



OBL:HO:SEC:00:

New Delhi : 28.09.2017

BSE Limited
Corporate Relation Department
1st Floor, New Trading Ring
Rotunga Building Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Stock Code - 530365

National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai-400 051

Stock Code: **ORIENTBELL**

Sub. : Submission of Annual Report - 2016-17 of the Company, pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the company for the Financial Year 2016-17 as approved and adopted at 40th Annual General Meeting of Orient Bell Limited held on Friday, the 22nd day of September 2017 at 11.30 a.m. at the Registered Office of the Company at 8, Industrial Area, Sikandrabad, Distt. Bulandshahr, (U.P.).

This is for your information and record.

Yours faithfully,
for Orient Bell Limited

Yogesh Mendiratta
Company Secretary & Head-Legal



Encl: as above

Orient Bell Limited

CORPORATE OFFICE: Iris House, 16 Business Centre, Nangal Raya, New Delhi - 110 046, India. Tel.: +91 11 4711 9100, Fax: +91 11 28521273
REGD. OFFICE : 8 Industrial Area, Sikandrabad - 203 205 (U.P.) India. Tel.: +91 5735 222 203 / 222 / 424, +91 81910 04575 / 76, Fax: +91 5735 222 642

E-mail: customercare@orientbell.com, Website: www.orientbell.com

CIN: L14101UP1977PLC021546



ANNUAL REPORT

2016-2017

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“The best interiors are a reflection of where you have come from and a signifier where you want to go.”



Corporate information

BOARD OF DIRECTORS

Mr. Mahendra K. Daga, Chairman & Managing Director
 Mr. Madhur Daga, Managing Director
 Mr. K.M. Pai, Executive Director & Chief Financial Officer
 Mr. P.M. Mathai
 Mr. R.N. Bansal
 Mr. Sameer Kamboj
 Ms. Tanuja Joshi

AUDIT COMMITTEE

Mr. Sameer Kamboj (Chairman)
 Mr. K.M. Pai
 Mr. P.M. Mathai
 Mr. R.N. Bansal

STAKEHOLDERS RELATIONSHIP AND GRIEVANCE COMMITTEE

Ms. Tanuja Joshi (Chairperson)
 Mr. Madhur Daga
 Mr. K.M. Pai

NOMINATION AND REMUNERATION COMMITTEE

Mr. P.M. Mathai (Chairman)
 Mr. R.N. Bansal
 Ms. Tanuja Joshi

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Madhur Daga (Chairman)
 Mr. R.N. Bansal
 Mr. Sameer Kamboj
 Ms. Tanuja Joshi

COMPENSATION COMMITTEE

Mr. P.M. Mathai (Chairman)
 Mr. Mahendra K. Daga
 Mr. R.N. Bansal
 Mr. Sameer Kamboj

COMPANY SECRETARY & HEAD-LEGAL

Mr. Yogesh Mendiratta

STATUTORY AUDITORS

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

BANKERS / LENDERS

State Bank of India
 Punjab National Bank
 Axis Bank
 IndusInd Bank
 IDBI Bank
 ICICI Bank
 IDFC Bank
 Tata Capital Financial Services Limited

SHARE TRANSFER AGENT

M/s MCS Share Transfer Agent Limited
 F-65, Okhla Industrial Area, Phase-I,
 New Delhi – 110 020
 Tel: +91 11 41406149

REGISTERED OFFICE

8, Industrial Area, Sikandrabad – 203 205
 Distt. Bulandshahr (U.P.)
 Tel : +91 5735 222203/22424, +91 8191004575 / 76
 Fax : +91 5735 222642

CORPORATE OFFICE

IRIS House, 16, Business Centre,
 Nangal Raya, New Delhi – 110 046
 Tel : +91 11 47119100
 Fax : +91 11 28521273

PLANTS

1. Industrial Area
Sikandrabad,
Bulandshahr (U.P.)
2. Village Dora, Taluka Amod,
Dist. Bharuch – 392230, Gujarat.
3. Village Chokkahalli,
Taluka Hoskote,
Bengaluru (Rural)- 562114
Karnataka

CIN: L14101UP1977PLC021546

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the Fourteenth Annual Report and the audited accounts for the financial year ended March 31, 2017.

Financial Results

(₹ in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016*
Gross Income	70,694.20	75,967.14
Profit before finance cost, depreciation, taxation and exceptional item	5,512.22	4,886.06
Finance Cost	1,334.67	1,880.90
Depreciation	1,732.42	1,707.82
Profit before taxation	2,445.13	1,297.33
Tax expense	1,340.84	652.93
Profit after tax	1,104.29	644.40
Earning per share (₹)	7.84	4.43

*regrouped

Operations and Business Review

The financial year 2016-17 has been a mix of good and not so good happenings. It was a difficult year for the tile industry and real estate sector. While your Company has not grown in terms of Sales Turnover but has registered a growth of 88% in the Profit Before Tax (PBT) from ₹1,297 Lakhs in the previous year to ₹2,445 Lakhs in the current year. The drop in fuel prices and major savings in finance cost by better working capital management helped us to post reasonable profits during the year under review despite drop in sale numbers.

Your Company is constantly working on its brand building and product display for our tiles. During the year under review, your Company has opened Company Owned Company Operated Boutiques as well as thirty Franchise Boutiques at very conspicuous locations across the Country viz., Chandigarh, Pune (Maharashtra), Bhatinda (Punjab), Agra (U.P.), Ranchi (Jharkhand), Sangrur (Punjab), Varanasi (U.P.), Haldwani (Uttarakhand), Patiala (Punjab) and many more. The opening of such Boutiques at prestigious locations in different parts of Country will pave way for the professionals as well as retail customers to drop in and make their selection of tiles out of huge range as per their likings.

Your Company has increased engagements with architects, channel partners and tile experts manifold. The social media campaigns have been made live since January, 2017 and are seeing success in the online space. These campaigns, your Company feels, will continue with full force during times to come. Your Company has also appointed Print media and Advertising agency which will support brand promotion of the Company and is believed to add value in customer pull and strengthen our brand. Your company has made arrangements

with the local bus operators in various metropolitan cities carrying our branding and also installed hoardings in such cities at prominent places like bus shelters etc.

Several new designs / SKUs have been introduced by the Company during the year under review. Your Company has launched 600 mm x 600 mm GVT and PGVT tiles in over 50 designs that are now manufactured at Sikandrabad (U.P.) plant. Digital pavers manufactured at your Company's Hoskote plant have been well accepted by the market. The product portfolio of your Company is much more complete and compares favorably with the best in the Industry. New products like digital pavers and PGVT/ DGVt from our plants have widened our product portfolio. Various attractive schemes against annual / quarterly sales target launched by the Company from time to time are welcomed by the channel partners.

Your Company continued its drive to map the Government (GPS) and Private (PPS) Projects and sell more and more of its High Value Products in these projects. Your Company has represented itself before various GPS and PPS Projects and successfully got its brand "ORIENTBELL" approved and listed with many Government Departments and PSUs. A few of such Departments and PSUs include NBCC, NTPC, CPWD, State PWDs, Military Engineer Services (MES), State Housing Boards, State Police Housing Boards, Airports Authority of India, Delhi Metro, Air India, HUDCO, Engineers India Limited, ONGC, Chennai Metro, Delhi University, Aam Aadmi Mohalla Clinic, Aam Aadmi Polyclinic, Delhi Government Schools, AIIMS (Raibareilly) etc. Your Company has also bagged orders from prestigious private Projects like Thapar University, Bennett University, PVR Cinemas, HLL Hospital, Medanta Hospital, Simplex, Nagarjuna Construction Company, Ansals, L&T, DLF, Gannon Dunkerley, Experion, Ajnara etc.

Dividend

Your Directors have recommended a dividend of ₹0.50 per equity share for the financial year ended March 31, 2017. The total outgo of dividend (inclusive of tax of ₹ 14.44 lakhs) would amount to ₹ 85.39 lakhs as against ₹ 84.26 lakhs in the previous year. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

Particulars of Loans, Guarantees or Investments

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

Public Deposits

Your Company has neither invited nor accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

Transfer to Reserves

We propose to transfer ₹ 78,95,888/- to Securities Premium and ₹ 61,27,21,894/- from Revaluation Reserve to General Reserve and ₹ 3,77,329/- from Employee Stock Option Reserve to General Reserve.

Particulars of Contracts or Arrangements made with Related Parties

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that would have required Shareholder approval under the Listing Regulations. All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website. Details of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

Directors and Key Managerial Personnel

During the year under review Mr. N.R. Srinivasan's term of office as Independent Director of the Company ended on 29.09.2016. His outstanding contribution and support is appreciated by the Board of Directors.

All Independent Directors have given their respective declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. K.M. Pai shall retire at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

The present term of appointment of Mr. Mahendra K. Daga as Chairman & Managing Director of the Company will end on 31st March, 2018. The Nomination and Remuneration Committee and the Board of Directors have, subject to the approval of the members vide special resolution at the ensuing Annual General Meeting and such other approvals as may be necessary in this regard, approved the reappointment and remuneration of Mr. Mahendra K. Daga as Chairman & Managing Director of the Company for a further term of three years from 01st April, 2018 to 31st March, 2021.

Number of meetings of the Board

The Board met four times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Directors' Responsibility Statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, make the following statement:

- that in the preparation of annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2017 and of the profit of your Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the accounts for the financial year ended March 31, 2017 have been prepared on a 'going concern' basis;
- that internal financial controls were in place and that such internal financial controls were adequate and were operating effectively;
- that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Audit Committee

The Audit Committee comprises of three Independent Directors namely Mr. Sameer Kamboj (Chairman), Mr. R.N. Bansal (Member) and Mr. P.M. Mathai (Member) and one Non Independent- Executive Director Mr. K.M. Pai (Member). All the recommendations made by the Audit Committee were accepted by the Board.

Remuneration Policy

The Policy of the Company on Director's appointment and remuneration, specifying criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of section 178 of the Companies Act, 2013, adopted by the Board, is appended as **Annexure 1 to the Board's Report**. We affirm that the remuneration paid to the Directors is as per the terms laid under the Nomination & Remuneration Policy of the Company.

Risk Management Policy

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has formed a Risk Management Policy. This policy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The policy defines the risk management approach across the enterprise at various levels including documentation and reporting.

The Risk Management Policy as approved by the Board is uploaded on the Company's website <http://www.oblcorp.com>.

Vigil Mechanism cum Whistle Blower Policy

The Company has formulated a Vigil Mechanism cum Whistle Blower Policy to deal with the instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct. It provides for a mechanism for Directors and Employees of the Company to approach the Chairman of the Audit Committee of the Company or the Director nominated to play the role of Audit Committee as the case may be, in exceptional cases to report such cases. The Vigil Mechanism cum Whistle Blower Policy of the Company is uploaded on the Company's website <http://www.oblcorp.com>.

Corporate Social Responsibility

The Corporate Social Responsibility Committee comprises Mr. Madhur Daga (Chairman), Mr. R.N. Bansal, Ms. Tanuja Joshi and Mr. Sameer Kamboj (Members). The Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at <http://www.oblcorp.com>.

The CSR activities, as per the provisions of the Companies Act, 2013, may also be undertaken through a Registered Trust. The Company continues to undertake the CSR activities also through M/s Godavari Foundation, a Trust registered under Section 12A of the Income Tax Act, 1961 (registration no. DIT(E) 268-69/8E/196/90-91).

The Company undertakes initiatives in compliance with Schedule VII to the Act.

The average net profit of the Company, computed as per Section 198 of the Act, during the three immediately preceding financial years was ₹ 9.64 Crores. It was hence required to spend at least ₹19.30 Lakhs on CSR activities during the Financial Year 2016-17, being 2% of the average net profits of the three immediately preceding financial years. During the year, the Company has spent ₹19.50 Lakhs on CSR activities.

The Annual Report on CSR activities is appended as **Annexure 2 to the Board's Report**.

Code for prevention of Insider Trading Practices

In accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has formulated and adopted 'Code of Conduct for prevention of Insider Trading' and 'Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information' (hereinafter collectively referred to as "OBL Code of Conduct"). The OBL Code of Conduct is uploaded on the website of the company <http://www.oblcorp.com>.

Information pursuant to Section 134(3)(m) of the Companies Act, 2013

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 is appended as **Annexure 3 to the Board's Report**.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually. Feedback was sought covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the Nomination and Remuneration Committee of the Board to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Employee Stock Option Scheme

The information required to be disclosed in terms of the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is appended as **Annexure 4 to the Board's Report**.

Management Discussion and Analysis Report

'Management Discussion and Analysis Report', as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of this report, has been given under separate section in the Annual Report.

Corporate Governance Report

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together a certificate for

compliance of the provisions of Corporate Governance from the Statutory Auditors forms an integral part of this Report.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is appended as **Annexure 5 to the Board's Report**.

Subsidiary Company

The Company has no Subsidiary Company.

Particulars of Employees

The information as per Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. However, as per the provisions of Section 136 of the Act, the Report and Accounts are being sent to all the members excluding the information on particulars of employees which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy thereof, may write to the Company Secretary in this regard.

Auditors

Statutory Auditors

M/s S. R. Dinodia & Co. LLP, Chartered Accountants, New Delhi Statutory Auditors of your Company will hold office till the conclusion of ensuing Annual General Meeting. In terms of the provisions contained under Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 M/s S.R. Dinodia & Co. LLP having served the Company as Statutory Auditors for more than 10 consecutive years, cannot be re-appointed.

The Board of Directors have identified another audit firm namely M/s B.R. Gupta & Co., Chartered Accountants and after considering and reviewing its credentials, appointed the said firm as Company's audit firm for a term of five years from the conclusion of forthcoming AGM till the conclusion of the AGM to be held in the year 2022. The Company has received a letter from M/s B.R. Gupta & Co., confirming that their appointment, if made, would be within the limits prescribed under section 139 and 141 of the Companies Act, 2013 and that they are not disqualified for appointment as audit firm of the Company.

The Board of Directors recommends the appointment of M/s B.R. Gupta & Co. as Statutory Auditors from the conclusion of ensuing Annual General Meeting till the conclusion of 45th Annual General Meeting to be held in the year 2022 in accordance with the provisions of Section 139 of the Companies Act, 2013 and rules made there under at such remuneration as shall be fixed by the Board of Directors of the Company.

Auditors' Report

The Auditor's Report read with notes to the accounts referred to in the Auditor Report are self-explanatory and therefore do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Vivek Arora, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit, appended as **Annexure 6 to the Board's Report** does not contain any qualification, reservation or adverse remark.

Material changes and commitments between the end of the financial year and date of report

There is no material change and/or commitment held between the end of the financial year and the date of report affecting the financial position of the Company.

General

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013". Your Directors further states that during the year under review, no case was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Acknowledgement

Your Directors acknowledges with gratitude and wish to place on record, their deep appreciation of continued support and co-operation received by the Company from the various Government authorities, Shareholders, Bankers, Lenders, Business Associates, Dealers, Customers, Financial Institutions and Investors during the year. Your Directors also place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their continued support in the future as well.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date: 22nd May, 2017

Madhur Daga
Managing Director

K.M. Pai
Executive Director
& CFO

ANNEXURE – 1 TO BOARD'S REPORT

NOMINATION AND REMUNERATION (AMENDED) POLICY, 2016

1. Introduction

As mandated by the statutory provisions contained under section 178 of the Companies Act, 2013 and the Listing Agreement with Stock Exchanges, Nomination & Remuneration Committee of the Company has formulated this policy and on its recommendation the Board of Directors has approved the same vide Board Resolution dated 03rd November, 2014. This policy contains guidelines on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company. This policy may be treated as a benchmark for determining the qualifications, positive attributes and independence of a Director, criteria for evaluation of Independent Directors and the Board, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

2. Objective

- i. To formulate the eligibility criteria for determining qualifications, positive attributes, and independence of a Director and to formulate the criteria for evaluating Directors and Senior Management;
- ii. To identify and select for Board's consideration the persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down;
- iii. To carry out the evaluation of Directors, Key Managerial Personnel and Senior Management of the Company and to provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations;
- iv. To determine the remuneration taking into account parameters like financial position of the Company, industry size, company size and general practice on remuneration payout in the Tile Industry;
- v. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- vi. To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

3. Effective Date

This policy shall be effective from 01st April, 2014.

4. Definitions

In this Policy unless the context otherwise requires:

- i. 'Act' means Companies Act, 2013 and rules made there under.
- ii. 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.
- iii. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or re- constituted by the Board.

- iv. 'Company' means Orient Bell Limited.
- v. 'Directors' means Directors of the Company.
- vi. 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013.
- vii. 'Key Managerial Personnel' (KMP) means:
 - a. Chief Executive Officer and / or Managing Director
 - b. Whole-time Director
 - c. Chief Financial Officer
 - d. Company Secretary
 - e. Such other officer as may be prescribed under the applicable statutory provisions/ regulations.
- viii. 'Senior Management Personnel' for this purpose shall mean employees of the company occupying the position of Functional / Department Heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. Nomination and Remuneration Committee

The Board has on 24.04.2014, in compliance with the provisions of Section 178 of the Companies Act, 2013 and applicable provisions of Listing Agreement, changed the name of the existing Remuneration committee to Nomination and Remuneration Committee. The Committee was re-constituted on 27.07.2016 to include the members as under:

- (i) Mr. P.M. Mathai – Chairman
- (ii) Mr. R.N. Bansal
- (iii) Ms. Tanuja Joshi

The Committee shall function in accordance with the statutory provisions laid down from time to time. The Board has the power to reconstitute the Committee consistent with the Company's Policy and applicable statutory requirements.

6. Applicability

This policy is applicable to:

- (i) Directors (Whole Time as well as Non Whole Time)
- (ii) Key Managerial Personnel
- (iii) Senior Management

7. Appointment of Director, KMP and Senior Management

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment on the basis of criteria laid down from time to time.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- iii. Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there under.
- iv. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

8. Term/ Tenure of Appointment

a) Managing Director/ Whole Time Director

The Company shall appoint or re-appoint any person as its Chairman & Managing Director, Joint Managing Director or Executive Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director

An Independent Director shall hold office for such term which should not exceed a maximum of five consecutive years on the Board of the Company, as may be recommended by the Committee and approved by the Board and shareholders and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such prescribed period by the Statutory Authority from time to time.

9. Evaluation

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly). The criteria of such an evaluation may be considered as under:

a) Non Whole Time Directors except Nominee Directors:

- i. Attendance in the Board and/or Committee meetings.
- ii. Positive attitude and promptness.
- iii. Contribution in improving financial and other functions of the Company.
- iv. Inputs on inclusion of matters to be discussed at Board Meetings to improvise the operating procedures.
- v. Understanding of laws having impact on Company's business and Tile industry as a whole.
- vi. Clear sense of values and integrity.

b) Whole Time Directors:

In addition to the criteria mentioned above the following may also be considered as additional parameters for evaluation of performance of Whole Time Directors:

- i. Implementation of policies and procedures as set out by the Board.
- ii. Efforts in promoting and expanding the business.
- iii. Brand Building and establishing a respectable place in the market.
- iv. Controlling of various functions across the Company and ensuring their proper functioning.
- v. Ensuring smooth business operations across all the units of Company.
- vi. Clear sense of values and integrity.

c) Senior Management:

The parameters of the assessment will be the same as applicable to the Whole Time Directors but in the case of Senior Management, their Key Result Areas (KRA's) may be different based on the uniqueness and domain responsibility of the function. The 360 degree Performance Management System (PMS) adopted by the Company is also applicable to Senior Management. Their Competencies include:

- i. Achievement of Goals / KRA's assigned to him/her;
- ii. Demonstrated understanding of his/her area of operation;
- iii. Integrity;
- iv. Credibility;
- v. Excellent communication skills;
- vi. Competence;
- vii. Leadership;
- viii. Pro-active;
- ix. Quality decision making.

10. Removal

The Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations.

11. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

12. Provisions regarding payment of Remuneration, perquisites to the Managing Director/Wholetime Directors, KMP and Senior Management Personnel

a) General Provisions

- i. The remuneration / perquisites / commission etc. to the Managing Director/ Whole-time Directors, KMP and Senior Management Personnel will be determined

by the Committee and recommended to the Board for approval.

- ii. The remuneration / perquisite/ commission etc. shall be in accordance with the percentage / slabs / conditions laid down in the Companies Act, 2013 and shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
- iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director/ Whole Time Directors. The decision of the Committee as to increment shall be final.
- iv. Where any insurance is taken by the Company on behalf of its Managing Director/ Whole-time Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying any of them against any liability in respect of a deed for which they may be held guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

b) Remuneration to the Managing Director/Whole-time Directors, KMP and Senior Management Personnel Remuneration

The Managing Director/ Whole-time Directors shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus / commission and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/ Whole-time Director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

Provisions for Excess Remuneration

If Managing Director/ Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

c) Remuneration to Non Whole Time Director (including Independent Director) Sitting Fees

The Non Whole Time Directors (Including Independent Directors) of the Company shall be paid sitting fees as per the approval of the Board of Directors from time to time. The quantum of sitting fees will be determined on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company from time to time subject to the relevant provisions contained under Companies Act, 2013 and applicable rules made there under.

Profit Linked Commission

The Non Whole Time Directors (Including Independent Directors) of the Company may be paid profit-linked Commission within the monetary limit as may be recommended by the Board of Directors from time to time and also approved by the shareholders of the Company and by the Central Government, wherever required.

Stock Options

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

Insurance

Where any insurance is taken by the Company on behalf of its Non Whole Time Directors (including independent directors) for indemnifying any of them against any liability in respect of a deed for which they may be held guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such Non Whole Time Directors (including independent directors).

d) Remuneration to KMP and Senior Management Personnel

The KMP and Senior Management Personnel of the Company shall be paid monthly remuneration as per their appointment terms, Increment Letters and Company's HR policies. The Committee may direct restructure of their Salary in such manner as it may deem fit and proper. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The KMP and Senior Management Personnel may also be issued Employees Stock Options to reward them for their performance and to motivate and retain them.

13. Amendments to the Policy

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant Statutory authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

ANNEXURE – 2 TO BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES

A Brief outline of Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.

In accordance with the provisions of Section 135 of the Companies Act, 2013 and Rules made there under, the Company has framed a CSR Policy. The efforts of improving the lives of communities near manufacturing factories are through projects focused in areas of Education and Health and Hygiene. Like last year, the company has undertaken a project of transformation of a Government Primary School at Varanasi, U.P. to make it more suitable in terms of hygiene, health and clean environment. Your Company is always conscious of green environment and carries out plantations on a regular basis within its premises and also outside its premises. These Projects are in accordance with the CSR Policy of the Company and Schedule VII of the Companies Act, 2013 as amended from time to time.

The Company's CSR policy has been uploaded on the website of the Company under the web-link: <http://oblcorp.com/wp-content/uploads/2016/12/CSR-Policy.pdf>.

Composition of the CSR Committee:

Mr. Madhur Daga, Chairman	-	Whole Time Director
Mr. R.N. Bansal	-	Independent Director
Ms. Tanuja Joshi	-	Independent Director
Mr. Sameer Kamboj	-	Independent Director

Average net profit of the Company for last three financial years: ₹ 9,64,78,615/-.

Prescribed CSR Expenditure (2% of the average net profits of last three financial years): ₹ 19,29,572/-

Details of CSR spent during the financial year:

- Total amount to be spent for the financial year : ₹ 19,50,000/- was spent against ₹ 19,29,572/-.
- Amount unspent : Nil
- Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹)

Sr. No	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1. Local area/others 2. Specify the state / district (Name of the District/s, State/s where project/ programme was undertaken)	Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Subheads: 1. Direct expenditure on project, 2. Overheads	Cumulative spend up to the reporting period from 01.04.2014 to 31.03.2017	Amount spent: Direct/through implementing agency*
Amount spent on CSR activities upto 31.03.2016						37,26,723	
1	Refurbishment & Development of Primary school	Promoting Education	Varanasi (U.P.)	19,44,000	19,44,000	56,70,723	Godavari Foundation
2	Distribution of cycles at Bulandshahr under the programme sponsored by Ministry of Labour	Eradicating Poverty	Sikandrabad (U.P.)	6,000	6,000	56,76,723	Direct

*Godavari Foundation is a Registered Trust which fulfils the criteria for being appointed as an implementing agency in terms of Companies (Corporate Social Responsibility Policy) Rules, 2014. The said Trust was entrusted by the CSR Committee to carry out CSR activities on behalf of the Company in the areas specified in the CSR policy of the Company.

