

# 27<sup>th</sup> ANNUAL REPORT 2009-2010



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# Milestones

- 1983** The year marked the beginning of the name "Omax Autos Limited".
- 1985** The first unit started in Dharuhera as an ancillary supplier to Hero Honda for Sheet Metal and Tubular Welded components.
- 1986** Omax Autos Limited went public with more than 7500 shareholders.
- 1988** Established its second unit Automax in Gurgaon.
- 1989** Diversified its customer base by roping in Carrier Aircon Ltd. in Air Conditioning Components.
- 1997** Bagged ISO 9002 certificate from TUV of Germany.
- 1999** Established its third unit- Speedomax in Sidhrawali.  
Tied up with Honda- Siel Cars India Ltd. and New Holland Tractors Ltd. for supply of Body and Axle parts.
- 2000** Set up the ultra modern Paint Shop with latest technology from ABB India Ltd.
- 2001** A new phase of Kaizen activity- Various Training & HR activities started in all plants.
- 2002** Established its Fourth Plant at IMT Manesar with a capital outlay of Rs. 200 million equipped with modern Tool Room, R&D Centre with state of the art machinery began production.
- 2003** Established its Fifth Plant- Sprocket division in Dharuhera. Bagged ISO/TS- 16949, ISO 14001 & OHSAS- 18001 Certification from UL India for all plants.
- 2004** Established its Sixth Plant at Bangalore having machining & sheet metal manufacturing facilities.  
Established its Seventh Plant- Indital at Dharuhera. Started Exports to North America and Europe with clients such as Delphi, Tenneco, Cummins, Piaggio etc.
- 2005** Established its Eighth Plant at Binola, Gurgaon for catering export clients.
- 2006** SAP rolled out in all Eight plants across India.
- 2007** Automax, Gurgaon-Sohna Road Plant merged with Binola Plant.
- 2008** Established its latest Plant at Lucknow to manufacture chassis for commercial vehicles for Tata Motors.  
Established new Corporate Office in Gurgaon.
- 2009** Tied up with IKEA for supply of Metal Houseware Products.  
Reached the remarkable heights of 26 years of manufacturing and rendering quality products & services to customers.
- 2010** Commercial production started at Lucknow plant.  
Set up plant at Bawal to manufacture Home Furnishing products.  
Installed 100 kWp Solar PV System at Dharuhera & Manesar plant for captive use.



## Chairman Emeritus:

Dr. Brijmohan Lall Munjal

## Board of Directors

Mr. Suresh Mathur	Chairman
Dr. Ramesh C. Vaish	Director
Dr. T.N. Kapoor	Director
Mr. Salil Bhandari	Director
Mr. Verinder Kumar Chhabra	Director
Mr. Atul Raheja	Director
Mr. Lalit Bhasin	Director
Mr. K.C. Chawla	Whole Time Director
Mr. Jatender Kumar Mehta	Managing Director
Mr. Ravinder Mehta	Managing Director

## Audit Committee

Mr. Salil Bhandari	Chairman
Dr. T.N. Kapoor	Member
Mr. Atul Raheja	Member
Mr. Jatender Kumar Mehta	Member
Dr. R.C. Vaish	Member

## Auditors

M/s A. Kumar Gupta & Co.,  
Chartered Accountants, Ludhiana

## Internal Auditors

M/s KRA & Associates  
M/s Singhi Chugh & Kumar  
M/s Doogar & Associates

## Secretarial Auditors

M/s Chandrasekaran Associates,  
Company Secretaries

## Senior Management Executives

Mr. N.P. Singh	ED (Human Resource)
Mr. V.K. Gupta	ED (Commercial)
Mr. Sharad Jain	Chief Financial Officer
Mr. Kishor Karnataki	CEO (Commercial Vehicle)
Mr. Manoj Mishra	President (Passenger Car)

**Corporate Office:**

Plot No. B-26, Institutional Area,  
Sector 32, Gurgaon - 122001

**Omax Autos Limited**

Registered Office & Dharuhera Plant Address:  
69 K.M.Stone, Delhi Jaipur Highway,  
Dharuhera, Rewari (Haryana)- 122106

**Bangalore Plant**

Omax Autos Limited- Bangalore Plant  
Plot No. 6, Bomassandra- Jigani Link Road  
Bomassandra, Bangalore (Karnataka)- 560099

**Binola Plant**

Automax (A unit of Omax Autos Limited)  
Delhi- Jaipur Highway, Village & P.O Binola  
Gurgaon (Haryana)- 122001

**Dharuhera Plant II**

Indital (A unit of Omax Autos Limited)  
69 K.M.Stone, Delhi Jaipur Highway,  
Dharuhera, Rewari (Haryana)- 122106

**Manesar Plant**

Omax Autos Limited- Manesar Plant  
Plot No. 6, IMT, Sector- 3, Manesar  
Gurgaon (Haryana)- 122050

**Sidhrawali Plant**

Speedomax (A unit of Omax Autos Limited)  
64 K.M.Stone, Delhi- Jaipur Highway,  
Village Sidhrawali, Gurgaon (Haryana)-123413

**Dharuhera Plant III**

Omax Autos Limited- Sprocket Division  
69 K.M. stone, Delhi -Jaipur Highway,  
Dharuhera, Rewari (Haryana)- 122106

**Lucknow Plant**

Omax Autos Limited - Lucknow Plant  
Tata Motors Vendor Park, Chinhat Industrial Area,  
Deva Road, Lucknow-226019

**Bawal Plant**

Omax Autos Limited - Bawal Plant,  
(Home Furnishing division)  
Plot No. 2, Sector-5, Bawal, Distt. Rewari,  
Haryana

**Gurgaon Plant**

Omax Autos Limited - Railway Division  
38 KM Stone, Delhi-Jaipur Highway  
Beharampur Road, Post-Office Khandsa  
Gurgaon-122001, Haryana

**Registrar & Share Transfer Agent**

M/s Link Intime India Private Limited  
(Formerly M/s Intime Spectrum Registry Limited)  
A-40, 2nd Floor, Naraina Industrial Area, Phase-II,  
Near Batra Banquet Hall,  
New Delhi- 110028  
Tel. No. +91-11-41410592-94  
Fax: +91-11-41410591  
E-mail: delhi@linkintime.co.in

**Bankers**

Canara Bank	State Bank of India
Citi Bank	United Bank of India
Royal Bank of Scotland N.V. (India)	HDFC Bank Limited
Deutsche Bank	ICICI Bank Limited
Yes Bank Limited	The Hongkong & Shanghai
Kotak Mahendra Bank Limited	Banking Corporation Limited
Tata Capital Limited	

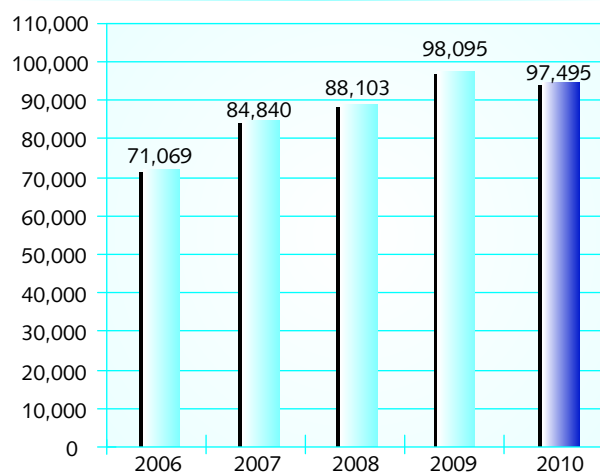
# Financial Highlights & Graphs

## Financial Performance

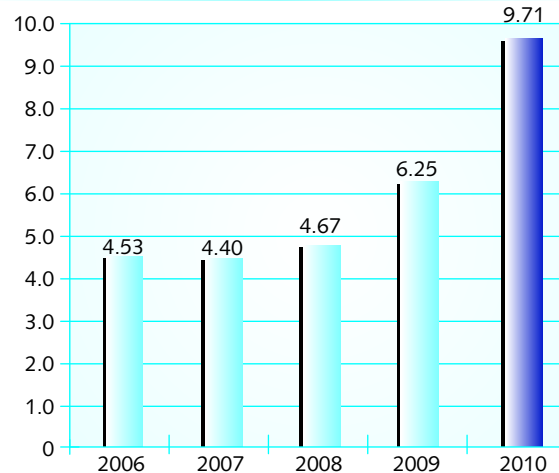
Rupees in Lacs

Year ended	March 2006	March 2007	March 2008	March 2009	March 2010
Gross Sales	71,069	84,840	88,103	98,095	97,495
Net Sales	58,610	69,944	73,044	83,435	87,558
Export Sales	2,656	3,076	3,408	5,266	8,500
Gross Profit (PBITD)	5,730	7,710	7,367	7,991	7,789
Net Profit (PAT)	2,003	2,366	1,584	543	1,430
Net Worth	11,371	13,333	14,567	14,561	16,139
Capital Employed	19,590	20,262	24,578	30,962	30,687
Fixed Assets (Net block)	22,639	26,804	31,769	33,390	35,422

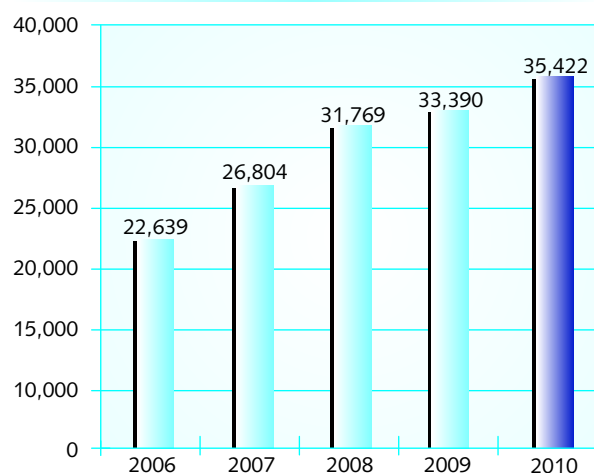
### GROSS TURNOVER



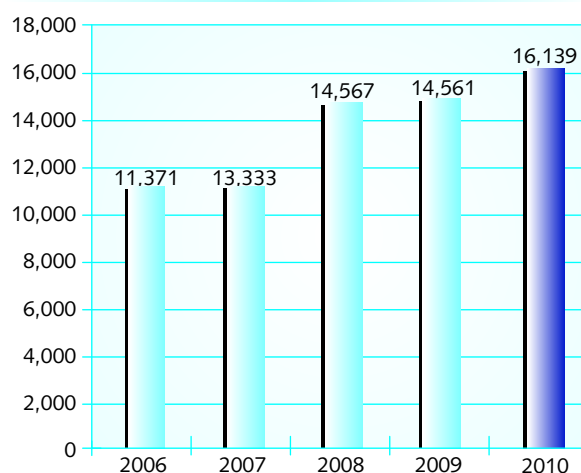
### EXPORT SALES/NET SALES (%)



### FIXED ASSETS (NET BLOCK)



### NET WORTH

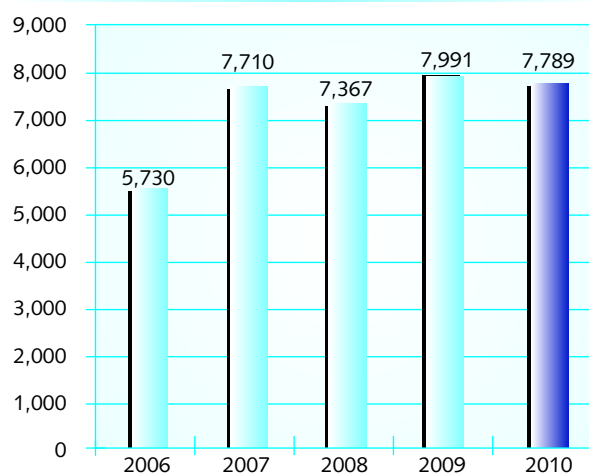


# Financial Highlights & Graphs

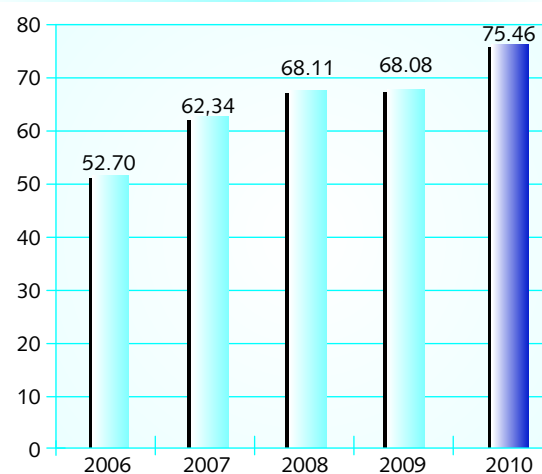
## Key Indicators:

Year ended	March 2006	March 2007	March 2008	March 2009	March 2010
Gross Profit Margin (%)	9.78	11.02	10.09	9.62	8.90
Net Profit Margin (%)	3.42	3.38	2.17	0.65	1.63
Export Sales/Net Sales (%)	4.53	4.40	4.67	6.25	9.71
Debt/Equity	0.74	0.52	0.69	1.13	0.90
Earning Per Share (Rs)	8.84	12.17	7.53	3.17	6.64
Dividend Per Share (Rs)	2.00	2.25	1.50	1.00	1.50
Book Value/Share (Rs)	52.70	62.34	68.11	68.08	75.46

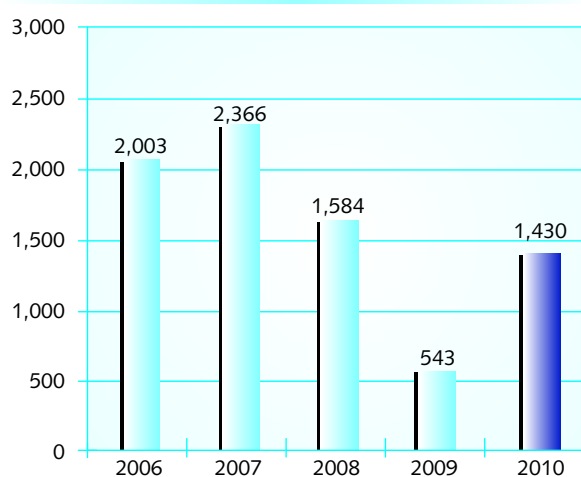
### GROSS PROFIT



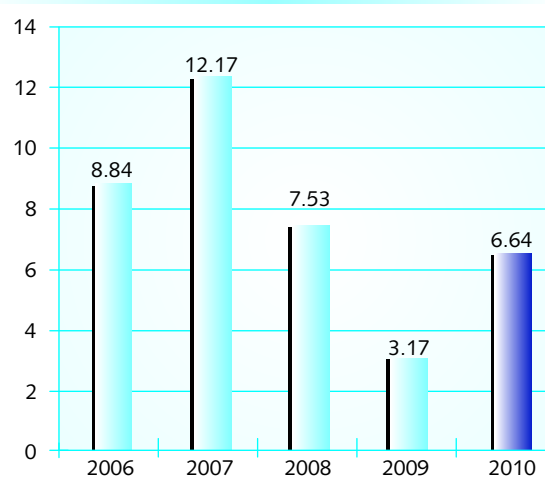
### BOOK VALUE/SHARE



### NET PROFIT



### EARNING PER SHARE





Omax Autos Limited was incorporated in 1983 with a vision to emerge as a niche player in Auto Industry and has grown exponentially into truly diversified and globalised corporate entity since then. In the last Twenty-Seven years of its existence, the Omax Autos Group has created and executed projects that were a part to touch every walk of life and human endeavor, while setting new benchmarks in quality. Today the Group enjoys a Gross Turnover Rs. 974.95 crores, spanning its horizon and providing fulfilled management. The group enjoys huge reserves of goodwill that has led to some of the biggest names in the corporate world putting their trust in us and constantly strives to provide products and services that enhance the quality of life and work, and to address a gamut of human needs.

OMAX Autos Ltd is in the business of manufacturing auto components. Omax is one of the largest manufacturers of Sheet Metal parts, Machined Tubular, Electroplated & painted components, Welding Facilities with integrated world-class features in India.

With growing opportunities & enhanced experience base Omax Autos has strengthened horizontally. In the last 27 years the company has widened its customer base and products by entering into 4 wheeler industry, producing for central railways and defence and producing home accessories apart from 2 wheeler industry. Not only within the domestic market our footsteps have also left their mark globally through IKEA, TENNECO, PIAGGIO & TOYOTA.

Though the Company has moved towards new frontiers in the last 27 successful years, yet it nourishes old relationships with undying passion and perseverance. With 10 plants as facilities, a strong infrastructure base and enlightened human resource we have reached the zenith of success.

Through continuous and aggressive strategy building and disciplined execution of the same it has been possible to attain high level of growth and experience. The key features of the strategy are –

- a) To make major improvements towards customer's satisfaction.
- b) To develop a competitive edge - to optimize its cost and move up in value chain.
- c) To progress through a strong base laid on in depth research and development.

The Company has also made significantly major changes namely –

- The Manesar Unit got Registered for in-house R&D activity with DSIR, Govt. of India, New Delhi.
- Exploring projects in Hydro, Solar & Wind as Renewable Source of Energy and have:
  - a) Successfully installed & commissioned 100 kWp Capacity Solar Roof Top Photovoltaic System at Manesar and Dharuhera plants for Captive use.
  - b) Ordered 2 Gas Based Generator sets of 1364 kW & have signed agreement with GAIL for supplying 20000 SCM of Gas Per Day to units located at Manesar & Dharuhera plants, which will result in considerable cost saving.
- Commenced commercial production of chassis of commercial vehicles for Tata Motors Limited at Lucknow plant.
- Set up dedicated facilities at Gurgaon plant to manufacture parts and components for Indian Railways.
- Set up plant at Bawal to manufacture Home Furnishing products.





## Vision

"Highly customer oriented, humane and system run global organisation with a concern for society"

## Mission

" We are a dedicated, proactive, loyal & accountable group of people with a quest for excellence through latest technology, people empowerment and brand equity to produce world class products by adopting best business practices and ethics."

## IMS Policy

"In line with our Vision & Mission, we remain committed for total satisfaction of our customers, associates and society at large, through excellence in quality, value for money, on time deliveries and continual improvement. While achieving this, we remain committed to comply with legal and other requirements relating to Environment, Health & Safety, for prevention of pollution, ill-health & injury.

## Core Values

• Human Dignity • Honesty • Commitment • Sincerity



# Aspirations

To build a world class Company through reliability and be a great place to work.

Our vision is to make our Company the best in class in whatever we do, globally. The products and services we offer should be comparable to the best in the world, our business process and systems should set benchmark for others. We should earn the respect of our competitors and be loved by our stakeholders.

Our Company should be the most preferred company to work for, for any employee. He should feel like a owner, be able to live his dream, fulfill all his professional goals and enjoy while doing so.

# Our Strength-Our Employees

The quality of an organization can never exceed the quality of the minds that make it up". The way a team plays as a whole determines its success. There may be a bunch of individual stars in the sky, but only when put together that it forms a constellation worth a dime.

Omax, as an organization, meets the talent and organizational needs of the widening global corporates by pooling in new talent group, nurturing employees and managing employee relationships. The steps involved in achieving these targets are as follows:

## **RECRUITMENT AND TRAINING**

We recruit individuals with adequate knowledge and a passion to excel in business based not only on academic excellence but also on a proactive approach.

We have always believed that a sustained focus on technology, systems and human resources, especially at the worker level, holds the key to success. Therefore, at Omax, training needs are identified periodically for various levels and all the new technical recruits are trained in technical training center on welding, pressing machining and other technical fields and then placed in the concerned departments.

## **EMPLOYEE ENHANCEMENT THROUGH INVOLVEMENT**

The Company encourages employees' feedback for enhancing improvement in process and aligning employee goals with business objectives. It helps in building mutual trust and foster teamwork. At workman level, for example, expansion of canteen facilities with better services, improved telephone services, safe working environment were some of the initiatives taken during the year.

A series of initiatives were taken up at each location to improve employee engagement. These included communications, team building and creation of cross-functional teams to enhance job content, work environment and employee empowerment.

## **EMPLOYEE MOTIVATION**

We motivate our employees by awarding them with various awards like long-term awards, attendance awards, customer representative winner award... Various recreational activities are conducted for employees and their families, birthday greetings are sent across to the employees, a quarterly magazine is published for and by employees to encourage their creativity and to share their personal and academic excellence which acts as value addition for the company named as Omax Autos Limited "Infomax". This helps in promoting the feeling of oneness.

## **HR MISSION**

"To promote and sustain the culture of developing world class leaders for value addition in every sphere of original activities while fulfilling employees professional and personal satisfaction."







**10** Manufacturing Plants situated across India, which forms the backbone of the structure called "OMAX AUTOS LIMITED".

**10** Facilities including Stamping Facility; CNC Pipe Bending Facility; Welding Facility; Sprocket Facility; Machining Facility; Piston Rod Manufacturing Facility; Tri Nickel Chrome Plating Facility; Tool Room Facility; Induction Hardening Facility and Tube Manufacturing facility.

**35** Main Products that form the vital & significant component and accessories for two wheeler, four wheeler, commercial vehicles and home furnishing.

**52** Customers / Clients that include OEMs & Tier I Manufacturers, provided with timely and quality product delivery.

## R&D Centre

To facilitate research & development of new products, designs and equipments as well as to improve the existing products by technical upgradation and cost minimization.





# Omax - Step Towards Clean Energy

Inauguration of 100 kWp Roof Top Solar PV System at Dharuhera and Manesar plants by Shri Deepak Gupta, Hon'ble Secretary, MNRE, Govt. of India on 20th May, 2010





## Message from Managing Director



**Dear Shareholders,**

It gives me great pleasure to reach you through this Annual Report. The year 2009 started with great challenges. In spite of this difficult beginning, we managed to achieve satisfactory results.

Indian economy has shown resilience and regained its growth momentum after relative slowdown in the previous year. The GDP growth in 2009-10 was 7.4% and we expect 8.5% GDP growth in this year.

The Automobile industry reported an overall 26% growth in sales in 2009-10. All the segments performed well. Sales in the domestic market were driven mainly by the car and the two-wheeler segment that posted 25.6% and 26% increase respectively, whereas commercial vehicles segment registered a growth of 38.3%. The Automobile Sector is optimistic on the growth prospects of the industry for the current year as well. There are tremendous opportunities in Auto industry both at domestic and overseas front. The sustained growth achieved by Indian auto industry combined with various

other factors such as low cost labour, local availability of steel, strong ancillary industry and 100% FDI allowed in the sector have grabbed the attention of international auto giants.

The fortunes of the automotive component segment are linked to the performance of auto industry. As the Automobile sector is growing considerable well, its growth is putting pressure on the component industry to make large investments to meet the growing needs for components. The Automobile manufacturers are now demanding the component industry to invest in building engineering and R&D capabilities, as they do not want to remain dependant on foreign suppliers for component design. The Component industry has now the opportunity to move to next level by adopting the best technology, use best corporate governance practices and becoming totally professional in management.

