

Certified True Copy of the proceeding of the 33rd Annual General Meeting of the members of Orient Ceramics And Industries Ltd. held on Tuesday, the 31st day of August 2010 at 11.30 a.m. at the Registered Office of the Company at 8, Industrial Area, Sikandrabad, Distt. Bulandshahr, (U.P.).

PRESENT

Mr. Mahendra K. Daga	-	Chairman & Managing Director
Mr. Madhur Daga	-	Executive Director
Mr. R. N. Bansal	-	Director and Chairman - Audit Committee
Mr. N. R. Srinivasan	-	Director and Chairman - Remuneration Committee
Mr. Vijay Shankar Sharma	-	Chief Financial Officer
Mr. Yogesh Mendiratta	-	Company Secretary

Members

21 members were present in person and 8 members were present through proxies.

Chairman

In accordance with the Article 63 of the Articles of Associations of the Company, Mr. Mahendra K. Daga, Chairman & Managing Director of the Company, took the chair.

Quorum

The Company Secretary informed that the necessary quorum as required under section 174 of the Companies Act, 1956 was present. The Chairman declared the meeting in order.

Proxies

The Chairman informed the members that the Company has received 8 valid Proxies representing 5,67,056 Equity Shares constituting 5.39 % of the total Equity Capital of the Company.

The Chairman welcomed the members of the Company at the 33rd Annual General Meeting and delivered his speech. With the permission of members, the Chairman started the proceedings of the meeting.

With the permission of members, the notice of Annual General Meeting, as circulated, was taken as read.

The Chairman asked the Secretary to read the Auditors' Report.

The Secretary read the Auditors' Report.

The Chairman preceded with the Agenda items.

ORDINARY BUSINESS:

Item No. 1

Adoption of Annual Accounts of the Company for the Financial Year 2009-10 and Reports of Directors and Auditors thereon

The Chairman asked the shareholders, if they have any comments or questions on the Annual Accounts of the Company. As there were no questions, Chairman put the following resolution to vote by way of show of hands:

"RESOLVED that the Audited Balance Sheet as at 31st March 2010 and the Profit & Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon be and are hereby adopted."

The Chairman asked among the shareholders to propose and to second the aforesaid resolution. The resolution was-

Proposed by : Mr. Vinod Kumar Sharma
Seconded by : Mr. Praveen Jain

There being no dissent, resolution was adopted unanimously.

Item No. 2

Declaration of Dividend

The Chairman stated that the Board of Directors has recommended dividend Rs. 2.00 per share i.e. 20% of equity share capital. The total outflow will be Rs 2,45,58,066 (including Dividend Tax of Rs. 34,97,803) as compared with previous year's Dividend of Rs. 1.50 per share i.e. 15% of equity share capital. To declare the dividend it is required to be passed by the members. The Chairman put the following resolution to vote by way of show of hands:

"RESOLVED that the Dividend for the financial year 2009-10 @ Rs. 2.00 per equity share i.e. 20% on paid up capital of 1,05,30,000 Equity Shares of Rs. 10/- each plus relevant tax thereon be and is hereby declared out of the profits of the Company.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to take necessary steps in relation to disbursement of Dividend to shareholders."

The Chairman asked among the shareholders to propose and to second the aforesaid resolution. The resolution was-

Proposed by : Mr. Varun Sood
Seconded by : Mr. A.K. Maheshwari

There being no dissent, resolution was adopted unanimously.

Item No. 3

Appointment of Director in place of retiring Director

The Chairman stated that as per the provisions of Companies Act, 1956 Mr. Dhruv M. Sawhney is liable to retire by rotation. Addressing the members, he briefed about the profile of Mr. Sawhney. The Chairman put the following resolution to vote by way of show of hands:

"RESOLVED that Mr. Dhruv M. Sawhney, who is liable to retire by rotation, be and is hereby re-appointed as Director of the Company, whose period of office shall remain to be determined for retirement by rotation."

The Chairman asked among the shareholders to propose and to second the aforesaid resolution. The resolution was

Proposed by : Mr. Vinod Kumar Sharma
Seconded by : Mr. Anil Agarwal

There being no dissent, resolution was adopted unanimously.

