

*41st*  
*Annual Report*  
*2011-12*



ORIENT ABRASIVES LIMITED

## **MANAGEMENT**

### **BOARD OF DIRECTORS**

Mr. R K Rajgarhia, Chairman  
Mr. R S Bajoria  
Mr. S K S Narayan  
Mr. T N Chaturvedi  
Mr. U K Khaitan  
Mr. S G Rajgarhia, Managing Director  
Mr. P P Khanna, Executive Director  
Mr. R K Khanna, President

### **BANKERS**

HDFC Bank  
State Bank of India

### **AUDITORS**

S. R. Batliboi & Co.

### **REGISTERED OFFICE**

1307, Chiranjiv Tower  
43, Nehru Place  
New Delhi-110 019  
e-mail: ho@oalindia.com  
web site: www.orientabrasives.com

### **REGISTRAR & TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-153/A, 1st Floor  
Okhla Industrial Area, Phase - I  
New Delhi – 110 020

### **WORKS**

#### **Abrasives Grains & Power Division**

GIDC Industrial Area,  
Porbandar  
Gujarat-360 577

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## NOTICE

Notice is hereby given that the FORTY FIRST annual general meeting of the members of Orient Abrasives Limited will be held at Hindi Bhawan, 11, Vishnu Digambar Marg (Near Bal Bhawan), New Delhi – 110 002 on Monday, September 24, 2012 at 11.00 A.M. to transact the following business

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited annual accounts of the Company for the year ended March 31, 2012 and the report of the Directors' and Auditors' thereon.
2. To appoint a director in place of Mr T N Chaturvedi who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr R S Bajoria who retires by rotation and being eligible offers himself for re-appointment.
4. To declare a final dividend on equity shares.
5. To appoint Auditors to hold office from the conclusion of this annual general meeting till the conclusion of next annual general meeting and to fix their remuneration.

### SPECIAL BUSINESS

6. To consider, and if thought fit, to pass the following resolution with or without modification as a **Special Resolution**

**“RESOLVED THAT** subject to the provisions of Section 198, 269, 309, 314 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the Companies Act, 1956 the approval of the members of the Company be and is hereby accorded to the appointment of Mr P P Khanna as a whole-time director of the Company by the board of directors, designated as executive director, for a period of 3 years *w.e.f.* May 2, 2012 upon the following terms and conditions

(i) **Basic Salary**

In the range of ₹ 234,000/- to ₹ 350,000/- per month. In the first year, *i.e.* from May 02, 2012 to March 31, 2013, ₹ 234,000 per month will be paid. Thereafter the board of directors shall fix annual increments every year within the above ceiling. First increment shall become due from April 01, 2013. Other allowances, bonus, perquisites linked with basic salary shall also increase accordingly.

(ii) **Bonus/Ex-Gratia**

As may be payable to the senior executives of the Company but not exceeding 20% of the basic salary.

(iii) **Lump-Sum Payment**

A lump-sum payment not exceeding ₹ 1,500,000 per annum as may be approved by the board, which is payable in every financial year once during the term of Mr P P Khanna. The first of such payments will be made during the financial year 2012-13.

(iv) **Perquisites**

- a) **Housing** : Rent free furnished accommodation or house rent allowance in lieu thereof, either of which shall be subject to a maximum value of 50% of the basic salary ;
- b) **Supply of Water, Gas and Electricity** : Supply of water, gas and electricity free of charge subject to a ceiling of 10% of the basic salary;
- c) **Medical Reimbursement** : Medical expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years. He is also entitled to a medical insurance cover for ₹ 2.00 Lacs at present which may be increased in due course, under a group mediclaim policy taken by the Company and the proportionate premium on the same may also be taken as perquisite;
- d) **Leave Travel Concession/Allowance** : Reimbursement of travelling expenses of self and dependent family members once in an year incurred in accordance with the rules of the Company;
- e) Subscription to newspapers and other magazines at home;

- f) **Car with Driver and Telephone:** Free use of Company's car(s) with driver and free telephone/internet facility at residence for official as well as personal use. The car and telephone used for official purposes shall not be included in the computation of remuneration
- g) Company's contribution to Provident Fund to the extent not taxable under the Income-tax Act, Gratuity according to the Company's rules and Encashment of Leave at the end of the tenure shall not be included in the limits for the remuneration or perquisites.

The total of perquisites listed from (a) to (g) shall not exceed the amount of basic salary payable as above.