Responsibility Statement by the Corporate Social Responsibility Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Place : New Delhi
Date : 22nd May, 2017

Madhur Daga
Chairman-CSR Committee

Tanuja Joshi
Director & Member-CSR Committee

ANNEXURE – 3 TO BOARD'S REPORT

INFORMATION PURSUANT TO SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

At Sikandrabad Plant:

1. Started using waste heat from kiln into press dryers & insulate the all hot air blowers, it has resulted gas saving 2264 scm/day.
2. Stopped use of pre-kiln dryer before kiln entry, it has resulted gas saving of 2250 scm/day & power saving of 600KW/day.
3. Replaced Sodium Vapor and Metal Halide Lamps with LEDs lamps. This has led to saving of 70 Kwh/day.
4. Used VFDs at Press dryer & Kiln blowers for energy, approx. saving 600 KWH/day.
5. In MF, reciprocating compressor replaced with variable frequency drive screw compressor, it has led to power saving of 300 Kwh/day.
6. Stopped idle running of the plant machinery.

At Hoskote Plant:

1. Daily monitoring & control of energy consumption.
2. Stopped use of PKD in SACMI kiln, gas saving 300 Kg/day.
3. Used VFDs at Kiln blower for energy saving appx. 350 KWH/day.
4. Carried out some modification in milling plant and replaced screw conveyors with belt conveyors for power saving and reduction in down time. Tentative power saving is 6kwh/day.
5. Continuously purchasing power from Open Access Trade through Indian Energy Exchange to reduce cost of electricity, saved appx Rs. 1 crore as compared to Electricity Board Tariff.
6. Started using waste hot air from kiln to press dryers & it has resulted gas saving 400kg/day.

At Dora Plant:

1. Installation of intermediate blower within the hot air duct line for press dryer, it has resulted substantial saving of gas 1,500 scm/day.
2. Provided capacitors at multiple locations to improve power factor & to reduce power consumption. This has resulted in saving of 60 Kwh/day.
3. Installed 2 nos of VFD at 5 layers HD for burner hot air blower's motor and saved 110 KWH/Day.

4. Replaced GG Set from 1.36 MW to 1.0 MW (as load of the plant is only 700KW), it has improved SFC & led to fuel saving of 250scm/day.

(b) Additional investment on energy conservation equipment:

At Sikandrabad Plant:

1. Replacement of under-load motors with right capacity motors, expected saving will be 200 Kwh/day.
2. Roof insulation to be changed in MF-3 Kiln, expected saving will be 200 scm/day.
3. Replacement of sodium Vapor and Metal Halide Lamps with LEDs, proposed power saving will be 60 Kwh/day.
4. Installation of VFD at Kiln blower motor and proposed saving will be 30 Kwh/day.
5. Thermal insulation to be provided at hot air ducts for fuel saving.
6. Reciprocating compressor to be changed with screw compressor in MP, proposed power saving will be 300 Kwh/day.

At Hoskote Plant:

1. Introduction of Energy Management System (EMS) for monitoring and controlling machine wise power consumption.
2. Avoid idle running of machinery.
3. Introducing LEDs in place of Sodium vapor lamps, appx saving 20kwh/day.
4. Installation of 55KW VFD for SACMI kiln hot air blower. Expected saving will be 100kwh/day.
5. Installation of 30 KW VFD for SITI kiln smoke suction blower. Expected saving appx 75kwh/day.
6. Installation of recuperator in SACMI kiln expected saving 50 Kg/day.
7. To analyze fuel gas and take action for fuel saving.
8. Created awareness among team to save energy by training, posters, meetings etc.

At Dora Plant:

1. Utilization of waste heat of gas generator into spray dryer. Approx gas saving will be 400scm/day.
2. Replacement of LED lightings instead of metal halide & sodium vapor lamps. Approximate saving will be 25kw/day.
3. Installation of EMS (Energy Management System) for machine-wise power monitoring & saving thereafter.

B. TECHNOLOGY ABSORPTION**(a) Efforts made towards technology absorption:****At Sikandrabad Plant:**

1. Introduction of DGV/PGVT 300x600 & 600x1200, 200x1200 mm.
2. Planning for expansion for high value products like PGVT and GVT.
3. To have new digital machine which can produce value added products.
4. New product development as per requirement.

At Hoskote Plant:

1. Introduction of Paver tiles in dry process.
2. Trials of red body PGVT.
3. New product development as per market requirement.
4. To change glaze ball mill lining for better output and less running hours.

At Dora Plant:

1. Extension and modification in Glaze line and SACMI entry table for various new products.

2. Provided zirconium coating inside SACMI kiln for gas saving.
3. Installed Airless glaze spraying system for new development of various designs.

(b) Benefit derived as a result of the above efforts:

As a result of these efforts, cost reduction, improved yield, energy saving, and quality up gradation became possible.

(c) Technology Imported: Nil**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

1. Foreign Exchange earned : Nil
2. Foreign Exchange outgo : ₹ 516.54 lakhs

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 22nd May, 2017

Madhur Daga
Managing Director

K.M. Pai
Executive Director
& CFO

ANNEXURE – 4 TO BOARD'S REPORT

DISCLOSURES REQUIRED UNDER THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AND COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014.

Nature of Disclosure		Particulars
A.	Summary of Status of ESOS Granted :	
	(i) The description of the existing scheme is summarized as under :	
	(a) Date of shareholder's approval	10 th July, 2013
	(b) Total number of options approved	9,40,000
	(c) Vesting requirements	The options shall vest after the expiry of one year from the date of respective grant of options
	(d) Exercise price or Pricing formula	Exercise Price is Nil
	(e) Maximum term of options granted	Three years from the date of each vesting
	(f) Source of shares	Primary
	(g) Variation in term of options	None
	(ii) The movement of options during the year is as follows :	
	(a) Number of options outstanding at the beginning of the financial year :	
	(i) Out of options granted on 02.09.2013	1,49,375
	(ii) Out of options granted on 02.09.2014	29,400
	(iii) Out of options granted on 02.09.2015	15,000
	Total	1,93,775
	(b) Number of options granted during the year	60,550
	(c) Number of options lapsed during the year	8,150
	(d) Number of options vested during the year	1,87,200
	(e) Number of options exercised during the year	1,87,200
	(f) Total number of shares arising as a result of exercise of options	1,87,200
	(g) Money realized by exercise of options	N.A.
	(h) Loan repaid by the Trust during the year from exercise price received	N.A.
	(i) Number of options outstanding at the end of the year	58,975
	(j) Number of options exercisable at the end of the year	Nil
B.	Employee wise details of Options granted during the financial year 2016-17 under ESOS :	
	i) Key Managerial Personnel	Mr. K.M. Pai – 35,000
	ii) Other Senior managerial personnel	Mr. Yashpal Soni – 7,000
	iii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Mr. K.M. Pai – 35,000; Mr. Yashpal Soni – 7,000.
	iv) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None
C.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	₹ 7.84

D.	Method used to Account for ESOS Difference between the employee compensation cost computed using the intrinsic value of the stock options and the employee compensation cost that shall have been recognized if the fair value of the options had been used and its impact on profits and on EPS of the Company.	Employee Compensation cost has been calculated using Intrinsic Value of Stock Options. The Employee Compensation Cost would have been higher by ₹ 12.93 Lacs and the profits would have been decreased by ₹ 12.93 Lacs and the EPS would have been decreased by 0.09 Paise if the Fair Value method had been adopted.
E.	(i) Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock.	N.A.
	(ii) Weighted average exercise prices and weighted average fair values of options whose exercise price exceeds the market price of the stock.	N.A.
	(iii) Weighted average exercise prices and weighted average fair values of options whose exercise price is less than the market price of the stock.	Weighted average exercise price: Nil Weighted average fair value: ₹ 157.24.
F.	(i) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	Black - Scholes Method
	(a) Risk-free interest rate	6.80%
	(b) Expected life of options	1 year
	(c) Expected volatility	4.48%
	(d) Expected Dividend yield	1.29%
	(e) The price of the underlying share in market at the time of option grant	₹154.34 per share
	(f) Exercise Price	Nil
	(ii) Method used to determine expected volatility	Expected volatility is based on the Company's Share price for preceding 5 years of grant date.
	(iii) No other feature has been considered for fair valuation of options except as mentioned in Point F (i) above.	

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 22nd May, 2017

Madhur Daga
Managing Director

K.M. Pai
Executive Director & CFO

ANNEXURE – 5 TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

As on the financial year ended on 31st March, 2017

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

CIN : L14101UP1977PLC021546

Registration Date : 18th May, 1977

Name of the Company : Orient Bell Limited

Category / Sub-Category of the Company : Public Company/ Limited by Shares

Address of the Registered office and contact details : 8, Industrial Area, Sikandrabad -203 205,
Distt. -Bulandshahr (U.P.)
Tel.: +91-5735-222203, 222424
Fax: +91-5735-222642

Whether listed company : Yes

Name, Address and Contact details of Registrar and Transfer Agent, if any : MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area, Phase-I
New Delhi – 110 020.
Tel.: +91-11-41406149
Fax: +91-11-41709881
e-mail: admin@mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Ceramic Tiles	23939	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
←			Nil		→

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [as on 1 st April, 2016]				No. of Shares held at the end of the year [as on 31 st March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals / HUF	51,72,422	-	51,72,422	36.94	51,72,422	-	51,72,422	36.45	-0.49
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Governments	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	30,05,133	-	30,05,133	21.46	30,05,133	-	30,05,133	21.18	-0.28
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other (specify)	-	-	-	-	-	-	-	-	-
Trust	20,79,100	-	20,79,100	14.85	20,79,100	-	20,79,100	14.65	-0.20
Sub Total (A) (1)	1,02,56,655	-	1,02,56,655	73.25	1,02,56,655	-	1,02,56,655	72.28	-0.97
(2) Foreign									
a) NRIs –Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1,02,56,655	-	1,02,56,655	73.25	1,02,56,655	-	1,02,56,655	72.28	-0.97
B. Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	16	5,966	5,982	0.04	1,479	5,966	7,445	0.05	0.01
b) Banks / FI	4,500	4,697	9,197	0.07	5,390	4,472	9,862	0.07	0.00
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Governments	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	2,811	-	2,811	0.02	2,811	-	2,811	0.02	0.00
g) FIs	-	478	478	-	-	478	478	-	0.00
h) Foreign Venture Capital fund	-	-	-	-	-	-	-	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	7,327	11,141	18,468	0.13	9,680	10,916	20,596	0.14	0.01

Category of Shareholders	No. of Shares held at the beginning of the year [as on 1 st April, 2016]				No. of Shares held at the end of the year [as on 31 st March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- institutions									
a) Bodies Corporate									
i) Indian	3,98,874	9,580	4,08,454	2.92	4,38,609	9,756	4,48,365	3.16	0.24
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i.) Individual shareholders holding nominal share capital up to ₹ 1 lakh*	22,70,846	3,79,672	26,50,518	18.93	24,09,161	3,70,695	27,79,856	19.59	0.66
ii.) Individual shareholders holding nominal share capital in excess of ₹1 lakh**	5,75,698	-	5,75,698	4.11	5,33,087	-	5,33,087	3.76	-0.35
c) Any Other (specify)									
i) Trust & Foundation	145	-	145	-	2,145	-	2,145	0.02	0.02
ii) Unclaimed Shares suspense Account***	-	-	-	-	25,214	-	25,214	0.18	0.00
iii) Non Resident Indians	92,406	57	92,463	0.66	1,22,351	57	1,22,408	0.86	0.20
(iv) NBFCs Registered with RBI	-	-	-	-	1,275	-	1,275	0.01	0.01
Sub-Total (B) (2)	33,37,969	3,89,309	37,27,278	26.62	35,31,842	3,80,508	39,12,350	27.58	0.96
Total Public Shareholding (B)= (B)(1)+(B)(2)	33,45,296	4,00,450	37,45,746	26.75	35,41,522	3,91,424	39,32,946	27.72	0.97
C. Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	1,36,01,951	4,00,450	1,40,02,401	100.00	1,37,98,177	3,91,424	1,41,89,601	100.00	0.00

* This information for the year ended 31st March, 2017 is for the individual shareholders holding Nominal share capital up to ₹ 2 lakhs.

**This information for the year ended 31st March, 2017 is for the individual shareholders holding Nominal share capital in excess of ₹ 2 lakhs.

*** In the previous year's MGT-9, the data of unclaimed shares suspense account was included in the Non-institutions Bodies Corporate shareholding.

The change in percentage has the impact of increase in Paid up Equity Share Capital during the year.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [as on 1 st April, 2016]			Share holding at the end of the year [as on 31 st March, 2017]			% change in shareholding during the year*
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mahendra K. Daga	28,98,716	20.70	-	28,98,716	20.43	-	-0.27
2	Good Team Investment & Trading Co. Pvt. Ltd.	23,78,914	16.99	-	23,78,914	16.77	-	-0.22
3	Orient Bell Holding Trust	20,79,100	14.85	-	20,79,100	14.65	-	-0.20
4	Madhur Daga	12,73,264	9.09	-	12,73,264	8.97	-	-0.12
5	Freesia Investment and Trading Co. Ltd.	5,36,479	3.83	-	5,36,479	3.78	-	-0.05
6	Sarla Daga	5,36,228	3.83	-	5,36,228	3.78	-	-0.05
7	Mahendra K. Daga (HUF)	3,64,214	2.60	-	3,64,214	2.57	-	-0.03
8	Roma Monisha Sakraney Daga	1,00,000	0.71	-	1,00,000	0.70	-	-0.01
9	Morning Glory Leasing & Finance Ltd.	87,370	0.62	-	87,370	0.62	-	-
10	Alfa Mercantile Ltd.	2,370	0.02	-	2,370	0.02	-	-
	Total	1,02,56,655	73.25	-	1,02,56,655	72.28	-	-0.95

*The change in percentage has the impact of increase in Paid up equity share capital during the year.

(iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year [as on 1 st April, 2016]		Increase/ Decrease in no. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	At the beginning of the year -as on 1 st April 2016	1,02,56,655	73.25	-		
2	At the end of the year – as on 31 st March 2017			-	1,02,56,655	72.28

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year [as on 01.04.2016]		Increase or Decrease/ reasons	Date of Increase/ Decrease	Increase/ decrease in no. of Shares	Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company*				No. of Shares	% of total Shares of the Company**
1	GIRIJA SHANKAR TRIPATHY	90,551	0.65					
				Decrease - Transfer	22/04/2016	-80	90,471	0.64
				Decrease - Transfer	20/05/2016	-179	90,292	0.64
				Decrease - Transfer	08/07/2016	-200	90,092	0.63
				Decrease - Transfer	29/07/2016	-92	90,000	0.63
				Decrease - Transfer	28/10/2016	-300	89,700	0.63
				Decrease - Transfer	02/12/2016	-320	89,380	0.63
				Decrease - Transfer	24/03/2017	-380	89,000	0.63
				Decrease - Transfer	31/03/2017	-1,001	87,999	0.62
At the end of the year (as on 31.03.2017)							87,999	0.62
2	LALIT MOHAN***	55,000	0.40					
				Decrease - Transfer	08/04/2016	-55,000	0	0.00
				Increase - Purchase	08/04/2016	55,000	55,000	0.39
At the end of the year (as on 31.03.2017)							55,000	0.39
3	MADHU RANI MAHESHWARI	67,641	0.48					
				Decrease - Transfer	24/03/2017	-2,300	65,341	0.46
				Increase - Purchase	31/03/2017	1,780	67,121	0.47
At the end of the year (as on 31.03.2017)							67,121	0.47
4	HARSUKHLAL MOHANLAL PUNATAR	10,600	0.07					
				Increase - Purchase	30/06/2016	400	11,000	0.08
				Increase - Purchase	29/07/2016	6,000	17,000	0.12
				Increase - Purchase	05/08/2016	5,000	22,000	0.16
				Increase - Purchase	26/08/2016	6,000	28,000	0.20
				Increase - Purchase	02/09/2016	3,700	31,700	0.22
				Increase - Purchase	09/09/2016	1,502	33,202	0.23
				Increase - Purchase	16/09/2016	2,361	35,563	0.25

[illegible]

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year [as on 01.04.2016]		Increase or Decrease/ reasons	Date of Increase/ Decrease	Increase/ decrease in no. of Shares	Cumulative Share holding during the year	
		No. of Shares	% of total Shares of the Company*				No. of Shares	% of total Shares of the Company**
10	ANJU GOEL	26,970	0.19					
				Increase - Purchase	08/04/2016	5,056	32,026	0.23
At the end of the year (as on 31.03.2017)							32,026	0.23
11	SANGEETHA S	33,000	0.24					
				Decrease - Transfer	28/10/2016	-1,000	32,000	0.23
At the end of the year (as on 31.03.2017)							32,000	0.23
12	POONAM MAHESHWARI	31,000	0.22					
At the end of the year (as on 31.03.2017)							31,000	0.22

*calculated on the basis of paid up share capital of ₹ 14,00,24,010/- as on 01.04.2016 i.e. 1,40,02,401 shares of ₹ 10/- each.

**calculated on the basis of paid up share capital of ₹ 14,18,96,010/- as on 31.03.2017 i.e. 1,41,89,601 shares of ₹ 10/- each.

*** This shareholder also holds 18,634 shares in his different account/depository. Therefore his total shareholding as on 31.03.2017 is 73,634 shares (0.52%).

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year [as on 1 st April, 2016]		Increase/ Decrease in no. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
I. Directors						
1	Mr. Mahendra K. Daga, Chairman and Managing Director					
	At the beginning of the year – 01.04.2016	28,98,716	20.70			
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year – 31.03.2017			-	28,98,716	20.43
2	Mr. Madhur Daga, Managing Director					
	At the beginning of the year 01.04.2016	12,73,264	9.09			
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year - 31.03.2017				12,73,264	8.97
3	Mr. Ram Nath Bansal, Director					
	At the beginning of the year – 01.04.2016	-	-			
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year – 31.03.2017				-	-

Sl. No.	Shareholding of each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year [as on 1 st April, 2016]		Increase/Decrease in no. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
4	Mr. Sameer Kamboj, Director					
	At the beginning of the year – 01.04.2016	-	-			
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year – 31.03.2017				-	-
5	Mr. K. M. Pai, Executive Director & CFO*					
	At the beginning of the year – 01.04.2016	-	-			
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			15,000		
	At the end of the year – 31.03.2017				15,000	0.11
6	Mr. P. M. Mathai, Director					
	At the beginning of the year – 01.04.2016	-	-			
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year – 31.03.2017				-	-
7	Ms. Tanuja Joshi, Director					
	At the beginning of the year – 01.04.2016	-	-			
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc.)			-		
	At the end of the year – 31.03.2017				-	-
II.	Key Managerial Personnel					
8	Mr. K. M. Pai, Executive Director & CFO*					
	At the beginning of the year – 01.04.2016	-	-			
	Increase – Allotted under Orient Bell Employees Stock Option Scheme, 2013 on 12.10.16			15,000	15,000	0.11
	At the end of the year – 31.03.2017	-	-		15,000	0.11
9	Mr. Yogesh Mendiratta, Company Secretary & Head Legal					
	At the beginning of the year – 01.04.16	3,300	0.02			
	Increase – Allotted under Orient Bell Employees Stock Option Scheme, 2013 on 12.10.16			2,800	6,100	0.04
	At the end of the year – 31.03.2017				6,100	0.04

*Mr. K.M. Pai is the Executive Director & CFO of the Company. His Shareholding is therefore depicted as Director as well as Key Managerial Personnel.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year – 01.04.2016				
i) Principal Amount	9,384.46	3,950.27	-	13,334.73
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.54	-	-	9.54
Total (i+ii+iii)	9,394.00	3,950.27	-	13,344.27
Change in Indebtedness during the financial year (Net)				
• Addition	-	-	-	-
• Reduction	2,015.80	288.94	-	2,304.74
Net Change	(2,015.80)	(288.94)	-	(2,304.74)
Indebtedness at the end of the financial year – 31.03.2017				
i) Principal Amount	7,367.84	3,661.33	-	11,029.17
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	10.36	-	-	10.36
Total (i+ii+iii)	7,378.20	3,661.33	-	11,039.53

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTM/ Manager			
		Mr. Mahendra K. Daga	Mr. Madhur Daga	Mr. K.M Pai [#]	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	180.00	109.80	63.00	352.80
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	6.65	9.53	31.69	47.87
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	22.51	22.51
3.	Sweat Equity	-	-	-	-
4.	Commission (as a % of profit)	-	-	-	-
5.	Others – contribution to provident fund	0.22	0.22	0.22	0.66
	Total (A)	186.87	119.55	117.42	423.84
	Ceiling as per the Act	In view of inadequacy of profits, the above remuneration was paid as 'minimum remuneration' in accordance with the Special Resolutions passed by the shareholders under the applicable provisions of the Companies Act, 2013 and also the approval of the Central Government, wherever applicable.			

[#] Mr. K.M. Pai is the Executive Director & CFO of the Company. His Remuneration is therefore also shown in Point no. VI(C).

B. Remuneration to other Directors:

(₹ in lakhs)

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. R.N. Bansal	Mr. N.R. Srinivasan#	Mr. P.M. Mathai	Ms. Tanuja Joshi	Mr. Sameer Kamboj	
1.	Independent Directors						
	- Fee for attending board /committee meetings	1.70	2.60	4.60	1.70	2.10	12.70
	- Commission	-	-	-	-	-	-
	- others, please specify	-	-	-	-	-	-
	Total (1)	1.70	2.60	4.60	1.70	2.10	12.70
2.	Other Non Executive Directors	-None-					
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	1.70	2.60	4.60	1.70	2.10	12.70
	Total Managerial Remuneration@						436.54
	Overall Ceiling as per the Act	In view of inadequacy of profits, the above remuneration was paid as 'minimum remuneration' in accordance with the Special Resolutions passed by the shareholders under the applicable provisions of the Companies Act, 2013 and also the approval of the Central Government, wherever applicable.					

Due to non re-appointment the directorship of Mr. N. R. Srinivasan, in the company has ended on 29.09.2016 and therefore he has been ceased to be the director of the company w.e.f. 30.09.2016.

@ Total remuneration paid to Managing Director, Whole Time Director and other Directors (being the total of A and B).

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO#	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.93	63.00	76.93
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	5.42	31.69	37.11
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option*	4.20	22.51	26.71
3.	Sweat Equity	-	-	-
4.	Commission -as % of profit	-	-	-
5.	Others – contribution to provident fund	0.22	0.22	0.44
	Total	23.77	117.42	141.19

* The amount indicates perquisite value of ESOPs of the Company exercised during the year.

Mr. K.M. Pai is the Executive Director & CFO of the Company. His Remuneration is therefore also shown in Point no. VI(A).

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/Punishment/Compounding Fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 22nd May, 2017

Madhur Daga
Managing Director

K.M. Pai
Executive Director & CFO

ANNEXURE – 6 TO BOARD'S REPORT

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31-03-2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members
Orient Bell Limited
8, Industrial Area,
Sikandrabad,
Distt. Bulandshahr, U.P.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Orient Bell Limited. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Orient Bell Limited (the Company) books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31-03-2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31-03-2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) SEBI (Substantial Acquisition of Shares and Takeovers) (Fourth Amendment) Regulations, 2015
 - (b) SEBI (PIT) Regulations, 2015
 - (c) SEBI (Issue of Capital and Disclosure Requirements) (Sixth Amendment) Regulations, 2015
 - (d) SEBI (Share Based Employee Benefits) (Amendment) Regulations, 2015
 - (e) SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015
 - (f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016
 - (h) SEBI (Buy-back of Securities) (Amendment) Regulations, 2015.
- (vi) (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pertaining to Listed equity shares of the Company at NSE and BSE.
- (vii) (i) There is no specific law, which is exclusively applicable to the Company, however the following general laws significant to the Company, were examined and audited for ensuring their compliance mechanism.
 - (a) The Factories Act, 1948;
 - (b) The Environment (Protection) Act, 1986;

- (c) The Air (Prevention & Control of Pollution) Act, 1981;
 - (d) The Water (Prevention & Control of Pollution) Act, 1974.
- (II) The Company voluntarily obtained BIS (Bureau of Indian Standards) certification in respect of certain plant and processes in respect of its manufactured product category of Pressed Ceramic tiles (glazed) non modular size except spacer lug tiles, conforming to Indian standards, which was also examined.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has-

- (i) also allotted 1,87,200 Equity Shares of ₹ 10/- each, fully paid up to the employees under ESOP Scheme vide resolution passed on 12th October, 2016 by the Compensation Committee constituted and delegated for such allotment by the Board of Directors of the Company.

for VIVEK ARORA
COMPANY SECRETARIES

Place : New Delhi
Date : 22nd May, 2017

CS VIVEK ARORA
(PROPRIETOR)
C.P. NO. 8255; ACS 12222

Note:

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure 'A'

To,

The Members
Orient Bell Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for VIVEK ARORA
COMPANY SECRETARIES

Place : New Delhi
Date : 22nd May, 2017

CS VIVEK ARORA
(PROPRIETOR)
C.P. NO. 8255; ACS 12222

MANAGEMENT DISCUSSION AND ANALYSIS

As per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is provided as under:

INDUSTRY STRUCTURE AND DEVELOPMENT

The ceramic tile industry, which has recorded phenomenal growth through value-added products and geographical reach, has the potential to maintain its momentum in the medium term. Global ceramic tiles industry is forecast to be fueled by the rising demand for these tiles, especially in the construction industry in Asia Pacific. Product demand is likely to be the largest in the region during the forecast timeframe, owing to the various socio-economic factors such as increasing population, government initiatives for infrastructure & housing development and significant foreign investments.

