquisition and installation of fixed assets and include borrowing costs attributable to such assets, upto the date the asset is put to use.
- b. Fixed Assets except Freehold Land are valued at cost less depreciation. Freehold Land is shown at its Original Cost.
- c. Impairment Loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

**5. Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

**6. Depreciation:**

- a. Except for items on which 100% depreciation rates are applicable, depreciation is provided on Straight Line Method on **pro-rata** basis as under:
  - i. In respect of the items of Fixed Assets existing on the date on which the amended Schedule XIV came into force:

The specified period of the life of the asset is recomputed by applying to the original cost, the revised rate of depreciation as prescribed in Schedule XIV of the Companies Act, 1956. Thereafter, depreciation charge is calculated by allocating the unamortized value of the asset over the remaining part of the recomputed specified period. For calculating remaining part of the recomputed specified period, only completed years of useful life of the existing assets have been taken into account and fraction of the useful life already expired has been ignored.
  - ii. In respect of other items of Fixed Assets:

Depreciation is provided at the rates as prescribed in Schedule XIV of the Companies Act, 1956.

- b. While applying the revised rates as per Schedule XIV of the Companies Act, 1956, continuous process plants as defined therein have been taken on technical assessment and depreciation is provided accordingly.

**7. Foreign Currency Transactions :**

- a. Foreign currency transactions are recorded at the conversion rates prevailing on the date of transactions.
- b. The exchange differences arising on the settlement of transactions are recognised as the gains or losses in the period in which they arise.
- c. Monetary items i.e. items to be received or paid in Foreign Currencies, are translated at the exchange rates prevailing at the Balance Sheet date or at the Forward Contract rates, wherever such contracts have been entered into and resultant gains / losses are recognised in the Profit and Loss Account.

**8. Revenue Recognition:**

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods are passed to the buyer. Dividends are recorded when the right to receive payment is established. Interest Income is recognized on time proportion basis. Rent and service receipts are accounted for on accrual basis in term of agreement with parties except in cases where ultimate collection is considered doubtful.

**9. Employee Benefits:**

- a. The Company's Contribution in respect of Provident Fund is charged to the Profit and Loss Account;
- b. Provision for Gratuity to employees and Leave Encashment are charged to the Profit and Loss Account on the basis of actuarial valuation.

**10. Leases:**

- a. Assets Leased out are charged to depreciation as per Accounting Standard 6 issued by the institute of Chartered Accountants of India.
- b. Lease Income is recognized in Profit and Loss Account on accrual basis.

**11. Taxation:**

- a. In accordance with Accounting Standard 22 – Accounting for Taxes on Income (AS-22), notified by the Companies (Accounting Standards) Rules, 2006, the deferred tax for timing differences is accounted for using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.
- b. Deferred tax assets arising from timing differences are recognised only on consideration of prudence.

**12. Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote or a reliable estimate of the amount of obligation cannot be made.



**NOTE – “3.2”**

**FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012**

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

	<b>2011-12 Rupees</b>	<b>2010-11 Rupees</b>
1. A. Contingent Liabilities not provided for in respect of: Liability in respect of a award of the Labour Court which has been deposited in court pending disposal of the case	<b>192,000</b>	192,000
B. Corporate guarantees given by the Company to ICICI Bank Ltd., for securing credit facilities given by the said bank to the Joint Venture Company namely Strata Geosystems (India) Private Limited. ( Refer Note 2 below )	<b>21,00,00,000</b>	12,75,00,000
C. The Joint Commissioner, Central Excise & Customs, Daman vide order dated 10 <sup>th</sup> January, 2008 ordered the Company to pay a demand of Rs. 8,77,243/- on account of cenvat credit availed on certain fixed assets which were disposed off during 2005-06. The Joint Commissioner has also ordered the Company to pay interest thereon. The Joint Commissioner has also levied penalty of Rs. 8,77,243/- on the Company. The Company had disputed the above and an appeal was filed against the above order, which has been disposed off in favour of the Company during 2008-09. The Department went in appeal against the above after the time-limit and the appeal has now been admitted	<b>17,54,486</b> (interest not quantifiable)	17,54,486 (interest not quantifiable)

