

NOTICE

To the Members of ORIENT ABRASIVES LIMITED :

Notice is hereby given that the 37th Annual General Meeting of the Members of Orient Abrasives Limited will be held at Hindi Bhawan, 11, Vishnu Digambar Marg (Near Bal Bhawan), New Delhi 110 002 on Friday, September 5, 2008 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the year ended March 31, 2008 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr Rama Shanker Bajoria who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr Umesh Kumar Khaitan who retires by rotation and being eligible offers himself for re-appointment.
4. To declare a final dividend on equity shares.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

for ORIENT ABRASIVES LIMITED

Place : New Delhi

Date : July 31, 2008

Deepak C S

Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY REMAINED CLOSED FROM JULY 9, 2008 (WEDNESDAY) TO JULY 16, 2008 (WEDNESDAY) - BOTH DAYS INCLUSIVE. DIVIDEND ON EQUITY SHARES, IF DECLARED AT THE ANNUAL GENERAL MEETING, SHALL BE PAYABLE TO ALL THOSE MEMBERS WHOSE NAMES APPEAR ON THE REGISTER OF MEMBERS AS ON JULY 9, 2008 IN THE CASE OF THOSE HOLDING IN PHYSICAL MODE AND TO ALL THOSE WHOSE NAMES APPEAR IN THE LIST TO BE FURNISHED BY THE DEPOSITORIES AS AT THE CLOSING HOURS OF JULY 8, 2008 IN THE CASE OF THOSE HOLDING IN DEMAT MODE.
3. THE AMOUNT OF DIVIDEND REMAINING UNPAID FOR THE YEARS 2002-03, 2003-04, 2004-05, 2005-06 AND 2006-07, AND TRANSFERRED TO THE COMPANY'S UNPAID DIVIDEND ACCOUNT, CAN BE CLAIMED FROM THE COMPANY BY THE MEMBERS ENTITLED TO IT FOR A PERIOD OF SEVEN YEARS FROM THE RESPECTIVE DATES OF SUCH TRANSFER AFTER WHICH IT SHALL BE TRANSFERRED TO THE INVESTOR EDUCATION AND PROTECTION FUND CONSTITUTED UNDER SECTION 205 (C) OF THE COMPANIES ACT, 1956.
4. IN ORDER TO AVOID FRAUDULENT ENCASHMENT OF THE DIVIDEND WARRANT(S), MEMBERS ARE ADVISED TO INFORM DETAILS OF THEIR BANK ACCOUNT NUMBER AND NAME AND ADDRESS OF THE BANK, FOR INCORPORATING THE SAME ON THE DIVIDEND WARRANTS.
5. CONSOLIDATION OF MULTIPLE FOLIOS AND PINCODE – MEMBERS ARE REQUESTED TO SEND THE SHARES HELD IN IDENTICAL NAMES FOR CONSOLIDATION INTO A SINGLE FOLIO; ENSURE THE CORRECT PIN CODE IS INFORMED TO THE COMPANY TO EXPEDITE DELIVERY OF THE MAIL.
6. THE COMPANY SUB-DIVIDED THE FACE VALUE OF EQUITY SHARES FROM RS. 10 TO RE. 1 W.E.F. AUGUST 24, 2005. MEMBERS WERE ADVISED THROUGH A CIRCULAR DATED AUGUST 8, 2005 TO SURRENDER THEIR OLD SHARE CERTIFICATES FOR EXCHANGE WITH THE NEW ONES. MEMBERS WHO HAVE NOT ALREADY EXCHANGED THEIR OLD CERTIFICATES WHICH ANYWAY CEASED TO BE VALID FROM THAT DATE, MAY DO SO BY SENDING THE OLD CERTIFICATES TO THE REGISTERED OFFICE OF THE COMPANY. THE COMPANY ALSO ISSUED A REMINDER ON FEBRUARY 11, 2008 TO ALL THOSE WHO HAD NOT CLAIMED THEIR NEW CERTIFICATE. THE OLD CERTIFICATES ARE BEING ASKED

FOR TO VERIFY GENUINENESS AND TO PROCURE INDEMNITY IN THE CASE OF LOST SHARE CERTIFICATES.