Your Company, to take advantage of this opportunity, is making further progress in capacity expansion, better operational efficiency, quality and financial performance.

With a view to create an innovative culture that will continuously



generate solutions to changing customer expectations, the Company has set up an advance and high-tech tooling and designing Centre. The Centre facilitates a dedicated research and development work for designing the modern tools and equipments for various components manufacturers in addition to meeting the in-house requirements of the Company.

Your Company's performance during the year was satisfactory with business continuing its good performance. Our ability to address customer needs with high level of efficiency despite challenging environment has held us in good stead in 2009-10 and demonstrated the company's preparedness to accept challenges. The continual growth in automobile sector is expected to give sustained growth to your company. On the exports front, prospects appear to be promising on account of growth in Auto and Home furnishing business and the company anticipates exports to continue increasing and account for a substantial share in the total sales in the coming years.

The net sales and other income of the Company for the year under review increased to Rs. 875.58 Cr. against Rs. 834.35 Cr. in 2008-09, registering a growth of 4.94%. The net profit before exceptional income has increased by 81.32% from Rs. 9.02 Cr. to Rs. 16.36 Cr. During the year under review, export revenues (including deemed exports) have also shot up to Rs. 85 Cr. against Rs. 52.66 Cr. in the previous year. Earning per Share increased to Rs. 6.64 in 2009-10 from Rs. 3.17 in 2008-09.

The Company has commenced the commercial production of chassis of commercial vehicle for Tata Motors Limited at its Lucknow plant, which will contribute to growth in sale during current financial year. The Company has also set up a plant at Bawal, near Gurgaon, for Home Furnishing Business. During the current financial year, the Company is

expecting increased business from Home Furnishing and Railways which will help the Company to diversify its business and gradually reduce dependency on auto segment. Further, to meet the growing demands of our customers, the company is augmenting capacity in existing lines as also making further investment in capacity and automation.

With more than 25 years of experience behind it, Omax is scaling new heights and I am optimistic that the Company is well poised to meet the future challenges and opportunities.

I thank the dedicated management team and employees at all levels. I would also like to thank and solicit continuous support from the stakeholders, customers, vendors, banks and financial institutions, to meet the future challenges. I thank my colleagues on the Board for their valuable guidance.

As we move forward, I promise that we shall strive to further build upon this core of trust through our unwavering commitment to perform at the highest order, at all times.

Jatender Kumar Mehta  
Managing Director







## INDIAN CUSTOMERS (OEMS)

Hero Honda Motors Ltd.  
 Maruti Udyog Ltd. (Suzuki J.V.)  
 Honda Motorcycle & Scooters India Pvt. Ltd.  
 TVS Motors Ltd.  
 Suzuki Motorcycle Ltd.  
 New Holland Tractors (India) Pvt. Ltd.  
 Yamaha Motors India Pvt. Ltd.  
 Hero Motors Ltd.  
 International Tractor Ltd.

## INDIAN CUSTOMERS (TIER 1)

Bharat Seats Ltd.  
 Carraro india Ltd.  
 Caparo Maruti  
 Deiphi Automotives  
 Denso India Ltd.  
 Gabriel India Ltd.  
 Honeywell  
 IKEA  
 India-Nippon Electricals Ltd.  
 Mitsuba Sical India Ltd.  
 Sundram Clayton Ltd.  
 Tata Motors Limited  
 Toyota (India)

## EUROPEAN CUSTOMERS

Delphi-Spain  
 Delphi-Poland  
 Honeywell  
 Piaggio  
 Tenneco Automotive-Belgium  
 Supersprox-Czech

## NORTH AMERICAN CUSTOMERS

Delphi Automotive Inc. USA  
 Tenneco Automotive (Maxico)

Notice is hereby given that the **TWENTY SEVENTH** Annual General Meeting of the Members of **OMAX AUTOS LIMITED** will be held at the Registered Office of the Company at 69 Km. Stone, Delhi Jaipur Highway, Dharuhera, Distt. Rewari, Haryana on Thursday, the 30th day of September 2010 at 11:00 A.M. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and Profit & Loss Account for the year ended on that date together with the reports of Auditors and Directors thereon.
2. To declare dividend for the year.
3. To appoint a Director in place of Mr. Lalit Bhasin, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Suresh Mathur, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint a Director in place of Mr. Verinder Kumar Chhabra, who retires by rotation and being eligible offers himself for reappointment.
6. To appoint Auditors from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

## SPECIAL BUSINESS:

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

### RE-APPOINTMENT OF MR. JATENDER KUMAR MEHTA AS MANAGING DIRECTOR

"RESOLVED that pursuant to Section 198, 269, 309, 310, Schedule XIII and other relevant provisions, if any, of the Companies Act, 1956, Mr. Jatender Kumar Mehta, Managing Director of the Company be and is hereby re-appointed as Managing Director of the Company for a period of five years w.e.f. 1st January 2011 till 31st December 2015 on the following terms and conditions:

1. Salary	Rs. 7,50,000/- per month
2. Perquisites	Perquisites of any kind at actual which shall not exceed the overall limit of 40% of the Annual Salary.  In the absence of actual valuation of the perquisites, the same will be calculated in terms of Income Tax Act, 1961.
3. Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the Computation of the ceiling on perquisites to the	

extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

Earned Leave: On full pay and allowances as per the rules of the company but not exceeding one month's leave for every eleven months of service. Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

Provision of Two Cars with Drivers for use on Company's business and telephone at the residence and mobile phone will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the company.

RESOLVED FURTHER THAT as per the provisions of section 309 and Schedule XIII of the Companies Act, 1956, the overall remuneration of salary, commission and perquisites of the Managerial Person(s) shall not exceed 10% of the net profits of the Company calculated as per the sections 349 and 350 of the said Act.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, in the event of inadequacy of profits in any financial year, the Managing Director shall be entitled to minimum remuneration comprising of aforesaid salary, perquisites and other allowances, in terms of Schedule XIII to the Companies Act, 1956 subject to the necessary approvals and compliances.

RESOLVED FURTHER THAT the Board/Remuneration Committee be and is hereby authorised to do all such acts, deeds or things, as may be necessary to give effect to this resolution and other matters incidental thereto and execute all such documents, instruments and writings as may be required or otherwise considered necessary by the Board/Remuneration Committee in the best interest of the company as it may deem fit."

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

### RE-APPOINTMENT OF MR. RAVINDER MEHTA AS MANAGING DIRECTOR

"RESOLVED that pursuant to Section 198, 269, 309, 310, Schedule XIII and other relevant provisions, if any, of the Companies Act, 1956, Mr. Ravinder Mehta, Managing Director of the Company be and is hereby re-appointed as Managing Director of the Company for a period of five years w.e.f. 1st January 2011 till 31st December 2015 on the following terms and conditions:

1. Salary	Rs. 60,000/- per month
2. Perquisites	Perquisites of any kind at actual which shall not exceed the overall limit of 40% of the Annual Salary.

	In the absence of actual valuation of the perquisites, the same will be calculated in terms of Income Tax Act, 1961.
3.	<p>Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the Computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.</p> <p>Earned Leave: On full pay and allowances as per the rules of the company but not exceeding one month's leave for every eleven months of service. Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.</p> <p>Provision of Two Cars with Drivers for use on Company's business and telephone at the residence and mobile phone will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the company.</p>

RESOLVED FURTHER THAT as per the provisions of section 309 and Schedule XIII of the Companies Act, 1956, the overall remuneration of salary, commission and perquisites of the Managerial Person(s) shall not exceed 10% of the net profits of the Company calculated as per the sections 349 and 350 of the said Act.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, in the event of inadequacy of profits in any financial year, the Managing Director shall be entitled to minimum remuneration comprising of aforesaid salary, perquisites and other allowances in terms of Schedule XIII to the Companies Act, 1956 subject to necessary approvals and compliances.

RESOLVED FURTHER THAT the Board/ Remuneration Committee be and is hereby authorised to do all such acts, deeds or things, as may be necessary to give effect to this resolution and other matters incidental thereto and execute all such documents, instruments and writings as may be required or otherwise considered necessary by the Board/Remuneration Committee in the best interest of the company as it may deem fit."

By order of the Board of Directors  
For **Omax Autos Limited**

Place: Delhi

(Parimesh Manocha)

Date: 13.08.2010

Asst. Company Secretary

## NOTES:

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of Special Business as set out in the notice is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, THE INSTRUMENT OF APPOINTING PROXIES SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th day of September 2010 to 30th day of September 2010 (both days inclusive).
4. The payment of dividend, upon declaration by the shareholders at the ensuing annual general meeting, will be made on or before 29th day of October 2010:
  - a. To all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the company by National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) as on 26th day of September 2010 after closing of business hours.
  - b. To all those shareholders holding shares in physical form after giving effect to all the valid share transfers lodged with the company / its Registrar and Transfer Agent on or before 26th day of September 2010 before closing hours.
5. Members who have not encashed their dividend warrants may approach the registered office of the company for claiming unclaimed dividend as the amount of dividend remaining unpaid for a period of seven years shall be transferred to Investor Education & Protection Fund (IEPF) as per the provisions of section 205A and 205C of the Companies Act, 1956. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie in respect thereof.

F.Y. Ended	Date of Declaration of Dividend	Last Date for Claim
2002-03	26.12.2003	25.12.2010
2003-04	30.11.2004	29.11.2011
2004-05	19.09.2005	18.09.2012
2005-06	26.09.2006	25.09.2013
2006-07	28.09.2007	27.09.2014
2007-08	30.09.2008	29.09.2015
2008-09	30.09.2009	29.09.2016

6. Members are advised to avail the Electronic Clearing Service (ECS) facility for receipt of future dividends. The ECS facility is available at the specified locations. Members holding shares in dematerialized form are requested to contact their respective Depository participants (DPs) for



availing ECS facility. Members holding shares in physical form and desirous of availing ECS facility are requested to write to Registrar & Transfer Agent of the company. A copy of ECS mandate form is enclosed.

7. Pursuant to the provisions of Section 109A of the Companies Act, 1956, every shareholder or joint holders may nominate, in the prescribed manner, a person to whom all the rights in the shares vest in the event of the death of the sole holder or all joint holders. A nomination form is enclosed for shareholders holding shares in physical form. Members holding shares in electronic form may contact their respective depository participant for availing this facility.
8. Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, change of address, change in name etc. to their depository participant (DP). Members holding shares in physical form are requested to intimate the above said changes to the company's Registrar & Transfer Agent.
9. Members are requested to send their queries, if any, at least 10 days in advance of the meeting, so that the information can be made available at the meeting.
10. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, between 11:00 a.m. and 1:00 p.m., upto the date of the ensuing Annual General Meeting.
11. In order to avoid fraudulent encashment of Dividend Warrant(s), members are advised to inform their Bank Account details like A/c no., name and address of the bank, for incorporating the same in Dividend Warrant.
12. Members/Proxies are required to bring their duly filled attendance slip in the meeting. Members holding the shares in electronic form are requested to bring their DP-ID Number and Client-ID Number for identification.
13. Members are requested to bring their copy of the Annual Report to the Meeting.
14. Members who have not got their shareholding dematerialized are advised in their own interest to get their shares dematerialized.

## ANNEXURE TO NOTICE

### 1. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance to clause 49 of the Listing Agreement)

Brief resume of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting

#### Mr. Lalit Bhasin

Mr. Lalit Bhasin had started his Law Practice in 1962. He is a B.A. (Hons.) and L.L.B by qualification. His law firm (Bhasin &

Co. Advocates) is rendering professional services including Corporate Law i.e. Merger & Acquisition, Formation of Joint Venture Companies, Foreign Collaboration, Consumer Protection Laws, Arbitration and General Litigation, Family and Personal Laws.

Mr. Lalit Bhasin is Honorary General Secretary of Bar Association of India. He is President of Indian Society for Afro Asian Studies and also of The Society of Indian Law Firms. He is Executive President of the India Law Foundation and the Chairman of Services Export Promotion Council.

He is the Founder Member and Chairman of the Board of Directors of Chartered Institute of Arbitrators (India) - a Section 25 Company under the Companies Act 1956 set up by Chartered Institute of Arbitrators, London.

Mr. Lalit Bhasin is also Author of books Like Employment Laws of India, World beyond Nuclear Power, Congress Centenary Celebrations, Lawyers in the Freedom Struggle of India and many more.

Mr. Lalit Bhasin is also awarded by many awards and honors like Indira Gandhi National Unity Award, Intellectuals Awards, Indira Gandhi Priyadarshini Award, National Award for Excellence, Award of Honors from the Prime Minister of India and many more awards for his knowledge, performance and participation in Legal Matters.

He is presently serving on the Board of several companies like Godfrey Phillips India Ltd., Asian Hotels North Ltd., Asian Hotels West Ltd., Bharat Hotels Ltd., Urban Infrastructure Trustees Ltd., Apollo Zippers India Ltd., Modicare Ltd., Ansal Properties and infrastructure Ltd., LMJ International Ltd., Quattro Legal Solutions Pvt. Ltd., Comma Consulting Pvt. Ltd., iMark Public Relations Pvt. Ltd.

He is also the Chairman of the Audit Committee of Asian Hotels North Ltd. Further he is the member of Audit Committee of Godfrey Philips India Ltd., Asian Hotels West Ltd., and Bharat Hotels Ltd.

He is the member of Shareholders'/Investors' Grievance Committee of Godfrey Phillips India Ltd., Asian Hotels North Ltd., Asian Hotels West Ltd. and Ansal Properties & Infrastructure Ltd.

Mr. Lalit Bhasin does not hold any equity shares in the Company. He is not related to any other director on the Board of the Company.

#### Mr. Suresh Mathur

Mr. Mathur has varied experience of over 44 years in the oil industry. He is a Chartered Accountant by qualification. He has dealt with important assignments in the field of Finance, Marketing, Operations, Strategic planning, International Oil Trading and Execution of several projects. He also headed IOC's International Trade responsible for procurement of Crude Oil & Petroleum Products for the country, as IOC was government's canalizing agency for imports of crude oil and petroleum products.

Mr. Suresh Mathur is no stranger in the Hydrocarbon Industry. He was the founder and Chairman & Managing Director of Petronet LNG Limited and was the Finance Director of India's Fortune 500 Listed Company Indian Oil Corporation. Mr. Mathur has also been working closely with Gujarat State Petroleum Corporation Limited and Gujarat Government for long time.

He also served as a financial analyst for a World Bank project in Nigeria and was a consultant with ITC Geneva where he authored a handbook on import of crude oil and petroleum products for developing countries.

He is a frequent keynote speaker at all major International Oil & Gas conferences.

He is presently serving on the Board of the Cosmo Films Ltd., Gujarat State Petroleum Ltd., Gujarat State Petronet Ltd. and Synergy Environmics Ltd.

He is the Chairman of Audit Committee of Gujarat State Petronet Limited and is a member of Audit Committee and Investors' Grievance Committee of Cosmo Films Limited.

Mr. Suresh Mathur does not hold any equity shares in the Company. He is not related to any other director on the Board of the Company.

#### **Mr. V. K. Chhabra**

Mr. Verinder Kumar Chhabra is an industrialist and is on the Board of the Company since March 2002. A qualified electrical engineer, has had extensive training with a Holland based Company, which is a pioneer in the field of highly sophisticated machineries. With an experience of 32 years in the industry, Mr. Chhabra has travelled all over the world and acquired expertise in the field of automobile accessories, components, horns etc.

Mr. Verinder Kumar Chhabra is the Promoter and Managing Director of Unitech Machines Limited, an OEM of automotive lighting components for various auto majors in India and turnkey contractors.

He is presently serving on the Boards of Unitech Machines Limited, Unitech Software Solutions Limited, Good-Day Foods Limited, Unitech Indraprastha TV Limited, SAB Holdings (I) Private Limited, Techno Trexim (I) Private Limited, UM Corporate and Management Services Private Limited, Magneti Marelli UM Electronic Systems Private Limited, Unitech Nohmi Fire Protection System Private Limited.

Mr. Verinder Kumar Chhabra is a member of Remuneration Committee of the Company.

Mr. Verinder Kumar Chhabra holds 30000 equity shares in the Company. He is not related to any other director on the Board of the Company.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice dated 13th August 2010:

#### **Items no.6 & 7: Re-appointment of Managing Directors- Mr. Jatender Kumar Mehta & Ravinder Mehta**

The Shareholders in their 22nd Annual General Meeting held on 19th day of September 2005 re-appointed Mr. Jatender Kumar Mehta and Mr. Ravinder Mehta as Managing Directors of the Company for a period of 5 years w.e.f. 1st January 2006 to 31st December 2010.

Mr. Jatender Kumar Mehta and Mr. Ravinder Mehta, main promoters of the company, have wide industrial, operational and administrative experience with a western outlook to industrialization and a flair for identifying new products and ideas with potential. Each of them has widely travelled and got substantial exposure in all functional areas of the auto component industry. Both of them have been exponential in the growth and development of the company.

As per the recommendation of the Remuneration Committee, the Board of Directors in their meeting held on 13th August 2010 has re-appointed Mr. Jatender Kumar Mehta and Mr. Ravinder Mehta as Managing Directors of the company for a further period of 5 years w.e.f. 1st January 2011 at remuneration subject to the approval of the shareholders. The Board recommends the resolutions for your approval.

Further, as per Schedule XIII of the Companies Act 1956 if the Managing Director has attained the age of 70 years, his appointment/re-appointment can be done either by passing Special Resolution in the General Meeting of the Company approving his appointment/re-appointment or in the absence of such resolution, with the approval of the Central Government. As Mr. Ravinder Mehta, Managing Director turns out to be 70 in the year 2011, the Board recommends to the Company to pass Special Resolution for the re-appointment of Mr. Ravinder Mehta.

Except Mr. Jatender Kumar Mehta and Mr. Ravinder Mehta, no other Director is interested or concerned in these resolutions. In terms of Section 302(2) of the Companies Act, 1956, the Explanatory Statement as above, together with this Notice may be treated as an abstract of the terms of the agreement for the aforesaid re-appointment of Mr. Jatender Kumar Mehta and Mr. Ravinder Mehta as Managing Directors of the Company and the memorandum of interest or concern therein.

By order of the Board of Directors  
For **Omax Autos Limited**

Place: Delhi  
Date: 13.08.2010

(**Parimesh Manocha**)  
Asst. Company Secretary

The objective of this report is to share with you and keep you abreast with the happenings and transformations occurring within the Company, that in the industry and economy, its manufacturing processes, technology and its overall business strategies. We begin with a general review of the industry, macro economy followed by the operational and financial details of the company including details of its human resources, research and development activities.

## Industry Structure and Development

Automotive Industry comprises of automobile and auto component sectors and is one of India's sunrise industries with tremendous growth prospects. Due to its deep forward and backward linkages with several key segments of the economy, automotive industry has a strong multiplier effect and is capable of being the key driver of economic growth. Being one of the largest industries in India, this industry has been witnessing impressive growth during the last two decades. It has been able to restructure itself, absorb newer technology, align itself to the global developments and realize its potential.

The fortunes of the automotive component segment are linked to the performance of auto industry. The auto ancillary gives support to sectors such as metal that includes steel, aluminum, copper and also to many other machine tools, plastics, rubbers, polymers, glass and surface transport etc.

The sustained growth achieved by the Indian auto industry has grabbed the attention of international auto giants, including Nissan, Ford and General Motors. All these manufacturers are looking to produce smaller, more affordable models so as to tap the growing demand for cars in the third-biggest Asian economy. This promises a bright future for the auto industry in India.

Automobile industry reported a 26.41 per cent growth in sales in 2009-10, making it the second fastest growing market in the world after China. According to the figures released by SIAM, total vehicles sales in India in the last fiscal was at 1,22,92,770 units compared to 97,24,243 units in the previous financial year.

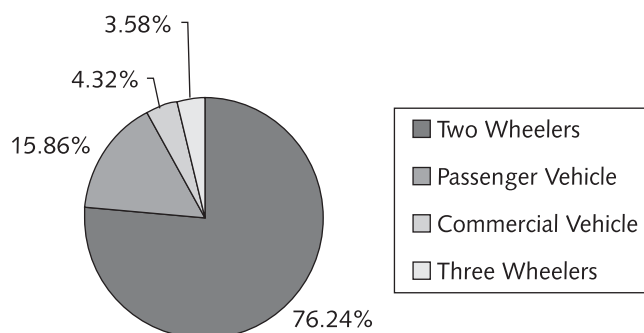
In India, the situation of various segments has been as follows:-

### DOMESTIC SALES

SEGMENT	2008-09	2009-10	Growth (%)
Passenger vehicles	1552703	1949776	25.6
Commercial vehicles	384194	531395	38.3
Three-wheelers	349727	440368	25.9
Two-wheelers	7437619	9371231	26.0
<b>Total</b>	<b>9724243</b>	<b>12292770</b>	<b>26.4</b>

Source: SIAM

Segment Wise Share in 2009-10  
(As per Domestic Sales)



Variety of factors, including the stimulus package, lower interest rates, implementation of the 6th pay commission and new model launches, helped the industry register the growth.

Indian auto component industry has gained a significant growth momentum from de-licensing of industries. In a response to relaxed regulations, easing FDI policies and support to the industry, production and sales both have achieved double-digit CAGR growths in last 4-5 years. "India Auto Component Market Analysis", a Research Report, further reveals that rising sales of automobiles in the country will continue to sustain higher levels of auto component demand, which is poised to grow at 13.8% CAGR during 2010-11 - 2013-14.

### Exports of Auto Components

During the financial year 2009-10, automobile export registered an overall growth of 17.90%. Passenger vehicle, Commercial Vehicle and Two Wheelers Segment grew by 32.89%, 5.59%, and 13.54% respectively in this period. Steered by the country's high engineering skills, established production lines, a booming domestic automobile industry and competitive costs, global auto majors are rapidly ramping up the value of components they source from India.

On the export front, India is gradually positioning itself as a trusted name in global auto component industry. In the recent years, auto component manufacturers are gradually moving up in the value chain. Their share of supply to OEMs in total exports is increasing and supply to the aftermarket is decreasing. Attributes like improving component quality, cost effectiveness even at lower level of production levels are differentiating Indian component suppliers from their foreign counterparts. The trend is expected to prevail in future also, which will strengthen the industry outlook in the country.

### Four Wheeler Segment

After a downturn in 2008-2009, the passenger car segment, in particular, showed tremendous growth potential. This was due to increasing income levels, aggressive model launches and improving transportation infrastructure in the country. "India Passenger Car Market Analysis" report further reveals that the increasing demand will continue to fuel passenger car production at a CAGR of 10.6% through 2013-14.



Moreover, India is emerging as a low-cost automobile production base in the world. Most of the international passenger vehicle manufacturers have set up their plants in India. The cost advantage and technically strong assembling plant capacity enable India to export its passenger vehicles to other countries, including the most developed markets in Europe.