Item No. 4

Appointment of M/s S. R. Dinodia & Co., Chartered Accountants as Statutory Auditors

The Chairman informed that the tenure of M/s S. R. Dinodia & Co., Chartered Accountants, Statutory Auditors of the Company shall expire upon the conclusion of this Annual General Meeting of the Company. The Company has received consent letter from the Auditors that their appointment if made at the ensuing Annual General Meeting of the Company will be, within the limits prescribed under section 224(1B) of the Companies Act, 1956.

The Audit Committee and the Board of Directors have in their respective meetings held on 16th July, 2010 have considered and recommended the re-appointment and remuneration of M/s S.R. Dinodia & Co., Chartered Accountants as Statutory Auditors of the Company for a further term from the conclusion of the this Annual General Meeting till the conclusion of the next Annual General Meeting. The Chairman put the following resolution to vote by way of show of hands:

"RESOLVED that M/s S. R. Dinodia & Co., Chartered Accountants, Statutory Auditors of the Company whose period of office shall retire at this Annual General Meeting and who have offered themselves for re-appointment as such and who are not disqualified to act, with in the provision of Section 224(1B) of the Companies Act, 1956, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.

RESOLVED FURTHER that remuneration of the Auditors be fixed by the Board of Directors in consultation with the Auditors."

The Chairman asked among the shareholders to propose and to second the aforesaid resolution. The resolution was-

Proposed by : Mr. Praveen Jain
Seconded by : Mr. R.S. Chouhan

There being no dissent, resolution was adopted unanimously.

SPECIAL BUSINESS:

Mr. Madhur Daga and Mr. Mahendra K. Daga being interested did not participated in this resolution and accordingly Mr. Mahendra K. Daga vacated the chair and with the permission of members, Mr. R.N. Bansal took the chair for this business item.

Item No. 5

Re-appointment of Mr. Madhur Daga as Executive Director

Mr. R.N. Bansal stated that Mr. Madhur Daga, one of the Promoter Directors of the Company, has been the Executive Director of the Company since 01st January 1998. Mr. Madhur Daga was last re-appointed as Executive Director of the Company by the members for a period of three years with effect from 01st October 2007. The term of office of Mr. Madhur Daga will expire on 30th September, 2010.

The Remuneration Committee and the Board of Directors at their meetings held on 16th July 2010 re-appointed Mr. Madhur Daga as Whole Time Director (designated as "Executive Director") of the Company for a further period of three years effective from 1st October, 2010 and approved remuneration in accordance with the provisions of sections 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 and subject to necessary approvals as may be required in this regard, which is commensurate with his qualification, experience and the responsibilities entrusted on him.

Mr. R.N. Bansal put the following resolution to vote to be passed as special resolution along with its explanatory statement by way of show of hands:

"**RESOLVED** that pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereafter called the 'Act') or any amendments or modifications thereto and subject to approval (s) of the Central Government and all other applicable regulatory approval(s), consent(s) and permission(s) as may be necessary in this regard, consent of the Company is hereby accorded to the re-appointment of Mr. Madhur Daga as Whole Time Director (designated as "Executive Director") of the Company, not liable to retire by rotation, for a period of three years effective 1st October 2010, on the remuneration and terms and conditions as set out below, with liberty and powers to the Board of Directors (hereinafter referred to as 'the Board' which terms shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions in such manner as the Board may deem fit and is acceptable to Mr. Madhur Daga and/ or to change his remuneration, within the overall limits specified in Schedule XIII to the Act or any statutory amendment, modification, re-enactment thereof:-

- A) **Salary:** Rs. 5,00,000/- (Rupees Five Lacs only) per month with an authority to the Board of Directors (which includes any Committee of the Board) to grant annual increment(s);
- B) **Commission / Performance Bonus:** An amount as may be decided by the Board of Directors, on the recommendations of the Remuneration Committee, from year to year;
- C) **Allowances and Perquisites:** In addition to the Salary and Commission/ Performance Bonus, Mr. Madhur Daga shall be entitled, as per rules of the Company, to the following perquisites with an authority to the Board to grant, alter or vary from time to time, the amount and type of perquisites payable to him:

- i. *Housing:*
 - a. Rent free furnished residential accommodation or House Rent Allowance subject to maximum of 60% of the salary in case accommodation is not provided.
 - b. Actual expenses for maintenance of accommodation, gas, electricity, water, other utilities, furniture, furnishings, domestic help, security guards shall be borne/ reimbursed by the company.
- ii. *Medical Reimbursement:* Reimbursement of all medical expenses incurred for self and family in India and abroad including membership of any hospital and / or doctors' scheme and medical insurance. Facility of medical check up / treatment abroad, if and when needed, the total cost of which including travel to and fro and for the stay in the foreign country, with an attendant and medical supervision, if required, shall be borne by the Company.
- iii. *Leave Travel Assistance:* Once a year for self and family in India or abroad.
- iv. *Club Memberships:* Subscription or reimbursement of membership fees (including admission and life membership for two clubs) in India and/ or abroad;
- v. Benefits, if any, assigned to him under any of the Company's employee benefit scheme;
- vi. Personal accident insurance premium;
- vii. Periodicals/ Books re-imburement;
- viii. Company shall provide/ reimburse chauffeur driven car, telephones, mobile phone, hand held e-mail devices, computers, printers, laptops, internet, broadband and fax at residence.
- ix. *Other Allowances:* As may be decided by the Board/ Remuneration Committee from time to time subject to the provisions of the Companies Act, 1956 and Schedule XIII thereto;

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

- i. Company's contribution to Provident Fund and Superannuation Fund Schemes;
- ii. Payment of Gratuity and other retrial benefits as per policies/ rules of the Company;
- iii. Encashment of leave as per policy of the Company;

Note: Allowances and Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

D) **Other Terms and Conditions:**

Minimum Remuneration:

Notwithstanding anything herein contained, in case of absence or inadequacy of profits in any financial year comprised by the period of appointment, the remuneration as set out in the special resolution shall be paid as the minimum remuneration to Mr. Madhur Daga in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, wherever required.

Others:

- a) Mr. Madhur Daga shall not be paid any sitting fees for attending the meeting of the Board or any Committees thereof.
- b) The Company shall reimburse traveling, entertainment and other business promotion expenses actually incurred for the business of the Company.
- c) For the purpose of Gratuity and other benefits, the services of Mr. Madhur 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 term with the Company as Executive Director or in any other capacity as may be decided by the Board of Directors from time to time.

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

Explanatory Statement

Mr. Madhur Daga, one of the Promoter Director of the Company, has been appointed as Executive Director of the Company since 01st January 1998. Mr. Madhur Daga was re-appointed as Executive Director of the Company by the members for a period of three years with effect from 01st October 2007. The term of office of Mr. Madhur Daga will expire on 30th September 2010.

The Board of Directors of the Company has, on recommendation of the Remuneration Committee at its meeting held on 16th July 2010 and subject to the approval of members and Central Government (if applicable), re-appointed Mr. Madhur Daga as Whole Time Director (designated as "Executive Director") of the Company for a further period of three years with effect from 1st October 2010 on the remuneration and terms as stated in the item no. 5 of the notice.

The re-appointment of Mr. Madhur Daga as Whole Time Director (designation -"Executive Director") of the Company and payment of remuneration to him requires the approval of the members by a special resolution in general meeting in terms of provisions under sections 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956.

Mr. Madhur Daga (himself) and Mr. Mahendra K. Daga, Managing Director (Father of Mr. Madhur Daga) are interested in this resolution. No other Director is interested or concerned with the Resolution.

This Explanatory Statement together with the accompanying Notice may also be regarded as an Abstract and Memorandum under Section 302 of the Companies Act, 1956.