7. THE MEMBERS ARE REQUESTED TO GET THEIR SHARES DEMATERIALIZED. THE COMPANY'S NEW ISIN CODE IS INE569C01020 PURSUANT TO CHANGE IN FACE VALUE.
8. MEMBERS CAN AVAIL NOMINATION FACILITY IN RESPECT OF THEIR SHAREHOLDINGS BY APPLYING IN FORM 2 B OF COMPANIES (CENTRAL GOVERNMENT'S GENERAL RULES & FORMS, 1956. THE SAID FORMS CAN BE OBTAINED FROM THE REGISTRAR OF THE COMPANY ON APPLICATION.

Brief resume of the Directors being re-appointed :

1. Mr Umesh Kumar Khaitan

Name	:	Mr Umesh Kumar Khaitan
Date of Birth	:	20/12/1948
Date of Appointment	:	11/02/1997
Expertise in field	:	Mr Umesh Kumar Khaitan is an accomplished Lawyer practicing both in Supreme Court and the High Courts. He has experience of about 38 years in the field of law. He is also on the Board of some other well known companies.
His Directorship in other Companies	:	<ol style="list-style-type: none"> 1. Indorama Synthetic (India) Ltd. 2. Sutlej Textiles & Industries Ltd. 3. Indo Continental Hotels & Resorts Ltd. 4. Amrit Agro Industries Ltd. 5. Aiyer Manis Rubber Estate Ltd. 6. Nehru Place Hotels Ltd. 7. Hindustan Everest Tools Ltd. 8. Birla Financial Corporation Ltd. 9. Noble Grain (I) Pvt. Ltd. 10. United Holdings Pvt. Ltd. 11. Ashutosh Holdings Pvt. Ltd. 12. Shreeparna Holdings Pvt. Ltd. 13. K & K Feast Makers Pvt. Ltd. 14. Oriental Bank of Commerce 15. Ferro Alloys Corporation Ltd. 16. Combine Accurate Financial Services India Ltd. 17. Numero Uno Clothing Ltd.
His Committee membership in Orient Abrasives Ltd.	:	Member – Audit Committee, Remuneration Committee
His Committee membership in other Companies	:	<p>Indorama Synthetic (India) Ltd. – member in 6 committees ; chairman in NIL committee</p> <p>Oriental Bank of Commerce – member in 3 committees ; chairman in NIL committee</p> <p>Aiyer Manis Rubber Estates Ltd. – member in 1 committee ; chairman in NIL committee</p> <p>Nehru Place Hotels Ltd. – member in 1 committee ; chairman in NIL committee</p> <p>Sutlej Textiles & Industries Ltd. – member in 1 committee ; chairman in NIL committee</p>
His shareholding in the Company	:	NIL



2. Mr Rama Shanker Bajoria

Name	:	Mr Rama Shanker Bajoria
Date of Birth	:	17/05/1943
Date of Appointment	:	30/07/2001
Expertise in field	:	Mr Rama Shanker Bajoria is an industrialist with experience of over 43 years. His flagship Company, Farseen Rubber Industries Ltd. is the lading manufacturer of automotive tubes in India. The Company is also an ancillary unit of J K Industries, one of the leading tyre manufacturers in the country.
His Directorship in other Companies	:	1. Farseen Rubber Industries Ltd. 2. Rajputana Investment & Finance Ltd. 3. Brijbhoomi Farm & Const. Pvt. Ltd. 4. Shreedhan Investment & Trading Pvt. Ltd.
His Committee membership in Orient Abrasives Ltd.	:	Member – Audit Committee, Remuneration Committee and Shareholders' Grievances Committee
His Committee membership in other Companies	:	NIL
His shareholding in the Company	:	44000 equity shares of Re. 1/- each

for ORIENT ABRASIVES LIMITED

Place : New Delhi
Date : July 31, 2008

Deepak C S
Company Secretary

DIRECTORS' REPORT

The Members,

Orient Abrasives Limited

Your Directors have pleasure in presenting the 37th Annual Report of the company along with the Audited Statements of accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