All prominent domestic players are planning to invest huge sum of money to provide answers to the overflowed demand for futuristic passenger cars in the country. In addition, some foreign auto majors are also foraying into the Indian market after seeing the disappointing performance of the automobile markets of US and EU amid economic slowdown. The industry anticipates large number of foreign manufacturers to enter the Indian market in the years to come, which will intensify the market competition and will prove beneficial for the industry development.

Growing middle class population, increasing income levels, launch of small and economical cars like Tata Nano, and rural development will drive the future sales growth. Government's stimulus package as well as better road connectivity along with expansion of flyovers and roads will also support the growth in future sales of new passenger cars.

At Omax Autos, this segment reported net sales of Rs. 81.57 Crores in the year 2009-10. Omax is operating its Four Wheeler business through Automax (A Unit of Omax Autos Limited) and Omax Autos Limited-Bangalore Plant.

Automax is situated in NCR to cater to the requirement of Tier I and Tier-2 suppliers. It is in advanced stage of discussion with customers in earthmoving segment and likely to secure new business in this segment. Our Bangalore plant is also performing well with the growth of TVS Motors Limited. The plant sees a good opportunity in earthmoving segment and is actively working on it with potential customers in this segment.

## Commercial Vehicles

The Indian Commercial Vehicle (CV) industry, after facing a severe demand slowdown in the second half of 2008-09, has bounced back, reporting an impressive 38.3% growth in 2009-10 against a 21.7% drop in volumes in 2008-09.

There were various factors for this turnaround which includes improved economic activity, favorable impact of Government mandated stimulus package and an overall improvement in the financing environment.

Although the medium to longer-term outlook for the CV segment remains strong, the growth in volumes as witnessed during the last year is likely to see some moderation owing to certain short-term challenges which includes partial withdrawal of the stimulus package, expected increase in interest rates

and successive price increases agreed by OEMs to compensate for the rise in input material prices. It is expected that the OEMs will gradually pass on the emission norm-driven increase in costs, provided the underlying demand remains robust. This, along with the expected increase in interest rates, could in the near term, offset some of the demand recovery. The longer-term demand drivers however remain intact, and the trend growth rates are expected to be in the region of 10-11%.

Medium & heavy commercial segment faced 40% downturn during 2008-09 but has now started to grow again with robust economy & industrial growth and also due to various infrastructure projects in pipeline.

At Omax Autos, this segment reported net sales of Rs. 8.26 Crores in the year 2009-10.

The Company has set up a plant at Lucknow to manufacture the chassis for light Commercial Vehicle & Heavy Commercial Vehicles for Tata Motors Limited, and had started its Commercial production in September 2009. In 2009-10, 3257 Chassis frames were dispatched to Tata Motors and during 2010-11, it is expected to deliver 24000 Chassis frames. Against this, 5968 Chassis frames have already been sold till July 2010. The Commercial Vehicle market is growing at the rate of 16% CAGR and your Directors expect this sector to grow further at good pace.

While Tata Motors is leader in commercial vehicle segment & is strengthening its market share, new entrants like Mahindra Navistar & Daimler are launching their global products in next 2-3 years. Also global players like Hino, Scania & Photon are planning to enter the Indian market. Omax is making continuous efforts to establish contacts with other commercial vehicle manufacturers for new business.

## Two Wheelers

The performance of the 2W industry in the current fiscal has been quite strong so far. Total 2W industry sales volumes are expected to grow at 9-11% over the medium term, supported by large number of product options that would become available to customers as new product launches/refurbishments are made by various OEMs; anticipated increase in brand promotions; increased segmentation in the 2W industry, converting latent demand into higher sales; and favorable outlook for economic growth. Growth is also likely to be supported by an increase in exports. Indian manufacturers may be considered well-positioned to expand into global developing markets. Also, international players are looking at making India a global manufacturing hub. The factors discussed are expected to lead to healthy revenue growth for the 2W industry over the medium term.

However, the expected increase in competitive intensity in the short to medium term, the anticipated increase in input costs,

and the likely dilution of the pricing power are likely to start showing their impact on the industry's profit margins over the short to medium term.

At OAL, this segment reported net sales of Rs. 658.18 Crores in the year 2009-10 as compared to Rs. 654.77 Crores in 2008-09. Your Company did not witness increase during the year as compared to previous year. Due to the fact that our major customer, Hero Honda produced more vehicles at Haridwar plant where Omax does not have a manufacturing plant.

## Home Furnishings and Railways

OAL has made significant efforts for diversification by setting up facilities to manufacture products for the Indian Railways and Home Furnishing. Each of these lines would create opportunities in the near future.

The Company is exporting various items under the Home Furnishing Segment to large international customers like IKEA, Target, Gimmy etc. This segment reported a total sales of Rs. 70.14 Crores in 2009-10 compared to Rs. 24.42 sales in 2008-09. In the current fiscal i.e. 2010-2011, this business is expected to grow further with the launch of new products made of stainless steel.

Omax Autos is a registered supplier of the Indian Railways. The Company has set up dedicated facilities at Gurgaon Plant to manufacture parts and components for Indian Railways.

On full operational basis, your Company expects to do a total business of Rs. 100 Crores in these segments.

## Opportunities and Threats

Automobile Sector is optimistic on the growth prospects of the industry for the forthcoming fiscal. Tremendous opportunities for growth in the auto industry are available both in the domestic and overseas markets. India's low cost advantage would drive automobile exports. Factors such as abundant low cost labour, local availability of steel, aluminium and natural rubber, strong ancillary industry, 100% FDI allowed in the sector, in addition to high demand outlook has attracted the global auto majors to set up significant capacities in India.

The Company has been constantly striving to upgrade manufacturing technology to be able to increase its share with major automobile manufacturing companies. With the focus on infrastructure spending by the government, there is a potential for growth within the auto industry in the medium terms. Your company has investments, manufacturing strength and the relationships to take advantage of this market turn.

Domestic demand for automobiles will be the most important factor driving growth in the industry. The Company expects sales volume to grow during FY11 and management is hopeful that your company will be a INR 10 billion turnover Company; it will be due to forecasted growth in auto sector, commercial operation of Lucknow plant at full capacity and business growth

from Indian Railways and Home Furnishings. On the back of healthy demand outlook, Company expects to increase spending on capital expenditure activities.

Free trade agreements, or FTAs, signed by India last year have adversely impacted several local component manufacturers. Trade agreements signed with countries like Thailand and China which already offer a number of incentives to their domestic players, are perceived to be a huge threat to India. Indian auto parts suppliers, struggling to meet a surge in demand due to capacity constraints, are ceding ground to aggressive Chinese suppliers. The other threats are competition from Chinese manufacturers impacting Home Furnishing exports, Govt. policies and political scenario.

## Risks and Concerns

Entry of new players and launch of new models and technologies have increased market competition. Competition will be the major challenge facing the industry in FY11. Increasing intensity of competition amongst the automobile manufacturers would not allow full pass-through of the rising input costs. The pressure of competition would be percolated down to the fragmented auto component industry with weak bargaining power. The component manufacturers find it difficult to pass on the rising costs to the cost sensitive replacement market. The commodity prices too are not in control of the Company. Any increase in input costs which are not passed on to customers has the risk of affecting the company.

Input prices to witness an upward movement in FY11. Power costs and Raw material cost will be the major challenge facing the industry. However, your company has successfully installed 100 kWp rooftop solar plants and Gas based generator sets at Dharuhera & Manesar units, which will help the company to reduce its power costs.

The Company is also exposed to interest rate variations on account of the borrowings. Any diverse interest rate movement has a significant impact on the company.

Demand conditions in the export market are also viewed as the other major challenge facing the sector. Cost control programmes, cost management and risk management emerged as fundamental focus areas for the auto component sector.

New product launches drove growth of the industry in the recent couple of years. For FY11 as well, this is likely to be the key strategic focus of automobile companies, the auto component companies need to restructure itself, absorb newer technology and align itself to the global developments. The Company is being significantly dependent on Hero Honda Motors Ltd. and would be directly impacted by any developments at Hero Honda Motors Ltd. on these parameters.



## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has the required internal control system and procedures to ensure optimal use of Company's resources. The Company's internal audit department conducts regular audit of various operational and financial matters to derive findings as a comparison for targets achieved and observations for further action to be taken. The audit committee of the board of directors periodically review and discuss the audit observations.

The internal control system is designed to ensure that all the financial and other records are reliable and authentic to prepare the financial statements and other data.

The internal control system is also designed to ensure that resources available with the Company are used adequately and the roles and responsibility assigned to each department has been accomplished in an optimum manner.

## HUMAN RESOURCE

Human Resource remains the most valuable asset of Omax Autos Ltd. People at all levels have displayed a sense of ownership and accountability which has ensured that we have been able to go past the crisis with minimum damage.

Each manufacturing location has competent leadership and has been steering improvement and cost cutting projects. Apart from this, a great emphasis has been laid on customer expectation management.

The company's human resource management systems are focused towards creating an environment of cost responsiveness and customer centricity. The paradigm is to develop an overall culture of Responsibility with Accountability.

Periodic skill based and managerial training is imparted at all levels in the organization.

This holistic approach towards human resource development has ensured that there is a pro active involvement at all levels in finding solutions to improve processes, create a greater value for the customer, cut costs and ensure transparent operations.

Omax has started a new process for DNA change in the Organization. DNA change is the new ways of thinking, working, engaging and interacting to build an organization. It requires a shift in our mindsets and mental models in such way that we commit ourselves to make tough choices and implement them. In order to change the DNA and build culture of Excellence, OAL leadership team is committed and working in the direction to enforce the change in an effective manner and also taking the support of the professional consultants to have systematic approach. Omax at regular intervals provides training; arrange seminars; brainstorming sessions for its employees. Apart from senior managers, participation from middle level management has been commendable and Omax hopes that this process of DNA change will prove to be successful and instrumental in working and success of the organization.

## FINANCIAL PERFORMANCE AND ANALYSIS

Rs. In Lacs

Abridged Profit and loss statement	Current Year 2009-10	Previous Year 2008-09
Gross sales & Other Income	97494.72	98094.99
Excise Duty & Sales Tax	9937.09	14659.77
<b>Net Sales &amp; Other Income</b>	<b>87557.63</b>	83435.22
Raw Materials and Components	61703.34	59590.26
Manufacturing Expenses	5258.19	4857.75
Employees Cost	9188.08	7819.77
Other Expenses	3619.46	3176.27
<b>Total Expenses</b>	<b>79769.07</b>	75082.39
<b>PBIDT</b>	<b>7788.56</b>	7991.17
Depreciation and Amortization	2920.19	2849.83
<b>PBIT</b>	<b>4868.37</b>	5141.34
Interest	3231.92	4238.84
<b>PBT</b>	<b>1636.45</b>	902.50
Exceptional Income	407.27	–
PBT (after exceptional Income)	2043.72	902.50
Current Tax	457.79	352.86
Deferred Tax	155.55	6.99
<b>PAT</b>	<b>1430.38</b>	542.65
Net Worth	16138.96	14561.15
Earning per share (EPS) in Rs.	6.64	3.17

The net sales and other income of the Company for the year under review increased to Rs. 87557.63 lacs as compared to Rs. 83435.22 lacs in the previous financial year, registering a growth of 4.94% on an annualized basis. The profit before interest, depreciation and tax of the Company decreased by 2.53% on an annualized basis from Rs. 7991.17 lacs in the previous period to Rs. 7788.56 lacs in the year under review due to increase in raw material prices. The net profit before exceptional income has increased by 81.32% from Rs. 902.50 lacs to Rs. 1636.45 lacs due to reduction in rate of interest and better fund management.

During the year under review, export revenues (including deemed exports revenue) have shot up to Rs. 8500.33 lacs against Rs. 5265.63 lacs in the previous year i.e. increased by 61.44% on an annualized basis.

During the current financial year Company is expecting substantial increase in profit due to starting of production of Railway Coaches and Home Furnishing items at Gurgaon and Bawal Plants respectively which will help the Company to diversify its business and gradually reduce dependency on auto segment. Further commercial production of chassis of

commercial vehicle has already been started at Lucknow, which is also expected to provide growth in sale during the current financial year.

## HEALTH, SAFETY AND ENVIRONMENT

Your company is OHSAS compliant and ISO 18000 compliant.

The company has been following a policy of "safety first" in all operations. Apart from training people, adequate systems and processes have been developed to ensure minimal risk to people who are working in all manufacturing locations and administrative offices of the company.

The company is also conscious of its responsibility towards the health of its people and towards the environment. The company has carried out various medical and health check ups for employees and their dependants.

The effluent disposal of the company ensures that the company is taking all possible precaution in preserving our environment. In doing so, the company goes beyond the prescribed minimum requirements of the standards to which the company complies. Rain water harvesting, using energy efficient equipment and green procurement initiatives form a regular part of the working of the company.

The Company ordered 2 Gas Based Generator sets of 1364 kW & have signed Agreement with GAIL for supplying 20000 SCM of Gas Per Day to units located at Manesar & Dharuhera Plants. The use of Gas results in considerable Cost Savings but will also entitle the Company for CDM benefits on account of the contribution towards reduction of Global Warming.

As a significant step towards Green Technology, Omax has installed 100 kWp Roof Top Solar Photo Voltaic Systems at Dharuhera and Manesar plant. On 20th May 2010 Hon'ble Secretary MNRE, Government of India, Sh. Deepak Gupta inaugurated 100 kWp Roof Top Solar PV systems at Dharuhera and Manesar plant. This system is the first in India for industrial captive use and will generate 1.53 Lac units per annum. Moreover there will be saving of diesel upto 30,000 litres per annum and reduction of 2 million Kg of CO<sub>2</sub> in 20 years. The energy generated is being fed to our internal grid. The minimum life of the system is 25 years. The daily generation data is available online and being monitored by maintenance head, Corporate Engineering and Moser Baer.

In the present scenario of shortage and high cost Power and Fuel, Omax is working on priority for energy efficiency, conservation as well as new & renewable resources for energy.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate world has been dwelling for years from the society the best resources. This makes a Corporate entity responsible for a ploughing back as much to society as derived. We at Omax Autos have always been aware and enthusiastic for maintaining

this balance. We have been conducting various activities and programmes for the society to add value to the living. In the terror of hazards like global warming, we have been contributing on a positive note by running afforestation regime in the vicinity of all plants every year and initiated the "Save Tree Campaign" in our Group. Awareness Programmes were arranged in all the Plants on 15-16 July 2009 and continued and implemented same campaign throughout the financial year. The response had been very encouraging and several actions were initiated by our employees as a result we saved 12650 Kg Paper equivalent to 320 Fully Grownup Trees during this financial year.

The other CSR highlights were:

- a) arranging regular welfare programs for its employees like sports activities, giving awards or incentives on shop floor level, etc.
- b) special training provided to the drivers, so that accidents can be minimized.
- c) safety week is organised which included the display and exhibition of safety equipments.

In the race to achieve business goals in these turbulent times, it is easy for an organization to lose sight of its responsibilities towards society. Supporting community development initiatives is an integral part of our business philosophy. We not only involve ourselves in community development directly, but also encourage employees to partner with us to make a difference. For the furtherance of this goal, the company has initiated a programme named "Nanhi Chhaon" which is entirely capsulated to save girl child and curb the evil of female foecide. Besides celebrating the birth of girl child, distributing gifts & sweets, sharing happiness, we create awareness among our employees that the girl is a God's opinion that the life should go on and make them understand the importance of girl's education.

We have a long way to go hand in hand with the society as a whole.

## CAUTIONARY STATEMENT

The company has made forward looking statements in this document that are subject to risks and uncertainties. Forward looking statements may be identified by the use of words like "expects", "anticipates", "believes", "estimates" or similar expressions. All statements that address expectations or projections about the future, including but not limited to, statements about the strategy of the company's growth, product development, market position, market expectation and financial expectations are forward looking statements.

For that statement, the company cautions, that numerous important factors could affect the Company's actual results and could cause its results to differ materially from those expressed in any forward looking statement.

## THE MEMBERS

Your Directors take immense pleasure in presenting the TWENTY SEVENTH ANNUAL REPORT together with Audited Statement of Accounts for the year ended 31st March, 2010.

## FINANCIAL RESULTS

The summary of the financial performance of the company for the financial year ended March 31, 2010 as compared to the previous year is as below:

Particulars	Rs. in Crores	
	Current Year 2009-10	Previous Year 2008-09
Net Sales and other income	875.58	834.35
PBIDT	77.89	79.91
Less: Interest	32.32	42.39
PBDT	45.57	37.52
Less: Depreciation	29.20	28.50
Profit before Exceptional Income	16.37	9.02
Add: Exceptional Income	4.07	-
Profit Before Tax	20.44	9.02
Less: Provision for tax	6.13	3.60
Net Profit After Tax (PAT)	14.31	5.42
Prior period Income + / (-)	(0.10)	1.35
Amount available for appropriation	14.21	6.77
<b>Appropriations:</b>		
Proposed dividend on equity shares	3.21	2.14
Dividend Distribution Tax	0.54	0.36
Transferred to General Reserve	4.00	4.00
Surplus carried to balance sheet	6.46	0.27

## DIVIDEND

In view of the improved performance for the year under review, the Board is pleased to recommend a dividend of Rs. 1.50 per equity share i.e. 15% on face value of Rs. 10/- each, for the year ended 31st March 2010. The total cash outgo for this purpose would be Rs. 3.75 Crores (previous year Rs. 2.50 Crores), which includes Tax on Dividend amounting to Rs. 0.54 Crore (Previous year Rs 0.36 Crore).

## OPERATIONS AND FUTURE PROSPECTS OF THE COMPANY

The Net sales and other Income of the Company for the year under review has increased to Rs. 875.58 Cr. as compared to Rs. 834.35 Cr. in the previous financial year. This increase is

due to overall growth in domestic market and management initiative of diversification of company's business.

Despite the fact that total outstanding loans have increased, interest cost has reduced by Rs. 10.07 Cr. from Rs.42.39 Cr to Rs.32.32 Cr. This was primarily on account of reduction in interest rates and the Company's continuous efforts to minimize its overall working capital costs and optimal fund utilization.

The profit before exceptional income in the year under review is Rs. 16.37 Cr. in comparison to Rs. 9.02 Cr. recorded last year primarily driven by reduced interest costs. The Net Profit After Tax for the year 2009-10 has increased to Rs. 14.31 Cr. as compared to Rs. 5.42 Cr. in corresponding year, which includes an exceptional income of 4.07 Cr. from sale of land.

However, for the next financial year, management is very confident that your company will touch the INR 10 Billion mark, by achieving a turnover of Rs. 1000 Crores. This is possible due to forecasted boom in auto sector, full scale commercial production at Lucknow plant and diversification decision for getting into Home Furnishing and Railways. Further, we expect reduction in power cost due to successful installation of 100 kWp rooftop solar plants as well as Gas based Power Generators at Dharuhera & Manesar unit respectively. All these factors in turn will lead to improvement of the profitability of your company.

## Two Wheelers

During the year 2009-10, this sector registered a growth of 25% from 84.41 Lacs vehicles to 105.11 Lacs vehicles. The company's major customer M/s. Hero Honda Motors Limited was the front runner in terms of sale in two wheeler segment.

For Omax Autos, this segment contributed net sales of Rs. 658.18 Crores during the year. Your Company is confident that the two wheeler segment, led by Hero Honda Motors will continue to witness growth in volumes and being a major supplier, your Company would be able to participate in this growth.

## Commercial Vehicles

In Auto Sector, Commercial vehicle segment recorded a growth of 35% during 2009-10 i.e. from 4.27 Lacs to 5.76 Lacs vehicles. Medium & heavy commercial segment faced 40% downturn during 2008-09 but has now started to grow again with robust economy, industry and infrastructure growth.

During the year under review, the Company's Lucknow Plant had started its commercial production in September 2009. The Plant has been set up with an initial investment of Rs. 42 Crores and is engaged in the manufacture of chassis for Light & Heavy Commercial Vehicles for Tata Motors Limited.

The net sales under this segment was Rs. 8.26 Crores during the year 2009-10. Your Directors expect the commercial vehicle

market to grow further at a good pace. Omax is making continuous efforts to establish contacts with other commercial vehicle manufacturers for new business and expanding the product portfolio. With first full year operations, your company is expected to post a decent growth in this segment during 2010-11.

## PASSENGER CAR SEGEMENT

During the year 2009-10, the passenger vehicle segment registered a growth of 25.6% reporting domestic sales of 1949776 vehicles as compared to 1552703 vehicles in the previous year.

The Net Sales of Your Company in this segment during the year under review was Rs. 81.57 Crores through its "Automax" plant at Binola. Automax is market leader in piston rod manufacturing, and secured orders to organically grow with International Tractors Limited (ITL) and New Holland Tractors. It is also in advanced stage of discussion for business from Earthmoving equipment manufacturers.

Bangalore plant is performing well with the growth of business with TVS Motors Limited. The Unit is in the process of securing new orders from existing customers and is also trying to expand its product line and customer base with active discussion with OEM's including earthmoving equipment manufacturers.

## Diversification

Your Company has made efforts towards diversifying the product portfolio and exploring the opportunity in various fields including the Home Furnishing and Railways. The strategy is to utilize the existing infrastructure and resources, thereby increasing the overall efficiencies of the plants. Nevertheless, wherever required, new equipments are also being added to complement the existing set up and to meet the enhanced requirements of its prestigious customers.

**(A) Home Furnishing Business:** Your Company had started the production in Home Furnishing segment with Business from IKEA in the year 2008-2009, and this business has continued to grow for Omax. The Home Furnishing business of the company is divided into two parts viz. Stainless Steel Business and Carbon Steel Business.

Presently the Stainless Steel and Carbon Steel made Home Furnishing Products are being manufactured at plants located at Bawal and Dharuhera.

In this segment, total Sales of your company grew by Rs. 45.72 Crores from Rs. 24.42 Crores in 2008 -2009 to 70.14 Crores in 2009-2010.

In the year 2010-2011 this business is expected to grow with the launch of another new product "Stainless Steel Cookware" in high end range, to benefit from the existing opportunity in this business segment.

**(B) Railway Business:** Your Company has set up a new plant at Gurgaon for manufacture and supply of components for Railways and has commenced supplies to Indian Railways on tender basis.

Your Company is making serious inroad into both these segments. This would increase the product profile of the Company and also spread the business risk. Each of these lines is expected to further create opportunities in the near future. The Company has the necessary resources to exploit these avenues.

## Conservation of Energy, Technology Absorption, Foreign Exchange Outgo

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in "Annexure I" hereto and forms part of this report.

## Management Discussion and Analysis Report

In terms of clause 49 of listing agreement with the stock exchanges, Management Discussion and Analysis Report forms annexure to this report elsewhere.

## Corporate Governance

Your Company believes that the great organizations are built on the foundation of good governance practices. Corporate governance is all about effective management of relationship among constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulatory and the community at large. Your Company strongly believes that this relationship can be built & strengthened through corporate fairness, transparency and accountability. Your company places prime importance on reliable financial information, integrity, transparency, empowerment and compliance with the law in letter and spirit. Your company also takes proactive approach and revisits its governance and practices from time to time so as to meet business and regulatory need. Compliance with Clause 49 of the Listing Agreement for the year 2009-10 has been given in the corporate governance report, which is attached and forms part of this report. The Auditor's certificate on compliance with corporate governance norms is also attached thereto.