As per Care Ratings, India has one of the fastest growing ceramic tiles markets in the world. Despite increase in consumption, per capita consumption of ceramic tiles in India is only 0.59 SQM. India lags behind Brazil, China and Vietnam which have per capita consumption of 4.12, 3.33 and 2.80 SQM, respectively. This exhibits an exponential growth potential for the industry. The industry enjoys the unique advantage of being largely indigenous with abundance of raw materials, labour, technical skills and infrastructural facilities. Largely dominated by family-owned and managed units, the Indian ceramic tile industry is the world's third largest manufacturer of ceramic tiles at 825 million square metres (MSM), after China and Brazil. India is also the third largest consumer of tiles in the world with about 6.25 per cent of all global ceramic tile consumption.

While the global tiles production grew at an annualized rate of 6.3% for the period 2006-2013, tiles production in India grew almost double at 12.0% during the same period. Ceramic tiles that accounts for close to 60% of the total tiles demand in India, it is expected to grow at a CAGR of 8.7% for the period 2014-2019.

OUTLOOK

Despite slowdown in the real estate sector and adverse macro-economic environment, low per capita consumption of tiles in the country, rapid urbanisation, increasing disposable income of nuclear families, untapped rural market and stable replacement demand to augur well for the sector. The number of ambitious programmes launched in the last two years by the Centre, like Smart Cities Mission, Swachh Bharat Abhiyaan (Sanitation for All by 2019), Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Housing for All by 2022 would act as big push to the demand for the ceramic industry in the years to come.

The implementation of Goods and Service Tax (GST) is also a change for the ceramic tile industry. The GST should create a seamless national market for the organised players, resulting in the removal of inter-state barriers and improvement in supply chain and logistics.

In the present era, Ceramic Tiles are preferred over Marbles and Stones as they are more suitable for multiple and varied applications in both residential buildings and commercial spaces.

RISKS AND CONCERNS

Risk identification and its mitigation is a continuous process in the Company which is necessary for achieving business goals and objectives.

The small format tiles in wall and floor which formed the large part of our sales so far, experienced huge degrowth pulling down our turnover. Your Company is rejigging its product mix in favour of larger formats, pavers and vitrified tiles and will be spending more on brand building and increasing display space for our tiles.

Considering the growth potential, many international players are entering in tile market which may affect sales of the Company. To mitigate this risk your Company is continuously making efforts to produce Quality products and maintaining cordial relationship with its customers to sustain its sales.

Low spending on branding and sales promotion may hamper brand recall. As a mitigation measure your Company is registering its presence across the Country in the form of Company Owned and Dealer Owned Tile Boutiques known as 'Orient Bell Tile Boutiques'. The OBTBs are located at the most prestigious locations in various parts of the Country and showcase the entire range of products of the Company. Your Company will be increasing its engagements with the architects and tile experts manifold.

Limited working capital and liquidity crunch may affect the operations of the Company. To mitigate this risk your company is making effective use of limited working capital and increasing efficiency and capacity utilization, controlling cost and increase sales. This will give positive cash flows to the Company.

Changing technology may affect the revenues of the Company. To combat this risk, your Company has maintained its ISO 9001:2015 certification, reinforcing its focus on quality. Besides this, your Company is continuously upgrading its machinery. The Company has state of the art plants which can produce quality products. Company can upgrade its tiles plant with minimum CAPEX as and when required.

High Attrition rate is always a risk for an Organization. To combat this risk, your company has always maintained cordial employer-employee relationship and has organized various training and interactive programs besides floating various incentive schemes to retain the employees and thus curb the attrition rate.

Fluctuating prices of fuel, especially LPG is a major concern. Your Company, in order to curb this risk, is making wise use of LPG at its Hoskote Plant and striving hard to switch over to RLNG.

Another major concern to the Company is increase in transportation costs. In order to combat this risk, your company is continuously making surveys to keep the transportation cost under control. Your Company has made transportation arrangements with a fleet of transporters to curtail the possibility of monopoly.

OPPORTUNITIES AND THREATS

Your Company finds business opportunity and expects to benefit from the Housing for all project of the Central Government by 2022. There is a shortage of over 18 million housing units as of now in India. The push of the Central Government for smart cities will also have a great positive impact on the tiles industry. The Government's decision to provide categorical interest subvention on home loans under Prime Minister Awas Yojana (PMAY) is expected to boost low income housing in peripheral areas of urban localities across the country. Under these schemes, the Government was already giving a subsidy of 6.5% on a loan amount of up to ₹ 6 lakhs to those whose household income is less than ₹ 6 lakh per annum. Since 01 January, 2017 an interest subsidy at the rate of 4% for loan amount of up to ₹ 9 lakhs is also extended to those whose household annual income is between ₹ 6-12 lakhs. Similarly, an interest subsidy at the rate of 3% for loan amount of up to ₹ 12 lakhs is also available for those having a household income between ₹ 12-18 lakhs.

The Swatch Bharat initiative too will lead to an increase in demand for tiles. The tiles market in the country is set to flourish. The demand from institutional customers is outpacing the retail demand in many regions of the country.

On November 8, 2016, Prime Minister of India Shri Narendra Modi announced Demonetisation, a revolutionary step affecting India's economy and dominated every conversation. The purpose of the entire exercise was to clean up the system, and that is how it invariably got connected with real estate. Developers are offering good deals and discounts in order to maintain their position in a market which is now ideal for serious end-users.

The industry has a positive outlook on the sidelines of Governmental reforms in order to attract more foreign investment in real estate and retail section. All these opportunities increase the size of tile market in India.

Ceramic tiles industry in India is suffering from low margin and profitability. The competition with the unorganized sector is always a threat to the organized sector. In case of few tile categories, the cheaper imported vitrified tiles are creating a tough competition to the Indian Organized sector tile manufacturing Companies. Non availability of skilled labour and interest on borrowings is also a major threat to the industries. Increase of indirect costs like transportation and cost of other inputs is also one of the causes of low profitability. The demand for tiles has resulted in a large number of smaller to medium size new industries mushrooming in various parts of the Country.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has effective and adequate internal control system and internal audit, commensurate with the size, scale and complexities of the business. All the transactions are

recorded in a proper manner duly authorized and verified by the concerned authorities and reported accordingly. The said authorities and processes are governed by the Standard Operating Procedures (SOPs) prepared and authorized by the Company's Top Management. The SOPs are updated / modified at regular intervals in order to make the Internal controls more effective and stronger. Your Company finds these Internal Control Systems in the form of SOPs adequate.

The Company has a separate internal audit department with experienced staff headed by an Internal Auditor, placed under the supervision and control of the Audit Committee. The organisational set up and the system controls have been functioning efficiently. The internal controls are constantly upgraded based on Audit Committee recommendations. Every quarter, significant audit findings, internal audit reports as per audit plan; recommended corrective steps and their implementation status are placed before the Audit Committee for their information and review. The Company is continuously upgrading its internal control systems under valuable guidance of the Audit Committee and the Board.

DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

1. **Sales:** The Company's gross turnover marginally decreased during the year 2016-17.
2. **Finance charges:** Finance charges for the year amounted to ₹ 1,335 lakhs as against the previous year of ₹ 1,881 lakhs.
3. **Depreciation:** The current year depreciation amounted to ₹ 1,732 lakhs as against ₹ 1,708 lakhs of previous year.
4. **Profit:**
 - (a) Profit before Depreciation and Taxation amounted to ₹ 4,178 lakhs as against the previous year of ₹ 3,005 lakhs.
 - (b) Net Profit after tax for the year amounted to ₹ 1,104 lakhs as against the previous year of ₹ 644 lakhs.
 - (c) **Cash from Operation:** During the year ₹ 5,571 lakhs were generated from operations as against the previous year figure of ₹ 4,421 lakhs.
5. **Fixed Assets:** During the year under review, the Company has opted the cost model and reversed the existing revaluation reserve for ₹ 6,127 lakhs. Consequently, the Gross Block of fixed assets has been reduced from ₹ 54,541 lakhs in the previous year to ₹ 47,954 lakhs in the current financial year 2016-17.
6. **Net Working Capital:**

Inventories decreased to ₹ 7,457 lakhs from ₹ 8,865 lakhs in the previous year.

Sundry Debtors decreased to ₹ 10,261 lakhs as against ₹ 10,581 lakhs of previous year.

Short term Loans, Advances and other Current Assets decreased to ₹ 550 lakhs from ₹ 1,012 lakhs in the previous year.

Current liabilities and provisions: The amount of ₹ 10,648 lakhs includes creditors for suppliers of raw materials, stores and spares, provisions for expenses and taxes, dividend and tax payable thereon, liabilities for gratuity and leave encashment.

7. **Borrowed funds:** As on 31.03.2017, the total borrowing of the Company was ₹ 11,029 lakhs as against ₹ 13,335 lakhs in the previous year.

HUMAN RESOURCE / INDUSTRIAL RELATIONS

Your Company always maintains cordial relationship with its employees and retain the talented manpower. The Company trains the employees for efficiency improvisation and rewards for the work. Team Building sessions and trainings have become the integral part of your Company's work culture. Your Company carry on organizing Open House Sessions at regular time intervals where each employee of the Company is free to interact with the top management and place his/her suggestions. The understanding between the Management and staff/workers continues to be cordial.

At the end of FY 2017, the Company had 944 permanent employees on its rolls.

CAUTIONARY STATEMENT

Opportunities, threats, outlook, forecasts in any form and manner, made in this section or any other sections of this Annual Report may be "Forward looking statements" within the meaning of applicable securities law or regulations and are purely based on management perceptions made on situations as could be reasonably foreseen under the existing conditions. But various factors viz., capacities elsewhere, technology related matters, inflationary trends, unexpected recession and changes in policies of the Government, raw material cost, tax regimes, economic developments within India or globally etc., may impair such perceptions and may differ from those expressed or implied.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi	Madhur Daga	K.M. Pai
Date : 22 nd May, 2017	Managing Director	Executive Director & CFO

CORPORATE GOVERNANCE REPORT

Corporate Governance is a set of standards which aims to improve the Company's image, efficiency and effectiveness. It is the road map, which guides and directs the Board of Directors of the Company to govern the affairs of the Company in a manner most beneficial to all the Shareholders, the Creditors, the Government and the Society at large. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a mix of experts of eminence and integrity, forming a core group of top level executives, including competent professionals and putting in place best systems, process and technology. The Company confirms the compliance of the various provisions of/regulations relating to Corporate Governance as contained in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations), the details of which are given below.

Orient Bell Limited's (OBL) Philosophy on Corporate Governance:

The cardinal principle of the Corporate Philosophy of OBL on Corporate Governance is - "Transparency, professionalism and Accountability with an ultimate aim of value creation". OBL's

Corporate Philosophy envisages complete transparency and adequate disclosures with an ultimate aim of value creation for all players i.e. the Stakeholders, the Creditors, the Government and the Employees.

Board of Directors

I. Composition of Board

OBL's Board has a very pivotal role in the Company's operations and in ensuring that the Company should run on sound and ethical business practices and that its resources are utilized for creating sustainable and healthy growth.

The Board comprises of 7 (Seven) Directors out of which 3 (three) are Executive Directors (one Executive Chairman & Managing Director and other two are Managing Director and Whole Time Director respectively) and 4 (four) Independent & Non-Executive Directors including one woman director. The size and composition of the Board conforms to the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sl. No.	Name of Director	Category	Directorship in other companies*	Committee chairmanship **	Committee membership **
1.	Mr. Mahendra K. Daga	P-E-CMD	2	None	1
2.	Mr. Madhur Daga	P-E-MD	None	None	None
3.	Mr. K. M. Pai	E-WTD	1	1	1
4.	Mr. R. N. Bansal	I-NED	None	None	None
5.	Mr. Sameer Kamboj ***	I-NED	None	None	None
6.	Mr. P. M. Mathai	I-NED	None	None	None
7.	Ms. Tanuja Joshi	I-NED	None	None	None
8.	Mr. N. R. Srinivasan #	I-NED	-	-	-

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

P-E-MD Promoter & Executive Managing Director

E-WTD Executive Whole Time Director

I-NED Independent Non-Executive Director

None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees as specified in Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all the companies in which he/she is a Director.

* Excludes the directorship held in private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013.

** For this purpose only the membership/chairmanship in Audit Committee and Stakeholders Relationship and Grievance Committee in all other public limited companies has been considered.

*** The Members of the Company has in AGM held on 14.09.2016 approved the appointment of Mr. Sameer Kamboj as an Independent Director for the period up to 26.07.2021.

The Directorship of Mr. N. R. Srinivasan in the company has ended on 29.09.2016.

II. Attendance of Directors at the Board Meetings held during the financial year 2016-2017 and at the last Annual General Meeting (AGM)

The attendance record of each Director at the Board Meetings held during the year 2016-2017 and at the last Annual General Meeting is as follows:

Sl. No.	Name of Director	No. of meetings		Whether attended last AGM
		Held	Attended	
1.	Mr. Mahendra K. Daga	4	4	No
2.	Mr. Madhur Daga	4	4	Yes
3.	Mr. R. N. Bansal [@]	4	2	No
4.	Mr. Sameer Kamboj [*]	4	2	No
5.	Mr. K. M. Pai	4	4	No
6.	Mr. P. M. Mathai	4	4	Yes
7.	Ms. Tanuja Joshi	4	4	No
8.	Mr. N. R. Srinivasan [#]	4	2	No

[@] Mr. R.N. Bansal has not attended the AGM due to illness. However, Mr. P.M. Mathai, member of Audit Committee was available at the AGM to answer the queries of members.

^{*} Mr. Sameer Kamboj has joined the Company as Independent Director on 27.07.2016.

[#] The Directorship of Mr. N. R. Srinivasan in the company has ended on 29.09.2016.

III. Meetings of the Board of Directors

Four Board Meetings were held during the financial year 2016-17 on 23rd May 2016, 27th July 2016, 08th November 2016 and 28th January 2017 respectively. The maximum time gap between any two meetings was 103 days and the minimum time gap was 64 days. The necessary quorum was present at all the meetings. The agenda papers were circulated well in advance of each meeting of the Board of Directors.

IV. Disclosure of relationships between directors inter-se

None of the Directors is/are in any way related except Mr. Mahendra K. Daga and Mr. Madhur Daga (who is son of Mr. Mahendra K. Daga).

V. Details of shareholding of Non-Executive Directors as on 31st March 2017

Name of Non-Executive Director	No. of shares held
Mr. R. N. Bansal	Nil
Mr. P. M. Mathai	Nil
Ms. Tanuja Joshi	Nil
Mr. Sameer Kamboj	Nil

VI. Web link where details of familiarization programs imparted to Independent Directors

The details of familiarization programs imparted to Independent Directors are available on Company's website viz. <http://www.oblcorp.com>.

COMMITTEES OF THE BOARD

(i) Audit Committee

Audit Committee of the Board is entrusted with the powers and the role that are in accordance with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee, inter alia, include overseeing financial reporting processes, reviewing periodic

financial results, reviewing with the management the financial statements and adequacy of internal control systems, reviewing the adequacy of internal control function, discussions with the Internal and Statutory Auditors about the scope of audit including the observations of Auditors and discussion with them on any significant findings.

During the Financial Year 2016-17, Mr. N.R. Srinivasan and Mr. Mahendra K. Daga ceased to be the member of the Audit Committee w.e.f. 27.07.2016 and 27.01.2017 respectively. Mr. Sameer Kamboj has been appointed as member of the Audit Committee w.e.f. 27.07.2016.

All the members of Audit Committee are financially literate. As on 31st March, 2017, Mr. Sameer Kamboj, Independent Director, a qualified Chartered Accountant and an expert in the fields of Finance, General Management and business processes, is the

Chairman of the Audit Committee with Mr. R.N. Bansal, Mr. P. M. Mathai, and Mr. K. M. Pai as its members. The Company Secretary acts as the Secretary of the Committee.

During the financial year ended on 31st March 2017, four Audit Committee Meetings were held on 23rd May 2016, 27th July 2016, 08th November 2016 and 27th January 2017 respectively. The summary of attendance is as under:

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

(ii) Nomination and Remuneration Committee

The composition of the Committee as on 31st March, 2017 was Mr. P.M. Mathai as Chairman and Mr. R. N. Bansal and Ms. Tanuja Joshi as its members. All the members are independent directors. The Company Secretary acts as the Secretary of the committee.

During the Financial Year 2016-17, Mr. N.R. Srinivasan ceased to be the member of the Nomination and Remuneration Committee

w.e.f. 27.07.2016. Ms. Tanuja Joshi has been appointed as the member of the Committee w.e.f. 27.07.2016.

During the year under review 2 (Two) meetings of members of 'Nomination and Remuneration Committee' were held on 23rd May 2016 and 27th July 2016 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. N. R. Srinivasan	2	2
2.	Mr. R.N. Bansal	2	0
3.	Mr. P.M. Mathai	2	2
4.	Ms. Tanuja Joshi	2	0*

*Ms. Tanuja Joshi was appointed as member of the Committee on 27.07.2016

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The role includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board's diversity; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Remuneration Policy

In accordance with the principles of transparency and consistency, the Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management which has been approved by the Board of Directors of the Company at its meeting held on 03.11.2014, based on the

recommendations made by the Nomination and Remuneration Committee as amended from time to time. The Policy is annexed as Annexure 1 to the Board's Report. The objective and broad framework of the Nomination and Remuneration policy inter alia, is to determine the remuneration taking into account parameters like financial position of the Company, industry size, company size and general practice on remuneration payout in the Tile Industry; to identify and select for Board's consideration the persons who are qualified to become directors and who may be appointed in senior management in accordance with criteria laid down; to carry out the evaluation of Directors, Key Managerial Personnel and Senior Management of the Company and to provide them rewards linked directly to their efforts, performance, dedication and achievement relating to the Company's operations. The Nomination and Remuneration Committee recommends the remuneration of Directors and Key Managerial Personnel which is approved by the Board of Directors subject to approval of shareholders and such other approvals wherever necessary. The level and composition shall be reasonable to sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully.

The detail of remuneration paid to the Directors during the financial year 2016-17 is as follows:

(Amount in ₹)

Name of the Director	Salary	Provident fund	Perquisites	Commission	Sitting fee	Total
Mr. Mahendra K. Daga	1,80,00,000	21,600	6,65,296	-	-	1,86,86,896
Mr. Madhur Daga	1,09,80,000	21,600	9,53,600	-	-	1,19,55,200
Mr. K. M. Pai	63,00,000	21,600	54,20,725	-	-	1,17,42,325
Mr. R. N. Bansal	-	-	-	-	1,70,000	1,70,000
Mr. N. R. Srinivasan	-	-	-	-	2,60,000	2,60,000
Mr. P. M. Mathai	-	-	-	-	4,60,000	4,60,000
Ms. Tanuja Joshi	-	-	-	-	1,70,000	1,70,000
Mr. Sameer Kamboj	-	-	-	-	2,10,000	2,10,000

(iii) Stakeholders Relationship and Grievance Committee

As on 31st March, 2017, the Stakeholders Relationship and Grievance Committee comprises of Ms. Tanuja Joshi as its Chairman and Mr. K. M. Pai and Mr. Madhur Daga as its other two members. The Company Secretary acts as the Secretary of the Committee.

During the Financial Year 2016-17, Mr. N.R. Srinivasan and Mr. Mahendra K. Daga ceased to be the members of the Committee w.e.f. 27.07.2016. Ms. Tanuja Joshi and

Mr. K.M. Pai have been appointed as member of the Committee w.e.f. 27.07.2016.

The Committee is entrusted with the power to approve the share transfers, issue of duplicate share certificates, issue of new share certificates upon consolidation of shares, split of shares and also to resolve the grievances of members including complaints relating to transfer of shares, non receipt of balance sheet, non receipt of declared dividends etc.

During the year ended 31st March 2017, 1 (one) Committee Meeting was held on 11th January 2017. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Ms. Tanuja Joshi	1	1
2.	Mr. K.M. Pai	1	1
3.	Mr. Madhur Daga	1	-
4.	Mr. Mahendra K. Daga	1	N.A.
5.	Mr. N.R. Srinivasan	1	N.A.

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

No complaint was pending at the beginning of the financial year i.e. on 01st April 2016. During the year, the Company has received 4 (four) complaints from members which were resolved and no complaint is pending for disposal as on 31st March, 2017.

(iv) Finance and Borrowing Committee

The Finance and Borrowing Committee of the Board has been delegated with the powers to manage the banking operations, to open/close bank accounts, decide on the operational limits/matrix of the authorised signatories in addition to borrow secured/unsecured funds, otherwise than by way of debentures

from potential lenders to meet out the funding needs of the Company as may be arising from time to time.

The Committee comprise of three Directors viz. Mr. Mahendra K. Daga as Chairman, Mr. Madhur Daga and Mr. Sameer Kamboj as its members. The Company Secretary acts as the Secretary of the Committee.

During the Financial Year 2016-17, Mr. N.R. Srinivasan ceased to be the member of the Committee w.e.f. 27.07.2016 and Mr. Sameer Kamboj has been appointed as member of the Committee w.e.f. 27.07.2016.

During the year under review 2 (two) meetings of members of 'Finance and Borrowing Committee' were held on 29th August, 2016 & 28th September, 2016 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. Mahendra K. Daga	2	2
2.	Mr. Sameer Kamboj	2	2
3.	Mr. Madhur Daga	2	-
4.	Mr. N.R. Srinivasan	2	N.A.

(v) Compensation Committee

The Company has Compensation Committee of the Board of Directors for the purpose of finalizing, administering, and supervising the matters applicable to grant, vest and exercise of options under the Employees Stock Option Scheme and the matters prescribed under the SEBI Guidelines. The Committee comprise of the following Directors:

- Mr. P.M. Mathai, Independent-Non Executive [Chairman]
- Mr. Mahendra K. Daga, Promoter-Executive [Member]
- Mr. R.N. Bansal, Independent-Non Executive [Member]
- Mr. Sameer Kamboj, Independent-Non Executive [Member]

During the Financial Year 2016-17, Mr. N.R. Srinivasan and Mr. Madhur Daga ceased to be the member of the Committee w.e.f. 27.07.2016 and Mr. Mahendra K. Daga and Mr. Sameer Kamboj have been appointed as member of the Committee w.e.f. 27.07.2016.

During the financial year 2016-17, the Committee met 3 (Three) times on 02nd September 2016, 12th October 2016 and 22nd March 2017 respectively. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. P.M. Mathai	3	3
2.	Mr. Mahendra K. Daga	3	3
3.	Mr. R.N. Bansal	3	1
4.	Mr. Sameer Kamboj	3	3
5.	Mr. Madhur Daga	3	N.A.
6.	Mr. N.R. Srinivasan	3	N.A.

(vi) Corporate Social Responsibility Committee

The composition of the Committee as on 31st March, 2017 was as under:-

- Mr. Madhur Daga, Promoter-Executive Chairman
- Mr. R.N. Bansal, Independent – Non Executive Member
- Ms. Tanuja Joshi, Independent-Non Executive Member
- Mr. Sameer Kamboj, Independent-Non Executive Member

During the Financial Year 2016-17, Mr. N.R. Srinivasan and Mr. K.M. Pai ceased to be the member of the Committee w.e.f. 27.07.2016 and Mr. Sameer Kamboj has been appointed as member of the Committee w.e.f. 27.07.2016.

The Committee is authorized to formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; recommend the amount to be spent on such activities; monitor the Company's CSR policy periodically and institute a transparent monitoring mechanism for the implementation of CSR projects.

The CSR Policy of the Company as duly approved by the Board of Directors in its meeting held on 03.11.2014 is displayed on the Company's website: <http://www.oblcorp.com>.

The Committee met once during the year in the meeting held on 23.05.2016 only. The summary of attendance is as under:

Sl. No.	Name of Director	No. of meetings	
		Held	Attended
1.	Mr. Madhur Daga	1	1
2.	Mr. N.R. Srinivasan	1	1
3.	Mr. R.N. Bansal	1	-
4.	Mr. K.M. Pai	1	1
5.	Ms. Tanuja Joshi	1	1
6.	Mr. Sameer Kamboj	1	N.A.