2. The Company had issued corporate guarantees upto an aggregate value of Rs. 12.75 Crores to Bank of India for securing credit facilities granted by the said bank to the Joint Venture Company, viz. Strata Geosystems (India) Private Limited. The said guarantees are within the limit of Rs. 25 Crores approved by the shareholders of the Company under section 372-A of the Companies Act, 1956 vide postal ballot notice dated May 26, 2008. The above guarantees were secured by deposit of title deeds of Unit No 317,318 & 319 at Tantia Jogani Industrial Premises, J. R. Boricha Marg, Lower Parel, Mumbai. The above guarantees were annulled upon repayment by the Joint Venture Company, of all the outstanding to Bank of India and cessation of credit facilities with the said bank.

The Joint Venture Company, viz. Strata Geosystems (India) Private Limited has since secured credit facilities with ICICI Bank Limited to the tune of Rs. 21 Crores. The Company has issued corporate guarantees of Rs. 21.00 Crores during 2011-12 to ICICI Bank Ltd to secure the above enhanced credit facilities sanctioned to the Joint Venture Company referred above . The said guarantees are within the limit of Rs. 25 Crores approved by the shareholders of the Company under section 372-A of the Companies Act, 1956 vide postal ballot notice dated May 26, 2008. The above guarantees are secured by deposit of title deeds of Unit No 317,318 & 319 at Tantia Jogani Industrial Premises, J. R. Boricha Marg, Lower Parel, Mumbai.

The above facilities are also secured by the personal guarantee of one of the erstwhile Directors of the company.

3. Apart from the limited trading activities, the management has also leased out part of the Mumbai office premises at Tantia Jogani Industrial Premises, J. R. Boricha Marg, Lower Parel, Mumbai – 11.

## 26th Annual Report 2011-2012

### 4. ADDITIONAL INFORMATION REQUIRED UNDER PARA VIII OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956:

		2011-12 Rupees	2010-11 Rupees
I.	C.I.F. Value of Imports:		
	a. Raw Materials	Nil	Nil
	b. Components and Spares	Nil	Nil
	c. Capital Goods	Nil	Nil
II.	Expenditure in Foreign Currency on account of		
	a) Royalty	Nil	Nil
	b) Knowhow	Nil	Nil
	c) Professional and Consultation Fees	Nil	Nil
	d) Interest	Nil	Nil
	e) Other Matters	Nil	Nil
III.	Value of Raw Materials, Spare Parts and Components consumed during the financial year		
		<b>2011-12</b>	2010-11
		%	Value (Rs.)
	Imported	Nil	Nil
	Indigenous	Nil	Nil
		Nil	Nil
		<b>2011-12</b>	2010-11
IV.	a) amount remitted during the year in foreign currencies on account of dividend	Nil	Nil
	b) Total Number of Non-Resident Share Holders	4	5
	c) Total Number of Shares Held by Non-Resident Share Holders on which Dividend is due	Nil	Nil
V.	Earnings in Foreign Exchange		
	a) Export of Goods calculated on FOB Basis	Nil	Nil
	b) Royalty, Knowhow, Professional and Consultation Fees	Nil	Nil
	c) Interest and Dividend	Nil	Nil
	d) Other Income	Nil	Nil



5. Related Party Transactions

a. List of Related Parties and Nature of Relationship

List of related parties	Related Entity	Nature of Relationship
Mr. Amit R Dalmia, Chairman	Creative Global Services Pvt. Ltd.	Director
	Viaton Energy Pvt. Ltd.	Director
	Viaton Infrastructure Pvt. Ltd.	Director
	Encompass Designs Private Limited	Director
Mr. Vivek M Jalan, ** Director	Mahalaxmi Seamless Limited	Director
Mr. Deepak Advani, Director	NIL	NA
Mr. J Ramakrishnan, *** Director	Strata Geosystems (India) Pvt. Ltd.	GM Finance & Taxation
Others	Strata Geosystems (India) Pvt. Ltd.	Joint Venture Company