	(Rs.in lacs)	
	<u>2007-08</u>	<u>2006-07</u>
Gross Sales & Income	26131.64	21429.27
Profit before depreciation, Interest and tax but inclusive of Exceptional items	4104.89	4164.80
Less : Depreciation	792.18	576.26
Interest	614.23	264.33
Profit before Income Tax but Inclusive of Exceptional items	2698.48	3324.21
Exceptional items	0.00	1845.64
Less : Income Tax	750.97	774.55
Net Profit for the year	1947.51	2549.66
Add : Balance brought forward from the previous year	2531.70	1176.50
Amount available for appropriation	4479.21	3726.16
Appropriation :		
Capital redemption reserve	0.00	400.00
General Reserve	1000.00	300.00
Dividend :		
Preference Shares	0.00	4.00
Equity shares	538.38	418.74
Corporate Dividend Tax	91.50	70.72
Balance carried forward to Balance Sheet	2849.34	2531.70
	4479.21	3726.16

DIVIDEND

In view of the satisfactory performance of the Company in the year under review, your directors are pleased to recommend a final dividend @ 90% i.e. Re. 0.90/- per equity share for the year ended on March 31, 2008.

The total cash out-flow on account of this dividend payment including distribution tax is Rs. 629.87 lac (Previous Year Rs. 489.90 lac).

OPERATIONS REVIEW

During the year under review, the performance of the Company was satisfactory. The turnover increased from Rs. 213.50 crore to Rs. 259.21 crore growing by about 21%. The gross profit and the net profit were Rs. 29.98 crore and Rs. 19.48 crore respectively as compared to the previous year in which the gross profit and the net profit from operations were Rs. 14.79 crore and Rs. 12.00 crore respectively, which was exclusive of the capital profit earned on selling of the bonded abrasive business. The export turnover of the Company also increased from Rs.22.44 crore to Rs.29.12 crore .

The performance of the abrasive grains division improved substantially during the year. The turnover of this division increased from Rs. 57.57 crore in the previous year to Rs. 99.49 crore in the year under review. The demand for abrasive grain was much higher during the year due to erratic supply from China.

The refractory division continued to improve its performance. The turnover was higher at Rs. 17016 lacs compared to the previous year Rs. 14194 lacs. Exports of refractories also increased substantially during the year under review.

The Company also set up a thermal power plant of 9 MW capacity at Porbandar in October 2007. The plant uses lignite or coal which are much less expensive than the furnace oil used by the older power plant. This new plant replaces the earlier furnace oil based power plant which is now kept as standby. The plant was set up with a view to economise on the cost of power generation. The power plant is now fully operational and has started yielding the desired results.

FUTURE OUTLOOK

The demand for abrasive grain has increased substantially due to non-availability from China. However, the Company is limited in its capacity due to non-availability of power. It is not economical to run the furnace oil based power plant because of high cost of furnace oil. The power supply is therefore, restricted to the thermal power plant and a limited load from Gujarat Electricity Board. Increase in price of coal has considerably increased the cost of power. However, the Company is able to offset it substantially by increasing the selling price and improving the operating efficiency.

The refractory division is also doing well in the current year. Efforts are continuing to increase the domestic and export turnover.

The thermal power plant is operating at full capacity. However the increasing cost of coal is continuously increasing the cost of power generated.

Your directors are hopeful that the results of the company during the current year will show a significant improvement.

FIXED DEPOSIT

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

DIRECTORS

Mr Umesh Kumar Khaitan and Mr Rama Shanker Bajoria, having been longest in the office, retire by rotation at the Annual General Meeting and being eligible offer themselves for re-appointment. A brief resume of the appointees is given in the notice to the Annual General Meeting. Your directors recommend their re-appointment at the ensuing Annual General Meeting in the overall interest of the Company.