General Body Meetings

Detail of last three Annual General Meetings:

Year	Location	Day and Date	Time	Special resolutions
2013-14	Regd. Off.: 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)	Tuesday, 30 th Sept., 2014	11.30 a.m.	I. Borrowings of Funds up to a limit of Rs. 300 Crores. II. Modification in the terms of appointment of Mr. Mahendra K. Daga. III. Modification in the terms of appointment of Mr. Madhur Daga. IV. Appointment, re-designation and payment of remuneration to Mr. K.M. Pai. V. Amendment in Articles of Association.
2014-15	-do-	Wednesday, 30 th Sept., 2015	11.30 a.m.	I. Re-appointment of Mr. N.R. Srinivasan as an Independent Director. II. Creation of Charges/ Mortgages/Hypothecations in respect of Loans etc. III. Substitution of new set of Articles of Association with the existing Articles in terms of Companies Act, 2013. IV. Re-appointment of Mr. Mahendra K. Daga as Chairman & Managing Director.
2015-16	-do-	Wednesday, 14 th Sept., 2016	11.30 a.m.	I. Re-appointment of Mr. Madhur Daga as Whole Time Director (designated as Joint Managing Director). II. Re-appointment of Mr. K.M. Pai as Whole Time Director (designated as Executive Director & Chief Financial Officer). III. Re-appointment of Mr. R.N. Bansal as an independent director of the Company.

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

Postal ballot

During the year ended 31st March, 2017, no resolution was passed through postal ballot. No resolution whether Special/ Ordinary Resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

Means of communication

The quarterly, half-yearly and annual results of the Company are submitted with Bombay Stock Exchange and National Stock Exchange where the equity shares of the Company are listed and the same are published in leading newspapers viz. Financial

Express (English) and Rashtriya Sahara (Hindi) in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The results are also posted on Company's website viz. <http://www.oblcorp.com>. The website of the Company also displays the information of the Company's products, dealers, availability among others. Presentations are also made to the institutional investors and analysts, which are also put up on the website of the Company.

The Company also dedicated an e-mail ID exclusively for redressal of investor complaints in compliance of Regulation 46 (2) (J) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 namely investor@orientbell.com which is also displayed on the Company's website viz. <http://www.oblcorp.com>.

Shareholding pattern as on 31st March 2017

Category	No. of shares	% of total shares
Promoter and promoter group	1,02,56,655	72.28
Public - Bodies corporate	4,48,365	3.16
Public – other than Bodies Corporate	33,62,173	23.70
Public - NRIs/OCBs	1,22,408	0.86
Total	1,41,89,601	100.00

General Shareholder Information

Annual General Meeting

Date	22 nd September, 2017
Time	11.30 a.m.
Venue	8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)
Financial Year	1 st April to 31 st March

Book closure dates for the purpose of dividend and Annual General Meeting

To determine the entitlement of members to receive the dividend for the year ended 31st March 2017, the Register of Members

and Share Transfer Books of the Company will remain closed from 15th September, 2017 to 22nd September, 2017 (both days inclusive) as well as for the purpose of Annual General Meeting.

Financial reporting for financial year 2017-18 is as follows:

Un-audited financial results for the quarter ended 30.06.2017	Will be announced by 14.09.2017.*
Un-audited financial results for the quarter ended 30.09.2017	Will be announced by 14.12.2017.*
Un-audited financial results for the quarter ended 31.12.2017	Will be announced within 45 days of the end of the quarter.*
Fourth/last quarter financial results	Audited financial results will be announced within 60 days of the end of the financial year.*

*Subject to change of law

Dividend payment for 2016-17

Dividend on equity shares as recommended by the Directors for the year ended 31st March 2017 when declared at the Annual General Meeting will be paid within stipulated period:

- To the members, whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company on or before 14th September, 2017.

- in respect of shares held in electronic form, to those 'deemed members' whose names appear in the statements of beneficial ownership furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the end of the business hours on 14th September, 2017.

Listing

Presently, the Equity Shares of the Company are listed on the following Stock Exchanges:

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

The Company has paid the requisite Annual Listing Fee to BSE and NSE for the financial year 2017–18 within stipulated time.

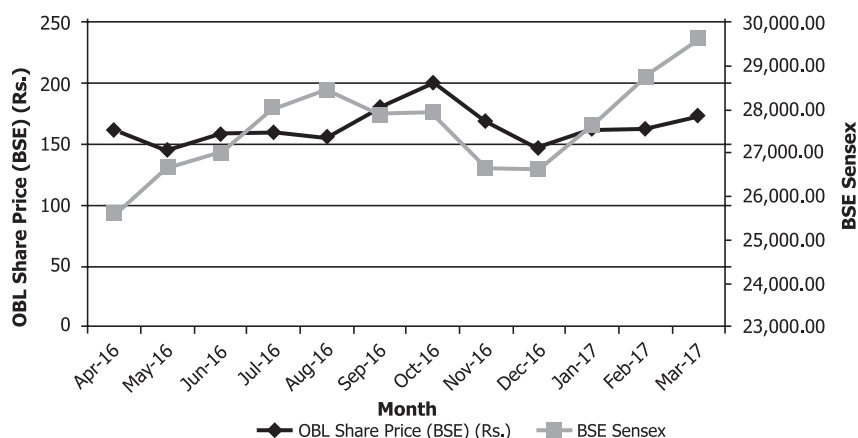
Market price data

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

Month	BSE Limited				BSE Sensex Month Close	National Stock Exchange of India Limited			
	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares Traded		High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares Traded
Apr-16	171.90	143.00	161.40	36,539	25,606.62	171.30	143.55	159.15	1,19,018
May-16	172.50	142.00	145.25	56,740	26,667.96	172.95	145.05	146.25	1,76,833
Jun-16	167.50	142.00	158.80	49,211	26,999.72	166.90	141.00	158.80	1,70,849
Jul-16	185.90	156.30	159.65	1,31,470	28,051.86	185.60	156.00	159.10	4,51,703
Aug-16	164.00	149.50	155.45	84,812	28,452.17	163.55	148.05	154.45	2,20,211
Sep-16	214.00	149.10	180.00	3,23,811	27,865.96	200.95	142.50	179.85	9,93,800
Oct-16	217.80	178.30	200.20	1,50,605	27,930.21	211.40	179.05	198.90	5,74,801
Nov-16	206.00	138.80	168.25	1,10,267	26,652.81	205.95	138.00	168.15	4,27,315
Dec-16	173.90	142.00	146.60	28,044	26,626.46	175.00	142.10	148.10	1,49,349
Jan-17	173.00	149.00	163.00	39,173	27,655.96	173.50	148.40	162.85	1,58,846
Feb-17	176.00	156.60	162.65	43,174	28,743.32	176.95	155.25	162.50	2,28,673
Mar-17	184.95	156.00	173.10	50,181	29,620.50	185.00	156.00	172.30	3,91,585

Stock price performance

The performance of Company's Equity Shares during 2016-17 in comparison to BSE's Sensitive Index was as follows:



In case, the securities are suspended from trading, reason thereof:

Not applicable, since the securities of the Company have not been suspended from trading.

Registrar and Share Transfer Agent

M/s. MCS Share Transfer Agent Ltd.

F-65, Okhla Industrial Area, Phase-I

New Delhi-110 020

Phone No. : (011) 41406149

Fax No. : (011) 41709881

E-mail : admin@mcsregistrars.com

Share transfer system

Trading in equity shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, the Stakeholders Relationship and Grievance Committee /its delegated authority meets as often as required

Distribution of shareholding as on 31st March 2017

No. of Shares	Total members	%Total members	Total shares	% Total shares
Up to 500	11,962	91.35	8,36,842	5.90
501 to 1,000	545	4.16	4,09,259	2.88
1,001 to 2,000	257	1.96	3,66,690	2.58
2,001 to 3,000	112	0.86	2,81,722	1.98
3,001 to 4,000	46	0.35	1,61,775	1.14
4,001 to 5,000	38	0.29	1,74,727	1.23
5,001 to 10,000	71	0.54	4,93,068	3.47
10,001 to 50,000	51	0.39	9,27,479	6.54
50,001 to 1,00,000	6	0.05	4,71,124	3.32
1,00,001 and above	7	0.05	1,00,66,915	70.94
Total	13,095	100.00	1,41,89,601	100.00

Dematerialisation of shares and liquidity

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

Status of dematerialisation as on 31st March 2017

Electronic holdings			Physical holdings			Total		
No.of folios	No.of shares	%	No.of folios	No.of shares	%	No.of folios	No.of shares	%
9,777	1,37,98,177	97.24	3,318	3,91,424	2.76	13,095	1,41,89,601	100.00

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

ISIN number allotted by NSDL and CDSL: INE607D01018

CIN : L14101UP1977PLC021546

Outstanding GDRs/ADR /Warrants

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

Commodity price risk or foreign exchange risk and hedging activities

During the year 2016-17 the Company had managed the foreign exchange risk involving foreign currency though this was not a significant amount. The details of foreign currency exposure are disclosed in note no. 28 to the Annual Accounts.

Registered Office:

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

Corporate office

Iris House,
16, Business Centre
Nangal Raya
New Delhi-110 046
Phone : (011) 47119100
Fax : (011) 28521273
E-mail: investor@orientbell.com
Website: www.oblcorp.com

Address for correspondence:

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

Plants:

- (i) Industrial Area,
Sikandrabad-203 205,
Bulandshahr (U.P.)
- (iii) Village Chokkahalli,
Taluka Hoskote,
Bengaluru (Rural) - 562 114,
Karnataka

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

Disclosures

- (i) The Company does not have any material related party transactions that may have potential conflict with the interests of the Company at large. The details of related party information and transactions are placed before the Audit Committee from time to time. The disclosures regarding the transactions with the related parties are disclosed in note no. 27 forming part of the Accounts. The Company has formulated a Related Party Transactions Policy which specifies the manner of entering into related party transactions. This policy has been posted on the website of the Company at <http://www.oblcorp.com>.
- (ii) The Company has complied with all the guidelines provided by Stock Exchanges and SEBI or any other statutory authority and no penalties or strictures were imposed on the Company on any matter relating to the capital markets, during the last three years.
- (iii) As mandated under Section 177 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and adopted a Vigil Mechanism cum Whistle Blower Policy. Under the said policy, any communication that discloses or demonstrates information that may evidence unethical or improper activity shall be addressed to the Chairman of the Audit Committee. A copy of the same may also be addressed to the Executive Director. No personnel has been denied access to the audit committee. The Vigil Mechanism cum Whistle Blower Policy is available on the website of the Company at <http://www.oblcorp.com>.
- (iv) The Company is complying with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015. The Internal Auditor reports directly to the Audit Committee.

- (v) The Company has formulated a Policy for determining 'material' subsidiaries as defined under Regulation 16(1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy has been posted on the website of the Company at <http://www.oblcorp.com>.
- (vi) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

Subsidiary companies

The Company has no subsidiary.

Code of Conduct

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

"I, Madhur Daga, Managing Director of Orient Bell Limited, do hereby confirm that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel in respect of the financial year ended on 31st March, 2017."

Place : New Delhi
Date : 22nd May, 2017

Madhur Daga
Managing Director

Auditors' Certificate on Corporate Governance

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate is enclosed as Annexure-A to this Report.

Compliance Certificate issued by Managing Director and Chief Financial Officer

The Managing Director and Chief Financial Officer have furnished a Compliance Certificate to the Board of Directors under Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Disclosures with respect to Demat suspense account / unclaimed suspense account

Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2016		Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying on 31.03.2017	
Shareholders	No. of Shares			Shareholders	No. of Shares
108	25,214	Nil	Nil	108	25,214

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

For and on behalf of Board of Directors
of Orient Bell Limited

Place : New Delhi
Date : 22nd May, 2017

Madhur Daga
Managing Director

K.M. Pai
Executive Director & CFO

Annexure 'A'

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To the Members of

M/s. ORIENT BELL LIMITED

We have examined the compliance of conditions of Corporate Governance by Orient Bell Limited for the year ended on 31st March 2017 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing agreement of the said Company with Stock Exchanges.

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 statement of the Company.

In our opinion and best to of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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 S.R. Dinodia & Co. LLP

Chartered Accountants

Firm Registration Number : 001478N/N500005

Sandeep Dinodia

Partner

M. No. 083689

Place: New Delhi

Dated : 22nd May, 2017

Independent Auditor's Report

To the Members of M/S ORIENT BELL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **Orient Bell Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-'A'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. On the basis of written representations received from the management of the Company, the Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer sub-note 8(a) "Contingent Liabilities" to the financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of account maintained by the Company.- Refer note no. 29 to the financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-'B', a statement on the matters specified in the paragraph 3 and 4 of the order.

For S.R. Dinodia & Co. LLP
Chartered Accountants
Firm Regn. No. 001478N/N500005

(Pradeep Dinodia)

Place of Signature : New Delhi Partner
Dated : 22nd May, 2017 Membership No. 080617

Annexure 'A' to the Independent Auditors' Report of even date on the financial statement of Orient Bell Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Orient Bell Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Dinodia & Co. LLP
Chartered Accountants

Firm Regn. No. 001478N/N500005

(Pradeep Dinodia)

Place of Signature : New Delhi

Partner

Dated : 22nd May, 2017 Membership No. 080617

Annexure 'B' to the Independent Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2017, we report that:

- i) In respect of fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified periodically. In accordance with this programme for the year, no material discrepancies were noticed on such verification. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - On the basis of written representation received from the management of the Company, the title deeds of immovable properties held in the name of the Company are mortgaged with the Banks for securing the long term borrowings and credit limits raised by the Company.
- ii) In respect of its inventory:
- On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year *except the inventories in transit*. In our opinion the frequency of physical verification followed by the management is reasonable.
 - No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii) (a) to (c) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanation given to us, the Company has no transaction of loans, guarantees, and security during the year covered under the provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) In respect to statutory dues:
- The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - According to the records of the Company examined by us and the information and explanations given to us, there were no dues of Income Tax or Sales Tax or Service Tax or duty of Customs or duty of Excise or Value Added Tax which have not been deposited on account of any dispute except the following, which have not been deposited on account of dispute:

Name of the Statute	Nature of Dispute	Amount (in ₹)	Period	Forum where dispute is pending
U.P. Vat Act	Entry tax and other dues	11,91,100	2000-01 & 2003-04	Allahabad High Court
U.P. Vat Act	Entry tax and other dues	3,20,813	2002-03	Ghaziabad Tribunal
U.P. Vat Act	Sales Tax Demand	34,594	2003-04	Allahabad High Court
U.P. Vat Act	Sales Tax Demand	10,98,623	2003-04	Allahabad High Court
U.P. Vat Act	Sales Tax Demand	18,94,965	2003-04	Allahabad High Court
U.P. Vat Act	Sales Tax Demand	9,73,790	2004-05	Allahabad High Court

Name of the Statute	Name of Dispute	Amount (in ₹)	Period	Forum where dispute is pending
U.P. Vat Act	Sales Tax Demand	12,08,757	2005-06	Allahabad High Court
U.P. Vat Act	Sales Tax Demand	7,65,898	2006-07	Allahabad High Court
U.P. Vat Act	Sales Tax Demand	27,40,918	2002-03	Supreme Court
Gujarat VAT	Sales Tax Demand	2,80,259	2010-11	Astt. Commissioner of Commercial Tax
Gujarat VAT	Sales Tax Demand	3,72,499	2006-07	Gujarat Value Added Tax Tribunal, Ahmedabad
A.P.VAT Act	Sales Tax demand	4,89,768	2005-06 & 2006-07	High Court of A.P.
A.P.VAT Act	Sales Tax Demand	5,34,158	2009-10	Commissioner (Appeals)
A.P.VAT Act	Sales Tax Demand	9,34,777	2009-10	Commissioner (Appeals)
Mumbai Vat Act	Sales Tax Demand	27,246	2006-07	VAT Officer
Mumbai Vat Act	Sales Tax Demand	18,394	2008-09	Commissioner of Sales Tax Appeal II
Mumbai Vat Act	Sales Tax Demand	13,14,013	2008-09	Commissioner of Sales Tax Appeal II
Kerala Vat Act	Sales Tax Demand	2,83,774	2005-06	Assistant commissioner, Ernakulam
Kerala Vat Act	Sales Tax Demand	55,526	2012-13	Assistant commissioner, Ernakulam
Goa VAT Act	Sales Tax Demand	3,707	2008-09	Assistant commissioner, Ernakulam
Haryana Vat Act	Sales Tax Demand	1,21,318	2015-16	Commissioner (Appeal)-Excise & Taxation Officer
Central Excise & Customs Act	Excise & other dues	13,40,920	2005-2010	Excise Tribunal, Noida
Central Excise & Customs Act	Excise & other dues	50,49,504	2010-2016	Appellate Tribunal
Central Excise & Customs Act	Excise & other dues	1,11,02,931	2011-12	CESTAT, Bangalore
Custom Tariff Act, 1975	Custom Duty	85,00,000	2001-02	CEGAT, New Delhi
Income Tax Act, 1961	Income Tax demand	16,92,841	AY:1990-91	ITAT, Ahmedabad
Income Tax Act, 1961	Income Tax demand	22,37,194	AY:1995-96	Gujarat High Court
Income Tax Act, 1961	Income Tax demand	7,62,880	AY:2003-04	ITAT, Ahmedabad
Income Tax Act, 1961	Income Tax demand	16,30,483	AY:2003-04	ITAT, Ahmedabad
Income Tax Act, 1961	Income Tax demand	3,10,57,825	AY:2011-12	CIT (Appeals), Ahmedabad
Income Tax Act, 1961	Income Tax demand	8,34,757	AY:2010-11	ITAT, Delhi

- viii) On the basis of information and explanation provided to us, the Company has not defaulted in repayment of loans and borrowings to financial institution and bank. The Company has not taken any loan from Government or has not issued any debentures.
- ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. The term loans taken during the year were applied for the purpose for which the same has been raised.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has paid/ provided managerial remuneration to its directors during the year in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013 as applicable to the Company.
- xii) The Company is not a nidhi company hence the provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 177 and

188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc, as required by the applicable accounting standards.

- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

For S.R. Dinodia & Co. LLP
Chartered Accountants

Firm Regn. No. 001478N/N500005

(Pradeep Dinodia)

Place of Signature : New Delhi Partner
Dated : 22nd May, 2017 Membership No. 080617

Balance Sheet as at March 31, 2017

(Amount in ₹)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	3	14,18,96,010	14,00,24,010
(b) Reserves and Surplus	4	1,24,14,04,725	1,73,88,24,350
		1,38,33,00,735	1,87,88,48,360
Non-Current Liabilities			
(a) Long-Term Borrowings	5	46,63,35,229	53,13,42,352
(b) Deferred Tax Liabilities (Net)	6	11,02,20,793	9,34,78,079
(c) Other Long Term Liabilities	7	32,15,708	23,68,306
(d) Long-Term Provisions	8	5,45,19,169	3,83,92,010
		63,42,90,899	66,55,80,747
Current Liabilities			
(a) Short-Term Borrowings	9	51,86,37,759	69,83,86,260
(b) Trade Payables	7		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		70,93,60,486	1,01,79,78,912
(c) Other Current Liabilities	7	29,37,75,701	26,20,13,262
(d) Short-Term Provisions	8	6,16,25,677	2,71,04,065
		1,58,33,99,623	2,00,54,82,499
TOTAL		3,60,09,91,257	4,54,99,11,606
II. Assets			
Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		1,42,83,64,283	2,08,87,16,443
(ii) Intangible Assets		4,74,618	13,10,671
(iii) Capital Work-in-Progress		49,30,122	64,76,294
(b) Non-Current Investments	11	23,34,75,807	23,34,75,807
(c) Long-Term Loans and Advances	12	5,24,34,470	10,54,19,274
(d) Other Non-Current Assets	14.2	1,39,488	54,22,612
		1,71,98,18,788	2,44,08,21,101
Current Assets			
(a) Inventories	13	74,56,85,274	88,65,43,711
(b) Trade Receivables	14.1	1,02,60,93,732	1,05,81,16,199
(c) Cash and Bank Balance	15	5,43,58,252	6,32,18,663
(d) Short-Term Loans and Advances	12	5,19,50,837	9,31,95,436
(e) Other Current Assets	14.2	30,84,374	80,16,496
		1,88,11,72,469	2,10,90,90,505
TOTAL		3,60,09,91,257	4,54,99,11,606
Significant Accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For S R DINODIA & CO. LLP.

Chartered Accountants

Firm's Regn. No. 001478N/N500005

for and on behalf of Board of Directors of Orient Bell Limited

(Pradeep Dinodia)

Partner

Membership No. 080617

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Place of Signature : New Delhi

Dated : 22nd May, 2017

K M Pai
Executive Director & CFO
DIN 01171860

Yogesh Mendiratta
Company Secretary & Head Legal

Statement of Profit and Loss for the year ended March 31, 2017

(Amount in ₹)

Particulars	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
I. Revenue from Operations (Gross)	16	704,49,94,713	757,84,82,669
Less: Excise duty		50,20,28,448	55,29,95,200
Revenue from Operations (Net)		6,54,29,66,265	7,02,54,87,469
II Other Income	17	2,44,24,859	1,82,31,320
III Total Revenue (I + II)		6,56,73,91,124	7,04,37,18,789
IV Expenses:			
(a) Cost of Materials Consumed	18	97,67,36,563	1,11,47,80,404
(b) Purchases of Stock-in-Trade	19	1,91,74,63,725	1,91,06,74,245
(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	20	13,14,56,004	12,59,23,660
(d) Employee Benefits Expense	21	69,08,83,880	64,45,89,913
(e) Finance Costs	22	13,34,66,584	18,80,90,486
(f) Depreciation and Amortization Expense	23	17,32,41,941	17,07,82,410
(g) Other Expenses	24	2,29,96,29,431	2,75,91,44,332
Total Expenses		6,32,28,78,128	6,91,39,85,450
V Profit before exceptional items and tax (III-IV)		24,45,12,995	12,97,33,339
VI Exceptional Items		-	-
VII Profit before Tax (V - VI)		24,45,12,995	12,97,33,339
VIII Tax Expense:			
- Current Tax		11,75,91,793	6,87,41,010
- Deferred Tax		1,67,42,714	(40,44,078)
- Income Tax Adjustment for Earlier Years		(2,50,820)	5,96,554
IX Profit/(Loss) after Tax (VII-VIII)		11,04,29,308	6,44,39,853
X Earnings per Share (face value of ₹ 10 per share):	25		
(1) Basic		7.84	4.43
(2) Diluted		7.84	4.43
Significant Accounting Policies	2		
The accompanying notes are an integral part of the financial statements			

As per our Report of even date attached

For S R DINODIA & CO. LLP.
Chartered Accountants
Firm's Regn. No. 001478N/N500005

for and on behalf of Board of Directors of Orient Bell Limited

(Pradeep Dinodia)
Partner
Membership No. 080617

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Place of Signature : New Delhi
Dated : 22nd May, 2017

K M Pai
Executive Director & CFO
DIN 01171860

Yogesh Mendiratta
Company Secretary & Head Legal

Cash Flow Statement for the year ended March 31, 2017

(Amount in ₹)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Tax	24,45,12,995	12,97,33,339
Adjustments for:		
Depreciation and amortization	17,32,41,941	17,07,82,410
Interest Paid	13,34,66,584	18,80,90,486
Provision for employee benefit	67,44,961	96,81,719
Loss/(Gain) on sale of fixed assets	2,27,09,961	27,24,816
Interest Income	(1,00,08,779)	(1,35,32,792)
Bad Debts Written Off	4,21,94,512	4,51,49,644
Excess Provision Written Back	-	12,46,913
Operating Profit Before Working Capital Changes	61,28,62,176	53,38,76,534
Movement In Working Capital:		
Increase/(Decrease) in Trade Payables & Other Current Liabilities	(27,68,55,987)	(19,66,40,386)
Increase/(Decrease) in Other Long Term Liabilities	8,47,402	(28,40,108)
Increase/(Decrease) in Provisions	2,05,00,008	1,69,76,602
(Increase)/Decrease in Trade Receivables	3,20,22,467	(12,38,82,015)
(Increase)/Decrease in Loans and advances	80,78,203	1,76,64,557
(Increase)/Decrease in Inventories	14,08,58,437	13,07,12,087
(Increase)/Decrease in Other Current Assets and other bank balances	1,34,91,145	4,42,31,553
(Increase)/Decrease in Other Non-Current Assets	52,83,124	2,19,99,154
Cash Generated From Operations	55,70,86,975	44,20,97,978
Direct Tax paid (Net of Refunds)	3,48,09,041	2,58,57,452
Net Cash Inflow From/(Used In) Operating Activities (A)	52,22,77,934	41,62,40,526
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of CWIP and Fixed Assets	(14,90,34,154)	(3,93,04,299)
Sale of Fixed Assets	30,94,741	54,93,737
(Increase)/Decrease in Investments	-	(3,12,00,000)
Interest Income	1,00,08,779	1,35,32,792
Net Cash From/ (Used In) Investing Activities (B)	(13,59,30,634)	(5,14,77,770)

(Amount in ₹)

Particulars	For the Year ended March 31, 2017	For the Year ended March 31, 2016
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital & Premium	-	-
Increase/ (Decrease) in Long Term & Short Term Borrowings	(24,47,55,624)	(16,86,61,334)
Dividend Paid	(84,26,480)	(83,14,036)
Interest paid (net)	(13,34,66,584)	(18,80,90,486)
Net cash inflow from/(used in) Financing Activities (C)	(38,66,48,688)	(36,50,65,856)
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(3,01,389)	(3,03,099)
Opening Balance of Cash and Cash Equivalents	28,17,306	31,20,405
Total Cash And Cash Equivalent (Note No. 15)	25,15,917	28,17,306
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	6,78,838	8,12,432
With banks - on current account	4,39,541	4,00,510
- on unpaid dividend account	13,97,539	16,04,364
Total Cash and Cash equivalent (Note No. 15)	25,15,917	28,17,306
Significant Accounting Policies (Note No. 2)		

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached

For S R DINODIA & CO. LLP.