## Board of Directors

Majority of the Board of your company is constituted of independent directors represented by eminent persons with diversified professional experience. The Board handles the responsibilities such as policy formation, performance review and analysis and controls. Further they have delegated various powers to the Committees of Directors and senior company



executives. The Board reviews delegated powers at periodic intervals.

In accordance with section 255 and 256 of the Companies Act, 1956 and Articles of Association of the company, Mr. Suresh Mathur, Mr. Lalit Bhasin and Mr. V. K. Chhabra, Directors of the Company shall retire by rotation at the ensuing Annual General Meeting. All being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting. The Board recommends their reappointment for your approval.

The tenure of both the Managing Directors namely Mr. Jatender Kumar Mehta and Mr. Ravinder Mehta shall come to an end on 31.12.2010. As per the recommendation of the Remuneration Committee, the Board of Directors in their meeting held on 13th August 2010 has re-appointed Mr. Jatender Kumar Mehta and Mr. Ravinder Mehta as Managing Director of the company for a further period of 5 years w.e.f. 1st January 2011 at remuneration subject to the approval of the shareholders. As appointment of Managing Director requires the approval of shareholders in general meeting, the Board recommends the resolutions for your approval.

As Mr. Ravinder Mehta, Managing Director turns out to be 70 in the year 2011, the Board recommends to pass Special Resolution for the re-appointment of Mr. Ravinder Mehta as per the requirement of Schedule XIII- Part-I of the Companies Act, 1956.

In accordance with the stipulation under Clause 49 of the Listing Agreement, brief resume of Mr. Suresh Mathur, Mr. Lalit Bhasin and Mr. V. K. Chhabra together with the nature of their expertise in specific areas and names of the Companies in which they hold office of a Director and/or the Chairman/Membership of Committees of the Board, is given in the Notice of the Annual General Meeting.

## Subsidiary Company

The Company has formed a Subsidiary Company namely "Omax Engineering Services Limited" to provide Services in the field of Solar Energy, Gas, training in the field of engineering etc. on 15.07.2010. The Company has not yet obtained its Commencement of Business Certificate. The business is yet to be started.

## Directors Responsibility Statement

A Directors' responsibility statement setting out the requirement pursuant to the provisions of section 217(2AA) of the Companies Act, 1956 is annexed as "Annexure-II" hereto and forms a part of this report.

## Auditors and Auditors' Report

M/s. A. Kumar Gupta & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company at the last Annual General Meeting held on 30th September, 2009.

They shall hold office till the conclusion of the ensuing Annual General Meeting of the Company. M/s A. Kumar Gupta & Co., have also given a Certificate under section 224(1B) of the Companies Act, 1956, confirming their eligibility and willingness to accept the office of the Statutory auditors, if re-appointed. The Board of Directors of your Company, recommend their re-appointment for your approval as statutory auditors to hold office from conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

The Statutory auditors of the company submitted their report on the accounts of the Company for the accounting year ended 31st March, 2010 which was self-explanatory and needed no comments. There is no qualification or adverse remarks in the Auditors' Report for the year ended 31.03.2010.

## Secretarial Audit

The Company has appointed M/s. Chandrasekaran Associates, Secretarial Auditors to obtain Secretarial Compliance Report for the year ended 31.03.2010 and the same is attached with this Annual Report. The Report is in confirmation of compliance of all applicable provisions of the Companies Act, 1956, Listing Agreement and applicable Rules and Regulation under SEBI

## Fixed Deposits

The Company has not invited or accepted fixed deposits from public during the year under review, within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

## Particulars of Employees

The details pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are set out in the "Annexure-III", which forms part of this Report.

## Quality Certifications

The best product & service quality and customer satisfaction are an integral part of your company's vision. Company's all round improvements and achievements in various areas are recognized from time to time by its customers and industrial associations. All plants except Lucknow and Bawal plant are ISO/TS-16949, ISO- 14001, ISO-18001 certified for quality and shows the company's commitment towards quality management.

## Health, Safety and Environment

The Company considers health, safety and environment protection as a fundamental management responsibility. The Company's continuous efforts are directed to prevent accidents and have continual improvement in safety and Environment performance.

All the units of the Company have duly appointed Health, Safety and Environment (HSE) Committees comprising officers at senior levels along with executives to take care of the health, safety and environment matters.

The Company undertook various initiatives such as conducting Training Programmes on Safety and Environment, Mock Emergency Evacuation Drill at certain units and works of the Company, besides upgrading the effluent treatment plants installed at various works to meet the latest standards of environmental regulations. Company has also initiated a 'Save Tree Campaign' which resulted in total saving of 320 fully grownup trees by paper recycling of 12,650 kgs.

The Company is conducting Energy Audit, Safety Audit & Health Audit on regular basis. The Company is also arranging welfare programs for its employees like sports activities, giving awards or incentives on Shop Floor level, etc.

The Company holds the ISO: 14001 certification for its environmental management system and OHSAS 18001 certification for Occupational Hazards and Safety Systems.

## Acknowledgement / Appreciation

Your Directors place on record their gratitude to the Central Government, State Governments and Company's Bankers for their assistance, co-operation and encouragement extended to the Company. Your Directors also thank and sincerely appreciate the Business Associates and Employees at all levels for their unstinting efforts in ensuring an excellent all around operational performance. Last but not the least the directors would also like to thank valuable shareholders and other stakeholders for their support and contribution.

We look forward for your continued support in the future.

For and on behalf of the Board of Directors  
**Omax Autos Ltd.**

Place: New Delhi  
Date: 13.08.2010

**Suresh Mathur**  
Chairman

# Annexure I to the Directors' Report

Information as per Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, and forming part of the Directors' Report for the year ended March 31, 2010.

## A. CONSERVATION OF ENERGY

**a) The company has taken the following measures to conserve energy which have lead to reduction in power and fuel consumption and cost substantially:**

- Installation of temperature controller on cooling towers.
- Installation of Centrifuge Lubrication. Oil cleaner on DG sets.
- Installation of Energy savers on lighting in all shops.
- Replacement of 36W florescent lamps by 25W Lamps.
- Installation of neutral Compensator for lighting feeders.
- Improvement of Power Factor on User end.
- Shifting of loading/unloading pattern of screw compressor.
- Installation of air curtain at backing & drying oven in paint shop.
- Installation and Commissioning of 100 kWp PV Solar system at Omax Manesar. This system will reduce the usage of DG set and will save diesel worth up to 30,000 litres per annum and CO2 emission by 2 million kg in 20 years. This plant will meet 8% of the power requirement of this unit and requires negligible maintenance.
- Consumption of oil reduces by adopting filtration of lubricant oils.
- Servo automatic stabilizer installed and commissioned separately for street lighting thus saving electrical energy and increased lighting element life.
- Implemented LED lighting in our Bawal plant as a pilot project.
- Installed variable frequency drive (VFD) ON 180 cfm air compressor.
- CFL lighting 2x36W replaced with High-Pressure Mercury- Vapor (HPMV) lamps in one of the section.

**b) Additional Investment and Proposal steps for reduction of energy consumption:**

- Installation and Commissioning of one 100 KVA PV Solar system at Dharuhera Unit.
- Procured 2 numbers gas power generation set of 1364 Kwe each for Dharuhera and Manesar plants.
- It is planned to switch over all process heating in electroplating and shop at Dharuhera and Manesar from diesel to PNG. This will result in substantial process cost reduction and less polluting environment discharge. This will also attract CDM benefit on regular basis.
- Solar heating system to be installed in paint and plating shop.
- Heat recovery units from PNG generators flue gases at Dharuhera and Manesar Plant.

**c) Impact of above measures:**

It is difficult to quantify the impact of energy management measures on the cost of production but will certainly lead to reduction in overall energy cost.

**d) Total energy consumption and Energy Consumption per unit of production**

The required Form A is not applicable to the auto component segment and hence not being provided.

## B. RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

In line with the OMAX research vision and in accordance with the approval granted by the Department of Scientific & Industrial Research for in-house R&D, the research & development activities have been located at IMT Manesar with exclusive dedication to this activity. A strong team of experienced engineering & scientific personnel has been built and allocated exclusive building and equipment to undertake scientific research. Six teams have been constituted to work on the following priority areas:

- Increase Productivity in Welding & Assembly Operations
- Improved Surface Treatment & Coating Processes
- Design & Development of Special Purpose Machines
- Waste Minimization leading to Zero Impact Manufacturing
- Energy Conservation & Clean Energy Activity



## Annexure I to the Directors' Report

Enhancement of Income Tax deduction under Section 35 (2AB) from 150% to 200% in the current budget has made it more attractive to invest in this strategic area and therefore CAPEX plans for the coming years are being reviewed for a bolder stride. Similarly, greater stress is likely to emerge on commercialization of technologies particularly on securing patents based on in-house R&D to obtain the excise exemption on outcome of patented products/processes admissible for three years in each case. Emphasis on futuristic technologies is inevitable to compete in a global market with increasing emphasis on environmental excellence and extended producers' warranty. Some of the specific research projects picked up for immediate attention include the following:

- Special purpose machines to enhance productivity & reduce costs
- Robotics for repeatability and human fatigue and exposure reduction
- Progressive tooling & tool life enhancement
- Laser/ Water Jet Cutting
- Hydro-forming & Flow-forming
- Physical Vapour Deposition/E beam metalizing Vs Plating process
- Infra-red drying/curing for powder coating to reduce energy consumed
- Powder Metallurgy techniques
- Advance Welding technologies

It is proposed to invest an amount of Rs. 24 million in R&D related activities over the next three years.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) **Activities relating to exports, initiatives taken by the company to expand exports, exploring new exports markets and export plans:**

The Company's export (including deemed exports) increased from Rs. 52.66 Crores in the year 2008-09 to Rs. 85.00 Crores in 2009-10. Your Company is very confident and expect considerable growth in exports in the next financial year i.e. 2010-11 due to increased business from Home Furnishing segment.

- b) **Total foreign exchange earnings and outgo**

(Rs. In Lacs)

Particulars	Current Year 2009-10	Previous Year 2008-09
Earnings (FOB Value of exports)	1527.01	3383.71
Outgo (CIF Value of imports)	923.23	1199.07
Other expenses	25.74	152.33

## Annexure II to the Directors' Report

Directors' responsibility Statement pursuant to the provisions of section 217(2AA) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended March 31st 2010;

The statement of the Directors' responsibility on the annual accounts of the Company for the financial year ended March 31, 2010 is provided below:

- 1) That in the preparation of the annual accounts for the financial year ended 31st March 2010 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 2) 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 the Company at the end of the financial year and of the profit of the Company for the year under the review;
- 3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors have prepared the accounts for the financial year ended 31st March 2010 on a 'going concern' basis.

## Annexure III to the Directors' Report

Particulars of employees pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975 and forming part of the directors' report for the year ended March 31, 2010.

Person employed for full/part of the year ended March 31, 2010 who were in receipt of remuneration which is in the aggregate was not less than Rs. 24, 00,000 p.a./ Rs. 2,00,000 p.m.

Name of employee	Designation	Qualification	Remuneration (Rs in Lacs)	Age (Yrs.)	Exp (Yrs.)	Date of Commencement of employment in the Company	Previous employment held before joining the Company	% of equity share capital held
Mr. Jatender Kumar Mehta	Managing Director	B.E	110.55	61	36	01.01.1986	Partner-Omax Engineers	6.08
Mr. K. C. Chawla	Whole Time Director	B. Sc. -Engg.	47.90	66	41	01.01.1985	Works Manager-Nav bharat Engg. Works	Negligible
Mr. V. K. Gupta	Executive Director-Commercial	M. Com, ACS, CWA	48.24	56	35	07.07.1986	Cost Accounts Officer-Kesar Enterprises Ltd.	–
Mr. N. P. Singh	Executive Director-Corp. HR	B. Sc. Diploma in PM & IR	40.69	54	30	19.05.1987	Manager-Personnel & Admn. Unitech Engineers (P) Ltd.	–
Mr. Kishor Karnataki	CEO-Commercial Vehicles	B.E.	27.19	50	27	24.07.2007	Director - Business Development-Spicer India Limited	–
Mr. Sharad Jain*	CFO	CA	17.91	46	19	01.09.2009	Finance Director-Visteon India	–
Mr. Naresh Tandon*	Executive director-Finance	CA	34.29	46	24	07.10.1992	Partner-M/s. A. Kumar Gupta & Co., Chartered Accountants	–

### Notes:-

- Remuneration includes salary, commission, other allowances, payments and expenditures incurred on perquisites and company's contribution to provident fund and Superannuation fund.
- The appointment is on a contractual basis either as per shareholders' approval or as per appointment letter.
- Other terms and conditions are as per shareholders' resolution or as per appointment letter.
- None of the employees as mentioned above are related to each other.
- All the above employees and Managing Director manage the work of the company under the control and supervision of the Board of Directors of the Company.
- \* Details of the remuneration of these two employees are for the part of the year.

## The Company's philosophy on Code of Corporate Governance

Omax Autos is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our Governance practices stems from an inherent desire to improve, innovate and reflects the culture of trusteeship that is deeply ingrained in our value system and forms part of the strategic thought process.

Omax's Corporate Governance initiative since time has always been following four core principles:

- i. Management must have the executive freedom to drive the organization forward without undue restraints.
- ii. This freedom of management, however, should be exercised within a framework of effective accountability and transparency.
- iii. Rights, Interests and Equitable Treatment of Shareholders should always be the key focus.
- iv. Integrity, Disclosures, Transparency and Ethical Behaviour.

Omax believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the executive management are used with care and responsibility and not misused.

Omax's governance philosophy embraces the tenets of trusteeship, transparency, empowerment and accountability, control and ethical corporate citizenship. Omax believes that the practice of each of these tenets would lead to the creation of the right corporate culture in which the Company is managed in a manner that fulfils the purpose of Corporate Governance.

Trusteeship recognizes that large corporations have both an economic and a social purpose, thereby casting the responsibility on the Board of Directors to protect and enhance shareholders' value, as well as fulfilling obligations of other stakeholders.

Transparency requires that the Company makes appropriate disclosures where necessary and explains the basis of its policies and actions to all those who are affected by them.

Empowerment is a process used to unleash creativity and innovation throughout the organization by decentralizing and delegating the decision-making powers at the most appropriate levels.

Control ensures that freedom of management is exercised within a framework of checks and balances and is designed to prevent misuse of power, facilitate timely response to change and ensure effective management of risks.

Omax's Corporate Governance process continuously reinforce and helps actualizing the Company's belief in ethical corporate citizenship and is manifest through exemplary standards of ethical behavior, both within the organization as well as in external relationships.

## The Governance Structure

The practice of Corporate Governance in Omax is at three interlinked levels:

- i. Strategic Supervision - by the Board of Directors
- ii. Strategic management - by the Executive Committee
- iii. Executive management - by the Divisional Head of the business

This three-tier structure ensures that strategic supervision on behalf of the shareholders being free from the task of strategic management can be conducted by the Board with objectivity thereby sharpening accountability of the management. Further, strategic management being free from the task of day-to-day executive management, remains focused and energized. The structure also ensures that executive management of the divisions, being free from the collective strategic responsibilities for Omax as a whole, is focused on enhancing the quality, efficiency and effectiveness of each business.

The core roles of the key entities flow from the structure. The core roles, in turn, determine the core responsibilities of each entity. In order to discharge such responsibilities, each entity is empowered formally with requisite powers.



The structure, process and practice of governance enables focus on the corporate purpose while simultaneously facilitating effective management of the diverse businesses within the portfolio.

## BOARD OF DIRECTORS

The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The "Board" being the trustee of the Company, is responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals.

### Composition of the Board

The Board comprises of an optimal complement of independent professionals as well as company executives having in-depth knowledge of business. As on the date of this report, there are ten directors of which two are Managing Directors, one is Whole Time Director and seven are non-executive Independent directors thus making the 70% of the board members as Independent.

According to Clause 49, if the Chairman is Non-executive, at least one third of the board should consist of non-executive, independent directors. This provision is more than adequately met at Omax Autos.

During the financial year under review, seven Board meetings were held on the following dates:

June 04, 2009, June 25, 2009, July 25, 2009, October 26, 2009, December 12, 2009, January 28, 2010 and March 27, 2010.

As per requirement of Listing Agreement gap between two Board Meetings is less than 4 months.

None of the Directors on the Board holds the office of director in more than 15 companies or membership of committees of the Board in more than 10 committees or chairmanship of more than 5 committees.

The details are explained in the table below:

Name of Director	Designation@	Board Meetings attended	Attendance at last AGM	No. of other Directorships held*	No. of Committees in which director is a Member or Chairman**	
					Members	Chairman
Mr. Suresh Mathur	C & NED (I)	7	YES	4	2	1
Mr. J.K. Mehta	MD	6	YES	4	2	–
Mr. R.K. Mehta	MD	3	YES	2	–	–
Mr. K.C. Chawla	WTD	6	YES	0	1	–
Dr. T.N. Kapoor	NED (I)	7	NO	5	5	4
Dr. R.C. Vaish	NED (I)	6	YES	6	3	–
Mr. Salil Bhandari	NED (I)	7	YES	5	3	2
Mr. Lalit Bhasin	NED (I)	3	NO	9	7	1
Mr. V.K. Chhabra	NED (I)	-	NO	4	0	–
Mr. Atul Raheja	NED (I)	2	NO	5	1	–

Mr. J. K. Mehta and Mr. R. K. Mehta are brothers. None of the other directors is related to any other director.

@ C - Chairman, MD - Managing Director, WTD - Whole Time Director, NED - Non Executive Director, I - Independent Director.

\* Private Limited Companies, Section 25 Companies and Foreign Companies have not been included for the calculation of Directorships of the Directors in other companies.

\*\* Audit Committee and Shareholders' and Investors' Grievances Committee have been considered for the purpose of Membership and Chairmanship held by the Director in Public Limited Companies.

An Independent director is a non-executive director who, apart from receiving director's remuneration, does not have any material pecuniary relationship or transactions with the Company, its promoters or its management or its subsidiaries and associates which in the judgement of the Board, may affect his independence of judgement and complying with other conditions as prescribed under Clause 49 of the listing agreement.

The Agenda papers, containing all the necessary information, are made available to the Board well in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as a part of Agenda papers, the same are tabled at the Meeting.

All the relevant information suggested under the clause 49 is furnished to the Board from time to time. The information regularly supplied to the Board inter-alia includes the following:

- The annual operating Plans and budgets and any updates thereon.
- Capital Budgets and updates, if any
- Minutes of meetings of Audit Committee and other committees of the Board
- Legal Compliance report and certificate
- General notices of interest
- Review of operations
- Strategic decisions relating to various ventures
- Statutory matters
- Review and adoption of Annual accounts and quarterly financial results

The Company has also laid down procedures to inform the Board Members about the risk assessment and mitigation procedure.

## Code of Conduct

Omax's Board has laid down a code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the Company's website [www.omaxauto.com](http://www.omaxauto.com)

All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration signed by Managing Director to this effect is enclosed at the end of this report.

## Audit Committee

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee has been constituted and headed by an Independent Director. Presently the Audit Committee comprises of four Non-executive independent Directors and one Managing Director. All the members of the Committee have requisite financial and management expertise/knowledge and have rich experience of the industry.

The Composition of the Audit Committee meeting is given herein below:

Member's Name	Category	Designation
Mr. Salil Bhandari	Non-Executive / Independent Director	Chairman
Dr. T.N.Kapoor	Non-Executive / Independent Director	Member
Mr. Atul Raheja	Non-Executive / Independent Director	Member
Dr. R.C. Vaish	Non-Executive / Independent Director	Member
Mr. J.K. Mehta	Managing Director	Member

Company Secretary of the Company acts as Secretary of the Audit Committee. Internal auditors, management and other senior personnel of the Company, also attend the Meeting of Audit Committee, as and when required.

The terms of reference of Audit Committee include the matters specified in clause 49(II) of the Listing Agreement with the Stock Exchanges and section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment of any other services.
- Reviewing with the management the quarterly and annual financial statements before submission to the Board, focusing primarily on:
  - Any change in the accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualification on draft audit report, if any.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- Reviewing with management, external and internal auditor, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the Structure & strength of internal audit department, coverage and frequency of internal audit, financial & risk management policies particularly relating to foreign exchange exposure.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payments of declared dividends) and creditors.
- To approve unaudited quarterly financial results and publish the same as required in the Listing Agreement.
- Carrying out any other function as per directions from the Board from time to time.

Apart from above, the committee also reviews other matters as required under Clause 49 of the Listing Agreement and other laws, rules and regulations.

During the year, six Audit committee meetings were held on June 04, 2009, June 25, 2009, July 25, 2009, October 26, 2009, January 28, 2010 and March 27, 2010.

As per the requirement of the Listing Agreement, the gap between any two meetings of the Committee is less than four months. The adequate quorum was present at every Audit Committee meeting.

#### Attendance of members at Audit Committee Meetings:

Member's Name	No. of Meetings attended
Mr. Salil Bhandari	6
Dr. T.N. Kapoor	6
Mr. Atul Raheja	-
Mr. J.K. Mehta	5
Dr. R.C. Vaish	5

#### REMUNERATION OF DIRECTORS

##### Remuneration Committee

The Company is transparent in compensation policy of Directors. The Committee sets the overall policy on remuneration and the other terms of employment of executive Directors of the Company within the overall ceiling fixed by the members of the



Company and recommend the same for the approval of the Board. The Committee recommends remuneration package of Executive Directors to the Board by reference to individual performance, experience and market conditions with a view to provide a package which is appropriate for the responsibilities involved.

The Members of the committee are as under:

Member's Name	Category	Designation	No. of Meetings Attended
Dr. R.C. Vaish	Non-Executive/ Independent Director	Chairman	1
Mr. V.K. Chhabra	Non-Executive/ Independent Director	Member	–
Dr. T.N. Kapoor	Non-Executive/ Independent Director	Member	1

During the financial year ended March 31, 2010, one Remuneration Committee meeting was held on 25.06.2009

## Remuneration Policy of Directors

### Executive

The remuneration paid to the Executive director is recommended by the Remuneration Committee and approved by the Board of directors subject to shareholders' approval in the general meeting. Subsequently in the forthcoming General Meeting, the shareholders approve the Remuneration being paid to the Executive Director of the Company.

### Non-executive

The Non-executive directors are being paid by way of sitting fee of Rs. 10,000/- for every meeting of the Board and that of Rs. 2,500/- for the Committee meetings, if any, attended by them. The remuneration paid to the Non executive directors has been approved by the Board of directors, and shareholders.

The company has passed Special Resolution through postal ballot on 16th September 2009 to pay commission upto 1% of the net profit of the company in each financial year or upto Rs. 5,00,000 per annum whichever is less to Non-Executive Chairman of the company.