**FURTHER RESOLVED THAT** in the event of loss or inadequacy of profit in any financial year of the Company during the term of office of Mr P P Khanna as executive director, the remuneration payable to him shall be paid to him as minimum remuneration provided that the total remuneration by way of salary, ex-gratia, perquisites and other allowances shall not exceed the limits prescribed from time to time in paragraph 1 (B) of Section II in Part II of Schedule XIII of the Companies Act, 1956."

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

**"RESOLVED THAT** Mr. R K Khanna who was appointed as an additional director by the board of directors on August 11, 2012 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 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a director of the Company whose office shall be liable to retire by rotation."

- 8. To consider, and if thought fit, to pass the following resolution with or without modification as a **Special Resolution :**

**"RESOLVED THAT** subject to the provisions of Section 198, 269, 309, 314 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the Companies Act, 1956 the approval of the members of the Company be and is hereby accorded to the appointment of Mr R K Khanna as a whole time director of the Company by the board of directors, designated as President, for a period of 3 years w.e.f. August 11, 2012 upon the following terms and conditions

**(i) Basic Salary**

In the range of ₹ 170,000/- to ₹ 250,000/- per month. In the first year, i.e, from August 11, 2012 to March 31, 2013, ₹ 170,000 per month will be paid. Thereafter the board of directors shall fix annual increments every year within the above ceiling. First increment shall become due from April 01, 2013. Other allowances, bonus, perquisites linked with basic salary shall also increase accordingly.

**(ii) Bonus/Ex-Gratia**

As may be payable to the senior executives of the Company but not exceeding 20% of the basic salary.

**(iii) Lump-Sum Payment**

A lump-sum payment not exceeding ₹ 1,000,000/- per annum as may be approved by the board, which is payable in every financial year once during the term of Mr R K Khanna. The first of such payments will be made during the financial year 2013-14.

**(iv) Perquisites**

- a. **Housing :** Rent free furnished accommodation or house rent allowance in lieu thereof, either of which shall be subject to a maximum value of 50% of the basic salary ;
- b. **Special Allowance:** ₹ 27,800/- per month ;
- c. **Supply of Electricity :** Supply of electricity free of charge subject to a ceiling of 5 % of the basic salary in a year ;
- d. **Medical Reimbursement :** Medical expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years. He is also entitled to a medical insurance cover for ₹ 2.00 Lacs at present which may be increased in due course, under a group mediclaim policy taken by the Company and the proportionate premium on the same may also be taken as perquisite;

- e. **Leave Travel Concession/Allowance** : Reimbursement of travelling expenses of self and dependent family members once in an year incurred in accordance with the rules of the Company;
- f. **Car with Driver and Telephone**: Free use of Company's car(s) with driver and free telephone/internet facility at residence for official as well as personal use. The car and telephone used for official purposes shall not be included in the computation of remuneration;
- g. **Club Membership Fee** : not more than ₹ 10,000/- per annum,
- h. Company's contribution to Provident Fund to the extent not taxable under the Income-tax Act, Gratuity according to the Company's rules and Encashment of Leave at the end of the tenure shall not be included in the limits for the remuneration or perquisites.

The total of perquisites listed from (a) to (h) shall not exceed the amount of basic salary payable as above.

**FURTHER RESOLVED THAT** in the event of loss or inadequacy of profit in any financial year of the Company during the term of office of Mr R K Khanna as executive director, the remuneration payable to him shall be paid to him as minimum remuneration provided that the total remuneration by way of salary, ex-gratia, perquisites and other allowances shall not exceed the limits prescribed from time to time in paragraph 1 (B) of Section II in Part II of Schedule XIII of the Companies Act, 1956."

for **Orient Abrasives Limited**

**New Delhi**  
**August 11, 2012**

**R K Rajgarhia**  
**Chairman**

#### **NOTES**

1. The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 ("Act") in respect of the business under item nos. 6, 7 & 8 above, are annexed hereto. The relevant details as required by clause 49 of the listing agreement entered into with the stock exchanges, of persons seeking appointment/ re-appointment as directors under item nos. 2, 3, 6 and 7 of the notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/ AUTHORITY, AS APPLICABLE.**
3. **THE REGISTER OF MEMBERS AND SHARES TRANSFER BOOK OF THE COMPANY WILL BE CLOSED FROM SATURDAY, SEPTEMBER 15, 2012 TO MONDAY, SEPTEMBER 24, 2012, BOTH DAYS INCLUSIVE.**
4. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their depository participant. Changes intimated to the depository participant will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agent.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or the Company's Registrar and Transfer Agent for assistance in this regard.
6. Members holding physical shares in identical order of names in more than one folio are requested to send to the Company or the Company's Registrar and Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
7. Members desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.

8. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividends, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.
9. Members, who have not yet encashed their dividend warrant for the financial years 2005-06 and onwards, are requested to make their claims without any delay to the Company. Members' attention is particularly drawn to the "Corporate Governance" section of the annual report in respect of unclaimed dividend.
10. The Ministry of Corporate Affairs (*vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively*), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the listing agreement with the stock exchanges permits companies to send soft copies of the annual report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this 'Green Initiative' by registering/updating their e-mail addresses for receiving electronic communications.
11. Members can avail nomination facility in respect of their shareholdings by applying in Form 2 B of Companies (Central Government's) General Rules & Forms, 1956. The said forms can be obtained from the Company's Registrar and Transfer Agent.

#### **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956**

##### **ITEM NO. 6**

As you are aware of, Mr. P P Khanna had been firstly appointed as a whole-time director designated as executive director *w.e.f.* August 07, 2006 for a period of three years by the members at their 36<sup>th</sup> annual general meeting held on September 20, 2007. He was again appointed on same designation *w.e.f.* May 2, 2009 for a period of three years, his re-appointment was approved by the members at their 38<sup>th</sup> annual general meeting held on August 3, 2009 and accordingly his term expired on May 1, 2012. However, board of directors in their meeting held on February 09, 2012, after mutual agreement between Mr P P Khanna & the board of directors and subject to approval of the members of the company, re-appointed him for a period of three years *w.e.f.* May 2, 2012.

##### **ITEM NOS. 7 & 8**

Mr R K Khanna was appointed as an additional director *w.e.f.* August 11, 2012. In terms of Section 260 of the Companies Act, 1956 he holds office till the date of this annual general meeting. The company has received a notice under Section 257 of the Act proposing Mr. Khanna for appointment as director at the ensuing annual general meeting liable to retire by rotation.

The board of directors in their meeting held on August 11, 2012, after mutual agreement between Mr R K Khanna & the board of directors and subject to approval of the members of the company, appointed him as whole time director of the Company designated as President for a period of three years *w.e.f.* August 11, 2012.

#### **THE INFORMATION REQUIRED TO BE GIVEN AS PER PARAGRAPH 1 (B) (IV) OF SECTION II OF PART II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956 IN THE CONTEXT OF APPOINTMENTS OF MR. P P KHANNA AND MR. R K KHANNA ARE GIVEN BELOW**

##### **I. GENERAL INFORMATION**

###### **1. Nature of Industry**

The Company's activities can be classified under the engineering industry. The Company manufactures fused aluminum oxide abrasive grains, monolithics and generation of power.

###### **2. Commencement of Commercial Production**

Commercial production commenced in January 1975.

###### **3. The financial performance for the year ended March 31, 2012**

	(₹ in Lacs)
Net sales and other income	16,835.61
Operating profit	1,257.62
Net profit	914.05
EPS	0.76

## II. INFORMATION ABOUT THE APPOINTEES

### Mr. P P Khanna

Mr P P Khanna, aged 73 years, is a highly qualified engineer with the degrees BSc, B.E. and AMIE. He has been associated with the Company for the last 39 years in different capacities like a senior executive and as member of the board of directors. The current appointment is for a fresh term in the office of executive director.

Mr. Khanna has been highly instrumental in the progress made by the Company over the years. He has vastly contributed in the setting up of various divisions of the Company and in their growth. His technical expertise and industry experience have immensely helped the Company in production, marketing and development. He also played a major part in setting up of the 9 MW thermal power plant at Porbandar in 2007, which has considerably reduced the cost of power for the Company.

The attributes possessed by him like good business acumen, far-sightedness and leadership have largely propelled the activities of the Company and inspired the workforce. Mr P P Khanna is the key-person in helping to coordinate the activities of various branches and the plants and in making the Company work as an integrated unit.

As the executive director he has the responsibility of virtually looking after the entire Company affairs after the managing director. The job profile includes coordinating the operations of various divisions and in formulating policies and strategies for each division and for the Company as a whole in consultation with the managing director and under the supervision of the board of directors. His performance in the Company in various capacities as an executive director and as a senior non-director executive has been commendable. The board of directors deemed it to be in the interest of the Company to avail the services of Mr P P Khanna as an executive director for another 3 years.