Chartered Accountants

Firm's Regn. No. 001478N/N500005

for and on behalf of Board of Directors of Orient Bell Limited

(Pradeep Dinodia)

Partner

Membership No. 080617

Madhur Daga

Managing Director

DIN 00062149

Sameer Kamboj

Director

DIN 01033071

Place of Signature : New Delhi

Dated : 22nd May, 2017

K M Pai

Executive Director & CFO

DIN 01171860

Yogesh Mendiratta

Company Secretary & Head Legal

Notes to Financial Statements for the year ended March 31, 2017

NOTE 1 : CORPORATE INFORMATION

Orient Bell Limited (hereinafter referred as the Company) was incorporated on May 18, 1977 and is engaged in the manufacturing, trading and selling of reputed brand of ceramic wall and floor tiles. The Company is a public limited company incorporated and domiciled in India and has its registered office at Sikandrabad, Uttar Pradesh, India. The Company has its primary listings on BSE Limited and the National Stock Exchange of India Limited.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

Note 2.1 Accounting Convention

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

NOTE 2.2: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

a) Use of Estimates

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

b) Tangible Assets and Capital Work-In-Progress

Tangible Assets are recorded at their original cost of acquisition less accumulated depreciation and impairment, if any. Cost is net of recoverable taxes and inclusive of freight, duties, taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use. Glow-sign Boards, which have no salvage value are charged to the Statement of Profit & Loss. Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Gain or loss arising on account of sale of fixed assets are measured as the difference between the net proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss in the year in which the asset is sold.

c) Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

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

d) Depreciation and Amortization

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. Further, the Schedule II to the Companies Act, 2013 requires that useful life and depreciation for significant components of an asset should be determined separately. The identification of significant components is matter of technical judgement and is decided on case to case basis; wherever applicable. For instance, the following useful lives of the tangible fixed assets, different from Schedule II, has been estimated by the management:

Notes to Financial Statements for the year ended March 31, 2017

Particulars	As Per Schedule II	As Per Management
Plant and machinery		
Moulds *	25 years	5 years
Punches *	25 years	5 years
Others *	25 years	18 years
Office equipment		
Mobiles *	5 years	3 years

*For these classes of assets, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Also certain plants, subassemblies at Dora and Hoskote unit having limited life span of three years which have been written off over such life span. Other than the assets mentioned above, the company depreciates the assets over useful life as given in Schedule II of Companies Act 2013.

Till March 31,2014 ,in accordance with the option given in the Guidance Note on Accounting for Depreciation in Companies, the Company recoups additional depreciation out of Revaluation reserve. However during the year, as per Schedule II of the Companies Act,2013 read with para 36 of "Application Guide on the Provisions of Schedule II to the Companies Act, 2013" issued by Institute of Chartered Accountants of India, the depreciation on revalued amount has been charged to statement of the profit and loss and the amount of depreciation which relates to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on its original cost has been transferred from the revaluation reserve to the general reserves of the Company. During the year, in compliance of Para 32 of Revised Accounting Standard- 10 'Property, Plant and Equipment' issued by Central Government vide Notification dated March 30, 2016, the Company has opted for the Cost Model for recognition of fixed assets for entire class of Property, Plant and Equipment and accordingly the revaluation reserve has been adjusted to the carrying value of the Property, Plant and Equipment.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

e) Revenue/Purchase Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following are specific recognition criteria:

Sale of goods

Revenue from sale of goods is recognised when all the significant risk and rewards of ownership of the goods have been passed to the buyer, usually on the delivery of the goods. The Company collects sales tax and value added tax on behalf of the government, therefore, these are not economic benefits flowing to the company, hence, these are excluded from the revenue. Further Trade discounts are excluded from the Revenue.

Interest

Interest income is recognized on time proportion basis taking into account the amount outstanding and the applicable rate and where no significant uncertainty as to measurability or collectability exists. Interest income is included under the head "Other Income" in the Statement of Profit and Loss ".

Dividend

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

Other Income

Export incentives and Rental Incomes are accounted on accrual basis.

Claims are accounted on the basis of acknowledgement from the appropriate authority.

Purchase

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

f) Borrowing Cost

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

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

Notes to Financial Statements for the year ended March 31, 2017

g) Investments

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

Initial Recognition

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

Carrying Amount of Investments

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

Disposal of Investments

The difference between carrying amount and net disposal proceeds of the investments is charged or credited to the Statement of Profit and Loss, as the case may be.

h) CENVAT and Excise Duty

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

i) Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses where considered necessary. The cost of various components of inventory is determined as follows:

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

j) Translation of Foreign Currency items

Initial Recognition

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

Exchange Differences

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss in the period in which they arise except in case of long term foreign currency monetary items, where the exchange differences arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of a depreciable capital asset, is added to or deducted from the cost of the asset and depreciated over the balance life of the asset, and in other cases, is accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised over the balance period of such long term asset or liability, by recognition as income or expense in each of such periods.

Conversion

Items denominated in foreign currency at the year end and not covered by forward exchange contracts are translated at year end rates. Non Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

k) Taxes on Income

Tax expense comprises current tax and deferred tax.

Notes to Financial Statements for the year ended March 31, 2017

Current Tax

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

Deferred Tax

Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Such assets are reviewed as at each balance sheet date to re-assess realization.

Minimum Alternate Tax

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

I) Employee Benefits

(a) Short-term employee benefit

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

(b) Defined Contribution Plan

Contributions payable to recognized Provident Fund and Employee State Insurance Scheme, which are substantially defined contribution plans, are recognized as expense in the Statement of Profit and Loss, as they are incurred.

(c) Defined Benefit Plan

The cost of providing defined benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

(d) Other Long-term Benefits

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

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

(e) Share-based payments

The Company accounts for equity settled stock options as per the accounting treatment prescribed by Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 amended thereto and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India using the intrinsic value method.

Notes to Financial Statements for the year ended March 31, 2017

m) Impairment of Assets

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

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

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

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

n) Provision, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

o) Lease

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower and a liability is created for an equivalent amount. Lease payments under operating leases are recognized as an expense on a straight-line basis in the Statement of Profit and Loss over the lease term.

p) Earning Per Share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

q) Cash flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Accounting Standard - 3 'Cash Flow Statement'.

r) Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

s) Classification of Current / Non Current Assets and Liabilities

All assets and liabilities are presented as Current or Non Current as per the Company's normal operating cycle and other criteria set out in Schedule II of the Companies Act, 2013. Based on the nature of products and time between acquisition of assets and disposal of liabilities, the Company has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

Notes to Financial Statements for the year ended March 31, 2017

NOTE 3 : SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
	55,00,00,000	55,00,00,000
Authorised Share Capital (Total)	55,00,00,000	55,00,00,000
Issued, Subscribed & Paid-up		
1,41,89,601 (March 31, 2016: 1,40,02,401) Equity Shares of ₹ 10/- each fully paid up	14,18,96,010	14,00,24,010
	14,18,96,010	14,00,24,010

(a) Reconciliation Statement of Equity Share Capital

(Amount in ₹)

Particulars	March 31, 2017		March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Balance of Shares at the beginning of the year	1,40,02,401	14,00,24,010	1,38,15,551	13,81,55,510
Add:- Addition during the year	1,87,200	18,72,000	1,86,850	18,68,500
Less:- Buy back during the year	-	-	-	-
Balance of Shares at the end of the year	1,41,89,601	14,18,96,010	1,40,02,401	14,00,24,010

(b) The above capital includes equity shares 30,43,451 nos (₹ 3,04,34,510) which were allotted during 2012-13 pursuant to the schemes of amalgamation without payments being received in cash.

(c) Terms/right attached to Equity Shares

The company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2017, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 0.50 per share (March 31, 2016: ₹ 0.50 per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	March 31, 2017		March 31, 2016	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹ 10 each fully paid up				
Mr. Mahendra K Daga	28,98,716	20.43%	28,98,716	20.70%
Mr. Madhur Daga	12,73,264	8.97%	12,73,264	9.09%
Good Team Investment & Trading Company Private Limited	23,78,914	16.77%	23,78,914	16.99%
Orient Bell Holding Trust	20,79,100	14.65%	20,79,100	14.85%

(e) Shares reserved for issue under Options

Particulars	As at March 31, 2017
	No. of Shares
Options yet to be vested	
Equity Shares of ₹ 10 each	58,975
Options not Granted	
Equity Shares of ₹ 10 each	2,64,875

Notes to Financial Statements for the year ended March 31, 2017

Terms and Conditions of Options Granted

- (i) Each Option entitles the holder thereof to apply for and be allotted one equity share of the company of ₹ 10 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the options and expires at the end of 3rd year from the date of vesting in respect of options granted under the Orient Bell Employees Stock Option Scheme-2013.
- (ii) The Employees Stock Options will be granted in three annual tranches of 30%, 35% and 35% of the total options per employee provided such employee shall fulfill the eligibility criteria for each year as decided by Compensation Committee from time to time.
- (iii) The grant details are as under:

	First Tranche of old employees	Second Tranche of old employees	First Tranche of new employees	Third Tranche of old employees	Second Tranche of new employees	First Tranche of final employees	Third Tranche of new employees	Second Tranche of final employees	Third Tranche of final employees
Grant Date	Sept. 2, 2013	Sept. 2, 2013	Sept. 2, 2014	Sept. 2, 2013	Sept. 2, 2014	Sept. 2, 2015	Sept. 2, 2014	Sept. 2, 2015	Sept. 2, 2015
No. of options granted	2,63,100	1,54,000	40,950	1,51,025	36,925	15,000	25,550	17,500	17,500
No. of options not accepted by the employees	3,600	-	-	-	-	-	-	-	-
No. of options accepted by the employees	2,59,500	1,54,000	40,950	1,51,025	36,925	15,000	25,550	17,500	17,500
Exercise Price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Vesting commenced on	Sept. 2, 2013	Sept. 2, 2014	Sept. 2, 2014	Sept. 2, 2015	Sept. 2, 2015	Sept. 2, 2015	Sept. 2, 2016	Sept. 2, 2016	March 22, 2017
Vesting end on	Sept. 1, 2014	Sept. 1, 2015	Sept. 1, 2015	Sept. 1, 2016	Sept. 1, 2016	Sept. 1, 2016	Sept. 1, 2017	Sept. 1, 2017	March 21, 2018
No of Options (granted and accepted) outstanding at the beginning of the year	450	-	-	1,48,925	29,400	15,000	-	-	-
No . Of Options granted and accepted during the year	-	-	-	-	-	-	25,550	17,500	17,500
No of Options Lapsed during the year due to employees left pertaining to option earlier granted	450	-	-	3,325	2,800	-	-	-	-
No of Options Lapsed during the year due to employees left pertaining to options granted during the year	-	-	-	-	-	-	1,575	-	-
No of Options vested in earlier years and exercised during the year	-	-	-	-	-	-	-	-	-
No of Options vested and exercised during the year	-	-	-	1,45,600	26,600	15,000	-	-	-
No of Options (granted and accepted) outstanding at the end of the year	-	-	-	-	-	-	23,975	17,500	17,500
of which-	-	-	-	-	-	-	-	-	-
Option vested	-	-	-	-	-	-	23,975	17,500	17,500
Options yet to be vested									

Note: Company vide resolution dated August 13, 2015 has stopped the ESOP scheme for the new employees joined w.e.f April 1, 2015 without affecting the further grant/ vest/ exercise of options by the existing eligible employees (i.e the employees who were granted the stock options on date September 2, 2013 & 2014 and also to Mr. K.M. Pai (ED & CFO) on September 02, 2015).

Notes to Financial Statements for the year ended March 31, 2017

- (iv) In respect of stock options granted pursuant to the Company's stock options scheme, the intrinsic value of the options (excess of market price of the share over the exercise price of the option) is treated as discount and accounted as employee compensation over the vesting period.
- (v) Expense on Employee Stock Option Schemes debited to the Statement of Profit and Loss during 2016-17 is ₹ 67,44,961 (2015-16 : ₹ 96,81,719) pursuant to employee stock option scheme (Refer Note No. 21).
- (vi) Had fair value method been adopted for expensing the compensation arising from employee share-based payment plans: The employee compensation charge debited to the Statement of Profit and Loss for the year 2016-17 would have been higher by ₹ 12,92,672 [In FY 2015-16 expenses would have been lower by : ₹ 5,10,839].
 Basic EPS before extraordinary items would have decreased by ₹ 0.09 (2015-2016 higher by ₹ 0.04).
 Basic EPS after extraordinary items would have increased by ₹ 0.09 (2015-2016 higher by ₹ 0.04).
 Diluted EPS before extraordinary items would have increased by ₹ 0.09 (2015-2016 higher by ₹ 0.04).
 Diluted EPS after extraordinary items would have decreased by ₹ 0.09 (2015-2016 higher by ₹ 0.04).
- (vii) Weighted average fair values of options granted during the year is ₹ 157.24 (2015-16: ₹ 123.91)
- (viii) The Fair value has been calculated using the Black-Scholes Option Pricing Model and the significant assumptions and inputs to estimate the fair value of options granted during the year are as follows:

S.No.	Particulars	2016-17		2015-16
		Vesting commenced on : September 2, 2016	Vesting commenced on : March 22, 2017	Vesting commenced on : September 2, 2015
1	Weighted average risk -free interest rate	6.80%	6.80%	7.60%
2	Weighted average expected life of options	1 year	1 year	1 year
3	Weighted average expected volatility	4.48%	4.08%	4.66%
4	Weighted average expected dividend yield of the option	1.29%	1.29%	2.27%
5	Weighted average share price	154.34	160.13	126.76
6	Weighted average exercise price	Nil	Nil	Nil
7	Method used to determine expected volatility	Expected volatility is based on the Company's share price for preceding 5 years of grant date		

Notes to Financial Statements for the year ended March 31, 2017

NOTE 4 : RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Capital Reserve		
Balance at the beginning of the year	25,57,050	25,57,050
Add:- Addition during the year	-	-
Less:- Deletion / Utilization during the year	-	-
Balance at the end of the year (A)	25,57,050	25,57,050
Capital Restructuring		
Balance at the beginning of the year	46,15,903	46,15,903
Add:- Addition during the year	-	-
Less:- Deletion / Utilization during the year	-	-
Balance at the end of the year (B)	46,15,903	46,15,903
Amalgamation Reserve		
Balance at the beginning of the year	9,13,03,550	9,13,03,550
Add:- Addition during the year	-	-
Less:- Deletion / Utilization during the year	-	-
Balance at the end of the year (C)	9,13,03,550	9,13,03,550
Securities Premium		
Balance at the beginning of the year	11,40,45,846	10,70,20,900
Add:- Addition during the year	78,95,888	70,24,946
Less:- Deletion / Utilization during the year	-	-
Balance at the end of the year (D)	12,19,41,734	11,40,45,846
Revaluation Reserve		
Balance at the beginning of the year	61,27,21,894	61,95,88,062
Add:- Addition during the year	-	-
Less:- Deletion during the year	-	-
Less:- Transfer to General Reserve (Refer Note 10)	61,27,21,894	68,66,168
Balance at the end of the year (E)	-	61,27,21,894
Share Options Outstanding Account		
Balance at the beginning of the year	1,01,45,218	91,54,191
Add:- Addition during the year	64,11,766	1,01,27,668
Less:- Lapse during the year (transfer to General Reserve)	3,77,329	2,43,195
Less:- Issued during the year	97,67,888	88,93,446
Balance at the end of the year	64,11,767	1,01,45,218
Less: Deferred employee compensation expense:		
Balance at the beginning of the year	42,61,369	38,15,420
Add:- Addition during the year	39,28,173	42,61,369
Less:- Cancelled during the year	3,77,329	2,43,195
Less:- Amortised during the year	38,84,039	35,72,225
Balance at the end of the year	39,28,174	42,61,369
(F)	24,83,593	58,83,849
General Reserve		
Balance at the beginning of the year	48,79,13,525	48,08,04,161
Add:- Addition during the year on account of transfer from Share Options Outstanding Account	3,77,329	2,43,195
Add:- Transfer from Revaluation Reserve	61,27,21,894	68,66,168
Less:- Deletion / Utilization during the year	61,27,21,894	-
Balance at the end of the year (G)	48,82,90,854	48,79,13,525
Surplus / (Deficit) in the Statement of Profit & Loss		
Balance at the beginning of the year	41,97,82,733	36,37,69,361
Add:- Profit for the year	11,04,29,308	6,44,39,853
Less:- Appropriations during the year		
- Proposed Dividend on Equity Shares (Dividend per share (March 31,2016: ₹0.50)	-	70,01,201
- Tax on Proposed Dividend	-	14,25,280
Balance at the end of the year (H)	53,02,12,041	41,97,82,733
Total Reserves & Surplus (A+B+C+D+E+F+G+H)	1,24,14,04,725	1,73,88,24,350

Notes to Financial Statements for the year ended March 31, 2017

NOTE 5 : LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Term Loans				
From Banks				
Corporate loans (secured) [Refer Note a(i)]	6,87,50,000	6,00,00,000	5,12,50,000	4,00,00,000
Vehicle loans (secured)	32,81,916	58,78,915	56,34,781	61,03,131
Corporate loans (unsecured) (Refer Note c)	9,87,71,741	12,09,48,916	2,18,29,640	1,87,93,040
From Financial Institutions				
Corporate loans (secured) [Refer Note a(i)]	5,00,00,000	8,92,29,304	3,92,29,304	3,88,49,200
Other Loans And Advances				
From Related Parties (unsecured) (Refer Note 27)	15,00,00,000	15,00,00,000	-	-
Trade Deposits (Unsecured)	9,55,31,572	10,52,85,217	-	-
	46,63,35,229	53,13,42,352	11,79,43,725	10,37,45,371
The above amounts includes -				
Secured Borrowings	12,20,31,916	15,51,08,219	9,61,14,085	8,49,52,331
Unsecured Borrowings	34,43,03,313	37,62,34,133	2,18,29,640	1,87,93,040
Amount disclosed under "Other Current Liabilities" (Refer Note 7)	-	-	(11,79,43,725)	(10,37,45,371)
Total Borrowings	46,63,35,229	53,13,42,352	-	-

a. The nature of Security for Secured Loans are :

- (i) The above secured corporate loan, ₹ 20,92,29,304 (March 31, 2016: ₹ 22,80,78,504) is secured by way of first pari passu charge on entire fixed assets excluding assets having specific charge, both present and future, and collaterally by way of second pari passu charge on the current assets of the Company. These pertains to various bankers and financial institution namely, Tata Capital Financial Services Ltd, ICICI Bank and IDFC Bank.
- (ii) Vehicle loans are secured by way of hypothecation of respective vehicles.

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

(Amount in ₹)

Particulars	2017-18	2018-19	2019-20	Beyond 2020-21
Term loan from Banks and Financial Institution are repayable in monthly/quarterly/yearly instalments	9,04,79,304	5,50,00,000	3,50,00,000	2,87,50,000
Vehicle loans from banks are repayable in monthly instalments	56,34,781	24,04,491	8,77,425	-

c. The nature of guarantee for Unsecured Loans are :

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

Notes to Financial Statements for the year ended March 31, 2017

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

(Amount in ₹)

Particulars	2017-18	2018-19	2019-20	Beyond 2020-21
(i) Term loan from bank is repayable in monthly/ quarterly instalments.	2,18,29,640	2,41,15,489	2,67,45,005	4,79,11,247

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

(iii) Trade deposits are repayable on cessation of business transaction with dealers. The trade deposits carry rate of interest ranging between 7% to 8% per annum.

e. The term loan(s) carries rate of interest ranging between 9.75% to 12.0% per annum.

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

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred Tax Liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	13,68,07,401	11,79,65,888
Gross Deferred Tax Liability	13,68,07,401	11,79,65,888
Deferred Tax Assets		
Provision for Doubtful Trade Receivables	7,38,079	44,35,989
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis/ Others	2,58,48,528	2,00,51,820
Gross Deferred Tax Assets	2,65,86,608	2,44,87,809
Net Deferred Tax Liabilities/ (Assets)	11,02,20,793	9,34,78,079

NOTE 7 : TRADE PAYABLES & OTHER LIABILITIES

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Trade Payables				
Amount due to Micro, Small and Medium Enterprise				
- Principal Amount	-	-	-	-
- Interest Payable on Outstanding Amount	-	-	-	-
Amount Due To Others	-	-	70,93,60,486	1,01,79,78,912
(refer note (a) below for details of dues to micro and small enterprises)				
Others				
Current maturities of long-term borrowings (Refer Note 5)	-	-	11,79,43,725	10,37,45,371
Interest Accrued but not due on borrowings	-	-	10,35,533	9,54,181
Advance from Customers	-	-	4,90,68,114	4,03,70,756
Unpaid dividends (Refer Note (b) below)	-	-	13,97,539	16,04,364
Other Payables				
Statutory Dues Payable	-	-	12,35,31,299	11,46,11,773
Other Liabilities	32,15,708	23,68,306	7,99,492	7,26,817
	32,15,708	23,68,306	29,37,75,701	26,20,13,262
Total (Refer Note 'b' below)	32,15,708	23,68,306	1,00,31,36,188	1,27,99,92,173

Notes to Financial Statements for the year ended March 31, 2017

- a) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007, the amount due as at the year end due to Micro and Small enterprises as defined in Industries (Development and Regulation) Act, 1951 is as given below :

Details of dues to Micro and Small enterprises as defined under the MSMED Act, 2006

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

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

NOTE 8 : PROVISIONS

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Provisions for Employee Benefits				
Compensated Absences	2,65,23,768	1,75,24,043	44,01,085	40,62,687
Gratuity	2,72,73,907	1,93,26,180	1,28,11,836	91,26,357
Other Provisions				
Proposed Dividend	-	-	-	70,01,201
Provision for tax on Proposed dividend	-	-	-	14,25,280
Provision for Equalised Rent	7,21,494	15,41,787	4,73,777	1,24,805
Provision for Income Tax [Net of Advance Tax ₹ 7,69,12,307 (March 31, 2016 ₹ 2,43,25,972)]	-	-	4,39,38,979	53,63,735
	5,45,19,169	3,83,92,010	6,16,25,677	2,71,04,065

- a) **Contingent liabilities**

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Claims against company not acknowledged as debt *	19,73,55,646	19,19,34,226
- Interest on above	4,17,06,496	2,32,62,954
Letter of Credit	14,07,99,064	15,51,44,939
Bank Guarantee (Net of Margins)	92,58,103	64,34,411
Other money for which the Company is contingently liable *		
Disputed liability under Income Tax	3,82,15,980	4,04,11,003
Disputed liability under Sales Tax	1,34,73,797	4,20,83,502
- interest on Sales Tax dispute	1,00,893	30,60,824
Disputed liability under Excise/Custom/Service Tax	2,59,93,355	3,27,34,201

Notes to Financial Statements for the year ended March 31, 2017

The Company has not made the provision of bonus for the F.Y. 2014-15 on account of retrospective amendment made by The Payment of Bonus (Amendment) Act, 2015 keeping in view the disposal of writ petition vide order no. WP(C) NO. 3024/2016 (C) dated 27th January 2016 passed by the Hon'ble Kerala High Court.