AUDITORS

M/s. S.R. Batliboi & Co., Auditors of the Company hold office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. A certificate under section 224 (1) of the Companies Act, 1956 confirming their eligibility has been obtained from them. Your Directors recommend that they be re-appointed by the members at the 37th Annual General Meeting.

AUDITORS REPORT

The Auditors Report read with notes to the financial statements in schedule 24 is self-explanatory and does not call for any further explanation by the Board.

PARTICULARS OF EMPLOYEES

The details of employees who drew remuneration either in whole or for a part of the year that attracts disclosure requirements as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) rules, 1975 as amended, is annexed and forms an integral part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under 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, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed.



DIRECTORS RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956, your Directors confirm:

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

AUDIT COMMITTEE

The audit committee meets at due intervals to conduct the required business. At present the committee comprises of Mr Tribhuvan Nath Chaturvedi (Chairman), Mr Rama Shanker Bajoria and Mr Umesh Kumar Khaitan, all independent directors.

LISTING ON THE STOCK EXCHANGES

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. (NSE) and the Bombay Stock Exchange Ltd. (BSE). The Calcutta Stock Exchange Association Ltd. has continued to ignore our reminders for de-listing despite having completed all the formalities.

CORPORATE GOVERNANCE

The Report on Corporate Governance has been annexed to this Directors' Report. The Company has obtained a certificate by a firm of practising company secretaries regarding compliance of various requirements of corporate governance.

CODE OF CONDUCT

The Company has laid down a Code of Conduct for the Directors and Senior Management Personnel as specified. The Code was adopted in the Board Meeting held on December 13, 2005. It is available on the website of the Company www.orientabrasives.com. A declaration by the Managing Director regarding annual affirmation of compliance of the Code by all concerned is annexed to the Report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report on matters relating to business performance of the Company has been annexed to this Directors' Report.

ACKNOWLEDGEMENT

Your Directors sincerely appreciate the dedication and efforts of the employees at all levels of the organisation in contributing to the success of the Company. The Directors are also thankful to the investors of the Company for their confidence in the Company. They also gratefully acknowledge the continued support received from the customers, business associates, various government agencies, financial institutions and the banks.

For and on behalf of the Board of Directors

New Delhi
July 31, 2008

R K Rajgarhia
Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT
1. A brief statement on Company's philosophy on code of governance

The Company believes in employing the highest standards of corporate governance practices and policies by upholding the principles of transparency in transactions, disclosure of information, integrity, social accountability and statutory compliance. The Company also endeavors to provide quality service and feedback to its investors, customers, business associates and the statutory agencies.

2. Board of Directors

The Company has a non-executive chairman. The number of non-executive directors is more than half of the total Board strength. The total Board strength is seven out of which four are independent directors. The Chairman is related to the promoter. As required, independent directors constitute the majority of the Board strength.

None of the directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he is a director. The necessary disclosure regarding committee positions has been made by the Directors.

The names and categories of the directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of directorships and committee memberships held by them in other public companies are given below :

Name	Category	No. of Board meetings attended during 2007-08	Whether attended AGM on 20/09/2007	No. of directorships in other public companies as on 31/07/2008		No. of committee positions held in other public companies as on 31/07/2008	
				Chairman	Member	Chairman	Member
Mr. R K Rajgarhia (Chairman)	Not Independent non-executive	4	Yes	1	3	0	0
Mr. R. S. Bajoria	Independent non-executive	2	Yes	0	2	0	0
Mr. Umesh Kumar Khaitan	Independent non-executive	4	Yes	0	11	0	5
Mr. T N Chaturvedi	Independent non-executive	3	No	0	6	4	0
Mr S K S Narayan	Independent non-executive	1	No	0	1	0	0
Mr. S G Rajgarhia	Promoter, not independent executive	4	Yes	0	5	0	2
Mr P P Khanna	Not independent non-executive	0	No	0	0	0	0

The dates of Board Meetings held during the year 2007-2008 are June 9, 2007, July 28, 2007, October 30, 2007 and January 30, 2008. The time gap between Board Meetings did not exceed four months. The information as required under Annexure 1 of clause 49 of the listing agreement, is regularly placed before the Board meetings.