The remuneration proposed to be paid to him is mentioned elsewhere in this annual report. The total remuneration paid to him during the financial year 2011-2012 was ₹ 54.63 Lacs.

### Mr. R K Khanna

Mr R K Khanna, aged 59 years, is a highly qualified engineer with the degree in B.E. in mechanical engineering. He has been associated with the Company for the last 39 years in different capacities like a senior executive. For last 20 years he is President of the Company.

Mr. Khanna has been highly instrumental in the progress made by the Company over the years. He has vastly contributed in successfully implementation of various projects and in their growth. His technical expertise and industry experience have immensely helped the Company in production and maintenance.

The attributes possessed by him like good business acumen, far-sightedness and leadership have largely propelled the activities of the Company and inspired the workforce. Mr R K Khanna is the key-person in helping to coordinate the activities of various branches and the plants and in making the Company work as an integrated unit.

As whole time director he has the responsibility of virtually looking after the entire manufacturing activity of the Company at Probander, Gujarat. His performance in the Company in various capacities and as a President has been commendable. The board of directors deemed it to be in the interest of the Company to avail the services of Mr R K Khanna as whole time director for 3 years.

The remuneration proposed to be paid to him is mentioned elsewhere in this annual report. The total remuneration paid to him as President of the Company during the financial year 2011-2012 was ₹ 31.19 Lacs.

The remuneration being paid by other comparable entities to their executive directors in the industry is as under. The figures have been drawn from the annual reports 2011-12.

Name of Company	Turnover (₹ in Lacs)	Remuneration (₹ in Lacs)
Carborundum Universal Ltd.	117,646.90	134.46
Grindwell Norton Ltd.	95,131.63	472.78

### Pecuniary relationship & relationship with managerial persons

Mr P P Khanna's and Mr. R K Khanna's pecuniary relationship are limited to their remuneration they receive in the capacity of whole time director and the dividend or other benefits accruing to shareholders to the extent of their shareholding.

They are not related to any employee in the Company.



### III. OTHER INFORMATION

The profit of the Company during the financial year 2011-12 was adequate and it is expected that the Company will perform satisfactorily in the coming years making provision of minimum remuneration redundant.

However, there could be events or external factors beyond the control of the Company which would influence Company's profitability. Hence it is necessary to provide for minimum remuneration to adequately compensate the executive directors in case of any such eventuality.

### IV. DISCLOSURES

The remuneration packages are already explained in the foregoing paragraphs. The report on corporate governance which forms part of this annual report also gives various details related to remuneration and contract of service as required.

The appointment and the remuneration of Mr. P P Khanna have been approved by the remuneration committee and the board of directors in their respective meetings held on February 09, 2012.

The appointment and the remuneration of Mr. R K Khanna have been approved by the remuneration committee and the board of directors in their respective meetings held on August 11, 2012.

Your directors recommend your acceptance and passing of the proposed special resolutions in the interest of the Company. The special resolution combines both the appointment and payment of minimum remuneration.

No director of the Company except Mr. P P Khanna and Mr. R K Khanna are himself interested or concerned in their respective resolutions.

***These may be treated as an abstract of the terms of the contract between the Company and Mr. P P Khanna & the Company and Mr. R K Khanna and of the memorandum of interest under Section 302 of the Companies Act, 1956.***

An appointment letters dated May 2, 2012 and August 11, 2012, stating the terms and conditions as approved at the remuneration committee meeting and the board meeting has been issued to Mr P P Khanna and Mr. R. K. Khanna respectively, which on having been accepted by them constitutes a contract between them and the Company.

The said contract is open for inspection on all working days during business hours at the registered office of the Company.