* The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

NOTE 9 : SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Loans from Banks (Secured)		
Cash Credit	31,86,37,759	31,83,86,260
Working Capital demand loan	20,00,00,000	38,00,00,000
Total Short Term Borrowings	51,86,37,759	69,83,86,260

The nature of Security for borrowings are as under:

- The Company has a consortium of Various bankers namely State Bank of India, Punjab National Bank, IDBI Bank, Indus Ind Bank, ICICI Bank, IDFC Bank and Axis Bank (hereafter called the "Consortium") for short term loans borrowings (secured).
- The above loans are primarily secured by way of first pari passu charge on entire current assets of the Company and collaterally by way of second pari passu charge on the entire fixed assets excluding assets having specific charge, both present & future.
- The above loans are repayable on demand and carries interest rate ranges from 9.00% to 11.50% per annum

Notes to Financial Statements for the year ended March 31, 2017

NOTE 10 : FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION / AMORTIZATION			NET BLOCK		(Amount in ₹)
	As at April 1, 2016	Additions During the Year	Deductions / Adjustments During the Year	As at March 31, 2017	For the Year	Deductions / Adjustments During the Year	As at March 31, 2017	As at March 31, 2016	
A. Tangible Assets									
Land									
- Freehold	58,41,48,458	-	42,29,03,886	16,12,44,572	-	-	16,12,44,572	58,41,48,458	
- Leasehold	2,25,40,061	-	-	2,25,40,061	2,73,925	-	1,80,85,932	1,83,59,857	
Buildings									
- Factory	76,28,50,250	8,82,924	21,90,72,790	54,46,60,384	1,60,15,069	4,48,40,297	23,66,86,742	42,60,51,381	
- Others	6,04,90,260	-	1,73,93,850	4,30,96,410	8,85,844	18,08,336	3,07,19,573	4,71,90,931	
- Roads	1,84,77,214	-	-	1,84,77,214	14,30,970	-	33,73,894	48,04,864	
Leasehold Improvements	5,77,12,199	2,29,26,567	96,08,442	7,10,30,324	59,72,687	87,77,961	2,79,80,617	1,18,57,218	
Plant and Equipment	3,73,85,10,427	11,92,69,935	12,23,15,278	3,73,54,65,084	13,67,39,047	10,18,76,136	2,82,97,60,761	90,57,04,323	
(Refer note (b) below)									
Furniture and fixtures	3,84,97,515	1,71,475	90,15,378	2,96,53,612	18,15,128	57,56,470	38,48,606	87,51,168	
Vehicles	5,00,64,124	33,08,579	15,26,980	5,18,45,723	49,15,236	5,63,378	2,44,93,871	2,73,51,852	
Office Equipments	2,23,68,884	18,85,724	3,28,607	2,39,26,001	1,76,12,147	18,28,380	1,91,47,916	47,78,085	
Electrical Installations & Equipment	1,14,97,668	13,55,657	23,89,113	1,04,64,212	7,40,772	22,63,943	62,39,371	42,24,842	
Computers	4,94,89,752	7,79,465	31,43,350	4,71,25,867	17,88,830	29,91,947	43,65,248	55,26,016	
Total	5,41,66,46,812	15,05,80,326	80,76,97,675	4,75,95,29,463	3,32,79,30,370	16,91,71,079	1,42,83,64,283	2,08,87,16,443	
B. Intangible Assets									
Computer software	3,09,66,930	-	61,897	3,09,05,033	8,36,053	61,897	3,04,30,415	13,10,671	
Total	3,09,66,930	-	61,897	3,09,05,033	8,36,053	61,897	3,04,30,415	13,10,671	
C. Capital Work in Progress									
CWIP(Refer Note (c) below)	64,76,294	10,36,50,202	10,51,96,374	49,30,122	-	-	49,30,122	64,76,294	
Total	64,76,294	10,36,50,202	10,51,96,374	49,30,122	-	-	49,30,122	64,76,294	
Year ended March 31, 2017	5,45,40,90,035	25,42,30,528	91,29,55,946	4,79,53,64,618	17,32,41,941	16,92,32,976	3,36,15,95,595	2,09,65,03,408	
Year ended March 31, 2016	5,44,83,46,938	6,45,70,925	5,88,27,828	5,45,40,90,035	3,21,21,46,864	2,53,42,646	2,09,65,03,408	2,23,62,00,074	

Notes:

- Assets acquired on account of Amalgamation includes Land & Building (Dora & Hoskote units) of Bell Ceramics Limited which was revalued based on the report by a certified valuers as at December 31, 2010 (Other Land & Buildings being insignificant and not having change in value). The historical cost of Land and Building was ₹ 2,24,65,291 and ₹ 31,87,04,446 and their fair values were determined as ₹ 44,49,02,600 and ₹ 56,11,59,900 respectively and therefore an equivalent amount has been credited to Revaluation Reserve account. The method adopted by the certified valuer for both the units for revaluation purpose, was Fair Market Value Method. Till March 31, 2014, in accordance with the option given in the Guidance Note on Accounting for Depreciation in Companies, the Company recoups additional depreciation out of Revaluation reserve. From the FY 2014-15, as per Schedule II of the Companies Act, 2013 read with para 36 of "Application Guide on the Provisions of Schedule II" to the Companies Act, 2013 issued by Institute of Chartered Accountants of India, the depreciation on revalued amount has been charged to statement of the profit and loss and the amount of depreciation which relates to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on its original cost has been transferred from the revaluation reserve to the general reserves of the company. Now during FY 2016-17, in compliance with para 32 of revised Accounting Standard-10 "Property, Plant & Equipment" issued by the Central Government wide notification dated March 30, 2016 the Company has adopted the option of cost model for recognition of fixed assets for entire class of property, plant and equipment and accordingly has adjusted the existing revaluation reserve of ₹ 61,27,21,894 against the carrying amount of relevant items of property, plant and equipment.
- Plant and Machinery includes ₹ Nil [March 31, 2016: ₹ 74,35,002 (net loss)] on account of exchange difference during the year.
- In earlier years, the Company had acquired a land from Andhra Pradesh Infrastructure Corporation Limited (APIC) at Industrial Park, Phase-II, Peddapuram, East Godavari District, Andhra Pradesh. Due to non-implementation of agreed project by the Company, the Company, during the year, has received a notice from APIC for resumption of such allotment. Against such allotment, the Company has filed a writ petition before High Court of Judicature at Hyderabad to set aside the said notice of APIC. Subsequently, the Company has received a stay order from the Hon'ble High Court granting interim suspension of the proceedings in said notice of APIC. As on the reporting date, the matter involved is sub-judiced before the Hon'ble High Court of Judicature at Hyderabad.
- Details of Capital Work in Progress:

Particulars	(Amount in ₹)	
	As at March 31, 2017	As at March 31, 2016
Buildings- Others	-	8,82,924
Plant and Equipment	31,89,314	22,23,981
Lease Hold Improvement	17,40,808	26,83,389
Roads	-	-
Royalty	-	-
Patents	-	6,86,000
Total	49,30,122	64,76,294

Notes to Financial Statements for the year ended March 31, 2017

NOTE 11 : NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade investments (Valued at Cost, unless stated otherwise)		
Investment In Equity Instruments		
Unquoted		
31,20,000 (March 31 2016: 31,20,000) Equity Shares of Proton Granito Private Limited of ₹ 10 each, fully paid up	3,12,00,000	3,12,00,000
Non- Trade investments (Valued at Cost, unless stated otherwise)		
Investment in Controlled Entity		
Investment in Orient Bell Holding Trust	20,22,75,807	20,22,75,807
	23,34,75,807	23,34,75,807

NOTE 12 : LOANS AND ADVANCES

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Capital Advances				
(Unsecured, considered good)	36,06,000	-	-	-
(A)	36,06,000	-	-	-
Security Deposits				
Unsecured, considered good (Refer Note 'b' below)	3,53,61,782	3,33,56,613	15,73,000	28,90,480
(B)	3,53,61,782	3,33,56,613	15,73,000	28,90,480
Advance Recoverable in cash or in Kind				
Unsecured - considered good	-	-	1,54,52,286	1,89,78,332
(C)	-	-	1,54,52,286	1,89,78,332
Other Loans and Advances				
Advance Income Tax [Net of Provisions: Nil (March 31, 2016 : Nil)]	27,22,072	1,51,65,671	-	-
Advance Wealth Tax	-	50,516	-	-
Balance with Government Authorities	99,95,850	5,55,29,828	1,83,23,032	83,31,882
MAT Credit Entitlement	-	-	-	3,47,22,070
Prepaid Expenses	7,48,765	5,69,184	90,16,247	1,44,51,090
Advances to Suppliers	-	4,30,335	55,37,580	1,22,37,149
Advances to Employees	-	3,17,126	20,48,692	15,84,433
(D)	1,34,66,688	7,20,62,660	3,49,25,551	7,13,26,624
Total Loans & Advances (A+B+C+D)	5,24,34,470	10,54,19,274	5,19,50,837	9,31,95,436

a) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 21,06,281 (March 31, 2016: Nil)

b) Out of the above security deposit ₹ 10,00,000 (March 31, 2016: ₹ 10,00,000) pertains to the related parties.

Notes to Financial Statements for the year ended March 31, 2017

NOTE 13 : INVENTORIES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Raw Materials	10,06,64,145	9,79,89,793
Work In Progress	35,86,496	1,10,30,950
Finished Goods	49,74,76,951	61,27,20,207
Traded Goods	2,00,97,776	2,88,66,070
Packing Material	1,22,97,442	1,30,43,787
Stores and Spares	11,11,82,966	12,12,32,309
Good In Transit-Stores & Spares	3,79,499	16,60,595
	74,56,85,274	88,65,43,711

NOTE 14 : TRADE RECEIVABLES & OTHER ASSETS

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
14.1 - TRADE RECEIVABLES				
(Unsecured, considered good unless stated otherwise)				
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	3,72,909	92,01,282
Unsecured, considered good	-	-	9,91,370	17,84,304
Unsecured, Doubtful	-	-	21,32,684	1,28,17,814
	-	-	34,96,962	2,38,03,401
Less: Provision for Doubtful Receivables	-	-	21,32,684	1,28,17,814
(A)	-	-	13,64,278	1,09,85,587
Other Receivables				
Secured, considered good	-	-	3,26,80,465	2,99,33,717
Unsecured, considered good	-	-	99,20,48,989	1,01,71,96,896
(B)	-	-	1,02,47,29,454	1,04,71,30,612
Total (A+B)	-	-	1,02,60,93,732	1,05,81,16,199
14.2 - OTHER ASSETS				
(Unsecured, considered good unless stated otherwise)				
Non-current bank balances (Refer Note 15)	1,21,411	47,74,329	-	-
Others				
Interest accrued on fixed deposits	18,077	6,48,283	13,08,811	55,96,008
Interest Accrued on Security Deposit	-	-	17,75,563	24,20,488
	1,39,488	54,22,612	30,84,374	80,16,496

Notes to Financial Statements for the year ended March 31, 2017

NOTE 15 : CASH & BANK BALANCES

(Amount in ₹)

Particulars	Non-current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Cash & Cash Equivalents				
Balances with Banks :				
In Current Account	-	-	4,39,541	4,00,510
In Unpaid Dividend Account	-	-	13,97,539	16,04,364
Cash on Hand	-	-	4,24,240	7,07,888
Foreign Currency on Hand	-	-	2,54,598	1,04,544
	-	-	25,15,917	28,17,306
Others Bank Balances				
Deposits with original maturity of more than 3 months but less than 12 months (refer note a & b)	-	-	3,71,20,512	3,61,00,021
Deposits with original maturity of more than 12 months (refer note a & b)	1,21,411	47,74,329	1,47,21,823	2,43,01,336
	1,21,411	47,74,329	5,18,42,335	6,04,01,357
Amount disclosed under non-current assets (refer note 14.2)	1,21,411	47,74,329	-	-
	-	-	5,18,42,335	6,04,01,357
	-	-	5,43,58,252	6,32,18,663

- a) Fixed Deposits with a carrying amount of ₹ 5,15,08,466 (March 31, 2016: ₹ 6,47,46,726) are subject to first charge to secure the Company's loans from banks.
- b) Fixed Deposits with a carrying amount of ₹ 4,55,280 (March 31, 2016: ₹ 4,28,960) are pledged with Government Authorities.

NOTE 16 : REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of Product		
Finished Goods	4,80,32,82,897	5,41,33,14,898
Traded Goods	2,23,27,12,494	2,15,86,08,378
Other Operating Revenues		
Miscellaneous Sale	60,02,820	65,51,775
Insurance Claim	29,96,502	7,618
Revenue from operations (gross)	7,04,49,94,713	7,57,84,82,669
Less: Excise Duty*	50,20,28,448	55,29,95,200
Revenue from operations (Net)	6,54,29,66,265	7,02,54,87,469

* Excise Duty on Sales amounting to ₹ 50,20,28,448 (March 31, 2016: ₹ 55,29,95,200) has been reduced from Sales and Excise Duty on increase/(decrease) in stock amounting to ₹ 72,66,285 (March 31, 2016: ₹ (77,60,927)) has been considered as Expense in Note No. 24 of Financial Statement.

Notes to Financial Statements for the year ended March 31, 2017

Particulars	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Details of products sold		
Finished goods sold		
Tiles	4,80,32,82,897	5,41,33,14,898
Traded goods sold		
Tiles	2,23,27,12,494	2,15,86,08,378

NOTE 17 : OTHER INCOME

Particulars	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Income		
- On Fixed deposits	59,92,575	1,18,69,362
- Income tax refund	16,45,555	-
- Others	23,70,649	16,63,430
Other Non-operating income	37,30,951	34,51,615
Excess Provision Written Back	1,06,85,129	12,46,913
	2,44,24,859	1,82,31,320

NOTE 18 : COST OF RAW MATERIAL CONSUMED

Particulars	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw Material		
Balance at the beginning of the Year	9,79,89,793	10,05,13,048
Add:- Purchases during the year	97,94,10,916	1,11,22,57,149
Less:- Balance at the end of the Year	10,06,64,145	9,79,89,793
Total Raw Material Consumption	97,67,36,563	1,11,47,80,404
a) Details of Raw Materials Consumed		
Clay & Minerals	41,51,05,929	46,84,20,870
Chemicals & Glaze Materials	56,16,30,634	64,63,59,534
	97,67,36,564	1,11,47,80,404
b) C.I.F. Value of Imports		
Raw Material	1,97,87,957	4,68,11,871
Stores & Spares	2,93,98,375	2,74,73,646
	4,91,86,332	7,42,85,517

c) Consumption of indigenous & imported raw material

Particulars	(Amount in ₹)			
	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Percentage	Amount	Percentage	Amount
Indigenous	97.02%	94,76,12,376	95.24%	1,06,17,21,685
Imported	2.98%	2,91,24,187	4.76%	5,30,58,720

Notes to Financial Statements for the year ended March 31, 2017

NOTE 19 : PURCHASE OF STOCK IN TRADE

Particulars	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchases during the year	1,91,74,63,725	1,91,06,74,245
	1,91,74,63,725	1,91,06,74,245

Purchase of Stock in Trade

Particulars	(Amount in ₹)			
	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Percentage	Amount	Percentage	Amount
Indigenous	100.00%	1,91,74,63,725	100.00%	1,91,06,74,245
Imported	-	-	-	-

NOTE 20 : (INCREASE) / DECREASE IN INVENTORIES

Particulars	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Inventories at the beginning of the year		
Work-in-progress	1,10,30,950	2,90,75,455
Finished goods		
Manufacturing Goods	61,27,20,207	66,30,24,514
Traded Goods	2,88,66,070	8,64,40,918
(A)	65,26,17,227	77,85,40,887
Inventories at the end of the year		
Work-in-progress	35,86,496	1,10,30,950
Finished goods		
Manufacturing Goods	49,74,76,951	61,27,20,207
Traded Goods	2,00,97,776	2,88,66,070
(B)	52,11,61,223	65,26,17,227
(Increase) / Decrease in Inventory	(B-A)	12,59,23,660
a) Details of Inventories		
Work In Progress		
Tiles	35,86,496	1,10,30,950
Traded Goods		
Tiles	2,00,97,776	2,88,66,070
Manufactured		
Tiles	49,74,76,951	61,27,20,207

Notes to Financial Statements for the year ended March 31, 2017

NOTE 21 : EMPLOYEE BENEFIT EXPENSE

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, Wages & Bonus	58,99,38,123	55,52,07,206
Compensated Absences	1,31,09,873	1,47,45,477
Contribution to Provident and Other fund	2,36,32,606	2,11,68,367
Expense on employee stock option schemes	67,44,961	96,81,719
Gratuity Expense (Refer note below)	3,05,71,213	1,77,16,757
Staff Welfare Expenses	2,68,87,104	2,60,70,387
	69,08,83,880	64,45,89,913

a) Employees Benefits

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

(i) Defined Contribution Plans

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

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Employer's Contribution to Provident Fund/ Pension Fund	1,95,59,396	1,85,75,360
Employer's Contribution to Employee State Insurance	19,65,268	17,34,045

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

(ii) Defined Benefit plans and Other Long term Benefits

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

b) Leave encashment/ Compensated absence (Long Term).

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

Note:

- (1) Actuarial's valuation is based on escalation in future salary on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (2) On account of short term leave encashment benefit, which is being recognised on the basis of actual eligibility of earned leave beyond 60 days, an expense of ₹ 35,67,519 (year ended March, 31 2016: ₹ 36,42,834) has been recognised in addition to the expense recognised by Actuary and a provision of ₹ Nil (year ended March, 31 2016: ₹ NIL) has been recognised in addition to the obligation recognised by Actuary.

Notes to Financial Statements for the year ended March 31, 2017

Actuarial Valuation is as under:-

As at / for the year ended on March 31, 2017	Gratuity (funded)					Compensated Absences (unfunded)					(Amount in ₹)
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013	
I. Change in Defined Benefit Obligations (DBO)											
Present value of DBO at beginning of year	7,43,80,413	5,94,25,285	4,69,82,964	4,96,63,100	4,95,34,779	2,15,86,730	1,69,17,732	1,36,85,933	1,62,10,818	1,50,82,130	
Current service cost	1,00,75,636	69,20,159	56,93,388	48,06,759	49,91,518	75,40,624	47,17,300	36,15,702	30,25,772	36,16,246	
Interest cost	54,07,456	46,58,942	36,50,576	44,69,679	39,62,782	15,69,355	13,26,350	10,63,397	14,58,974	12,06,570	
Actuarial (gains)/losses	1,97,31,101	95,28,676	96,42,869	(69,01,808)	28,82,058	39,99,894	50,58,993	41,03,403	(32,196)	33,77,513	
Benefits paid	(93,05,474)	(61,52,649)	(65,44,512)	(50,54,766)	(1,17,08,037)	(37,71,750)	(64,33,645)	(55,50,703)	(69,77,435)	(70,71,641)	
Present value of DBO at the end of year	10,02,89,132	7,43,80,413	5,94,25,285	4,69,82,964	4,96,63,100	3,09,24,853	2,15,86,730	1,69,17,732	1,36,85,933	1,62,10,818	
II. Change in fair value of assets											
Plan assets at beginning of year	4,59,27,808	4,34,21,496	3,86,41,498	3,72,45,389	3,64,87,290	N.A.	N.A.	N.A.	N.A.	N.A.	
Actual return on plan assets	33,38,952	31,48,058	34,77,735	32,58,972	29,55,470	-	-	-	-	-	
Actual company contributions	1,00,00,000	-	30,116	299	3,25,981	-	-	-	-	-	
Benefits paid	(3,67,399)	(8,84,640)	(3,68,244)	(7,70,187)	(25,23,029)	-	-	-	-	-	
Actuarial gain/(loss) on plan assets	13,04,028	2,42,962	16,40,391	(10,92,975)	(323)	-	-	-	-	-	
Plan assets at the end of year	6,02,03,389	4,59,27,808	4,34,21,496	3,86,41,498	3,72,45,389	N.A.	N.A.	N.A.	N.A.	N.A.	
III. Net asset/(liability) recognised in Balance Sheet											
Present value of Defined Benefit Obligation	10,02,89,132	7,43,80,413	5,94,25,285	4,69,82,964	4,96,63,100	3,09,24,853	2,15,86,730	1,69,17,732	1,36,85,933	1,62,10,818	
Fair value of plan assets	6,02,03,389	4,59,27,808	4,34,21,496	3,86,41,498	3,72,45,389	N.A.	N.A.	N.A.	N.A.	N.A.	
Net asset/(liability) recognised in Balance Sheet	(4,00,85,743)	(2,84,52,605)	(1,60,03,789)	(83,41,466)	(1,24,17,711)	(3,09,24,853)	(2,15,86,730)	(1,69,17,732)	(1,36,85,933)	(1,62,10,818)	
IV. Components of employer expense recognized during the year											
Current service cost	1,00,75,636	69,20,159	56,93,388	48,06,759	49,91,518	75,40,624	47,17,300	36,15,702	30,25,772	36,16,246	
Interest cost	54,07,456	46,58,942	36,50,576	44,69,679	39,62,782	15,69,355	13,26,350	10,63,397	14,58,974	12,06,570	
Expected return on plan assets	33,38,952	31,48,058	34,77,735	32,58,972	(29,55,470)	-	-	-	-	-	
Past service cost	-	-	-	-	-	-	-	-	-	-	
Actuarial losses / (gains)	1,84,27,073	92,85,714	80,02,478	(58,08,833)	28,82,381	39,99,894	50,58,993	41,03,403	(32,196)	61,69,589	
Total expense recognised in the Profit and Loss Statement	3,05,71,213	1,77,16,757	1,38,68,707	2,08,633	88,81,211	1,31,09,873	1,11,02,643	87,82,502	44,52,550	1,09,92,405	
V. Actual contribution and benefit payments											
Actual benefit payments	(3,67,399)	(8,84,640)	(3,68,244)	(7,70,187)	(25,23,029)	N.A.	N.A.	N.A.	N.A.	N.A.	
Actual contributions	1,00,00,000	-	30,116	299	3,25,981	-	-	-	-	-	
VI. Actuarial assumptions											
Discount rate (p.a.)	7.27%	7.84%	7.77%	9.00%	8.00%	7.27%	7.84%	7.77%	9.00%	8.00%	
Future increase in compensation	8.50%	6.00%	4.50%	5.60%	5.50%	8.50%	6.00%	4.50%	5.60%	5.50%	
Expected return on plan assets	7.27%	7.25%	9.00%	8.75%	8.10%	N.A.	N.A.	N.A.	N.A.	N.A.	
In Service Mortality	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(1994-96)	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(1994-96)	
Retirement age	58/ 60 years	58 years	58 years	58 years	55 years	58/ 60 years	58 years	58 years	58 years	55 years	
Withdrawal Rates (p.a.)	5%	5%	5%	3% to 1%	3% to 1%	5%	5%	5%	3% to 1%	3% to 1%	

Note :

The salary has been escalated after considering inflation, seniority, promotion, demand & supply in employment market and other related factors on long term basis.