The non-executive directors, except Mr R K Rajgarhia, do not have any material pecuniary relationship with the Company. Mr R K Rajgarhia's pecuniary relationship to the Company is limited to the extent of his shareholding in it and the sitting fees received by him. He may also be deemed to have some pecuniary interest with respect to transactions of sale and purchase of materials with the Companies in which he is a director, brief details of which are disclosed in the notes to the financial statements under the head 'related party disclosures' under Schedule 24 of the Annual Report.

Shareholding of non-executive directors in the Company as on the date of report is :

Name of the Director	No. of shares as on 31/07/2008	Percentage to total
Mr R K Rajgarhia	300000	0.50
Mr R S Bajoria	44000	0.07

The Company has not issued any convertible instruments.

The Code of Conduct adopted w.e.f. December 13, 2005 is being followed by all concerned. The Code has been put on the Company's website.

3. Audit Committee

The Company had constituted an audit committee pursuant to section 292 A of the Companies Act, 1956 on 16/02/2001 which now comprises of three non-executive independent directors. The broad terms of reference of audit committee are –

- to review the un-audited financial results and the internal audit reports
- to suggest internal control measures after discussion with the internal auditors
- to oversee their implementation
- to review the annual financial statements with the management and
- to recommend appointment of auditors
- and other matters as provided in the clause 49 of the listing agreement.

The scope and activities of the audit committee include the areas prescribed under clause 49 II (D) of the listing agreement with the Stock Exchanges. The audit committee has been granted powers as prescribed under the clause 49 II (C).

The audit committee comprises of three independent directors. Mr T N Chaturvedi is the Chairman, who is a Chartered Accountant having good financial and accounting knowledge. The other members also have adequate financial and accounting knowledge. Details of meetings attended by the committee members are given below :

Names of members	Category	No. of meetings attended during the year 2007-08
Mr T N Chaturvedi, Chairman	Independent, non-executive	3
Mr Umesh Kumar Khaitan	Independent, non-executive	4
Mr R S Bajoria	Independent, non-executive	3

The dates of meetings were June 9, 2007, July 28, 2007, October 30, 2007 and January 30, 2008. As can be noted, not more than 4 months did elapse between successive meetings. The meetings were also attended by the representatives of Statutory Auditors and Internal Auditors. The Company Secretary acts as the Secretary of the Committee.

4. Remuneration Committee

The remuneration committee was constituted in the year 2002 comprising of Mr T N Chaturvedi (Chairman), Mr Umesh Kumar Khaitan and Mr R S Bajoria, all being independent and non-executive directors. The committee did not meet during the year under review.

The non-executive directors are paid sitting fees for the Board and Committee meetings attended by them, except for the share transfer committee meetings. The non-executive directors are not paid remuneration in any other form. The sitting fees being paid is Rs. 10000/- per Board meeting and Rs. 5000/- per committee meetings.

The remuneration being paid to the Managing Director is as per the package approved by the members in the 35th Annual General Meeting held on August 2, 2006 which comprise of basic salary, bonus and perquisites and commission.

- | | | |
|-----------------|---|--|
| Basic Salary | – | In the range of Rs. 100000/- to Rs. 300000/- per month subject to increments as decided by the Board of directors every year ; |
| Perquisites | - | like HRA, medical reimbursement, LTA and others subject a ceiling of 100% of basic salary a month |
| Bonus/Ex-gratia | - | 20% of basic salary |

At present the basic salary is Rs. 145000/- per month

The remuneration being paid to the Executive Director is as approved by the members in the 36th Annual General Meeting held on September 20, 2007 which comprises of basic salary, bonus and perquisites.