Details of remuneration paid/payable to Directors for the year 2009-10 are as follows:

Name of Director	Sitting Fees (Rs.)	Comm. on Profits (Rs.)	Salary (Rs.)	Contribution to Statutory Funds (Rs.)	Prerequisites (Rs.)	Others (Rs.)	Total (Rs.)
<b>Executive Directors</b>							
Mr. J.K. Mehta	–	–	9000000	1080000	975053	–	11055053
Mr. R.K. Mehta	–	–	720000	86400	1115462	–	1921862
Mr. K.C. Chawla	–	–	4473389	172800	–	–	4646189
<b>Non-Executive Directors</b>							
Mr. Suresh Mathur	70000	500000	–	–	–	–	570000
Dr. T.N. Kapoor	162500	–	–	–	–	–	162500
Dr. R.C. Vaish	80000	–	–	–	–	–	80000
Mr. Salil Bhandari	147500	–	–	–	–	–	147500
Mr. Lalit Bhasin	30000	–	–	–	–	–	30000
Mr. Atul Raheja	20000	–	–	–	–	–	20000
Mr. V.K. Chhabra	–	–	–	–	–	–	–

The company is not making any payment to its directors by way of performance linked incentives. The appointment of the executive directors is on contractual basis and notice period is of 3 months of either side. There is no stock option in the company granted to the directors

## Shareholders'/Investors' Grievance Committee

The Shareholders' & Investor Grievance Committee has been constituted to attend and redress the shareholders'/investors' grievances. The Committee is headed by an independent Director.

The Present composition of Shareholders'/Investors' Grievance Committee is as under:

Name	Category	Designation
Dr. T. N. Kapoor	Non Executive / Independent Director	Chairman
Mr. Salil Bhandari	Non Executive / Independent Director	Member
Mr. J. K .Mehta	Executive Director	Member
Mr. K. C. Chawla	Executive Director	Member

## DETAILS OF MEETING HELD DURING THE YEAR

During the year, Twenty Three (23) Shareholder's/Investors' Grievance committee meetings were held on April 15, 2009, April 30, 2009, May 16, 2009, May 30, 2009, June 15, 2009, June 30, 2009, July 14, 2009, July 31, 2009, August 17, 2009, August 31, 2009, September 15, 2009, September 30, 2009, October 15, 2009, October 31, 2009, November 16, 2009, November 30, 2009, December 31, 2009, January 15, 2010, January 29, 2010, February 13, 2010, February 27, 2010, March 15, 2010 & March 31, 2010.

Attendance of members at Shareholders'/Investors' Grievance Committee Meetings:

Member's Name	No. of Meetings attended
Dr. T. N. Kapoor	22
Mr. J. K. Mehta	23
Mr. K. C. Chawla	23
Mr. Salil Bhandari	21

## Name, Designation and Address of Compliance Officer

Mr. Parimesh Manocha, Asst. Company Secretary and Compliance Officer

Omax Autos Limited  
 Plot No. 26-B, Sector 32,  
 Institutional Area,  
 Gurgaon (Haryana)  
 Phone: 0124-4343000  
 Email: cs@omaxauto.com

The functioning and broad terms of reference of the Shareholders'/Investors' Grievance Committee as adopted by the Board is as under:

- a) To monitor work related to
  - Transfer and/ or transmission of the shares of the Company;
  - Dematerialisation/ rematerialisation of the shares of the Company;
  - Subdivision, consolidation and/or replacement of any share certificate(s) of the Company;
- b) Approval of issue of duplicate share certificates against the original share certificates
- c) To look into the Redressal of shareholders' and investors' Grievances like transfer of shares, non-receipt of Balance sheet, non-receipt of declared dividend, review of dematerialisation, rematerialisation, shareholding pattern, distribution schedules etc.
- d) To do all other acts or deeds as may be necessary or incidental thereto.

The main object of the Investors' Grievance and Share Transfer Committee is to strengthen investor relations.

The Company Secretary, being the Compliance Officer, is entrusted with the responsibility, to specifically, look into the redressal of the shareholders and investors complaints and report the same to the Shareholders'/Investors' Grievance Committee.

## Details of Investor Complaints

The Corporate Secretarial Department of the Company and Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited), the Registrar and Share Transfer Agent (RTA) of the Company attend all the grievances of the shareholders and investors received directly or through SEBI, Stock Exchange, Ministry of Corporate Affairs, ROC, etc. The details of Complaints received; resolved/pending during the financial year 2009-10 are given below:

Brought Forward: 0                      Received: 36                      Resolved: 36                      Pending: 0

S. No.	Nature of complaint	Received	Resolved	Pending
1	Non receipt of Dividend	15	15	Nil
2	Non Receipt of Annual Report/Others	10	10	Nil
3	Non-receipt of Share Certificates	9	9	Nil
4	Others	2	2	Nil
	Total	36	36	Nil

No request for share transfer or payment of dividend is pending except those which are disputed.

## EXECUTIVE COMMITTEE MEETING:

The Executive Committee has been constituted to look after the general routine matters. The Committee is headed by an independent Director.

The Present composition of Executive Committee is as under:

Name	Category	Designation
Dr. T. N. Kapoor	Non Executive / Independent Director	Chairman
Mr. J. K .Mehta	Executive Director	Member
Mr. K. C. Chawla	Executive Director	Member

## DETAILS OF MEETING HELD DURING THE YEAR

During the year, six (6) Executive committee meetings were held on July 14, 2009, September 2, 2009, October 1, 2009, October 26, 2009, January 1, 2010 & March 17, 2010.

Attendance of members at Executive Committee Meetings:

Member's Name	No. of Meetings attended
Dr. T. N. Kapoor	6
Mr. J. K. Mehta	6
Mr. K. C. Chawla	6

## GENERAL BODY MEETINGS

Details of the last three Annual General Meetings held:

Financial Year	Date of AGM	Time	Venue	Whether Special Resolution passed
2008-2009	30.09.2009	11:00 AM	69 KM Stone, Delhi Jaipur Highway, Dharuhera, Distt. Haryana	NO
2007-2008	30.09.2008	11:00 AM	69 KM Stone, Delhi Jaipur Highway, Dharuhera, Distt. Haryana	NO
2006-2007	28.09.2007	11:30 AM	69 KM Stone, Delhi Jaipur Highway, Dharuhera, Distt. Haryana	YES



All the resolutions, including the special resolution set out in the respective notices were passed by the requisite majority of shareholders.

## Postal Ballot

During the year 2009-10, in terms of the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of the resolution by postal ballot) Rules, 2001, following resolutions were passed by voting through postal ballot.

- Altered its Part C of Clause III, titled as 'Other Objects' of the Memorandum of Association of the Company by incorporating two new sub-clauses (52 & 53) after the existing sub clause 51 of Part C of Clause III, in terms of Section 17 of the Companies Act, 1956.
- To commence new business stated in the sub-clause 52 & 53 of other Object Clause of the Memorandum of Association of the Company, in addition to current and main business of the Company.
- Commencement of Employees Stock Option Scheme in the Company for its employees.
- Revision in the terms of remuneration of Mr. Jatender Kumar Mehta, Managing Director of the Company.
- Payment of Commission to the non-executive Chairman of the Company.

Related procedure for voting by postal ballot has been followed by the company. Dr. S. Chandrasekaran, Practicing Company Secretary had been appointed as scrutinizer, who conducted this postal Ballot exercise in a fair and transparent manner and submitted his report to the Chairman of the company

## Procedure Followed

- The company has issued the postal ballot notice dated 25th July 2009 for passing the above mentioned Special Resolutions. The draft resolutions together with, the explanatory statement and postal ballot forms and self addressed business reply envelopes were sent to the members and other concerned under certificate of posting;
- The company has made an advertisement regarding dispatch of postal ballot notice in Financial Express (English) and Jansatta (Hindi) on 23rd day of August 2009.
- Members were advised to read the instructions carefully printed on the postal ballot form and return the duly completed form in the attached self- addressed business reply envelope, so as to reach the scrutinizer not later than the close of working hours on 12th September 2009;
- After due scrutiny of all the postal ballot forms received upto the close of working hours on 12th September 2009, Dr. S. Chandrasekaran, Practicing Company Secretary (the Scrutinizer ) submitted his report on Tuesday, 15th September 2009;
- The results of the postal ballot were declared by Mr. Suresh Mathur, Chairman of the Company on Wednesday, September 16, 2009 at 11:30 A. M. at the Corporate office of the Company at Plot No.B-26, Institutional Area, Sector-32, Gurgaon, Haryana - 122001. The date of declaration of results was taken as the date of passing of the Resolutions. The Chairman declared that all Special Resolutions specified in the notice have been passed with requisite majority;
- The results of the postal ballot were published in the newspapers, Financial Express (English) and Jansatta (Hindi) on 17.09.2009.

The details of voting pattern are as follows:

Particulars	Total No. of Votes received	No. of Votes for witch right is not Exercised	No. of votes have been rejected	Net No. of Valid Votes cast through postal ballot	No. of votes cast in favour of resolution	No. of votes cast in against of resolution
Alteration in other object clause of MOA by inserting two new sub clauses no 52 & 53	9383046	7280	4325	9371441	9370606	835
To commence new Business as stated in clauses 52 & 53 of other Object Clause of MOA	9383046	6955	4325	9371766	9370926	840
Commencement of ESOS	9383046	7255	4325	9371466	9367106	4360
Revision in terms of remuneration of Mr. J.K.Mehta, MD	9383046	7255	4325	9371466	9364546	6920
Payment of commission to Non-Executive Chairman of the company	9383046	7255	4325	9371466	9364176	7290

The company also amended its memorandum of Association by inserting new sub-clause no.-5 relating to Power and Energy business after sub-clause no.-4 of main object clause no.-IIIA of the company. The Special Resolution in this regard was passed through postal Ballot.

Related procedure for voting by postal ballot has been followed by the company. Dr. S. Chandrasekaran, failing him Mr. Rupesh Agarwal, partners of M/s. Chandrasekaran Associates, a firm of Companies Secretaries had been appointed as scrutinizers, who conducted this postal Ballot exercise in a fair and transparent manner and submitted their report to the Chairman of the company.

## Procedure Followed

- I. The company has issued the postal ballot notice dated 27th March 2010 for passing the above mentioned Special Resolution. The draft resolutions together with, the explanatory statement and postal ballot forms and self addressed business reply envelopes were sent to the members and other concerned under certificate of posting;
- II. The company has made an advertisement regarding dispatch of postal ballot notice in Financial Express (English) and Jansatta (Hindi) on 12th day of April 2010.
- III. Members were advised to read the instructions carefully printed on the postal ballot form and return the duly completed form in the attached self- addressed business reply envelope, so as to reach the scrutinizer not later than the close of working hours on 14th May 2010;
- IV. After due scrutiny of all the postal ballot forms received upto the close of working hours on 14th May 2010, Mr. Rupesh Agarwal, partner of M/s Chandrasekaran Associates, a firm of Company Secretaries (the Scrutinizer ) submitted his report on Tuesday, 18th May 2010;
- V. The results of the postal ballot were declared by Mr. K. C. Chawla, Whole time director of the company on Thursday, 20th May 2010 at 02:00 P.M. at the Corporate office of the Company at Plot No.B-26, Institutional Area, Sector-32, Gurgaon, Haryana - 122001. The date of declaration of results was taken as the date of passing of the resolutions. Mr. K. C. Chawla declared that Special Resolution specified in the notice has been passed with requisite majority;
- VI. The results of the postal ballot were published in the newspapers, Financial Express (English) and Jansatta (Hindi) on 21.05.2010.

The detail of voting pattern is as follows:

Particulars	Total No. of Votes received	No. of Votes for with right is not Exercised	No. of votes have been rejected	Net No. of Valid Votes cast through postal ballot	No. of votes cast in favour of resolution	No. of votes cast in against of resolution
Alteration in Main object clause of Memorandum of Association, by inserting new sub-clause 5 after sub-clause 4	11889253	12554	21915	11854784	11852434	2350

## DISCLOSURES

- i) There is no materially significant related party transaction that may have potential conflict with the interest of the Company at large. Transactions with the related party are disclosed in the notes to the accounts in this Annual Report as per Accounting Standard 18 of the Institute of Chartered Accountants of India. There is no pecuniary relationship or transaction with the non-executive directors of the Company.
- ii) There is no non compliance by the Company and no penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- iii) There is no requirement in the Company to maintain Whistle Blower Policy.
- iv) All mandatory requirements of Clause 49 of the Listing Agreement have been complied with by the company.

## MEANS OF COMMUNICATION

Besides communicating to the stock exchanges on which the company's shares are listed, the notices of the board meetings at which quarterly/half yearly results get approved are published in the following news papers:

Particulars	Name of the News paper
English Newspapers in which quarterly/half yearly results were published	Financial Express/Business Standard
Vernacular Newspapers in which quarterly/half yearly results were published	Jansatta/Business Standard

Website Address of the Company on which financial results and other information's are displayed: [www.omaxauto.com](http://www.omaxauto.com). The Company is not displaying any official releases. The Company is not making any presentations to Institutional investors or to the Analysts.

## Management Discussion and Analysis Report form part of this Annual Report

The complete Management Discussion and Analysis report is placed in the separate section of the Annual Report.

## GENERAL SHAREHOLDERS' INFORMATION

27th Annual General Meeting:

Day & Date	: 30th day of September 2010
Time	: 11:00 A.M.
Venue	: 69 KM Stone, Delhi-Jaipur Highway, Dharuhera, Distt. Rewari, Haryana-122001
Financial year	: 1st April to 31st March

## Dates of Book Closure

The register of members and share transfer books of the company will remain closed from 27th day of September 2010 to 30th day of September 2010, both days inclusive, for the purpose of annual general meeting and payment of dividend, if declared.

## Dividend Payment Date

The dividend @ Re. 1.50/- each equity Share (i.e. 15% of the paid up value of each equity share) will be paid on or before 29th day of October 2010, if approved and declared by the shareholders in the ensuing Annual General Meeting.

For Demat Shareholders and Physical shareholders who have opted for ECS facility, dividend amount will be credited directly to their respective bank accounts through ECS. For others, dividend warrants will be posted on or before 29th day of October 2010.

## Listing on Stock Exchanges

At present the equity shares of the Company are listed on the following Stock Exchanges.

Name of Stock Exchanges	Stock Code	ISIN With NSDL & CDSL
The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	520021	INE 090B01011
National Stock Exchange of India Limited "Exchange Plaza", Bandra- Kurla Complex, Bandra (E) Mumbai- 400 051	OMAX AUTO	

## Listing Fees

The Annual Listing Fees for the financial year 2010-2011 has been paid to all the aforesaid Stock Exchange wherein the equity shares of the Company are listed, within the stipulated time.



## Outstanding GDRs/ADRs/Warrants or any Convertible instruments

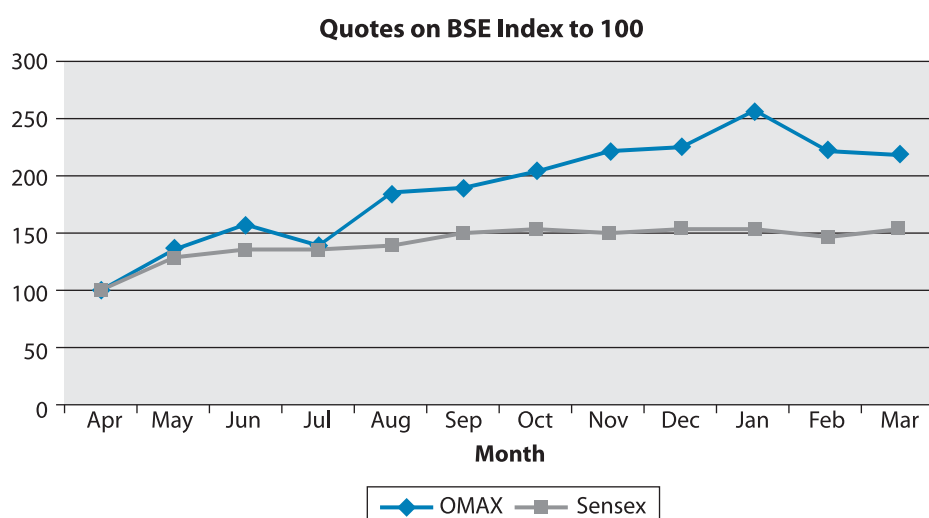
- No GDRs / ADRs have been issued by the Company.
- During the year under review the Company has no outstanding convertible instruments.

## Market Price Data

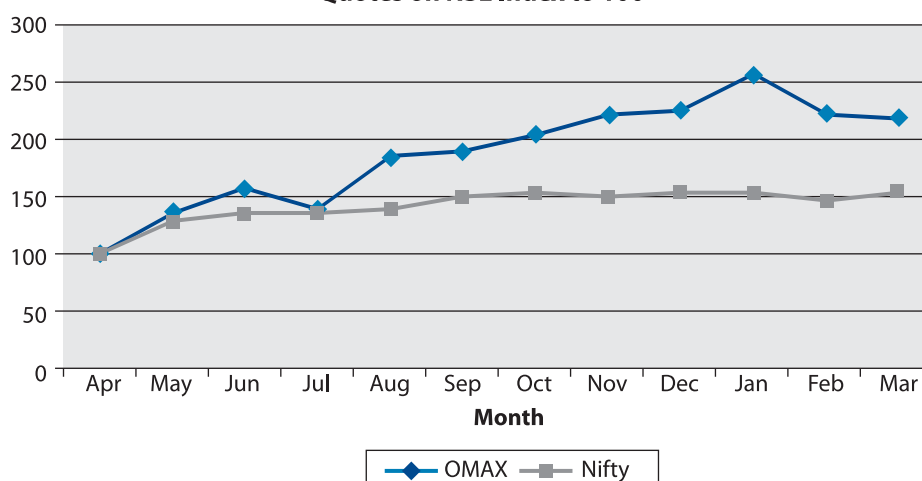
Monthly High and Low prices of equity shares of Omax Autos Limited at the Stock Exchange, Mumbai (BSE) and at the National Stock Exchange of India Limited (NSE) during the period under review in comparison to BSE (Sensex) and NSE (Nifty)

Month	NSE				BSE			
	Share Prices		Nifty		Share Prices		Sensex	
	High	Low	High	Low	High	Low	High	Low
April, 2009	28.00	17.25	3517.25	2965.70	27.75	18.05	11492.10	9546.29
May	37.00	21.55	4509.40	3478.70	37.30	21.60	14930.54	11621.30
June	43.50	31.25	4693.20	4143.25	44.00	31.40	15600.30	14016.95
July	39.45	27.00	4669.75	3918.75	39.00	27.00	15732.81	13219.99
August	51.70	35.50	4743.75	4353.45	51.85	36.00	16002.46	14684.45
Sept	52.85	44.90	5087.60	4576.60	52.60	45.00	17142.52	15356.72
Oct	55.95	47.00	5181.95	4687.50	56.15	46.85	17493.17	15805.20
Nov	61.75	45.60	5138.00	4538.50	61.75	44.70	17290.48	15330.56
Dec	61.00	54.15	5221.85	4943.95	62.00	54.00	17530.94	16577.78
Jan, 2010	71.00	49.45	5310.85	4766.00	71.00	49.10	17790.33	15982.08
Feb	61.00	45.35	4992.00	4675.40	61.20	45.15	16669.25	15651.99
March	61.00	46.15	5329.55	4935.25	60.80	48.10	17793.01	16438.45

Performance in comparison to broad based indices - BSE SENSEX



Performance in comparison to broad based indices - NSE S&P CNX Nifty  
Quotes on NSE Index to 100



## Shareholders Reference

Unclaimed Dividend Pursuant to Section 205A of the Companies Act, 1956 for the financial year 2001-02 has been transferred to the Investors Education and Protection fund established by the Central Government (IEPF) Pursuant to Section 205C of the Companies Act, 1956.

The Dividend for the following years remaining unclaimed will be transferred by the company to IEPF according to the schedule given below. Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to seek issue of duplicate warrant(s) by writing to the Link Intime India Pvt. Ltd. confirming non-encashment/non receipt of dividend warrant(s). Once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

Financial year	Date of AGM	Shareholders may Claim upto
2002-03	26-12-2003	25-12-2010
2003-04	30-11-2004	29-11-2011
2004-05	19-09-2005	18-09-2012
2005-06	26-09-2006	25-09-2013
2006-07	28-09-2007	27-09-2014
2007-08	30.09.2008	29.09.2015
2008-09	30.09.2009	29.09.2016

## Registrar and Share Transfer Agents (RTA)

M/s Link Intime India Private Limited, New Delhi has been appointed as the Registrar and Share Transfer Agent of the Company for handling the share related work both in physical and electronic form. All correspondence relating to share transfer, transmission, dematerialisation, rematerialisation etc. can be made at the following address.

M/s Link Intime India Private Limited  
Unit: Omax Autos Limited  
A-40, 2nd Floor,  
Naraina Industrial Area,  
Phase-II, Near Batra Banquet Hall,  
New Delhi-110 228  
Tel: +91-11-41410592-94  
Fax: +91-11-41410591  
E-Mail: delhi@linkintime.co.in

## Share Transfer System

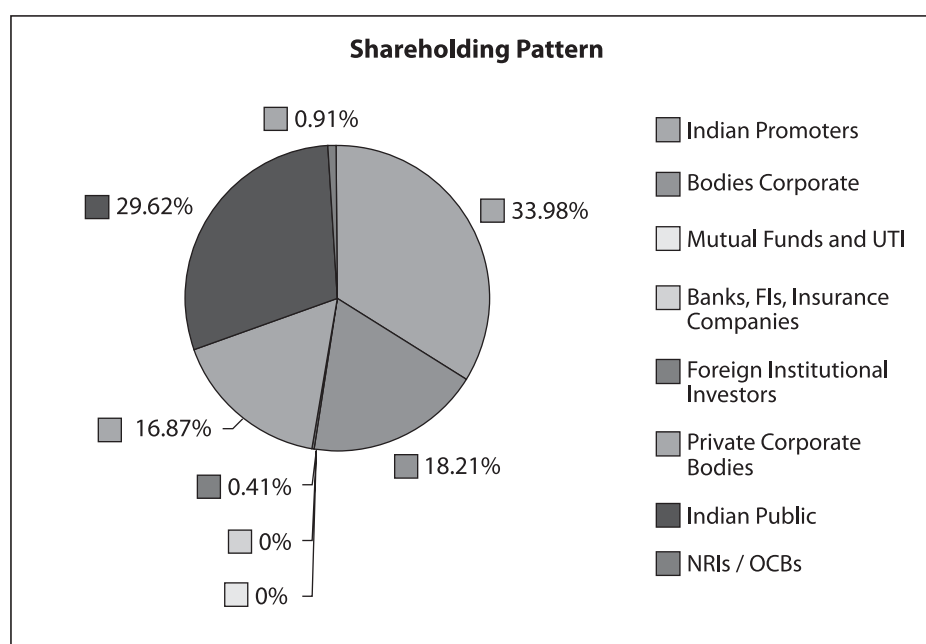
The Company processes the share transfer and other related shareholders services through Registrar & Share transfer Agent (RTA) on a fortnight basis. The share transfer in physical form is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company has a Shareholders' / Investors' Grievance Committee, which meets twice in a month if required, to consider and approve the share transfers and to resolve any query or problem in relation thereto.