Notes to Financial Statements for the year ended March 31, 2017

NOTE 22 : FINANCE COST

Particulars	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Expense		
- On Term loans from Financial Institutions	2,84,61,508	4,24,95,531
- On Cash Credit & Working Capital Facilities	5,17,35,560	7,37,01,096
- Delayed Payment of Advance Taxes	32,59,496	5,25,694
- Others	3,53,15,584	4,36,28,449
	11,87,72,148	16,03,50,771
Other borrowing costs	1,46,94,436	2,77,39,715
	13,34,66,584	18,80,90,486

NOTE 23 : DEPRECIATION AND AMORTISATION EXPENSE

Particulars	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation and Amortisation	17,32,41,941	17,07,82,410
	17,32,41,941	17,07,82,410

NOTE 24 : OTHER EXPENSES

Particulars	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Stores & Spares consumed	15,27,57,159	13,59,82,492
Packing Material Consumed	22,13,51,575	24,80,66,081
Increase/(Decrease) in Excise Duty	72,66,285	(77,60,927)
Gas & fuel	82,84,74,732	1,33,12,92,059
Electricity	15,62,37,138	17,03,50,151
Rent (Refer Note 'd' below)	5,11,10,548	5,29,36,886
Hire Charges	3,78,04,043	3,51,35,996
Rates & Taxes	1,58,94,589	81,56,856
Insurance	37,10,924	31,71,502
Repair & Maintenance		
Plant & Machinery	3,01,08,112	2,29,65,392
Buildings	68,23,567	42,17,554
Other	1,70,77,549	1,34,07,758
Designing & Processing	19,37,395	39,74,263
Freight & Forwarding Charges	17,04,48,368	17,85,81,622
Advertisement and Sales Promotion	13,36,66,410	11,50,46,205
Discount	16,86,28,427	17,27,61,038
Sales Commission	5,14,76,846	6,46,88,958
Travelling & Conveyance	8,93,24,671	8,33,28,726
Communication Costs	1,36,97,995	1,39,46,290
Director Sitting fees	12,70,000	22,50,000
Printing & Stationery	46,71,074	37,09,957
Bank charges	4,05,983	4,07,838
Legal & Professional Expenses	3,47,99,698	1,53,38,263
Payment to the Auditors (Refer note 'b' below)	30,56,240	18,67,775
Bad debts written off	4,21,94,512	4,51,49,644
Loss on sale of fixed assets	2,27,09,961	27,24,816
Prior Period Expenses (refer note 'e' below)	-	96,94,975
Corporate Social Responsibility (Refer Note No. 29)	19,50,000	17,50,000
Miscellaneous Expenses	3,07,75,631	2,60,02,162
	2,29,96,29,431	2,75,91,44,332

Notes to Financial Statements for the year ended March 31, 2017

a) Consumption of stores and spares

(Amount in ₹)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Percentage	Amount	Percentage	Amount
Indigenous	88.88%	33,24,94,089	89.40%	34,33,54,657
Imported	11.12%	4,16,14,645	10.60%	4,06,93,917

b) Payment to the Auditors

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
As Auditors	18,25,000	11,75,000
For Tax Audit Fees	2,75,000	2,50,000
For other services	9,30,000	4,15,000
Reimbursement of Expenses	26,240	27,775
	30,56,240	18,67,775

c) Gross expenditures in foreign currency

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Travelling	11,63,403	7,09,765
Designing & Processing	13,04,617	15,35,227
	24,68,020	22,44,992

d) Operating Lease

The Company's significant lease agreements are in the nature of operating leases for premises used at various depots and showrooms. These lease agreements are cancellable by either parties thereto as per the terms and conditions of the agreements. In respect of these leases, lease rent of ₹ 5,11,10,548 (March 31, 2016: ₹ 5,29,36,886) including ₹ 4,71,320 (March 31, 2016 : ₹ 1,41,144) being reversed on account of lease equalisation reserve as per the lease agreement, has been recognised on a straight line basis. Amount of lease equalisation reserve of ₹ 11,95,271 (March 31, 2016 : ₹ 16,66,592) is accounted as provision under Note: 8. The Company has also taken certain assets like DG Sets etc on cancellable lease for which ₹ 3,78,04,043 (March 31, 2016: ₹ 3,51,35,996) has been debited to Statement of Profit & Loss.

e) Prior Period Items

The company has identified that certain expenses/ provisions were not recorded in the financial statements for earlier years, as a result of errors or omissions in the preparation of financial statements of one or more prior periods. These expenses/ provisions have been disclosed as prior period items for corresponding figures of previous year which are as under:

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Prior period Expenditure Include		
Ground Rent & Other Charges	-	96,94,975
	-	96,94,975
Prior period Income Include		
Lease Rent Received	1,77,508	-
	1,77,508	-

NOTE 25 : EARNING PER SHARE (EPS)

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic Earnings per share		
Profit/Loss attributable to the equity shareholders (A)	11,04,29,308	6,44,39,853
Weighted Average number of equity shares outstanding at the end of the year (B)	1,40,90,103	1,45,47,973
Basic Earnings Per Share (A/B)	7.84	4.43

Notes to Financial Statements for the year ended March 31, 2017

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Diluted Earnings Per Share		
Profit/Loss attributable to the equity shareholders	11,04,29,308	6,44,39,853
Diluted Earnings (C)	11,04,29,308	6,44,39,853
Weighted Average number of equity shares in calculating basic EPS	1,40,90,103	1,45,47,973
Effect of Dilution:		
Diluted no. of employee stock options	-	450
Weighted Average number of equity shares in calculating Diluted EPS (D)	1,40,90,103	1,45,48,423
Dilutive Earnings per Share (C/D)	7.84	4.43

NOTE 26 :

In view of the management, the current assets, loans and advances have a value on realization in ordinary course of business at least equal to an amount, at which they are reported in the Balance Sheet as at March 31, 2017.

NOTE 27 :**RELATED PARTY DISCLOSURE**

As per Accounting Standard 18 "Related Party Disclosures" issued by Companies (Accounting Standard) Rules, 2014, related parties and transactions with related parties are as follows:

(i) Related Parties :**A Enterprise over which Key Managerial Personnel (KMP) exercise Control and/or Significant Influence**

- (a) Freesia Investment and Trading Co. Limited
- (b) Goodteam Investment & Trading Co. Private Limited
- (c) Alfa Mercantile Limited
- (d) Morning Glory Leasing & Finance Limited
- (e) Iris Designs Private Limited
- (f) M/s Mahendra K. Daga - HUF

B Key Managerial Personnel

- (a) Mahendra K. Daga, Chairman and Managing Director (CMD)
- (b) Madhur Daga, Managing Director (MD)
- (c) Kashinath Martu Pai, Executive Director and Chief Financial Officer (ED & CFO)
- (d) Yogesh Mendiratta, Company Secretary (CS)

C Relatives of Key Managerial Personnel

- (a) Sarla Daga w/o Mahendra Kumar Daga
- (b) Roma Monisha Sakraney Daga w/o Madhur Daga

(ii) Disclosure of transactions between the Company and related parties and status of outstandings as on March 31st 2017

(Amount in ₹)

Particulars	Subsidiary Company	Enterprises owned or significantly influenced by KMP or their relatives	Key Managerial Personnel	Relatives of Key Managerial Personnel
Nature of Transaction :				
(i) Loan received	-	-	-	-
	(-)	(3,50,000)	-	(18,00,000)
(ii) Loan repaid	-	-	-	-
	(-)	(12,00,000)	(9,50,000)	(-)
(iii) Interest payment	-	22,22,260	81,77,918	44,14,089
	(-)	(22,32,157)	(83,94,426)	(44,11,028)
(iv) Rent paid	-	61,50,000	12,00,000	24,000
	(-)	(39,78,471)	(12,00,000)	(24,000)
(v) Managerial Remuneration	-	-	4,47,60,959	-
	(-)	(-)	(3,81,04,613)	(-)

Notes to Financial Statements for the year ended March 31, 2017

Particulars	Subsidiary Company	Enterprises owned or significantly influenced by KMP or their relatives	Key Managerial Personnel	Relatives of Key Managerial Personnel
(vi) Refund received against Security Deposit	-	-	-	-
	(-)	(8,35,000)	(-)	(-)
(vii) Security Deposit Paid	-	-	-	-
	-	(10,00,000)	(-)	(-)
Outstandings as on 31.03.2017				
(i) Unsecured Loans Payable	-	2,25,00,000	8,28,00,000	4,47,00,000
	(-)	(2,25,00,000)	(8,28,00,000)	(4,47,00,000)
(ii) Other Non-Current Assets	-	10,00,000	-	-
	(-)	(10,00,000)	(-)	(-)

Figures in brackets represents amounts for the year ended March 31, 2016.

Disclosure in respect of Material transaction with related parties

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
a) Loan received		
Relatives of Key Managerial Persons		
Mrs. Sarla Daga	-	11,00,000
Mrs. Roma Monisha Sakraney Daga	-	7,00,000
Enterprises owned or significantly influenced by KMP or their relatives		
M/s Mahendra K. Daga - HUF	-	3,50,000
b) Loan Repaid		
Key Managerial Persons		
M/s Mahendra K. Daga - HUF	-	12,00,000
Mr. Madhur Daga	-	9,50,000
c) Interest Payments		
Key Managerial Persons		
Mr. Mahendra K. Daga	81,77,918	83,00,763
Relative of Key Managerial Persons		
Mrs. Sarla Daga	40,00,068	40,49,607
Enterprises owned or significantly influenced by KMP or their relatives		
M/s Mahendra K. Daga - HUF	22,22,260	22,32,157
d) Rent Paid		
Key Managerial Persons		
Mr. Mahendra K. Daga	12,00,000	12,00,000
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Limited	61,50,000	39,09,564
e) Refund Received Against Security Deposit		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Limited	-	7,96,500

Notes to Financial Statements for the year ended March 31, 2017

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
f) Security Deposit Paid		
Freesia Investment and Trading Co. Limited	-	10,00,000
g) Managerial & KMP Remuneration		
Mr. Mahendra K. Daga (CMD)	1,86,86,896	1,51,69,249
Mr. Madhur Daga (MD)	1,19,55,200	1,17,94,660
Mr. K.M.Pai (ED & CFO)	1,17,42,325	88,78,700
h) Outstanding Balances at year end		
Unsecured Loans Payable		
Enterprises owned or significantly influenced by KMP or their relatives		
M/s Mahendra K. Daga - HUF	2,25,00,000	2,25,00,000
Key Managerial Persons		
Mr. Mahendra K. Daga	8,28,00,000	8,28,00,000
Relative of Key Managerial Persons		
Mrs. Sarla Daga	4,05,00,000	4,05,00,000
Other Current Assets		
Enterprises owned or significantly influenced by KMP or their relatives		
Freesia Investment and Trading Co. Limited	10,00,000	10,00,000

NOTE 28 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

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

Particulars	Purpose
(Euro 28,598 (March 31, 2016 Euro : 45,561) against INR amounting to ₹ 19,80,314 (March 31, 2016 , ₹: 33,03,464))	Import of Raw Material and Stores
(US \$ NIL (March 31, 2016 : \$ 4,525) against INR amounting to ₹ NIL (March 31, 2016 : ₹ 3,08,088))	

NOTE 29 :

Details of Specified Bank Notes (SBN) held and transacted during the period specified vide MCA notification G.S.R. 308 (E) date March 30, 2017

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	3,64,000	15,06,602	18,70,602
(+) Permitted Receipts (including Bank with- drawals)	-	22,03,823	22,03,823
(-) Permitted Payments	3,37,000	30,62,714	33,99,714
(-) Amount deposited in Banks	27,000	3,215	30,215
Closing Cash in Hand as on 30.12.2016	-	6,44,496	6,44,496

Notes to Financial Statements for the year ended March 31, 2017

NOTE 30 : CORPORATE SOCIAL RESPONSIBILITY

The details of Corporate Social Responsibility as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof is as under:

(a) Gross amount required to be spent by the Company during the year : ₹ 19.30 Lakhs
(i.e. 2% of Average Net profits of last three years)

(b) Amount spent during the year on:

S. No.	Purpose for which expenditure incurred	In cash/ Cheque	Remarks	Yet to be paid	Total
1	Construction/acquisition of any asset	-	-	-	-
2	On purposes other than (i) above	19,44,000	Paid to Godavari Foundation	-	19,44,000
		6,000	Cycles distributed to the poor peoples below the poverty line under the programme sponsored by Labour Ministry	-	6,000

NOTE 31: MANAGERIAL REMUNERATION

The payment of managerial remuneration is in excess of the limits as prescribed under section 197 of the Companies Act 2013. However, the same is subject to provisions of the Schedule V of the said act. The Company is paying the managerial remuneration as authorized by the Shareholders of the Company under Special resolution and also subject to provisions of Schedule V of the said act.

Further, in case of Mr. Mahendra K Daga, CMD, the Company is making payment as per Central Government approval and in case of Mr. Madhur Daga, MD and Mr. K.M. Pai, ED & CFO, the Company is making payment adhering to the provisions of Schedule V of Companies Act 2013.

NOTE 32: SEGMENT REPORTING

- (i) The Company is engaged in manufacture of Ceramic and Vitrified tiles. The entire operations are governed by same set of risk and returns. Hence, the same has been considered representing a single primary segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard-17 on Segment Reporting.
- (ii) The Company sells its products mostly within India with insignificant export income and does not have any operations in economic environments with different risk and returns, hence, its considered operating in single geographical segment.

NOTE 33 :

The figures have been rounded off to the nearest rupee.

NOTE 34 :

The process of receiving balance confirmation from trade receivables/ trade payables and their reconciliation is an ongoing process. The balances of certain trade receivables and trade payables are subject to reconciliation and confirmation as at March 31, 2017.

NOTE 35 :

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

for and on behalf of Board of Directors of Orient Bell Limited

Madhur Daga
Managing Director
DIN 00062149

Sameer Kamboj
Director
DIN 01033071

Place of Signature : New Delhi
Dated : 22nd May, 2017

K M Pai
Executive Director & CFO
DIN 01171860

Yogesh Mendiratta
Company Secretary & Head Legal

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 40th Annual General Meeting of the members of Orient Bell Limited will be held on Friday, the 22nd day of September, 2017 at 11:30 a.m. at the Registered Office of the Company at 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2017 and the reports of Board of Directors and Statutory Auditors thereon.
2. To appoint a director in place of Mr. K.M. Pai (DIN: 01171860), who retires by rotation and being eligible offers himself for re-appointment.
3. To declare dividend on equity shares.
4. To appoint Statutory Auditors of the Company and fix their remuneration.

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and The Companies (Audit and Auditors) Rules, 2014, as amended from time to time, B.R. Gupta & Co., Chartered Accountants (Firm Registration No. 008352N), be and is hereby appointed as Auditors of the Company in place of the retiring auditors S.R. Dinodia & Co. LLP, Chartered Accountants (Firm Registration No. 001478N/N500005), to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the Forty Fifth (45th) AGM to be held in 2022 (subject to ratification of their appointment at every AGM, if so required under the Act), at such remuneration including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Audit Committee / Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

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

"RESOLVED THAT in partial modification of the Special Resolution passed by the members of the Company in 39th Annual General Meeting held on 14.09.2016 regarding the appointment and remuneration payable to Mr. Madhur Daga, Whole Time Director (designated as Joint Managing Director) of the Company for a period from 01st October, 2016 to 31st March, 2019 and pursuant to the provisions of Section 152, 196, and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (hereafter called the 'Act'), if any and rules made there under and any amendments thereto or statutory modifications or re-enactment thereof, Articles of Association of the Company, special resolution passed in the 39th AGM dated 14.09.2016, recommendation of Nomination & Remuneration Committee and the approval of the Board of Directors and subject to the approval of Central Govt., if necessary and such other approvals, permissions and sanctions as may be required in this regard, consent of the

Company is hereby accorded to modify the said Resolution to change the category/ designation of Mr. Madhur Daga (DIN: 00062149) from Whole Time Director (designated as Joint Managing Director) to Managing Director (designated as Managing Director) of the Company with effect from 22nd May, 2017.

RESOLVED FURTHER THAT all other terms and conditions of appointment and remuneration of Mr. Madhur Daga as passed by the shareholders at 39th AGM dated 14.09.2016 of the Company will remain unchanged.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds and things as may be considered necessary to give effect to the above resolution."

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

"RESOLVED that pursuant to the provisions of Section 152, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (hereafter called the 'Act'), if any and rules made there under and any amendments thereto or statutory modifications or re-enactment thereof, Articles of Association of the Company, recommendation of Nomination & Remuneration Committee and approval of the Board of Directors and subject to the approval of the Central Govt., if necessary and such other approvals, permissions and sanctions as may be required in this regard, consent of the Company is hereby accorded for the re-appointment of Mr. Mahendra K. Daga (DIN: 00062503) as Chairman and Managing Director of the Company for a further period from 1st April, 2018 to 31st March 2021, liable to retire by rotation, on the remuneration and terms and conditions as set out below:-

- A) Salary: Up to Rs. 11,50,000/- per month;
- B) Rent free furnished / unfurnished residential accommodation or HRA of maximum of 50% of salary or such other suitable amount as may be decided by the Board of Directors.
- C) Commission: On net profits of the Company computed in accordance with relevant provisions of the Act, to be determined by the Nomination & Remuneration Committee / Board of Directors from time to time;
- D) In addition to the above, Mr. Mahendra K. Daga shall be entitled, as per rules of the Company, to the following perquisites not exceeding Rs. 2 Lakhs per month or Rs. 24 Lakhs p.a. with an authority to the Board of Directors to grant, alter or vary from time to time, the amount and type of perquisites payable to him:
 - i. The expenditure pertaining to gas, electricity,

water and other utilities will be borne / reimbursed by the Company;

- ii. Such furniture and furnishings as may be required by Mr. Mahendra K. Daga;
- iii. Full reimbursement of all medical expenses incurred for self and family, including hospitalization, membership of any hospital and / or doctors' scheme and medical insurance. Facility of medical checkup / treatment abroad, if and when needed, the total cost of which include travel to and fro and for the stay in the foreign country, with an attendant, shall be borne by the Company;
- iv. Leave Travel Concession for self and family once in a year;
- v. Reimbursement of membership fee/ Subscription to clubs, subject to a maximum of two clubs, in India and/or abroad including admission and life membership fee;
- vi. Personal accident insurance premium;
- vii. Company maintained car with driver, telephones, computers, printers, internet and all other communication instruments/ devices/ services at residence. Use of telephones, computers, printers, internet and all other communication instruments/ devices/ services and car with driver for official purposes shall not be considered as a perquisite. The valuation of personal use of car would be as per prevalent Income-tax Rules and personal use of telephone for long distance calls will be charged on actual basis;
- viii. Mr. Mahendra K. Daga shall be entitled to such other benefits or amounts as may be approved by the Board and permissible under Schedule V to the Companies Act, 2013 or otherwise;

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

- i. Company's contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- ii. Payment of Gratuity and other retiral benefits as per policies/ rules of the Company;
- iii. Encashment of leave as per policy of the Company;

The above perquisites shall be valued as per Income Tax Rules, 1962.

E) Other Terms and Conditions:

Minimum Remuneration:

Notwithstanding anything contained herein, in case of no profits or inadequate profits in any financial year in terms of section 197 and 198 of the Act, the payment of remuneration shall be made to Mr. Mahendra K. Daga in terms of and within the limits as prescribed under Section II of Part II of Schedule V to the Act or any other statutory modifications therein, substitutions or

re-enactment thereof, as applicable (hereinafter called Schedule V). The payment of remuneration in excess of the limits prescribed under Schedule V i.e. minimum remuneration may be granted to Mr. Mahendra K. Daga after obtaining necessary statutory approval(s) including approval of the Central Government as referred to in the Act.

Others:

- a) The Company shall reimburse traveling, entertainment and other business promotion expenses actually incurred for the business of the Company.
- b) For the purpose of Gratuity and other benefits, the services of Mr. Mahendra K. Daga will be considered continuous service with the Company from the date he joined the services of this Company in any capacity including renewal of his agreement with the Company as Chairman & Managing Director or in any other capacity as may be decided by the Board of Directors from time to time.
- c) Mr. Mahendra K. Daga shall not be paid sitting fee for attending meetings of the Board or Committee(s).
- d) Subject to the provisions of the Companies Act, 2013, Mr. Mahendra K. Daga shall while he continues to hold office as Chairman & Managing Director, be subject to retirement by rotation. However, the Chairman & Managing Director re-appointed as a Director of the Company immediately on retirement by rotation, shall continue to hold his office of Chairman & Managing Director and such re-appointment as such director shall not be deemed to constitute a break in his appointment / service as Chairman and Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors/ Nomination & Remuneration Committee be and is hereby authorised to approve annually or otherwise increment of the above remuneration (within the overall maximum limits whether or not it result into any change in any of the heads as aforesaid) subject to their conformity with the Act and if required with any statutory approvals including the approval of Central Government to grant remuneration in excess of the limits prescribed under the Act.

RESOLVED FURTHER THAT the Board of Directors/ Nomination & Remuneration Committee be and is hereby further authorised to alter and vary the terms and conditions of the appointment of Mr. Mahendra K. Daga and/ or change his designation in such manner and to such extent as may be agreed to between the Board of Directors/ Nomination & Remuneration Committee and Mr. Mahendra K. Daga in terms of the provisions of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds and things as may be considered necessary to give effect to the above resolution."

By order of the Board
For Orient Bell Limited

Place : New Delhi
Dated : 22nd May, 2017

Yogesh Mendiratta
Company Secretary & Head- Legal

NOTES:

- i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF /HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE APPOINTMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING, IN THE FORM ENCLOSED HERETO, DULY FILLED AND AUTHENTICATED. IT IS ADVISABLE THAT THE PROXY HOLDER'S SIGNATURE MAY ALSO BE FURNISHED IN THE PROXY FORM, FOR IDENTIFICATION PURPOSES.

A PERSON CAN ACT AS PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY, CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

- ii. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- iii. In case of joint holders attending the meeting, only the first holder will be entitled to vote.
- iv. The explanatory statement pursuant to section 102(1) of the Companies Act, 2013 in respect of special business is annexed hereto.
- v. The register of members and share transfer books will remain closed from 15th September, 2017 to 22nd September, 2017 (both days inclusive) for the purpose of determining the names of members eligible for dividend on equity shares, if declared by the members at the Meeting.
- vi. The dividend, if declared, will be paid to those members whose name appear on the register of members of the Company after giving effect to all valid transfers in physical form lodged with the Company on or before 14th September, 2017; in respect of shares held in electronic form, the dividend will be paid to members whose names appear as beneficial owners as at the end of business hours on 14th September, 2017 as per the list to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories").
- vii. Members holding shares in physical form who have not yet provided their Bank details are requested to provide their Bank Account Number, name and address of the Bank, folio number, so that the same can be printed on dividend instrument, to avoid the incidence of fraudulent encashment of the instrument. In respect of members who are holding shares in electronic form, their bank particulars registered against their respective depository accounts, will

be used by the Company for payment of dividend. Any change in bank particulars, will therefore be intimated to Depository Participants.

- viii. The shares of the Company are traded in DEMAT segment only. Members who still hold the shares of Company in physical form are advised to contact their Depository Participant for dematerialization of their holdings in their own interest. The ISIN No. allotted to Company is INE607D01018.
- ix. The Annual Report 2016-17 of the Company circulated to the Members of the Company, will be made available on the Company's website at www.oblcorp.com and also on the website of the respective Stock Exchanges at www.bseindia.com and www.nseindia.com.
- x. Members holding equity shares in physical form are requested to notify any change in address, bank mandate or e-mail ID to the Company's Registrar i.e. MCS Share Transfer Agent Ltd. at F-65, Okhla Industrial Area, Phase-I, New Delhi 110020 or at Company's Corporate Office at IRIS House, 16, Business Centre, Nangal Raya, New Delhi-110 046. Members holding equity shares in electronic form are requested to notify any change in address, bank mandate or e-mail ID to their Depository Participants (DPs).
- xi. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days except Sundays and Holidays during business hours up to the date of Annual General Meeting.
- xii. Pursuant to section 124(5) of the Companies Act, 2013, the Company has transferred the unclaimed / unpaid dividend for the Financial Years up to 2008-09, to the Investor Education and Protection Fund of the Central Government ("the Fund") as per the relevant provisions of the Companies Act, 2013. The unpaid dividend for the Financial Year 2009-10 will become due for transfer to the Fund, on the 07th October, 2017.

Pursuant to section 124(6) of the Companies Act, 2013 and Rules made thereunder, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years, are liable to be transferred to the said Fund. Members who have not yet encashed the dividend warrants for any of the Financial Years from 2009-10 to 2015-16 are therefore once again requested to make their claims immediately to the Company or the Company's Registrar & Share Transfer Agents for issuance of duplicate / revalidated dividend warrants. The list of unclaimed dividend for the Financial Years 2009-10 to 2015-16 and the list of members whose shares are liable to be transferred to the said Fund are available on the Company's website www.oblcorp.com.

- xiii. Members are entitled to make nomination in respect of shares held by them in physical form as per the provisions of section 72 of the Companies Act, 2013. Members desirous of making nomination are requested to send Form SH.13 either to the Company or its Registrar and Share Transfer

Agent. Members holding shares in DEMAT form may contact their respective Depository Participant for recording nomination in respect of their shares.

- xiv. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. However, the members having their shareholding in the Demat form are requested to provide their PAN details to their respective DPs and those who have in physical mode are requested to provide their PAN details to the company or its registrar.
- xv. Members (Transferees) who wish to get the shares held by them in physical form transferred in their name are advised to send copy of their PAN card along with the request for share transfer.
- xvi. The Annual Report for the FY 2016-17 has been sent electronically to those members whose e-mail IDs are registered with the Company/ Depositories Participant(s) for communication purpose unless any such member has requested for a hard copy of the same. For members who have not registered their email address with Company/ Depository Participant(s), physical copies of the Annual Report for FY 2016-17 is being sent through permitted mode and the same is also placed on the website of the company viz. www.oblcorp.com.
- xvii. Members who have not registered their e-mail addresses with Company/ Depository Participant(s) so far are requested to register their e-mail address with the Company/ Depository Participant(s).
- xviii. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company / MCS Share Transfer Agent Limited (R&TA), for consolidation into a single folio.
- xix. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or MCS Share Transfer Agent Limited (R&TA) for assistance in this regard.
- xx. In compliance with the provisions of section 108 of the Act and Rules framed there under, the members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL, on all resolutions set forth in this Notice.
- xxi. "Electronic voting system" means a secured system based process of display of electronic ballots, recording of votes of the Members and the number of votes polled in favour or against, in such a manner that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate cyber security.