Basic Salary	-	Rs. 88500/- per month subject to increments as decided by the Board of directors every year not exceeding Rs. 20000 p. m. ;
Perquisites	-	like HRA, medical reimbursement, LTA and others subject a ceiling of 100% of basic salary a month
Bonus/Ex-gratia	-	20% of basic salary

At present the basic salary is Rs. 118500/- per month

The service contract of Managing Director is as per the appointment letter dated May 29, 2006 issued by the Company which on acceptance by Mr Rajgarhia constituted an agreement between him and the Company.

- Since the appointment of Managing Director and Executive Director is governed by members' approval, no notice period or severance fees is applicable in their case.
- There are no other performance linked element of remuneration except the commission paid to Managing Director.
- The Company has not issued any stock option scheme to its employees or directors.

Details of remuneration paid to the Managing Director and Executive Directors during 2007-2008

Name	Salary (Rs.)	Perquisites (Rs.)	Contribution to PF (Rs.)	Commission (Rs.)
Mr S G Rajgarhia, Managing Director	14,40,000.00	10,94,946.00	1,72,800.00	56,16,000.00
Mr P P Khanna Executive Director	12,18,000.00	9,62,969.00	1,46,160.00	-

Details of sitting fees paid to the other directors during 2007-2008

Name	Sitting Fees (Rs.)
Mr R K Rajgarhia,	50,000
Mr. R S Bajora	40,000
Mr. T N Charuvedi	45,000
Mr Umesh Kumar Khaitan	60,000
Mr S K S Narayan	10,000

5. Shareholders' Grievances Committee

A shareholders grievances committee was constituted on 11/03/2002 to specifically look into the redressal of investor complaints regarding transfer of shares, non-receipt of annual reports, bonus, dividend etc. Two meetings of the Grievances Committee were held during the year 2007-2008 as follows :

On September 20, 2007 and March 29, 2008

The composition of the committee and the number of meetings attended by the members is as follows :

Name	Category	No. of meetings attended
Mr R K Rajgarhia, Chairman	Not independent, non-executive	2
Mr R S Bajora	Independent, non-executive	2
Mr S G Rajgarhia	Not independent, Executive	2

Total number of investors' complaints received during the financial year 2007-08 - 28

Total number of investor complaints remaining un-redressed as on March 31, 2008 – Nil

Pending share transfer cases as on March 31, 2008 – Nil

Name, designation and address of the Compliance Officer :

Deepak C S
 Company Secretary
 Orient Abrasives Limited
 1307, Chiranjiv Tower
 43, Nehru Place
 New Delhi – 110 019

Ph. : 011-26449480, 26425446

Fax : 011-26443859

E-mail : ho@oalindia.com, investorcare@orientabrasives.com

The Company welcomes the members to make more effective use of the electronic means to communicate with their Company for quicker redressal of their grievances. The Company has appointed a share transfer agent, whose particulars are given elsewhere in this report. The members may address their queries/complaints to the above address/phone/fax/e-mail id or to those of the Registrar.

Pursuant to clause 47 (f) of the listing agreement, the Company has designated an exclusive E-mail Id for redressal of investor grievances. The said e-mail id is investorcare@orientabrasives.com.

6. Annual General Meetings

Time and location where last three Annual General Meetings were held :

Annual General Meeting	Date & Time	Venue	Special Resolutions
34th Annual General Meeting	20/07/2005 at 11.00 A M	Vishwa Yuvak Kendra, Circular Road, Chanakyapuri, New Delhi – 110 021	1. Alteration in Article 3 of Articles of Association 2. Alteration in Article 3 (II) of Articles of Association 3. Alteration in Article 34A of Articles of Association 4. Alteration in Article 126 of Articles of Association 5. Authorisation to Board for payment of sitting fees to non-executive directors.
35th Annual General meeting	02/08/2006 at 11.00 A.M	Vishwa Yuvak Kendra, Circular Road, Chanakyapuri, New Delhi – 110 021	1. Appointment of Mr. S G Rajgarhia as Managing Director 2. Appointment of relative of a director to an office of profit 3. Appointment of sole selling agent.
36th Annual General meeting	20/09/2007 at 11.00 A.M	Vishwa Yuvak Kendra, Circular Road, Chanakyapuri, New Delhi – 110 021	1. Appointment of Mr. P P Khanna as a wholetime Director