## Distribution of Share Holding as on March 31, 2010

Nominal Value of shares (In Rupees)	Number of holders	% to total holders	Total face value (In Rupees)	% to total face value
1 - 5000	11,890	80.16	1,72,26,300	8.05
5001 - 10000	1,746	11.77	1,26,58,520	5.92
10001 - 20000	672	4.53	97,59,100	4.56
20001 - 30000	189	1.27	49,33,880	2.31
30001 - 40000	76	0.51	27,07,550	1.27
40001 - 50000	71	0.48	32,58,810	1.52
50001 - 100000	97	0.65	67,09,620	3.14
100001 & above	94	0.63	15,66,28,350	73.23
<b>Total</b>	<b>14835</b>	<b>100.00</b>	<b>21,38,82,130</b>	<b>100.00</b>

## Shareholding pattern as on March 31, 2010

S. No.	Category	No. of Shares	% of shareholding
1	Promoters' Holding		
	Indian Promoters	72,68,350	33.98
	Bodies Corporate	38,94,504	18.21
2	Non Promoters' Holding		
	Mutual Funds and UTI	0	0.00
	Banks, FIs, Insurance Companies	0	0.00
	Foreign Institutional Investors	88,939	0.41
	Private Corporate Bodies	36,07,399	16.87
	Indian Public	63,35,149	29.62
	NRIs / OCBs	1,93,872	0.91
	<b>TOTAL</b>	<b>21388213</b>	<b>100.00</b>



## Dematerialization of shares and liquidity

The equity shares of the Company are compulsory traded and settled only in the dematerialised form under ISIN No. INE 090B01011. M/s Link Intime India Private Limited, the Company's Registrar & Share Transfer Agent looks after the dematerialization of shares and other related works.

The details of the equity shares of the Company dematerialised as on March 31, 2010 are given hereunder:

Particulars	Number of Shares	Percentage
No. of shares in dematerialised form	13201463	61.72
No. of shares in Physical form	8186750	38.28
<b>Total</b>	<b>21388213</b>	<b>100.00</b>

## Plant Locations

### : Registered Office & Dharuhera Plant

Omax Autos Limited  
69 KM Stone, Delhi Jaipur Highway  
Dharuhera, Distt. Rewari, Haryana-122 106

### Sidhrawali Plant

Speedomax (A unit of Omax Autos Limited)  
64 KM Stone, Delhi-Jaipur Highway  
Village Sidhrawali, Gurgaon, Haryana-123 413

### Manesar Plant

Omax Autos Limited - Manesar Plant  
Plot No. 6, Sector-3,  
IMT Manesar, Gurgaon, Haryana-122 050

### Sprocket Division

Omax Autos Limited - Sprocket Division  
69 KM Stone, Delhi-Jaipur Highway  
Dharuhera, Distt. Rewari, Haryana-122 106

### Bangalore Plant

Omax Autos Limited - Bangalore Plant  
Plot No 6, Bommasandra - Jigani Link Road  
Bommasandra, Bangalore, Karnataka-560 099

### Binola Plant

Automax - A unit of Omax Autos Limited  
Delhi Jaipur Highway,  
Village & P.O. Binola, Gurgaon, Haryana-122 001

### Dharuhera Plant - II

Indital (A unit of Omax Autos limited)  
69 KM Stone, Delhi-Jaipur Highway  
Dharuhera, Distt. Rewari, Haryana-122 106

### Lucknow Plant

Omax Autos Limited - Lucknow Plant  
Tata Motors Vender park  
Chinhat Industrial area  
Deva Road, Lucknow- 226019



## **Bawal Plant**

Omax Autos Limited - Bawal Plant  
(Home Furnishing division)  
Plot No. 2, Sector-5, Bawal  
Distt. Rewari, Haryana.

## **Railway Division**

Omax Autos Limited - Railway Division  
38 KM Stone, Delhi-Jaipur Highway  
Beharampur Road, Post- Office Khandsa  
Gurgaon-122001, Haryana.

**Compliance status of clause 49 of Listing Agreement** : The Company has complied with all the mandatory requirements prescribed in the clause 49 of the listing agreement.

## **Corporate & Head Office**

Investors Relations Cell & Address for correspondence : Plot No. B-26, Institutional Area,  
Sector-32, Gurgaon-122001 (Haryana)  
Phone No: (0124) 4343000 (30 Lines)  
Fax No.: (0124)2580016  
E-mail: cs@omaxauto.com  
omax@omaxauto.com

The Secretarial Department is headed by Mr. Parimesh Manocha, Asst. Company Secretary who also acts as Compliance Officer of the Company.

# Certificate on Corporate Governance

To

The Members of Omax Autos Limited

We have examined the compliance of conditions of Corporate Governance by Omax Autos Ltd. for the year ended on 31st March 2010, as stipulated in the Clause 49 of Listing Agreement of the Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been in the manner described in the Guidance Note on Certification issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on our reliance upon the representations made by the management that there were no transactions of material nature with the management or relatives that may have potential conflict with the interest of the company at large.

We have been explained that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Company.

We certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that the 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 **A. KUMAR GUPTA & CO.**  
Chartered Accountants

**(A. K. Gupta)**  
Partner

Membership No. 12765

Place: New Delhi

Date: 13th Aug. 2010

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## Declaration for Compliance with the Code of Conduct

This is to certify that the company has laid down its Code of Conduct for all the Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company - [www.omaxauto.com](http://www.omaxauto.com)

It is hereby affirmed that during the year 2009-10, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given a confirmation in this regard.

Place: New Delhi

Date: 29.05.2010

**Jatender Kumar Mehta**  
Managing Director

THE BOARD OF DIRECTORS  
OMAX AUTOS LIMITED

We Jatender Kumar Mehta, Managing Director and Sharad Jain, Chief Financial Officer of the company certified to the Board of Directors that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year 2009-10 and that to the best of our knowledge and belief;
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transaction entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.

Further, we accept that it is our responsibility to establish and maintain internal controls for financial reporting. Accordingly, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, wherever applicable.

- (i) deficiencies in the design or operation of such internal controls, if any, which came to our notice and steps have been taken or proposed to be taken to rectify these deficiencies.
- (ii) Significant changes in internal control financial reporting during the year.
- (iii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
- (iv) Instances of significant fraud of which we became aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi  
Date: 29.05.2010

**Sharad Jain**  
Chief Financial Officer

**Jatender Kumar Mehta**  
Managing Director

## Secretarial Report

To

**The Board of Directors,  
Omax Autos Limited  
69 KM Stone, Delhi- Jaipur Highway  
Dharuhera, Distt.- Rewari,  
Haryana - 123110 India.**

We have examined the registers, records and documents of Omax Autos Limited (the Company) produced before us by the Company and by their registrar and share transfer agents M/s. Link Intime India Private Limited (formerly known as Intime Spectrum Registry Limited) New Delhi for the purpose of our Secretarial Audit Report for the financial year ended on 31.03.2010 (financial year) in the light of the provisions contained in-

- The Companies Act, 1956 and the Rules made thereunder.
- The Depositories Act, 1996 and the Rules made thereunder and the bye-laws of the Depositories who have been given the requisite Certificates of Registration under the Securities and Exchange Board of India Act, 1992.
- The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder.
- The Securities and Exchange Board of India Act, 1992 and the Rules, Guidelines and Regulations made thereunder including:
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997; and
- The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 1999;
- The listing agreement with the National Stock Exchange and with the Bombay Stock Exchange.

- A. Based on our examination and verification of the records made available to us and according to the clarifications and explanations given to us by the Company, its officers and agents, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 1956 and the Rules made thereunder and of the various Acts detailed above and the Rules, Regulations and Guidelines made thereunder, listing agreement and of the Memorandum and Articles of Association of the Company, with regard to:
1. Maintenance of various statutory and non-statutory registers and documents and making necessary changes therein as and when the occasion demands.
  2. Filing with the Registrar of Companies the forms, returns and resolutions.
  3. Service of the requisite documents by the Company on its members, Registrar and Stock Exchanges.
  4. Composition of the Board, appointment, retirement and resignation of directors.
  5. Remuneration of executive and non-executive directors.
  6. Obtaining the necessary approvals for various acts of the Company.
  7. Service of notice and agenda of Board Meetings and Meetings of the committee of directors.
  8. Meeting of the Board and its committees.
  9. Holding Annual General Meeting and production of the various registers thereat.
  10. Recording the minutes of proceedings of board meetings, committee meetings, Annual General Meeting and of the postal ballot.
  11. Appointment, change in the appointment and remuneration of Auditors.
  12. Registration of transfer of shares held in physical mode.
  13. Dematerialisation and rematerialisation of shares.
  14. Investment of company's funds.
  15. Execution of contracts, affixation of common seal, registered office and the name of the Company.
  16. Requirement of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) regulations 1997.
  17. Requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading regulations) 1999
  18. Requirements set out in the listing agreement with the aforementioned stock exchanges.
- B. I further report that-
- (i) the directors of the Company have complied with the various requirements relating to making of disclosures, declarations in regard to their other directorships, memberships of committees of the board of companies of which they are directors, their shareholding and interest or concern in the contracts entered into by the Company in the pursuing its normal business; and
  - (ii) There was no prosecution initiated against or show cause notice received by the Company and no fine or penalties were imposed on the company under the aforementioned Acts, Rules, Regulations and guidelines made thereunder or on its directors and officers.

For Chandrasekaran Associates  
Company Secretaries

Dr. S Chandrasekaran  
Senior Partner  
FCS: 1644  
CP : 715

Place: New Delhi  
Date: 13th August, 2010



# Auditors' Report

To The Members of OMAX AUTOS LIMITED

1. We have audited the attached Balance Sheet of Omax Autos Limited, as at 31st March, 2010, the Profit and Loss Account and the Cash flow Statement of the Company for the year ended as on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 [as amended by Companies (Auditor's Report) (Amendment) Order, 2004] issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a Statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the Books of Account of the Company;
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956,
- e) On the basis of the written representations received from the Directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March 2010;
  - In the case of the Profit and Loss Account, of the profit for the year ended on that date, and
  - In the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of  
**A. KUMAR GUPTA & CO.**  
(Chartered Accountants)

**(A.K. GUPTA)**  
PARTNER  
M. No. 12765

Place: New Delhi

Date : 29.05.2010

## Annexure to Auditors' Report

The Annexure referred to in the auditor's report to the members of Omax Autos Limited for the year ended March 31, 2010. We report that:

1.
  - a) The Company is maintaining proper records showing full particulars including quantitative details & situation of fixed assets.
  - b) As explained to us, the Company has a system of physical verification, which is designed to cover all assets over a period of three years and in accordance herewith, physical verification of certain fixed assets of the Company was carried out during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No major discrepancy has been noticed during verification.
  - c) Fixed assets disposed off during the year were not substantial. According to the information and explanations given to us, we are of the opinion that the disposal off fixed assets has not affected the going concern status of the company.
2.
  - a) According to the information and explanations given to us, the inventory of finished goods, stores, spare parts and raw materials including components have been physically verified by the management during the year including for stock lying with third parties. The frequency of such verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedure of physical

# Auditors' Report

verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

- c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material in relation to the operations of the Company and the same have been properly dealt within the books of accounts.
3. a) According to information and explanations given to us, the Company has granted unsecured loans to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, however, Maximum Amount involved is Rs. 80.50 Lacs & Closing Balance is Rs. 66.00 Lacs.
    - b) According to the information & explanations given to us, rate of interest and other terms and conditions of the aforesaid unsecured short term loans given by the Company are not prima facie prejudicial to the interest of the Company.
    - c) In our opinion and according to the information given to us, receipts of principal & interest of the aforesaid unsecured loans are regular.
    - d) During the year, the company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  4. In our opinion and according to the explanations given to us, there are adequate internal control procedures, commensurate with the size of Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no weakness has been noticed in the internal controls.
  5. a) As per information and explanations given to us, all the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 and need to be entered into the register maintained under that section are found to be entered.
    - b) In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five Lacs in respect of any party during the year, have been made at the prices which are reasonable having regard to the prevailing market prices at that time.
  6. The Company has not accepted any deposits during the year under report from the public under Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and therefore, the provisions of clause 4(vi) of Companies (Auditor's Report) Order, 2003 (as Amendment) are not applicable to the Company.
  7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
  8. We have broadly reviewed the books of Account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts & records have been kept by the Company so far as appears from our examination of the books of account of the Company.
  9. a) According to the information and explanation given to us and on the basis of our examination of the books of accounts, the Company has been regular in depositing the statutory dues with appropriate authorities. There was no undisputed amount outstanding at the end for a period more than six months from the date they become payable.
    - b) According to the information and explanations given to us, The Disputed Statutory dues aggregating to Rs. 301.30 Lacs. That have not been deposited on account of matters pending before the appropriate authority are as under :

Sr. No.	Nature of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (Rs. in Lacs)
1	Central Excise Act, 1944	Disallowance of Cenvat Credit	CESTATE	2004-05	242.96
2.	Central Excise Act, 1944	Disallowance of Cenvat Credit	CESTATE	2005-06 onwards	28.98
3.	Central Excise Act, 1944	Disallowance of Cenvat Credit	Additional Commissioner	2005-06 to 2009-10	29.36

# Auditors' Report

10. The company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institutions or banks.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, during the year under audit.
13. In our opinion, the Company is not a Chit Fund or Nidhi/ Mutual Benefits Fund/Society. Therefore the provision of clause 4 (xii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
14. Based on our audit procedures and according to the information and explanations given to us by the management, the Company has maintained proper records of transactions & contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us by the management, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. Based on our audit procedures and according to the information & explanation given to us, the terms loans were applied for which the loans were obtained.
17. In our opinion and according to the information & explanations given to us, the funds raised on short term basis have not been used for long-term investment.
18. The company has not made any preferential allotment of shares covered in the register maintained under Section 301 of the Companies Act, 1956.
19. During the period covered by our audit report, the Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For and on behalf of  
**A. KUMAR GUPTA & CO.**  
(Chartered Accountants)

**(A.K. GUPTA)**  
PARTNER  
M. No. 12765

Place: New Delhi  
Date : 29.05.2010

# Balance Sheet as at 31st March 2010

(Rupees in lacs)

PARTICULARS	SCHEDULE	Current Year as at 31.03.2010		Previous Year as at 31.03.2009	
<b>SOURCES OF FUNDS:</b>					
<b>SHARE HOLDER'S FUND</b>					
Share Capital	1	2,138.82		2138.82	
Reserves & Surplus	2	14,000.14	16,138.96	12,422.33	14,561.15
<b>LOAN FUNDS</b>					
Secured Loan	3	26,518.94		27,978.83	
Unsecured Loans	4	4,585.14	31,104.08	301.00	28,279.83
Deferred Tax Liability (Net)	5		1,599.50		1,443.95
<b>TOTAL</b>			<b>48,842.54</b>		<b>44,284.93</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	6	47,886.45		41,162.77	
Less: Depreciation Reserve		17,885.41		15,241.41	
Net Block		30,001.04		25,921.36	
Capital Work in Progress & Advances		5,421.10	35,422.14	7,468.89	33,390.25
<b>INVESTMENTS</b>	7		–		60.00
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Inventories		3,270.53		3,629.65	
Sundry Debtors		12,611.98		8,927.41	
Cash & Bank Balances		4,511.48		4,102.13	
Loans & Advances		5,230.74		6,064.03	
		25,624.73		22,723.22	
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	9				
Current Liabilities		11,371.19		11,285.45	
Provisions		833.14		603.09	
		12,204.33		11,888.54	
<b>NET CURRENT ASSETS</b>			<b>13,420.40</b>		<b>10,834.68</b>
<b>MISC. EXPENDITURE</b>			–		–
(To the extent not written off or adjusted)					
<b>TOTAL</b>			<b>48,842.54</b>		<b>44,284.93</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</b>	15				

For and on the behalf of the Board of Directors

As per our report of even date  
for A. KUMAR GUPTA & CO.  
Chartered Accountants

A. K GUPTA  
(Partner)  
M. No. 12765

Place: New Delhi  
Date: 29.05.2010

SHARAD JAIN  
(Chief Financial Officer)

PARIMESH MANOCHA  
(Asst. Company Secretary)

JATENDER KUMAR MEHTA  
(Managing Director)

DR. T.N. KAPOOR  
(Director)



# Profit & Loss Account for the period ended 31st March, 2010

(Rupees in lacs)

PARTICULARS	SCHEDULE	Current Year as at 31.03.2010	Previous Year as at 31.03.2009
<b>INCOME</b>			
SALES & OTHER INCOME	10		
Gross Sales		<b>96446.95</b>	96229.07
Less : Excise Duty & Sales Tax		<b>9937.09</b>	<u>14659.77</u>
Net Sales		<b>86509.86</b>	81569.30
Other Income		<b>1047.77</b>	<u>1865.92</u>
		<b>87557.63</b>	<u>83435.22</u>
<b>EXPENDITURE</b>			
Cost of Material	11	<b>61703.34</b>	59590.26
Personnel Expense	12	<b>9188.08</b>	7819.77
Power, Fuel and Lubricants		<b>2918.23</b>	2588.76
Manufacturing, Adm. and Selling Expenses	13	<b>5959.42</b>	<u>5445.26</u>
PROFIT FROM ORDINARY ACTIVITIES BEFORE INTEREST, DEPRECIATION AND TAX		<b>7788.56</b>	7991.17
Interest and Financial Charges	14	<b>3231.92</b>	4238.84
PROFIT FROM ORDINARY ACTIVITIES BEFORE DEPRECIATION AND TAX		<b>4556.64</b>	3752.33
Depreciation		<b>2920.19</b>	2849.83
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX AND EXCEPTIONAL INCOME		<b>1636.45</b>	902.50
Exceptional income (net) (Refer note 2 (i))		<b>407.27</b>	–
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX		<b>2043.72</b>	902.50
Provision for Income Tax			
Current Tax		<b>457.79</b>	352.86
Deferred Tax (Refer Note 2 (j))		<b>155.55</b>	<u>6.99</u>
PROFIT FROM ORDINARY ACTIVITIES AFTER TAX		<b>1430.38</b>	542.65
Prior Period Adjustments (Net) (Refer Note 2 (k))		<b>(9.73)</b>	<u>134.85</u>
NET PROFIT AVAILABLE FOR APPROPRIATION		<b>1420.65</b>	<u>677.50</u>
<b>APPROPRIATIONS</b>			
Proposed Dividend		<b>320.82</b>	213.88
Dividend Distribution Tax		<b>54.53</b>	<u>36.35</u>
General Reserve		<b>400.00</b>	400.00
Surplus Carried to Balance Sheet		<b>645.30</b>	<u>27.27</u>
<b>TOTAL</b>		<b>1420.65</b>	<u>677.50</u>
<b>EARNINGS PER SHARE</b>			
(Equity Shares, par value Rs. 10/- each)			
Basic/ Diluted EPS (Rs.) (Refer Note 2(u))		<b>6.64</b>	3.17
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</b>			
	15		

For and on the behalf of the Board of Directors

As per our report of even date  
for A. KUMAR GUPTA & CO.  
Chartered Accountants

SHARAD JAIN  
(Chief Financial Officer)

JATENDER KUMAR MEHTA  
(Managing Director)

A. K GUPTA  
(Partner)  
M. No. 12765

PARIMESH MANOCHA  
(Asst. Company Secretary)

DR. T.N. KAPOOR  
(Director)

Place: New Delhi  
Date: 29.05.2010

# Schedules Annexed to & Forming Part of the Accounts

(Rupees in lacs)

PARTICULARS	Current Year as at 31.03.2010	Previous Year as at 31.03.2009
<b>SCHEDULE-1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Capital :</b>		
2,65,00,000 (Previous Year 2,65,00,000) Equity Shares of Rs.10/-each	2650.00	2650.00
20,00,000 (Previous Year 20,00,000) Equity Shares of Rs.10/-each with Differential Voting Rights	200.00	200.00
1,50,000 (Previous Year 1,50,000) 12% Optionally Convertible Cummulative Preference Shares of Rs.100/- each	150.00	150.00
	<u>3000.00</u>	<u>3000.00</u>
<b>Issued Subscribed and paid up Capital :</b>		
2,13,88,213 (Previous Year 2,13,88,213) Equity Shares of Rs. 10/- each	2,138.82	2,138.82
(Out of the above 1,61,25,000 Equity Shares have been allotted as fully paid-up by way of Bonus Shares by Capitalisation of Share Premium & General Reserve and 78,213 Equity Shares have been allotted as fully paid up in terms of the scheme of amalgamation for consideration other than cash.)		
	<u>2,138.82</u>	<u>2,138.82</u>
<b>SCHEDULE-2</b>		
<b>RESERVES AND SURPLUS</b>		
Share Premium	1,568.00	1,568.00
Capital Reserve (Refer note no. 2d)	207.63	0.12
Capital Redemption Reserve	136.53	136.53
General Reserve		
Balance as per last Balance Sheet	9,712.42	9,745.90
Add : Last year Hedge Reserve Account	433.48	-
Less : Current Year Hedge Reserve Account (Refer note no. 2r)	108.48	433.48
Add : Transfer from Profit & Loss A/c	400.00	400.00
	<u>10,437.42</u>	<u>9,712.42</u>
Profit & Loss Account		
Balance as per last Balance Sheet	1,005.26	977.99
Add : Transferred from Profit & Loss A/c	645.30	27.27
	<u>1,650.56</u>	<u>1,005.26</u>
	<u>14,000.14</u>	<u>12,422.33</u>

# Schedules Annexed to & Forming Part of the Accounts

(Rupees in lacs)

PARTICULARS	Current Year as at 31.03.2010	Previous Year as at 31.03.2009
<b>SCHEDULE-3</b>		
<b>SECURED LOANS</b>		
Term Loans (a)		
- United Bank of India	5,900.75	7,416.69
- Royal Bank of Scotland N.V., India	1,860.00	2,280.00
- ICICI Bank Ltd.	3,285.47	4,015.57
- Tata Capital Ltd.	<u>1,476.95</u>	<u>1,545.70</u>
	12,523.17	15,257.96
Loans and advances from Banks		
Working Capital Loans (b)		
- State Bank of India	2,005.06	2,127.23
- Canara Bank	-	1,160.37
- Citi Bank	2,129.56	1,343.22
- Standard Chartered Bank	-	504.90
- Royal Bank of Scotland N.V., India	498.78	520.25
- HDFC Bank Ltd.	1,500.00	-
- HSBC Bank	<u>3,000.00</u>	<u>3,000.00</u>
- Overdraft Against FDR	3,765.96	2,921.90
Sales Tax Deferment (c)	1,096.41	1,143.00
	<u>26,518.94</u>	<u>27,978.83</u>

- a) Term Loans from United Bank of India are secured by way of first charge/mortgage by way of deposit of title deeds of Land & Building of Speedomax Plant, Bangalore Plant & Binola Plant and exclusive first charge on the plants & machineries and other movable fixed assets of all other units (Dharuhera, sprocket & Indital) except Manesar, financed by Term Loan I & II and Exclusive charge on the plants & machineries and other movable fixed assets of all other units (Sprocket, Indital) except Dharuhera financed by term loan III and creation of exclusive hypothecation charge on plant and machinery and other moveable fixed assets of Rs. 6.82 crores installed at Manesar plant.
- b) Term Loan from ICICI Bank Ltd. is secured by way of first charge/mortgage by way of deposit of title deeds of Land & Building of Dharuhera Plant and hypothecation of other movable assets both present and future.
- c) Term Loans from Royal Bank of Scotland N.V., India is secured by way of first charge/mortgage by way of deposit of title deeds of Land & Building of Corporate Office at Sec.-32, Gurgaon and warehouse at village Behrampur, Gurgaon.
- d) Term Loans from TATA Capital Limited is secured by way of exclusive charge on all the present and future fixed assets (excluding land & building) of Lucknow project and negative lien on the building/ super structure created on the land covered under term loan and equitable mortgage by way of deposit of title deed of Sector-44, institutional plot, Gurgaon and hypothecation of receivables of Lucknow plant in respect of supply to TATA Motors Ltd.
- e) Cash Credit Working Capital Limits from Banks are secured by hypothecation of stock and book debts. Cash Credit from State Bank of India are further secured by way of deposit of title deed of Land & Building of Manesar Plant and hypothecation of company's other movable assets both present & future except for the plant and machineries and other moveable fixed assets of Rs. 6.82 crores installed at Manesar plant and financed by UBI under term loan III having exclusive charge on these assets.
- f) Sales Tax Deferment is partially secured by way of bank guarantees.