"Remote e-voting" means the facility of casting votes by a Member using an electronic voting system from a place other than venue of a general meeting.

The facility for voting, through ballot/polling paper shall be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The instructions for remote e-voting are as under:

- A. In case an e-mail from NSDL is received (for Members whose e-mail addresses are registered with the Company/Depositories),
 - a) Open e-mail and also open PDF file namely "Orient evoting.pdf" with Client ID or Folio No. as password. The said PDF file contains user ID and password for e-voting. The password is an initial password.
 - b) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com>.
 - c) Click on Shareholder – Login.
 - d) Type User ID and password as initial password/PIN noted in step (a) above. Click Login.
 - e) Password Change Menu will appear on screen. Change the password / PIN with a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both.
 - f) Home page of remote e-voting opens. Click on remote e-voting> Active Voting Cycles.
 - g) Select "EVEN" (Remote E-Voting Event Number) of Orient Bell Limited.
 - h) Now you are ready for remote e-voting as cast vote page opens.
 - i) Cast your vote by selecting appropriate option and click on "Submit" button and also "Confirm" when prompted.
 - j) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - k) Once the vote on the resolution is cast, you shall not be allowed to change it subsequently.
 - l) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to agc.scrutinizer@gmail.com, with a copy marked to evoting@nsdl.co.in.
 - m) In case of any queries, the member may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):

- a) EVEN (Remote e-Voting Event Number), user ID and password are provided in the enclosed Remote e-voting instruction sheet.
- b) Follow all steps from Sl. No. A (b) to (m) above in order to cast your vote.

C. Other Instructions:

- a) If you are already registered with NSDL for e-voting then you can use your existing User ID and password/PIN for casting your vote.

NOTE : Shareholders who forgot the User Details/password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in DEMAT mode, USER-ID is the combination of (DPID+Client ID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No. + Folio No.).

- b) The "cut-off date" for determining the eligibility for voting either through electronic voting system or ballot is fixed as 15th September, 2017. The e-voting period commences on 19th September, 2017 at 9:00 a.m. and ends on 21st September, 2017 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, i.e., 15th September, 2017, shall be entitled to avail the facility of remote e-voting.
- c) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date i.e. 15th September, 2017.
- d) Members who have already exercised their voting through Remote e-voting can attend the Annual General Meeting but cannot vote again.
- e) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 15th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or admin@mcsregistrars.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free no.: 1800-222-990.

- f) Ms. Ashu Gupta, Company Secretary in whole time practice (Membership No. FCS 4123; COP No. 6646), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- g) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

- h) As per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results of the e-voting are to be submitted to the Stock Exchange(s) within 48 hours of the conclusion of the AGM. The results declared along with Scrutinizer's Report shall be placed on the Company's website www.oblcorp.com and the website of NSDL.

- i) The results on resolutions so declared at or after the Annual General Meeting of the Company will be deemed to have been passed on the Annual General Meeting date subject to receipt of the requisite number of votes cast in favour of the Resolutions.

xxii. Members are requested to send their queries, if any, to the Company Secretary at Corporate Office at least 10 days before the date of the Annual General Meeting.

xxiii. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. Members/Proxies/Representatives are requested to bring the attendance slip enclosed to the Annual Report for attending the meeting.

xxiv. The route map of the venue of the meeting is given in the notice. The prominent landmark for the venue is near to over bridge in Sikandrabad industrial area and about 1 K.M. from Sikandrabad toll collection centre on NH-91.

xxv. E-mail Registration:

Members who have not registered their e-mail ID are requested to update the same with the Company, if held in physical form (or) to the Depository, if held in demat mode.

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

By order of the Board
For Orient Bell Limited

Place : New Delhi
Dated : 22nd May, 2017

Yogesh Mendiratta
Company Secretary & Head- Legal

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5

Mr. Madhur Daga, Joint Managing Director of the Company has, with his dedicated and timeless efforts brought several significant changes in the Company's products in terms of innovations in designs and upgradation of technology. He spends most of his time leading OBL's product innovation team, special projects, brand building and interacting with key customers and stakeholders. Mr. Daga leads OBL's projects for awareness of its products and brand online, through CSR initiatives and media coverage as well. Overall, he is a driving force behind the continual growth of the organization. Mr. Daga was appointed as Executive Director in the year 1993 and re-designated as Joint Managing Director of the Company in the year 2013. He is vested with the powers and rights for overall management of the Company and has a role of managing the affairs of the Company similar to those as vested with the Managing Director of the Company and which he exercises in the day to day affairs and functioning of the Company. Considering the overall rights and powers of Mr. Madhur Daga to manage the affairs of the Company, it is justified to change the category of Mr. Madhur Daga from Whole time Director (designated as Joint Managing Director) to Managing Director (designated as Managing Director) of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives other than Mr. Madhur Daga and Mr. Mahendra K. Daga (father of Mr. Madhur Daga) is/are in any way, concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends the passing of the Resolution at Item No. 5 as **Special Resolution**.

Item No. 6

Mr. Mahendra K. Daga was appointed as Chairman and Managing Director for a period from 01st December, 2015 to 31st March, 2018 vide Special Resolution passed at the AGM dated 30th September, 2015. The Nomination & Remuneration Committee and the Board of Directors have at their respective meetings held on 22nd May, 2017, subject to the approvals of Members, Central Government and such other approvals as may be necessary, approved the re-appointment of Mr. Mahendra K. Daga as Chairman and Managing Director of the Company for a further period from 01st April, 2018 to 31st March, 2021 and also the remuneration as enumerated in the Special Resolution which is commensurate with his qualification, experience and the responsibilities entrusted on him.

Section 196 of the Companies Act, 2013, inter-alia, provides that no company shall appoint or continue the employment of any person as managing director, who has attained the age of 70 years, unless his appointment is approved by a special resolution. Mr. Mahendra K. Daga, aged about 78 years, has decades of experience in erecting, commissioning and successfully managing various multi location tile plants, and is acclaimed as an authority in this field. He takes an active part in overall functional areas of the Company. Under the overall supervision of the Board of Directors, he has been instrumental in taking the company from strength to strength. Mr. Mahendra K. Daga is at

the helm of affairs of the Company as Chairman and Managing Director. Under his valuable guidance and leadership since 1993 when Mr. Daga became the Managing Director, the Company turned into a profitable venture and became a regular dividend paying company. After the acquisition and amalgamation of Bell Ceramics Limited the role and responsibility of Mr. Daga has become three fold as the Company now owns three plants at three different locations at Sikandrabad (U.P.), Hoskote (Karnataka) and Dora (Gujarat). It is therefore in the interest of the Company and justified that Mr. Mahendra K. Daga should be re-appointed as Chairman & Managing Director of the Company.

Subject to the provisions contained under sections 152, 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013, member's approval by way of Special Resolution is required for the appointment and payment of remuneration to Mr. Mahendra K. Daga as stated in the Special Resolution at item no. 6 of the accompanying notice.

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

In terms of Section 190 of the Companies Act, 2013, this may be construed as a memorandum setting out the terms of appointment of Mr. Mahendra K. Daga and shall be open for inspection of the members of the Company at its Registered Office between 10.00 am to 12.00 noon on all working days except Saturday, Sunday and public holidays.

The following disclosures are being made in this Explanatory Statement in compliance with Section II in part II of Schedule V to the Companies Act, 2013:

I. General Information:

1. The Company is engaged in the business of manufacture and trading of Ceramic Tiles. The manufacturing facilities of the Company are situated at Sikandrabad (Uttar Pradesh), Dora (Gujarat) and Hoskote (Karnataka). The aggregate production capacity of the company is 24 Million sq. meter.
2. The Company commenced commercial production w.e.f. 7th October 1977.
3. The Company is an existing entity and has already commenced Commercial Production.
4. Financial performance of the Company for the Financial year 2016-17 is as follows :

(₹ in Lakhs)

Particulars	2016-17	2015-16
Net Sales & Other Income	65,674	70,437
Profit Before Tax	2,445	1,297
Profit After Tax	1,104	644
Paid up Equity Capital	1,419	1,400
Reserves & Surplus	12,414	17,388
Basic / Diluted Earning Per Share (₹)	7.84	4.43

5. The company has no foreign investments or collaborations.

II. Information about the appointee:

1. Mr. Mahendra K. Daga, B.A. aged about 78 yrs. has over 49 years of successful experience. His name is synonymous with the tiles industry. Under the overall supervision of the Board of Directors, he has been instrumental in taking the Company from strength to strength to its present position.
2. The total remuneration of Mr. Mahendra K. Daga for the Financial Year 2016-17 was Rs. 1,86,86,896/-.
3. Mr. Daga is the Founder member of the Indian Council of Ceramic Tiles & Sanitary ware (ICCTAS), the apex body in India representing the Ceramic Industry. His expertise in the field had won him the prestigious Fellowship by the British Ceramic Institute. He has also represented India as one of the eight speakers from all over the world at the "International Meeting on Ceramic Industry" organized by Associazione Costruttori Italiani Machine Attrezzature per Ceramica, at Modena, Italy in the year 2000. Mr. Mahendra K. Daga, an environmentalist, makes all possible efforts to conserve the precious nature. He was awarded by the Chief Minister of Delhi for maintaining the best rainwater harvesting system in Delhi in the year 2009.
4. Mr. Daga is most suitable for the position of Chairman & Managing Director of the Company as since December 1993, under his leadership, the Company has achieved significant growth in a very short span and has carved a niche for itself in the industry.
5. The detail of proposed remuneration is as per special resolution at item no. 6.
6. The remuneration proposed to be paid to Mr. Daga is commensurate with the size of the Company, nature of its operations and is in line with the industry standards.
7. Besides his remuneration, Mr. Daga had pecuniary relationship with the Company as mentioned in note no. 27- Related Party Disclosures. He has no relationship with any managerial personnel, Director, Key Managerial Personnel of the Company, except with Mr. Madhur Daga, Managing Director, who is his son.

III. Other Information:

1. At present, the performance of the Company is satisfactory as compared to the industry norms. However, in the event of any unforeseen circumstances and conditions beyond its control, the profitability of the Company may be affected.

2. The company aims to achieve more and more sale target with a good profit margin. The Company is doing efforts to accomplish the vision and in this direction is constantly working on its brand building and product display for tiles. The Company has opened Company Owned Company Operated Boutiques as well as Franchise Boutiques at very conspicuous locations across the Country. The Company has increased engagements with architects, channel partners and tile experts manifold. The social media campaigns are seeing success in the online space. These campaigns will continue with full force during times to come. The Company has also appointed Print media and Advertising agency which will support brand promotion of the Company and is believed to add value in customer pull and strengthen our brand. The Company thrust on augmenting more and more high value customers and increase sale of High Value Products.
3. It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and profitability will continue to be above industry average.

IV. Disclosures:

1. The shareholders are being informed of the remuneration package by way of special resolution.
2. The details of remuneration etc. of other Directors are included in the Board's Report and Corporate Governance Report and forming part of the Annual Report of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives other than Mr. Mahendra K. Daga and Mr. Madhur Daga (son of Mr. Mahendra K. Daga) is/are in any way, concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding, if any, in the Company.

The Board recommends the passing of the Resolution at Item No. 6 as **Special Resolution**.

By order of the Board
For Orient Bell Limited

Place : New Delhi
Dated : 22nd May, 2017

Yogesh Mendiratta
Company Secretary & Head- Legal

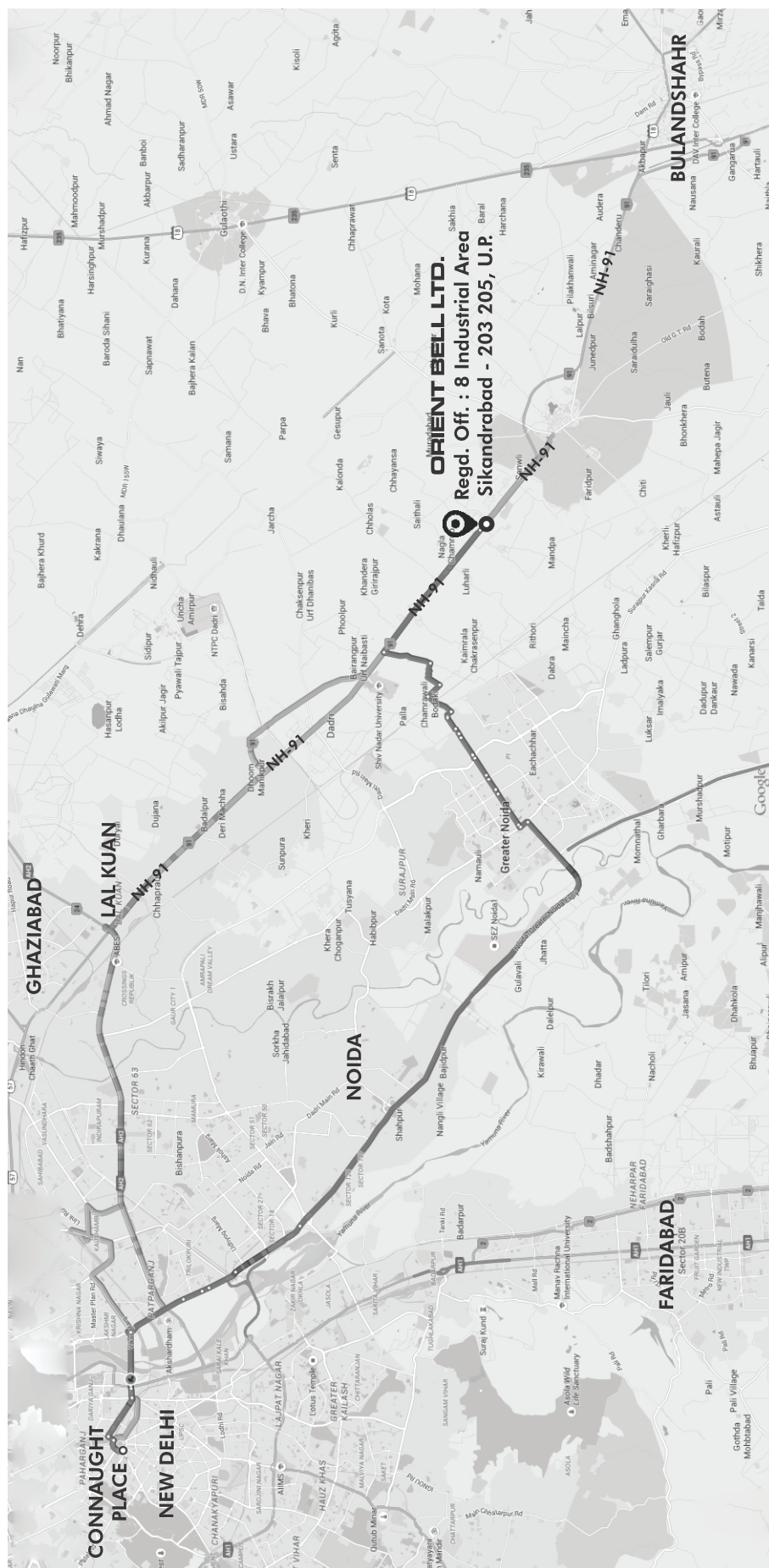
INFORMATION REQUIRED TO BE FURNISHED UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Director seeking appointment / re-appointment in the forthcoming Annual General Meeting is as follows:

Name of Director	Mr. Mahendra K. Daga	Mr. K.M. Pai
DIN	00062503	01171860
Date of Birth	27.10.1938	25.08.1952
Date of Appointment	09.12.1993	02.04.2012*
No. of Shares held	28,98,716	15,000
Expertise in Specific Functional area	Industrialist with vast business experience.	Finance, Costing, Managing General Commercial Operations of a Company.
Qualification	B.A.	MBA Finance from IIM, Bengaluru, ACMA, ACS.
No. of board meetings attended during FY 2016-17.	4	4
List of Companies in which outside Directorship held as on 31.03.2017	1. Freesia Investment & Trading Co. Ltd. 2. Good Team Investment & Trading Co. Pvt. Ltd. 3. Indian Council of Ceramic Tiles and Sanitarywares	VST Tillers Tractors Ltd.
Chairman / Member of the Committee(s) of the Board of Directors of other Companies in which he is a Director	Freesia Investment & Trading Co. Ltd. <u>Member :</u> 1. Audit Committee 2. Nomination & Remuneration Committee	VST Tillers Tractors Ltd. <u>Chairman :</u> Stakeholders Relationship & Grievance Committee <u>Member :</u> 1. Audit Committee 2. Nomination & Remuneration Committee 3. Risk Management Committee

*Mr. K.M. Pai was appointed as Non Executive Non Independent Director on 02.04.2012 since 24.04.2014 he is holding position of Whole Time Director (designated as Executive Director & CFO) of Orient Bell Limited.

Route Map to the venue of the AGM



ORIENT BELL LIMITED

Registered Office: 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)
Corporate Office: Iris House, 16 Business Centre, Nangal Raya, New Delhi-110 046
CIN: L14101UP1977PLC021546 Tel.: 011-47119100 Fax: 011-28521273
Email: customercare@orientbell.com Website: www.oblcorp.com

ATTENDANCE SLIP

(To be presented at the entrance)

40TH ANNUAL GENERAL MEETING ON FRIDAY, SEPTEMBER 22, 2017 AT 11.30 A.M.
at 8, Industrial Area, Sikandrabad – 203 205, Distt. Bulandshahr (U.P.)

Folio No. / Client ID DP ID No. of shares.....

Name of the Member..... Signature.....

Name of the Proxyholder..... Signature.....

1. Only Member/Proxyholder can attend the meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the meeting.
3. No gifts will be distributed at the meeting.

ORIENT BELL LIMITED

Registered Office: 8, Industrial Area, Sikandrabad-203 205, Distt. Bulandshahr (U.P.)
Corporate Office: Iris House, 16 Business Centre, Nangal Raya, New Delhi-110 046
CIN: L14101UP1977PLC021546 Tel.: 011-47119100 Fax: 011-28521273
Email: customercare@orientbell.com Website: www.oblcorp.com

FORM NO. : MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s):

Registered address:

E-mail Id:

Folio No. / Client ID: DP ID :

I / We, being the member(s) of Shares of Orient Bell Limited, hereby appoint:

1. Name.....E-mail Id:.....

Address:

.....Signature:.....

or failing him

2. Name.....E-mail Id:.....

Address:

.....Signature:.....

or failing him

3. Name.....E-mail Id:.....

Address:

.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company to be held on Friday, September 22, 2017 at 11.30 a.m. at its Registered Office at 8, Industrial Area, Sikandrabad – 203 205, Distt. Bulandshahr (U.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of the Audited Financial Statements for the financial year ended 31st March, 2017 and the reports of Board of Directors and Statutory Auditors thereon.
2. Approval for reappointment of Mr. K.M. Pai (DIN : 01171860) as Director retiring by rotation.
3. Declaration of dividend on equity shares.
4. Approval of appointment of M/s. B.R. Gupta & Co. Chartered Accountants as Statutory Auditors in place of M/s. S.R. Dinodia & Co., LLP from the conclusion of this AGM till the conclusion of AGM to be held in the year 2022.
5. Approval for modification to the terms of appointment (change in designation) of Mr. Madhur Daga (DIN : 00062149).
6. Approval for reappointment & remuneration of Mr. Mahendra K. Daga (DIN : 00062503) as Chairman and Managing Director of the Company for a further period from 1st April, 2018 to 31st March, 2021, liable to retire by rotation.

Signed on this day of 2017

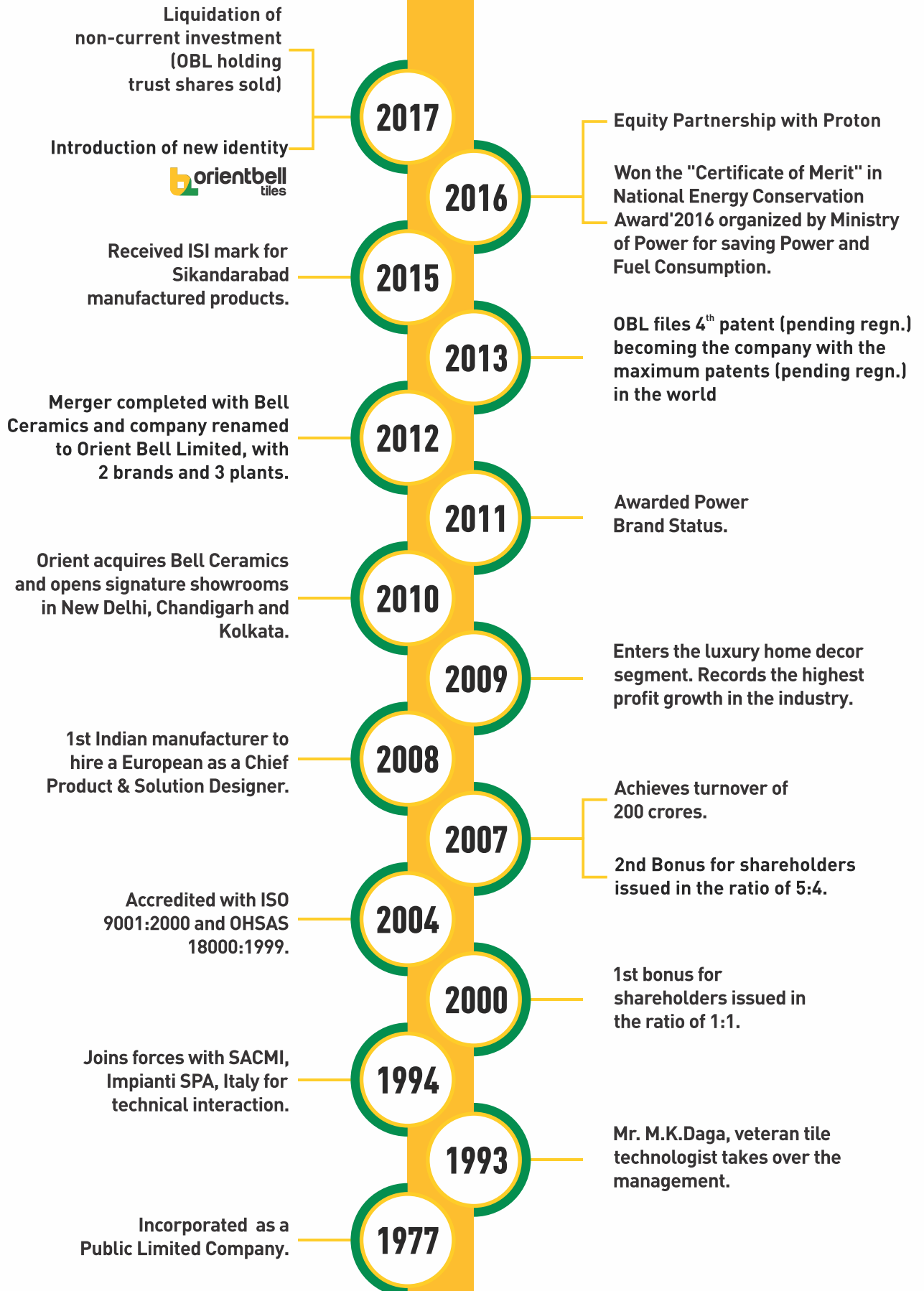
Signature of Member..... Signature of Proxy holder(s).....

Affix
Revenue
Stamp

NOTES: 1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

2. Those members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy form.

OBL MILESTONES



RESIDENTIAL
RETAIL
GOVT./PUBLIC SECTORS
CORPORATES
IT
DEVELOPERS
EDUCATIONAL INSTITUTIONS

OBL REACH

COMPLEX
MALLS
DEFENCE ORGANISATIONS
BANKS
HOTELS



Orient Bell Limited

CORPORATE OFFICE:

Iris House, 16 Business Centre, Nangal Raya, New Delhi - 110 046, India.
Tel.: +91 11 4711 9100, Fax: +91 11 2852 1273

REGD. OFFICE: 8 Industrial Area, Sikandrabad - 203 205 (U.P.) India.

Tel.: + 91 5735 222 203 / 222 / 424, +91 81910 04575 / 76, Fax: + 91 5735 222 642

Email: customercare@orientbell.com

CIN: L14101UP1977PLC021546