for **Orient Abrasives Limited**

**New Delhi**  
**August 11, 2012**

**R K Rajgarhia**  
**Chairman**





**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

<b>Particulars</b>	<b>Mr. T N Chaturvedi</b>	<b>Mr. R S Bajoria</b>	<b>Mr. P P Khanna</b>	<b>Mr. R K Khanna</b>
Date of Birth	January 15, 1959	May 17, 1943	April 3, 1939	January 25, 1953
Date of Appointment	July 30, 2001	July 30, 2001	August 07, 2006	August 11, 2012
Qualifications	Chartered Accountant	B.Com.	B.Sc., BE, AMIE	B.E.
Expertise in specific functional areas	Wide experience in Institutional Finance, Corporate Restructuring, Financial Due Diligence, Auditing, Corporate Laws & Taxation.	Wide experience in Rubber Industry	Wide experience in setting up manufacturing and power plants of the Company.	Wide experience in implementation of various projects works, maintenance and production.
<b>Directorships held in other public companies</b> (excluding foreign companies and section 25 companies)	<ul style="list-style-type: none"> <li>• IVRCL Limited</li> <li>• IVRCL Assets &amp; Holdings Limited</li> <li>• Hindustan Dorr Oliver Limited</li> <li>• Perfect Pac Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Orient Refractories Limited</li> <li>• Farseen Rubber Industries Limited</li> <li>• Rajputana Investment &amp; Finance Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Orient Refractories Limited</li> </ul>	Nil
<b>Memberships/ Chairmanships of committees of other public companies</b> (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• IVRCL Limited*</li> <li>• IVRCL Assets &amp; Holdings Limited*</li> <li>• Hindustan Dorr Oliver Limited</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>• Orient Refractories Limited</li> </ul>	Nil	Nil
Number of shares held in the Company	Nil	Nil	498,510	Nil

\*Chairman of the Committee

## **DIRECTORS' REPORT**

### *Dear Members*

Your directors have pleasure in presenting the forty first annual report of the Company along with the audited financial statements for the financial year ended March 31, 2012.

#### **SCHEME OF DEMERGER**

During the year under review, a scheme of demerger ("The Scheme") was sanctioned by the Hon'ble High Court of Judicature at Delhi vide its order dated September 19, 2011. The scheme becomes effective with effect from October 31, 2011 ("the effective date"). Pursuant to scheme the refractory business of the Company carried at its manufacturing unit at Bhiwadi (demerged undertaking), was transferred to the transferee company i.e. Orient Refractories Limited with effect from April 01, 2011 (the appointed date).

The said scheme provides, inter alia, the transfer of demerged undertaking on a going concern basis to the transferee company in consideration of which, each shareholder of the Company whose name appeared in the register of members of the Company on the record date i.e. November 14, 2011, received one fully paid equity share of face value of ₹ 1.00 each in the transferee company.

#### **OPERATIONS REVIEW AND FUTURE OUTLOOK**

The financial results for the year ended March 31, 2012 are for the businesses remaining with the Company, after giving effect to the scheme of demerger and accordingly, are not strictly comparable with the previous corresponding period and hence not given here.

During the year under review your Company has achieved a Gross Turnover of ₹ 18,360.79 Lacs. Gross profit and Net profit are ₹ 1,257.62 Lacs and ₹ 914.05 Lacs respectively. The performance of the abrasive grains division was overall satisfactory during the year under review. The turnover of the abrasive grains increased to ₹ 12,632.44 Lacs from ₹ 8,731.01 Lacs, growing by 45% .

Your Company has a total thermal power plant capacity of 18 Mega Watt (MW) out of which 9 MW is based on coal and 9 MW on furnace oil. The thermal power plant based on coal is more economical and operating at full capacity and satisfactorily meeting the maximum power requirement of the abrasive grains division, Porbandar. Due to increase in the price of furnace oil, the furnace oil based power plant is used as and when required and found viable.

As you are aware that your Company has also wind generation power plants having capacity of 11.1 MW, located at Jodhpur & Jaisalmer in Rajasthan and Kalmangi & Gajendragarh in Karnataka. These plants are operating satisfactorily, the power generated by these plants are sold to the respective state power distribution companies. During the year under review gross revenue for sale of power increased to ₹ 824.13 Lacs from ₹ 410.35 Lacs in the previous year.

Your directors are hopeful that the turnover and profitability of the Company will increase in the current year.

#### **DIVIDEND**

Based on the Company's performance, your directors are pleased to recommend a final dividend of ₹ 0.20 per share (i.e. 20%) for the financial year 2011-12 on the capital of 119,639,200 equity shares of ₹ 1.00 each. The final dividend on the equity shares, if approved by the members would involve a cash outflow of ₹ 278.10 Lacs including dividend distribution tax.

#### **SUBSIDIARY COMPANY**

During the year, pursuant to the scheme of arrangement for demerger, Orient Refractories Limited ceased to be subsidiary of the Company.

#### **FIXED DEPOSIT**

As on date of this report there is no overdue or unclaimed fixed deposit in the Company.

#### **AUDITORS**

M/s. S.R. Batliboi & Co., Chartered Accountants, who are the statutory auditors of the Company, hold office, in accordance with the provisions of the Act up to the conclusion of the forthcoming annual general meeting and offer themselves for re-appointment. They have confirmed that their re-appointment, if made, shall be within the limits laid down in Section 224(1B) of the Companies Act, 1956.