<b>SCHEDULE-4</b>		
<b>UNSECURED LOANS</b>		
Advances received from customers	158.75	301.00
Short Term Loan		
- Deutsche Bank	1,509.00	-
- Kotak Mahindra Bank	489.12	-
- HDFC Bank Ltd.	1,500.00	-
Term Loan		
- Kotak Mahindra Bank	<u>928.27</u>	-
	<u>4,585.14</u>	<u>301.00</u>

<b>SCHEDULE 5</b>		
<b>DEFERRED TAX LIABILITY (NET)</b>		
Deferred Tax Liability		
Opening Balance	1,443.95	1,436.96
Add : Deferred Tax for the Year (Ref. To Note 2(j))	155.55	6.99
	<u>1,599.50</u>	<u>1,443.95</u>

## SCHEDULE-6 FIXED ASSETS

(Rupees in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS ON 01.04.2009	ADDITIONS	SALE / TRANSFER	TOTAL AS ON 31.3.2010	AS ON 01.04.2009	FOR THE YEAR	ADJUSTMENTS DURING THE YEAR 31.03.2010	UP TO 31.3.2010	AS ON 31.03.2010	AS ON 31.03.2009
Land	2471.75	618.73	(65.53)	3024.95	-	-	-	-	3024.95	2471.75
Building	9000.55	2264.06	(16.00)	11248.61	1189.41	317.52	(1.72)	1505.21	9743.40	7811.14
Plant & Machinery*	20837.22	3572.61	(236.49)	24173.34	8174.92	1545.82	(110.28)	9610.47	14562.88	12662.30
Dies & Tools	3577.54	566.30	(197.53)	3946.31	2746.03	529.42	(68.15)	3207.30	739.00	831.52
Furniture & Fixture & Office Equipment	3331.76	161.81	(28.81)	3464.76	2005.63	296.31	(22.15)	2279.79	1184.97	1326.13
Computer & other Equipment	530.26	78.86	(14.12)	595.00	386.31	75.48	(10.49)	451.30	143.70	143.95
Vehicles	871.62	104.59	(101.21)	875.00	319.61	92.47	(63.40)	348.67	526.32	552.01
Intangible Asset	542.06	16.42	-	558.48	419.50	63.17	-	482.67	75.81	122.56
Total	41162.77	7383.36	(659.68)	47886.45	15241.41	2920.19	(276.19)	17885.41	30001.04	25921.36
Previous Year	39066.79	3191.94	(1,095.96)	41162.77	12764.98	2849.83	(373.40)	15241.41	25921.36	26301.81

Note \* Plant Machinery includes Solar Energy Generating Plant value of which has been taken net of subsidy of Rs. 75 Lacs.

## CAPITAL WORK IN PROGRESS & CAPITAL ADVANCES

Capital Advances	Current Year	Previous Year
	3,803.23	4,801.72
Machinery under Installation	1,128.80	1,403.30
Building under Construction	404.14	412.09
Furniture & Fitting under Installation	-	33.48
Dies & Tools under Installation	-	106.75
Preoperative Expenses	84.94	711.55
	<u>5,421.10</u>	<u>7,468.89</u>



# Schedules Annexed to & Forming Part of the Accounts

(Rupees in lacs)

PARTICULARS	Current Year as at 31.03.2010		Previous Year as at 31.03.2009	
<b>SCHEDULE-7</b>				
<b>INVESTMENTS</b>				
QUOTED, LONG TERM AND NON TRADE :				
Mutual Funds				
DWS Fixed Term Plan (Previous Year - 6,00,000 units of Rs. 10/- each) Market value Rs. NIL ( Previous year Rs 70.86 Lacs)		0.00		60.00
		0.00		60.00
<b>SCHEDULE-8</b>				
<b>CURRENT ASSETS , LOANS AND ADVANCES</b>				
<b>CURRENT ASSETS</b>				
Inventories (as valued & certified by management) (Refer Note 1 (f))				
Raw Material and components	1,892.36		1,590.62	
Work-in-Progress	860.80		787.09	
Finished Goods	215.31		988.09	
Store & Tools	224.01		175.14	
Scrap	78.05	3,270.53	88.71	3,629.65
<b>Sundry Debtors (Unsecured)</b>				
Outstanding over six months				
Considered Good	99.41		85.18	
Considered Doubtful	408.96		330.57	
	508.37		415.75	
Less : Provision	408.96		330.57	
	99.41		85.18	
Other debtors				
Considered Good	12,512.57		8,842.23	
		12,611.98		8,927.41
<b>Cash and Bank Balances</b>				
Cash and Cheques in hand	31.62		23.39	
Balance with Schedule Banks				
On Current Account	35.63		335.35	
On Cash Credit Account	208.54		-	
Fixed Deposits	4,171.03		3,611.02	
	4,415.20		3,946.37	
Balance with Other Banks				
On Current Account	33.47		102.29	
On Unpaid Dividend Account	31.19		30.08	
	64.66	4,511.48	132.37	4,102.13
<b>LOANS AND ADVANCES</b>				
Advance recoverable in cash or in kind or for value to be received				
Considered Good	5,018.48		5,884.59	
Security Deposits	212.26	5,230.74	179.44	6,064.03
	5,230.74	25,624.73	6,064.03	22,723.22

# Schedules Annexed to & Forming Part of the Accounts

(Rupees in lacs)

PARTICULARS	Current Year as at 31.03.2010		Previous Year as at 31.03.2009	
<b>SCHEDULE-9</b>				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors				
Payable to Micro Small & Medium Enterprises's (Refer Note 2 (e))	–		–	
Others	8,925.05	8,925.05	8,889.12	8,889.12
Interest Payable		84.40		45.65
Other Liabilities		2,222.07		1,887.12
Unclaimed Dividend		31.19		30.08
Provision for fair valuation loss on derivative (Refer note no. 2r)		108.48		433.48
		<u>11,371.19</u>		<u>11,285.45</u>
<b>PROVISIONS</b>				
Provision for Taxation		457.79		352.86
Proposed Dividend		320.82		213.88
Provision for Dividend Distribution Tax		54.53		36.35
		<u>833.14</u>		<u>603.09</u>
<b>SCHEDULE-10</b>				
<b>GROSS SALES &amp; OTHER INCOME</b>				
<b>GROSS SALE</b>				
Sale of finished goods	92759.03		93133.38	
Job & Process Charges	457.60		343.63	
Material, Scrap & other Sale	2841.06		2611.15	
Export Incentive	389.26		140.91	
		96446.95		96229.07
<b>OTHER INCOME</b>				
Cash Discounting	43.24		245.89	
Rent Income	56.31		73.75	
Interest (Including TDS of Rs. 106.50 Lacs Previous Year TDS Rs. 212.53 Lacs)	832.25		963.37	
Profit on Sale of Fixed Assets	94.01		290.18	
Profit on Sale of Investment	14.19		–	
Foreign Exchange Fluctuation Gain ( Net)	–		262.71	
Misc. Income **	7.77		30.02	
		1047.77		1865.92
		<u>97494.72</u>		<u>98094.99</u>
** Includes interest on income tax refund Rs. NIL (Previous year Rs. 24.12 lacs).				
<b>SCHEDULE-11</b>				
<b>COST OF MATERIAL</b>				
Raw Material and Components consumed				
Opening Stock	1684.93		1317.66	
Add : Purchases	58746.88		57715.76	
	60431.81		59033.42	
Less: Closing Stock	1892.36	58539.45	1684.93	57348.49
Increase (-) / Decrease in stock of finished Goods and Work in Progress				
Opening Stock	1863.89		1544.53	
Less: Closing Stock	1154.16	709.73	1863.89	-319.36
Consumption of Stores & Tools		2454.16		2561.13
		<u>61703.34</u>		<u>59590.26</u>

# Schedules Annexed to & Forming Part of the Accounts

(Rupees in lacs)

PARTICULARS	Current Year as at 31.03.2010	Previous Year as at 31.03.2009
<b>SCHEDULE-12</b>		
<b>PERSONNEL EXPENSES</b>		
Salary,Wages and Allowances	8654.68	7362.08
Contribution to Provident Fund and E.S.I	312.18	255.70
Workmen and Staff Welfare	47.98	61.93
Directors remuneration & perks	168.14	135.38
Directors Sitting Fee	5.10	4.68
	<u>9188.08</u>	<u>7819.77</u>
<b>SCHEDULE-13</b>		
<b>MANUFACTURING, ADMIN &amp; SELLING EXPENSES</b>		
Outside Job work Expenses	1325.40	1422.40
Freight Inward, Cartage and Octroi	134.20	144.45
Packing Material Consumed	972.30	513.25
Rent	65.18	35.89
Repair and Maintenance		
Building	101.59	54.21
Plant and Machinery	493.12	389.49
Other	292.80	168.71
Insurance	175.05	143.38
Rate, Fees and Taxes	37.33	31.91
Foreign Exchange Fluctuation loss ( Net)	114.73	-
Charity and Donation	8.65	7.21
Loss on Sale of Fixed Assets	17.62	54.01
Provision for doubtful debts	103.96	330.57
Bad Debts Written Off	-	75.11
Selling & Distribution exp.	1217.99	1245.87
Other Administrative exp.	899.50	828.80
	<u>5959.42</u>	<u>5445.26</u>
<b>SCHEDULE 14</b>		
<b>INTEREST AND FINANCIAL CHARGES</b>		
Interest on Term Loan	1320.12	753.14
Interest on working capital	986.79	2492.44
Cash Discounting Charges	423.20	459.75
Bank Charges & Deferred revenue exp. w/off	106.37	157.08
Currency (gain) / loss	395.44	376.43
	<u>3231.92</u>	<u>4238.84</u>

## SCHEDULE 15

### 1. SIGNIFICANT ACCOUNTING POLICIES :

#### (a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The Financial Statements are prepared on accrual basis of accounting under the historical cost convention, in accordance with the mandatory applicable accounting standards issued by The Institute of Chartered Accountants of India and the relevant presentational requirements of the Company Act, 1956.

#### (b) REVENUE RECOGNITION :

The revenue from sale of products is recognised at the point of dispatches of finished goods to the customers.

Export benefits are accounted on an accrual basis.

Interest income is recognised on proportionate basis inclusive of tax deducted at source thereon.

#### (c) FIXED ASSETS :

Fixed assets are stated at cost of acquisition including installation cost. Cost of Acquisition is inclusive of freight, taxes, duties, insurance, interest and other incidental expenses, net of cenvat credits, wherever applicable.

#### (d) INTANGIBLE ASSETS :

Intangible Assets are amortised using Straight Line Method @ 25% p.a as per AS-26 on "Intangible Assets" issued by The Institute of Chartered Accountants of India.

#### (e) DEPRECIATION :

Depreciation on all the fixed assets is provided on pro rata basis by using the straight-line method at rates on double shift basis wherever applicable, in the manner specified in Schedule XIV of the Companies Act, 1956 except in the case of the following assets where depreciation rate is provided at rates indicated against each asset:

Name of assets	Dep. Rates
Dies, Tools & Fixtures	33.33%
Rack, Bins & Trollies	20.00%
Computer	25.00%
Computer Software	25.00%
Furniture & Fixture	10.00%
Office Equipment	10.00%
Vehicle	12.00%
Solar Plant	4.75%

#### (f) VALUATION OF INVENTORIES :

The valuation of Stock is as per Accounting Standard on " Valuation of Inventories" (AS-2) issued by the Institute of Chartered Accountants of India.

Stores & spares parts and loose tools are stated at cost.

Raw material & components, finished goods and work in progress are valued at cost or net realisable value whichever is lower.

Scrap is valued at net realisable value.

The basis for determining the cost of various inventories are as under:

Raw material & Stores Tools – At yearly weighted average cost.

Work in Progress – Material cost plus appropriate portion of labour and production overheads.

Finished Goods & Goods in transit – At cost or net realisable value whichever is less.

Finished Goods are inclusive of Excise Duty thereon.

**(g) INVESTMENTS :**

Current Investment are carried at the lower of cost and quoted/fair value, computed category wise. Long term Investment are stated at cost . Provision for diminution in the value of long term Investment, if any, is made only if such a decline is other than temporary in the opinion of management.

**(h) INSURANCE CLAIMS :**

Insurance claims receivable are accounted for depending on the certainty of receipts and are being credited to the respective heads of expenses .

**(j) FOREIGN CURRENCY TRANSACTIONS :**

Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing on the date of transaction.

Exchange differences arising on foreign currency transaction settled during the year are recognized in the Profit & Loss Account for the year.

All the Monetary items denominated in foreign currency outstanding at the year end are translated at exchange rates prevailing on the date of balance sheet. The resulted exchange difference whether any income or expenses on account of exchange difference either on settlement or on translation are recognised in Profit & Loss Account for the year.

In case of Forward contracts, the differences between the forward rate and the exchange rate on the date of the transaction is recognized in the Profit & loss Account.

**(j) BORROWING COSTS :**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets of new projects are capitalised as part of the cost of such assets.

A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**(k) TAXATION :**

Provision for Income Tax (current tax ) is made on the basis of result of the year at the current rate of tax in accordance with Income Tax Act, 1961. Deferred tax reflect the impact of current year timing difference between taxable income and timing difference of earlier years. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date as per AS-22 on "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the profit and loss account in the year of change. Deferred tax assets arising from temporary timing difference are recognised to the extent there is a reasonable certainty that the assets can be realised in the future.

**(l) IMPAIRMENT OF ASSETS :**

At each Balance Sheet date, the company reviews, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceed its recoverable amount an impairment loss is recognised in the Profit & Loss account to the extent the carrying amount exceeds the recoverable amount.

**(m) RETIREMENT BENEFITS :**

Liabilities in respect of retirement benefits to employees are provided for as follows:

**(i) Defined Benefit Plan**

Gratuity Liability is computed on the basis of premium paid to LIC of India as per actuarial valuation under Projected Unit Credit Method.

**(ii) Defined Contribution Plans**

Liability for superannuation fund on the basis of the premium paid to LIC of India in respect of employees covered under Superannuation Fund Policy. Provident fund & ESI on the basis of actual liability accrued and paid to authority.

**(iii) Provision for due earned leaves** are determined using Projected Unit Cost method, with actuarial valuation being carried out at Balance Sheet date. Actual gain / loss arising after such valuation are charged to profit & loss account in the year in which earned leaves are settled.



# Schedules Annexed to & Forming Part of the Accounts

## 2. NOTES TO THE ACCOUNTS

(Rupees in Lacs)

	Current Year as at 31.03.2010	Previous Year as at 31.03.2009
(a) CONTINGENT LIABILITIES		
(i) Outstanding Guarantees issued by bank	1,266.85	1,030.90
(ii) Excise & Service Tax matters	301.30	238.43
(iii) Income Tax Matter	-	6.48
(iv) Letter of credits	589.83	586.65
(v) Bills discounted	1,998.12	-
(b) Estimated amount of contracts remaining to be executed on account of capital commitments and not provided for ( net of advances).	611.49	1,182.60
(c) The Company had entered in to a Swap transaction of amount in INR into amount in USD. The outstanding amount as on 31st March 2010 is INR 2086.90 Million and in USD 53.05 lacs. The probable loss/ gain is dependent on USD/ INR parity at the respective dates of settlement during the span of transaction period upto March 2012. In view of the fact that no precise estimate can be made in this regard, no provision on this has been made.		
d) The Capital Reserve of Rs. 207.51 lacs represents forfeiture of 10% application money received towards issue of 25 lacs no. convertible share warrants due to non exercise of option of conversion.		
(e) Enterprises covered under the Micro, Small & Medium Enterprises Development Act 2006 have been identified by the company on the basis of information available. There is no outstanding balance payable more than the period stipulated in said act.		
(f) Computation of Net Profit in Accordance with Section 198 of the Companies Act,1956.		
Profit before Tax as per Profit & Loss Account	2,043.72	902.50
Add: Directors Remuneration (Including perquisites)	163.14	133.30
Add: (Profit)/Loss on Sale of Fixed Assets (net)	(483.66)	(236.17)
Add:(Profit)/Loss on sale of investment	(14.19)	-
Net Profit as per Section 349 of the Companies Act,1956	1,709.01	799.63
Maximum Limit for managerial remuneration to the Directors @ 10% of net profit as above	170.90	79.96
Maximum Limit for commission to non whole time Directors @ 1% of net profit as above	17.09	8.00
(g) Remuneration and perks paid / payable to Directors :		
	Current Year	Previous year
	Mr. Jatender Mehta* (Managing Director)	Others (Directors)
	Total	
Salary	90.00	52.24
Perks	9.75	11.15
Commission	0.00	5.00
Provident Fund	10.80	2.59
	110.55	70.98
	181.53	141.28
*Note: The total remuneration of Managing Director,Mr. Jatender Mehta had been passed by shareholders in the Annual General Meeting held on 30.09.2009 and approved by Ministry of Company Affairs vide letter dtd 15/03/2010 for Rs. 126 lacs per annum up to 31.12.2010.		
(h) Auditor's Remuneration paid/payable during the year		
Audit fee	3.25	3.00
Tax audit fee	1.25	1.00
Certification fee	1.00	1.00
Reimbursement of expenses	1.31	1.32
Total	6.81	6.32

# Schedules Annexed to & Forming Part of the Accounts

	(Rupees in Lacs)	
	Current Year as at 31.03.2010	Previous Year as at 31.03.2009
(i) Exceptional income		
Profit/(Loss) on Sale of Land		
Sale Consideration	472.80	-
Cost of the assets sold	65.53	-
Less: Book Depreciation	0.00	-
Book Value Net	65.53	-
Expenses Incidental to sale	-	-
Total cost of sale	65.53	-
Net Profit	407.27	-
(j) Deferred Tax (AS-22)		
The break up of the net deferred tax liability arising on account of timing difference as on 31st March,2010 is as under :		
Deferred tax liability-		
Depreciation	237.88	16.45
Others	178.90	223.27
Total Deferred tax liability (i)	416.78	239.72
Deferred tax assets-		
Others (ii)	261.23	232.73
Net deferred tax asset/(liability) (ii)-(i)	(155.55)	(6.99)
(k) Prior period adjustments		
(i) Income Tax Refund	-	(110.75)
(ii) Excess Provision for Taxation & other items pertain to previous year	8.97	(24.10)
iii) Others	0.76	-
Total (Net)	9.73	(134.85)
(l) Gross turnover is net of inter unit transfer of Rs. 5981.15 lacs (Previous year Rs. 4905.92 lacs)		
(m) Gross turnover includes direct & deemed exports of Rs 8500.33 lacs (Previous year Rs 5265.63 lacs)		
(n) Interest paid during the year on borrowed funds for construction of Lucknow Plant and Other major expansion plan has been capitalised for Rs. 230.87 lacs (Previous Year 376.69 Lacs).		
(o) Commercial production of Lucknow plant commenced on 18 Sept. 2009. Pre operative expenditure incurred up to 17 Sept. 2009 has been allocated on pro rata basis to fixed assets other than those that were directly attributable.		
(p) Company has got approval of Ministry of New and Renewable Energy ( SPV Group) for installation of two 100 KWP Roof Top SPV power plants at the premises of Manesar & Dharuhera unit. One plant has been successfully installed at Manesar and has started generation of power from 27th March 2010. The second plant has been installed at Dharuhera in beginning of May 2010.		
(q) Ministry of Science & Technology (Department of Scientific and Industrial Research) has accorded recognition to the In-House R&D unit at Manesar plant up to 31.12.2012 vide its letter no. TU-IV/RD/2906/2009 dtd 28.08.2009. Total expenditure incurred towards In-House Research & Development activity during the year 2009-2010 are as under :		
Gross block as on date		
Land & Building	80.00	80.00
Plant & Machinery	677.73	600.31
Others	60.09	59.56
	817.82	739.87
Capital Expenditure during the year (net of sale / transfer)		
Plant & Machinery	77.42	155.00
Others	0.53	11.00
	77.95	166.00
Revenue Expenditure during the year		
Raw Material Consumption	225.63	52.91
Salary & Wages	159.01	64.50
Others	136.65	149.49
	521.29	266.90

r) The Company had taken derivative option for hedging of foreign currency exposure against exports. Due to derivative option the outstanding Mark to Market (MTM) loss as on 31.03.2010 in Dollar is USD 2.40 Lacs (previous year USD 8.51 lacs) and equivalent amount MTM in INR is Rs. 108.48 Lacs (previous year Rs. 433.48 lacs). The company has created a Provision for Fair Valuation Loss on Derivatives of Rs.108.48 Lacs (previous year Rs. 433.48 lacs) under current liabilities & provisions and has correspondingly debited the amount in Hedge Reserve account under Reserve & Surplus.