Statement pursuant to the provisions of clause (c) of Section II of Part II of Schedule XIII to the Companies Act, 1956:

I. General Information:

- The Company belongs to the Ceramic Industry and engaged in the business of manufacture and trading of Ceramic Tiles. The manufacturing facilities of the Company are situated at Sikandrabad, District Bulandshahr in the State of Uttar Pradesh with an installed capacity of 2,20,000 MT.
- The Company commenced commercial production w.e.f. 7th October 1977.
- The Company is an existing entity and has already commenced Commercial Production.
- Financial performance of the Company for the Financial year 2009-10 is as follows :

(Rs. in Lakhs)		
Particulars	2009-10	2008-09
Sales & Other Income	25625	22566
Profit Before Tax	1751	1026
Profit After Tax	1158	637
Paid up Equity Capital	1053	1053
Reserves & Surplus	5098	4197
Basic / Diluted Earning Per Share (Rs.)	10.88	6.05

- The company has earned Rs. 66.92 lacs (FOB value of Exports) in foreign Exchange during the financial year 2009-10.
- The company has not made any foreign investments or collaborations.

II. Information about the appointee:

- Mr. Madhur Daga, aged about 37 years is a Business Administration graduate from University of Southern California and a Post Graduate in International Corporate Finance from University of New South Wales, Sydney, Australia. Mr. Madhur Daga has a rich working experience of over 15 years. He is been instrumental in taking Orient from strength to strength to its present position.
- The total remuneration of Mr. Madhur Daga for the Financial Year 2009-10 was Rs.79,28,500/- (including commission of Rs. 6 lacs for which provision is taken in the financial accounts for the year 2009-10).

3. Although responsible for the overall management of the company in his present role as Executive Director, Mr. Madhur Daga spends most of his time in Orient's Product Innovation, Product Display, Innovative sale tools & interacting with customers. Mr. Madhur Daga has more than fifteen years of work experience. With his significant experience and dedicated efforts, he made "Orient Tiles" as a recognized brand all over India. The Company's net sales turnover has grown from Rs. 5,362 lacs in the year 1997-98 to Rs. 25,394 lacs in the year 2009-10. Mr. Daga has been instrumental in conceptualizing the sales and marketing strategies and implementing the plans to take the Company to new heights.
4. The details of proposed remuneration are as per Special Resolution at item no. 5.
5. The remuneration proposed to be paid to Mr. Madhur Daga is commensurate with the size of the Company, nature of its operations and is in line with the industry standards.
6. Mr. Madhur Daga is the son of Mr. Mahendra K. Daga, Chairman & Managing Director. Besides proposed remuneration as stated above, Mr. Madhur Daga does not have any pecuniary relationship with the Company and its managerial personnel.

III. Other Information:

1. At present, the performance of the Company is satisfactory and there is no absence or inadequacy of profits. However, in any unforeseen event or condition beyond control, the profitability of the Company may be affected.
2. The Company is continuously looking at the new business opportunities and new markets to grow. The Company is focusing on its branding and product display. The Company has plans to have more than 100 premium display & sale points across India with a combination of Company Owned Company Operated (COCO), Franchisee Showrooms (FS) and Shop in Shop (SIS). This will enable the Company to display more premium products and offer a wider choice to retail & institutional customers and realize better price for the products.

The Company is actively taking part in various exhibitions for brand awareness. The Company is coming out with new high value products at regular intervals. The Company has outsourcing arrangements with several companies in Gujarat to service the West & South India markets. To make it a profitable venture, the company is looking for options to add substantial manufacturing capacity in West and / or South India by a combination of green field project, Joint Venture with an existing company or both.

3. It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and profitability will continue to be amongst the top industry players.

IV. Disclosures:

1. The members are being informed about the remuneration package of Mr. Madhur Daga, in Item no. 5 of the Notice.
2. The detail of remuneration etc. of other Directors is included in the Corporate Governance Report and forming part of the Annual Report of the Company.

The Chairman asked among the shareholders to propose and to second the aforesaid resolution and explanatory statement. The resolution was-

Proposed by : Mr. G.S. Bhatia
Seconded by : Mr. Vinod Kumar Sharma

There being no dissent, resolution was adopted unanimously.

With the permission of Members Sh. Mahendra K. Daga again took the chair.