\*\* Mr. Vivek M Jalan resigned as Director w.e.f. 22<sup>nd</sup> March, 2012

\*\*\* Mr. J Ramakrishnan was appointed as additional director w.e.f. 22<sup>nd</sup> March, 2012

b. Transactions with M/s. Strata Geosystems (India) Private Limited:

Transaction	Opening Balance as at April 1, 2011 Rupees	Amount Invested During the year Rupees	Amount Disinvested During the year Rupees	Closing Balance As at March 31, 2012 Rupees
Investments in Share Capital (including share application money)	2,88,07,800 (2,88,07,800)	5,23,080 (Nil)	Nil (Nil)	2,93,30,880 (2,88,07,800)
	Opening Balance as at April 1, 2011 Rupees	Guarantees issued During the year Rupees	Guarantees annulled during the year Rupees	Closing Balance As at March 31, 2012 Rupees
Corporate Guarantees	12,75,00,000 (12,75,00,000)	21,00,00,000 (Nil)	(12,75,00,000) (Nil)	21,00,00,000 (12,75,00,000)
<b>Other Transactions with M/s Strata Geosystems (India) Private Limited</b>				<b>Rupees</b>
License Fees received for use of premises / amenities				21,36,000 (14,55,000)
Reimbursement for expenses				NIL (63,185)

Note: Figures in brackets are for previous year.

**6. Taxation:**

**Deferred Tax Liability on account of:**

	Deferred Tax Balance As at March 31, 2011 Rupees	Charge / (Credit) during the year Rupees	Deferred Tax Balance As at March 31, 2012 Rupees
Depreciation	4,396,149	(4,187,288)	208,861
	<b>4,396,149</b>	<b>(4,187,288)</b>	<b>208,861</b>
<b>Deferred Tax Assets on account of:</b>			
a) Unabsorbed Depreciation (restricted in view of losses)	(2,137,225)	1,928,364	(208,861)
b) Brought forward Business Loss	(2,006,219)	2,006,219	NIL
	<b>(4,143,444)</b>	<b>3,934,583*</b>	<b>(208,861)</b>
<b>Net Deferred Tax Liability / (Assets)</b>	<b>2,52,705</b>	<b>(2,52,705)</b>	<b>NIL</b>

\* Deferred Tax Liability has been reviewed and restated since no depreciation has been claimed in Income-Tax on certain leased out Fixed Assets. Company has recognised Deferred Tax Assets on unabsorbed depreciation to the extent of Deferred Tax Liabilities.

**7. Segment Reporting:**

The operation of the Company represents only one business segment, viz. 'Trading in Fabrics'. Accordingly, all earnings, assets and liabilities relate to this activity only and there is no separate Segment.

8. The Company has a 29.50% equity interest in a Jointly Controlled Entity- M/s. Strata Geosystems (India) Private Limited. ("Strata"). The Company has made an investment into Strata's Equity Capital and will from time to time commit other resources, as may be necessary, based on Strata's business plan.

In accordance with the requirements of Accounting Standard on Financial Reporting of Interest in Joint Ventures (AS-27) notified by the Companies (Accounting Standards) Rules, 2006, the interest in the jointly controlled entity has been accounted for as an Investment in accordance with Accounting Standard (AS) 13, Accounting for Investments and has been reflected under investments – Note 1.9

In compliance with Accounting Standard 27 – 'Financial Reporting of Interests in Joint Venture' – AS(27), notified by the Companies ( Accounting Standards ) Rules, 2006 the Company has interest in the following jointly controlled entity.