(s) Related Party Disclosure as required under Accounting Standard-18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants of India are given below :

1) Relationship :

a) Key management Personnel & their Relatives :

Mr. Jatender Kumar Mehta	Managing Director
Mrs. Kiran Mehta	Wife
Mr. Devashish Mehta	Son
Mrs. Sakshi Kaura	Daughter
Mrs. Sandhya Katyal	Daughter
Mr. Ravinder Mehta	Managing Director
Mrs. Usha Mehta	Wife
Mrs. Ekta Dewan	Daughter
Mrs. Sarika Dhanda	Daughter
Mr. Varun Mehta	Son
Smt. Raj Dulari	Mother
Mr. S.M. Mehta	Brother
Mr. S.K. Mehta	Brother
Mr. K.C. Chawla	Whole Time Director
Mrs. Savita Chawla	Wife
Mrs. Deepti Kumar	Daughter
Ms. Ridhima Chawla	Daughter

b) Entities over which key management personnel and their relatives are able to exercise significant influence.

- i) Forerunner Capital Investments Limited
- ii) Green Systems Limited
- iii) Mehta Engineers Limited
- iv) Omax Bikes (P) Limited
- v) Omax Fusions Limited
- vi) Vishal Engineers
- vii) Autotech Components (P)Ltd.
- viii) J.K. Mehta (HUF)
- ix) R.K. Mehta (HUF)
- x) S.K. Mehta (HUF)
- xi) S.M. Mehta (HUF)
- xii) Gurgaon Energy & Infrastructure Ltd.
- xiii) Haridwar Estates Pvt. Ltd.

# Schedules Annexed to & Forming Part of the Accounts

- 2) The following transactions were carried out with related parties in the ordinary course of business and on arms length basis.

(Rupees in Lacs)

	Current Year as at 31.03.2010	Previous Year as at 31.03.2009
<b>Purchase of Goods from Associate Parties</b>		
Omax Fusion Ltd.	611.21	2,048.82
Mehta Eng. Ltd.	1,219.88	1,293.29
Autotech Components P Ltd.	1,696.79	999.14
<b>Sale of Goods incl Jobwork to Associate Parties</b>		
Omax Fusion Ltd.	0.77	31.38
Mehta Eng. Ltd.	–	10.76
Autotech Components P Ltd.	1.29	2.91
<b>Sale of Fixed Assets to Associate Parties</b>		
Omax Fusion Ltd.	0.23	–
Autotech Components P Ltd.	0.18	0.33
<b>Interest Recd. From Associate Parties</b>		
Omax Fusion Ltd.	8.09	18.70
Haridwar Estate Pvt Ltd.	–	89.55
<b>Rent Paid</b>		
<b>(Relatives of Key Management Personnel)</b>		
Ms. Kiran Mehta	36.49	15.20
Omax Fusion Ltd.	12.60	–
<b>Advance Against Purchase of Land</b>		
<b>(to Associate Parties)</b>		
Haridwar Estates Pvt. Ltd.	55.29	288.96
<b>Loans/Advance paid to Associate Parties</b>		
Omax Fusion Ltd.	–	74.50
Autotech Components P Ltd.	–	6.00
<b>Loans/Advance recovered from Associate Parties</b>		
Omax Fusion Ltd.	8.50	–
Autotech Components P Ltd.	6.00	–
<b>Dividend</b>		
Key Mangement Personnel	26.64	39.97
Relatives of Key Mangement Personnel	14.56	21.84
Associate Parties	54.84	82.25
<b>Directors Remuneration &amp; Perks</b>		
Key Management Personnel		
Director's remuneration	163.14	133.30
Chairman Commis5sion	5.00	2.08

(t) **SEGMENT REPORTING:**

The company is primarily engaged in the business of Auto Components for Two Wheeler and Four wheeler industry, which are governed by the same set of risk and returns. As the company's business activity falls within a single primary business segment, the disclosure requirements of Accounting Standard (AS-17) "Segment Reporting" issued by The Institute of Chartered Accountants of India are not applicable. Exports being less than 10% Geographical segment reporting is also not required.

(u) **Basic/Diluted EPS**

(i) Net Profit (Rs in lacs) available for equity shareholders	1,420.65	677.50
(ii) Weighted Average No. of equity shares	21,388,213	21,388,213
(iii) Basic / Diluted Earning per share (Rs.) (Equity Share of face value of Rs.10 each)	6.64	3.17
(iv) Nominal Value of Share (Rs.)	10.00	10.00

- (v) Previous Year's figures have been regrouped, rearranged & recasted wherever necessary to make them comparable with the current year's figures.

- (w) Figures has been rounded off to the nearest Lacs Rupees as per approval granted by Central Government to the company

- (x) Schedule 1 to 15 form an integral part of Balance Sheet.

# Schedules Annexed to & Forming Part of the Accounts

(y) REPORT UNDER AS – 15 (REVISED 2005) AS ON 31/03/2010 IN RESPECT OF GGCA SCHEME  
MP no. 312344

	As on 31/03/2010	As on 31/03/2009
<b>1 Assumptions</b>		
Discount Rate	8.0%	8.0%
Salary Escalation	3%	3%
<b>2 Table showing changes in present value of obligations</b>		
Present value of obligations as at beginning of year	36,282,235	28,892,217
Interest cost	2,902,579	2,311,377
Current Service Cost	3,611,687	3,141,545
Benefits Paid	(5,472,512)	(2,445,453)
Actuarial (gain)/Loss on obligations	3,513,448	4,382,549
Present value of obligations as at end of year	40,837,437	36,282,235
<b>3 Table showing changes in the fair value of plan assets</b>		
Fair value of plan assets at beginning of year	32,223,898	26,818,324
Expected return on plan assets	3,416,459	2,655,280
Contributions	7,667,008	5,195,747
Benefits paid	(5,472,512)	(2,445,453)
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	37,834,853	32,223,898
<b>4 Table showing fair value of plan assets</b>		
Fair value of plan assets at beginning of year	32,223,898	26,818,324
Actual return on plan assets	3,416,459	2,655,280
Contributions	7,667,008	5,195,747
Benefits Paid	(5,472,512)	(2,445,453)
Fair value of plan assets at the end of year	37,834,853	32,223,898
Funded status	(3,002,584)	(4,058,337)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	NIL	NIL
<b>5 Actuarial Gain/Loss recognized</b>		
Actuarial gain/(Loss) for the year –Obligation	3,513,448	4,382,549
Actuarial gain/(Loss) for the year – plan assets	NIL	NIL
Total gain/(Loss) for the year	(3,513,448)	(4,382,549)
Actuarial gain/(Loss) recognized in the year	(3,513,448)	(4,382,549)
<b>6 The amounts to be recognized in the balance sheet and statements of profit and loss</b>		
Present value of obligations as at the end of year	40,837,437	36,282,235
Fair value of plan assets as at the end of the year	37,834,853	32,223,898
Funded status	(3,002,584)	(4,058,337)
Net Asset/(liability) recognized in balance sheet	3,002,584	4,058,337
<b>7 Expenses Recognised in statement of Profit &amp; loss</b>		
Current Service cost	3,611,687	3,141,545
Interest Cost	2,902,579	2,311,377
Expected return on plan assets	(3,416,459)	2,655,280
Net Actuarial (gain)/Loss recognised in the year	3,413,448	4,382,549
Expenses recognised in statement of Profit & loss	6,611,255	7,180,191



# Schedules Annexed to & Forming Part of the Accounts

## ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF SCHEDULE-VI OF THE COMPANIES ACT, 1956

### (A) Particulars in respect of licensed goods manufactured

Class of Goods	Unit of Quantity	Licensed capacity		Installed capacity		Actual Production	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sheet Metal ,Tubular & Machined Components	Tonnes	N.A.	N.A.	N.A.	N.A.	99719.16	75680.90
Dies	Pcs.	N.A.	N.A.	N.A.	N.A.	73.00	133.00

### (B) Particulars in respect of opening stock,closing stock and sales of licensed finished goods produced

Rs. In lacs

Class of Goods	Unit of Quantity		Opening Stock		Sales		Closing stock as on 31.03.2009	
			Quantity	Value	Quantity	Value	Quantity	Value
Sheet Metal,Tubular & Machined Components Dies	Tonnes	Current Year	310.34	501.18	99814.42	92373.31	215.08	213.90
			71.00	486.91	143.00	385.72	1.00	1.41
	Pcs.	Previous Year		988.09		92759.03		215.31
			0.00	968.57	76209.92	93133.38		988.09

### (C) Analysis of raw material and components consumed (on derived method)

Rs. In lacs

Class of Goods	Unit of Quantity	Current Year as at 31.03.2010		Previous Year as at 31.03.2009	
		Quantity	Value	Quantity	Value
Sheet	Tonnes	25571.00	10948.93	25903.00	11060.27
Tubes	Tonnes	12338.00	7487.07	11341.00	5689.21
MS Round, Bar & Wire	Tonnes	3937.00	1395.02	4726.00	2768.03
Bought Out Goods	Tonnes	71944.00	34042.06	54795.00	34498.14
Chemical & Paints	Assorted		4626.88		3120.83
Die Material & Consumables	Assorted		39.49		212.01
		113790.00	58539.45	96765.00	57348.49

### (D) Value of raw material and stores (including components, spares & packing material consumed)

Class of Goods	Classification	Current Year		Previous Year	
		%	Value	%	Value
Sheet	Imported	4.04	442.78	3.09	964.23
	Indigenous	95.96	10506.15	96.91	10096.04
Tube	Imported	0.00	Nil	0.00	Nil
	Indigenous	100.00	7487.07	100.00	5689.21
Bar, Round & Wire	Imported	0.00	Nil	0.00	Nil
	Indigenous	100.00	1395.02	100.00	2768.03
Bought out Goods	Imported	0.00	Nil	0.00	Nil
	Indigenous	100.00	34042.06	100.00	34498.14
Electroplating - Chemicals & Paints	Imported	0.00	Nil	0.00	Nil
	Indigenous	100.00	4626.88	100.00	3120.83
Die Material & Consumables	Imported	0.00	Nil	0.00	Nil
	Indigenous	100.00	39.49	100.00	212.01
Consumables store, tools & packing material	Imported	2.70	92.41	7.60	233.57
	Indigenous	97.30	3334.05	92.40	2840.81
			61965.91		60422.87

# Schedules Annexed to & Forming Part of the Accounts

	(Rupees in Lacs)	
	Current Year as at 31.03.2010	Previous Year as at 31.03.2009
<b>(E) Value of Imports on CIF Basis</b>		
Particulars		
Raw Material	442.78	964.23
Capital Goods	388.04	1.27
Consumables	92.41	233.57
<b>(F) Expenditure incurred in foreign currency</b>		
Professional & Technical fees	6.13	5.47
Commission	2.77	0.00
Travelling Expenses	0.12	2.41
Export / Business Promotion Expenses	8.80	45.26
Freight & packaging	0.00	81.01
Testing Charges	3.41	3.22
Warranty claim rejections	4.51	14.96
Dividends*	-	-
<b>(G) Foreign currency earnings</b>		
FOB Value of Exports	1527.01	3383.71

\*All payments are made in Indian rupees.

# Balance Sheet Abstract and Company's Business Profile

**I. Registration Details**

Registration No.   2 6 1 4 2  State Code  0 5   
 Balance Sheet Date  3 1   0 3   2 0 1 0 

**II. Capital Raised during the year (Amount in Rs. '000)**

<p><b>Public Issue</b></p> <span style="border: 1px solid black; padding: 2px;">  N I L </span>	<p><b>Right Issue</b></p> <span style="border: 1px solid black; padding: 2px;">  N I L </span>
<p><b>Bonus Issue</b></p> <span style="border: 1px solid black; padding: 2px;">  N I L </span>	<p><b>Private Placement</b></p> <span style="border: 1px solid black; padding: 2px;">  N I L </span>

**III. Position of Mobilisation and Deployment of Funds (Amount Rs. Lacs)**

<p><b>Total Liabilities</b></p> <span style="border: 1px solid black; padding: 2px;"> 4 8 8 4 2 . 5 4 </span>	<p><b>Total Assets</b></p> <span style="border: 1px solid black; padding: 2px;"> 4 8 8 4 2 . 5 4 </span>
<p><b>Sources of Funds</b></p> <p><b>Paid up Capital</b></p> <span style="border: 1px solid black; padding: 2px;">  2 1 3 8 . 8 2 </span>	<p><b>Reserves and Surplus</b></p> <span style="border: 1px solid black; padding: 2px;"> 1 4 0 0 0 . 1 4 </span>
<p><b>Secured Loans</b></p> <span style="border: 1px solid black; padding: 2px;"> 2 6 5 1 8 . 9 4 </span>	<p><b>Unsecured Loans</b></p> <span style="border: 1px solid black; padding: 2px;">  4 5 8 5 . 1 4 </span>
<p><b>Deferred Tax Liabilities</b></p> <span style="border: 1px solid black; padding: 2px;">  1 5 9 9 . 5 0 </span>	<p><b>Share Suspense (Pending Allotment)</b></p> <span style="border: 1px solid black; padding: 2px;">  N I L </span>
<p><b>Application of Funds</b></p> <p><b>Net Fixed Assets</b></p> <span style="border: 1px solid black; padding: 2px;"> 3 5 4 2 2 . 1 4 </span>	<p><b>Investments</b></p> <span style="border: 1px solid black; padding: 2px;">  0 . 0 0 </span>
<p><b>Net Current Assets</b></p> <span style="border: 1px solid black; padding: 2px;"> 1 3 4 2 0 . 4 0 </span>	<p><b>Miscellaneous Expenditure</b></p> <span style="border: 1px solid black; padding: 2px;">  N I L </span>
<p><b>Accumulated Losses</b></p> <span style="border: 1px solid black; padding: 2px;">  N I L </span>	<p><b>Leased Assets</b></p> <span style="border: 1px solid black; padding: 2px;">  N I L </span>

**IV. Performance of Company (Amount Rs. Lacs)**

<p><b>Turnover (Including other income)</b></p> <span style="border: 1px solid black; padding: 2px;"> 8 7 5 5 7 . 6 3 </span>	<p><b>Total Expenditure</b></p> <span style="border: 1px solid black; padding: 2px;"> 8 5 5 1 3 . 9 1 </span>
<p><b>Profit before tax</b></p> <span style="border: 1px solid black; padding: 2px;">  2 0 4 3 . 7 2 </span>	<p><b>Profit after tax</b></p> <span style="border: 1px solid black; padding: 2px;">  1 4 3 0 . 3 8 </span>
<p><b>Earning per Share (Rs.)</b></p> <span style="border: 1px solid black; padding: 2px;">  6 . 6 4 </span>	<p><b>Dividend Rate %</b></p> <span style="border: 1px solid black; padding: 2px;">  1 5 . 0 0 %</span>

**V. Generic Names of Three Principal Products/Service of Company (as per monetary terms)**

Item Code No. (ITC Code)  7 3 2 6 9 0 1 9 

Product Description

M	A	N	U	F	A	C	T	U	R	I	N	G	O	F	S	H	E	E	T
M	E	T	A	L	,	T	U	B	U	L	A	R	&						
M	A	C	H	I	N	E	D	C	O	M	P	O	N	E	N	T	S		
F	O	R	A	U	T	O	M	O	B	I	L	E	S	&					
O	T	H	E	R	I	N	D	U	S	T	R	I	E	S					

For and on behalf of the Board of Directors

As per our report of even date  
 for A. KUMAR GUPTA & CO.  
 Chartered Accountants

SHARAD JAIN  
 (Chief Financial Officer)

JATENDER KUMAR MEHTA  
 (Managing Director)

A.K. GUPTA  
 (Partner)  
 M.No. 12765

PARIMESH MANOCHA  
 (Asst. Company Secretary)

DR. T.N. KAPOOR  
 (Director)

Place: New Delhi  
 Date: 29.05.2010

# Cash Flow for the Period Ended March 31, 2010

(Rupees in lacs)

PARTICULARS	Current Year as at 31.03.2010	Previous Year as at 31.03.2009
<b>A. Cash Flow From Operating Activities</b>		
(i) Net Profit before Tax & Extraordinary Items	2043.72	902.50
Adjustment for:		
Depreciation	2920.19	2849.83
Prior Period Adjustments	(9.73)	134.85
Misc. Expenditure written off	-	70.09
(Profit) /Loss on sale of investment	(14.19)	-
(Profit)/Loss on Sale of Fixed Assets	(483.66)	(236.17)
Interest & other financial charges	3,231.92	4168.75
(ii) Operating Profit before Working Capital Changes	7688.25	7889.85
Adjustment for:		
Trade & Other Receivable	(3684.57)	724.95
Inventories	359.12	(619.85)
Trade Payables	390.51	2508.07
Loans & Advances	1160.80	(617.08)
(iii) Cash Generated from Operations	5914.11	9885.94
Direct Taxes Paid	(327.51)	(579.97)
(iv) Net Cash Flow from Operating Activities	5586.60	9305.97
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(5335.57)	(5193.21)
Sale of Fixed Assets	867.15	958.73
Sale of Investment	74.19	-
Net Cash Used in Investing Activities	(4394.23)	(4234.48)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Unsecured Loans	3355.87	246.86
Repayment of Unsecured Loans	-	(3027.09)
Proceeds from Long term Borrowings	1000.00	6320.56
Repayment of Long Term Borrowings	(2853.11)	-
Bank Overdraft limits/ Demand loan	1321.49	(7802.52)
Interest & financial charges	(3231.92)	(4168.75)
Dividend & Tax	(375.35)	(250.23)
Net cash Used in Financing Activities	(783.02)	(8681.17)
<b>Net Increase/ (Decrease) in Cash</b>	<b>409.35</b>	<b>(3609.68)</b>
<b>Cash &amp; cash Equivalent as on 01.04.2009</b>	<b>4102.13</b>	<b>7711.81</b>
<b>Cash &amp; cash Equivalent as on 01.04.2010</b>	<b>4511.48</b>	<b>4102.13</b>

Notes: 1. Above Statement has been prepared in Indirect Method

2. Cash and Cash equivalents consists of Cash & Cheques in hand and balances with banks

### Auditors' Certificate

We have examined the attached Cash Flow Statement of OMAX AUTOS LIMITED for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of listing agreement Clause No. 32 and is based on and in agreement with the corresponding Profit & Loss A/c and Balance Sheet of the Company covered by our report of 29 May 2010 to the members of the Company.

For A. KUMAR GUPTA & COMPANY  
Chartered Accountants

A.K.Gupta  
(PARTNER)

M.No. 12765

Place : New Delhi

Date : 29.05.2010

## OMAX AUTOS LIMITED

Registered Office: 69 K.M. STONE, DELHI JAIPUR HIGHWAY,  
DHARUHERA, DISTT. REWARI, (HARYANA)



### PROXY FORM

For Physical Holding	For Electronic Form (Demat) NSDL/CDSL		No. of Shares Held
LF No.	DP ID	CLIENT ID	

I/We \_\_\_\_\_

of \_\_\_\_\_

being a Member/Members of Omax Autos Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or falling him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy

to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, September 30, 2010 at 11.00 A.M. at the Registered Office of the Company at 69 K.M. Stone, Delhi-Jaipur Highway, Dharuhera-122106, District Rewari, Haryana and at any adjournment thereof.

Signature \_\_\_\_\_ Day of \_\_\_\_\_ 2010.

Affix  
Re. 1/-  
Revenue  
Stamp

#### Notes:

1. Please affix revenue stamp for appropriate value and sign across the stamp.
2. The Proxy Form must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for convening the meeting.
3. All alterations made in Proxy Form should be initialed.



## OMAX AUTOS LIMITED

Registered Office: 69 K.M. STONE, DELHI JAIPUR HIGHWAY,  
DHARUHERA, DISTT. REWARI, (HARYANA)



### ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

For Physical Holding	For Electronic Form (Demat) NSDL/CDSL		No. of Shares Held
LF No.	DP ID	CLIENT ID	

I hereby record my presence at the Annual General Meeting of the Company, being held on Thursday, the 30th September, 2010 at 11.00 A.M. at the Registered Office of the Company at 69 K.M. Stone, Delhi Jaipur Highway, Dharuhera, Distt. Rewari, Haryana.

**FULL NAME OF THE MEMBER/JOINT MEMBER(S)/PROXY (IN BLOCK CAPITAL LETTERS):**  
\_\_\_\_\_

**IF PROXY FULL NAME OF MEMBER/JOINT MEMBER(S) (IN BLOCK CAPITAL LETTERS):**  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Member/Joint Member(s)/Proxy





## ECS MANDATE FORM

To

M/s Link Intime India Private Ltd.  
(formerly Intime Spectrum Registry Ltd.)  
A-40, IInd Floor  
Naraina Industrial Area,  
Phase-II, Near Batra Banquet Hall,  
New Delhi - 110 028

FOR SHARES HELD IN PHYSICAL MODE

Please complete this form and send to the  
Company's Registrar & Transfer Agents'  
Office mentioned herein.

FOR SHARES HELD IN ELECTRONIC MODE

Please inform your DP's directly.

I hereby consent to have the amount of dividend on my equity shares credited through the Electronic Clearing Service (Credit Clearing) - (ECS). The particulars are :

1. Folio No./ Client ID No./Cert. No. :
2. Name of 1st Registered Holder :
3. Bank Details:
  - \* Name of Bank :
  - \* Full Address of the Branch :
  - \* Account Number :
  - \* Bank Ledger No./ Bank Ledger Folio No. :
  - \* Account Type : (Please tick the relevant box for Savings Bank Account, Current Account or Cash Credit A/c)

10 -Savings	11- Current	12 - Cash Credit
-------------	-------------	------------------

- \* 9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank (Please attach a photocopy of a Cheque for verifying the accuracy of the code number) :

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

\_\_\_\_\_  
(Signature of the Registered Holder as per  
the specimen signature with the Company)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Date : / / 2010



**FORM 2B  
NOMINATION FORM**

(To be filled in by individual(s) applying singly or jointly)

I/ We \_\_\_\_\_ and \_\_\_\_\_ and

\_\_\_\_\_ the holder(s) of Shares/Debentures/Deposit Receipt bearing number(s) \_\_\_\_\_

of M/s. \_\_\_\_\_ wish to make a nomination and do hereby nominate the following persons(s) in whom all rights of transfer and/or amount payable in respect of shares or debentures of deposits shall vest in the event of my/our death.

Name(s) and Address(es) of Nominee(s)

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Date of Birth : \_\_\_\_\_

(\* to be furnished in case the nominee is a minor)

\*\* The Nominee is a minor whose guardian is

Name and address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(\*\* To be deleted if not applicable)

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Date : \_\_\_\_\_

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Date : \_\_\_\_\_

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Address : \_\_\_\_\_

Date : \_\_\_\_\_

Address, Name and Signature of two witnesses :

Name and Address

1. \_\_\_\_\_

2. \_\_\_\_\_

**Instructions :**

1. The Nomination can only be made by individuals applying/holding shares/debentures on their own behalf singly or jointly, Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, Holder of power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form. Space is provided as a specimen. If there are more joint holders more sheets can be added for signatures of holders of shares/debentures and witness.
2. A minor can be nominated by a holder of shares/debentures/deposits and in that event the name and address of the guardian shall be given by the holders.
3. The nominee shall not be a trust, society, body corporate, parternship firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis.
4. Nomination stands rescinded upon transfer of share/debenture or repayment/renewal of deposits made.