Item No. 6

Payment of Commission to Non- Executive Directors of the Company

The Chairman informed that at present Non Executive Directors of the Company are being paid only sitting fee as remuneration for attending the meeting(s) of the Board and Committee(s) thereof. The Non Executive Directors also provide their valuable services beyond the meetings of the Board/ Committees, and advice from time to time for the overall efficient working and growth of the Company in the competitive scenario. As per the provisions of sections 198, 309 and Schedule XIII of the Companies Act, 1956 and Article 82 of the Articles of Association of the Company, the Non Executive Directors may also be paid Commission out of profits in addition to the sitting fee.

The Board of Directors in the meeting held on 16th July, 2010, subject to the approval of members and Central Government, if applicable, have approved the payment of commission to Non Executive Directors of the Company, up to a sum not exceeding 1% of the net profits of the Company for each year in such manner as may be determined by the Board of Directors for a period of five years commencing from financial year 2009-10 up to the financial year 2013-14 in addition to the sitting fees for attending the Board/ Committee meetings.

The Chairman put the following resolution to vote to be passed as an special resolution by way of show of hands:

"RESOLVED THAT pursuant to the provisions of Section 198, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with Article no. 82 of the Articles of Association of the Company and subject to such statutory approval(s) as may be necessary, consent of the members be and is hereby accorded for making payment of Commission to the Non-executive Directors of the Company, in aggregate, up to 1% of the net profit of the Company calculated in accordance with the provisions of Section 349 of the Companies Act, 1956 in addition to the sitting fees being paid to them for attending the Board/ Committee meetings and such commission to be disbursed to the Non-executive Directors in such manner as may be determined by the Board of Directors of the Company for each year, for a period of five years commencing from financial year 2009-10 until financial year 2013-14.

RESOLVED FURTHER that for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorized to determine, the amount of commission which shall be payable to each such Non-executive Director in each year, and to take all actions and do all such acts, deeds and things as may be necessary, proper or desirable in this regard."

Explanatory Statement

The Non Executive Directors of the Company are being paid only sitting fee as remuneration for attending the meeting(s) of the Board and Committee(s) thereof. The Non Executive Directors also provide their valuable services beyond the meetings of the Board/ Committees, and advice from time to time for the overall efficient working and growth of the Company in the competitive scenario. As per the provisions of sections 198, 309 and Schedule XIII of the Companies Act, 1956 and Article 82 of the Articles of Association of the Company, the Non Executive Directors may also be paid Commission out of profits in addition to the sitting fee. Therefore, the Board of Directors has decided to pay commission to all the Non-Executive Directors over and above the sitting fee being paid to them.

Accordingly, the Board of Directors in the meeting held on 16th July, 2010, subject to the approval of members and Central Government approval, if applicable, have approved the payment of commission to Non Executive Directors of the Company, up to a sum not exceeding 1% of the net profits of the Company for each year in such manner as may be determined by the Board of Directors for a period of five years commencing from financial year 2009-10 up to the financial year 2013-14 in addition to the sitting fees for attending the Board/ Committee meetings.

For the financial year 2009-10, the Board of Directors has, subject to the approval of members, decided to pay Rs. 2,00,000/- to each of the Non Executive Directors as Commission (which is within the prescribed limits under sections 198 & 309 of the Companies Act, 1956 and Schedule XIII thereto) in addition to the sitting fee paid to them. The aggregate sum of Commission of Rs. 6,00,000/- is provided in the Annual Accounts.

All the Non-Executive Directors (i.e. other than Managing Director and Executive Director) may be deemed to be concerned or interested in this resolution to the extent of remuneration in the form of commission as may be paid to them by the Company.

The Chairman asked among the shareholders to propose and to second the aforesaid resolution along with explanatory statement. The resolution was-

Proposed by : Mr. Varun Sood
Seconded by : Mr. Bhanphal Ram

There being no dissent, resolution was adopted unanimously.

The Secretary confirmed that all the agenda items have been considered and related resolutions have been passed.

Item No. 7

Vote of thanks

There being no other business to transact the Secretary proposed a vote of thanks to the Chair and other Directors Mr. Madhur Daga and Mr. N. R. Srinivasan seconded the same. Thereafter, the meeting concluded.

Place: New Delhi
Date: 01st September, 2010

SD/-
CHAIRMAN