**(Rupees)**

Name of the Company	Country of Incorporation	Holding (%)	Amount of Interest based on the Provisional Accounts as certified by the Directors for the year ended March 31, 2012			
			Assets	Liabilities	Income	Expenditure
Strata Geosystems (India) Pvt. Ltd.	India	29.50 (33.88)	87,630,210 (64,283,194)	37,079,324 (29,014,720)	156,086,873 (128,844,344)	135,927,775 (110,568,305)



## Omnitex Industries (India) Limited

9. Disclosure as required by Accounting Standard 19, "Leases" (AS-19), notified by the Companies (Accounting Standards) Rules, 2006 are given below:

a. Where the Company is a lessor:

i. Details in respect of assets given on operating lease:

	Gross block as at March 31, 2012	Accumulated depreciation as at March 31, 2012	Depreciation (Corresponding to period of lease rentals)
	Rupees	Rupees	Rupees
Building, Electrical Installation, Furniture and Fixtures, Office and Other Equipment	2,35,13,303 (2,35,13,303)	12,69,074 (7,98,985)	4,70,089 (4,33,681)

i. Licence Fee of Rs. 21,36,000/- (Previous Year Rs. 14,55,000/-) received from temporary user is recognized in the Profit and Loss Account.

### 10. Earning Per Share

Earning per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earning per equity share are as stated below:

		As At March 31, 2012	As At March 31, 2011
Profit before Taxation and Prior Period Items	Rupees	8,69,812	4,23,418
Profit after Taxation and Prior Period Items	Rupees	7,95,677	1,70,713
Weighted average number of shares	Nos.	42,04,100	42,04,100
Earning per share before exceptional items (Basic and Diluted)	Rupees	0.19	0.04
Earning per share (Basic and Diluted)	Rupees	0.19	0.04
Face value per share	Rupees	10	10

11. The figures of the previous year have been regrouped / reclassified, wherever necessary, to conform to the current year's presentation.

As per our report of even date

**Tembey & Mhatre**

Chartered Accountants  
FR No. 116359W

**(Shrikant B. Tembey)**

Partner  
M. No. 033787

Place : Mumbai

Dated: 30<sup>th</sup> May, 2012

**For and on behalf of Board of Directors**

**Amit R Dalmia**  
Chairman

**Deepak Advani**  
Director

**J. Ramakrishnan**  
Director





# Omnitex Industries (India) Limited

Registered Office : 317, Tanta Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg,  
Lower Parel, Mumbai - 400 011.

## ATTENDANCE SLIP

26th Annual General Meeting on 16th August, 2012, at 10.00 a.m.

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

Joint Shareholders may obtain additional Attendance Slips or request.

NAME & ADDRESS OF THE SHARE HOLDER	L. F. NO.

I hereby record my presence at the 26th Annual General Meeting of the Company at "Hall of Quest", Nehru Planetarium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Thursday, 16th August, 2012.

### SIGNATURE OF THE SHARE HOLDER OR OF THE PROXY ATTENDING THE MEETING

If Shareholder, Please sign here	If Proxy, Please sign here

— Tear Here —

## PROXY FORM



# Omnitex Industries (India) Limited

Registered Office : 317, Tanta Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg,  
Lower Parel, Mumbai - 400 011.

L.F.No.

I/We.....

of ..... **being a member/members of Omnitex Industries (India) Limited**

hereby appoint ..... of .....

or failing him/her ..... of .....

as my / our proxy to vote for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Thursday, 16th August, 2012 or at any adjournment thereof.

As witness my/our hand(s) this .....day of ..... 2012.



(Signature of the Shareholder)

**NOTE :** The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.





**Book - Post**

*If undelivered, please return to :*



**Omnitex Industries (India) Limited**

317-319, Tantia Jogani Industrial Premises, 3rd Floor,  
J. R. Boricha Marg, Lower Parel, Mumbai - 400 011.

**CRYSTAL** - (022) - 6614 0900