7. Disclosures

- Disclosure on related party transactions i.e. transactions of the Company with its promoters, directors or the management, relatives, bodies corporate in which the directors are interested etc. is appearing under Schedule 24 (Notes to the Financial Statements) of the Annual Accounts. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- Details of non-compliance by the Company, penalties, restrictions/strictures imposed by the Stock Exchanges and the SEBI and any other statutory authority on any matter related to the capital markets, during the last three years is NIL.
- The Company at present does not have a whistle blower mechanism in place. However it may implement such a mechanism in future.

d. The Company has at present not adopted the non mandatory requirements of corporate governance except for certain clauses regarding remuneration committee. However in line with its policy to ever improve the good corporate governance practices it is proposed to adopt all such practices in due course of time.

8. Means of communication of financial statements etc., newspapers where published.

- Quarterly Financial statements are normally published in the Business Standard and Veer Arjun/Rashtra Ka Vidhan/Rashtriya Sahara, Delhi Edition.
- The results are made available to the individual members through e-mail/courier/fax on specific requests
- the results are also sent to the institutional investors/financial analysts on request
- The financial results from the quarter ended March 31, 2003 onwards are also available on the SEBI's EDIFAR website – <http://sebiedifar.nic.in>
- The financial results from the quarter ended December 31, 2004 onwards are also available on the Company's website – <http://www.orientabrasives.com>
- The Company does not send half year financial reports to the members individually.
- Management Discussion and Analysis Report forms an integral part of the Directors' Report.

9. CEO/CFO Certification

Mr S G Rajgarhia, Managing Director and Mr B L Gupta, Sr. Vice President (Finance) have given the necessary certificate pertaining to financial year 2007-08 to the Board of Directors which was taken note of at the board meeting held on July 31, 2008.

10. General Shareholder information regarding present AGM, financial calendar etc, Names of stock exchanges where listed

Financial Calendar

Financial Year	:	April 1, 2007 to March 31, 2008
AGM	:	September 5, 2008
Book closure dates	:	July 9, 2008 to July 16, 2008
Dividend Payment date	:	September 10, 2008
Quarterly results	:	Last week of July 2008, October 2008 January 2009 and April/June 2009

Listing on Stock Exchanges

The Company's equity shares are listed on the following Stock Exchanges :

- I The Bombay Stock Exchange Ltd. (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
- II National Stock Exchange of India Ltd. (NSE)
Exchange Plaza
Bandra Curla Complex
Bandra (East)
Mumbai – 400 051

The Company's application for de-listing is yet to be disposed of by the Calcutta Stock Exchange Association Ltd. Hence the shares technically continue to remain listed on the said stock exchange.

The Company has duly paid the listing fees to the BSE and the NSE for the year 2008-2009.

Scrip Code of the Company's Equity Shares

BSE	:	504879
NSE	:	ORIENTABRA EQ
ISIN Code	:	INE569C01020

Market Information

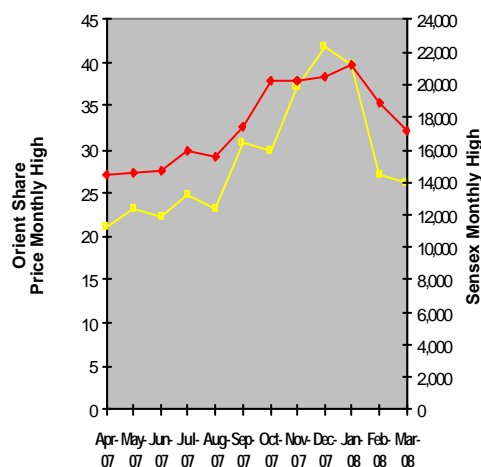
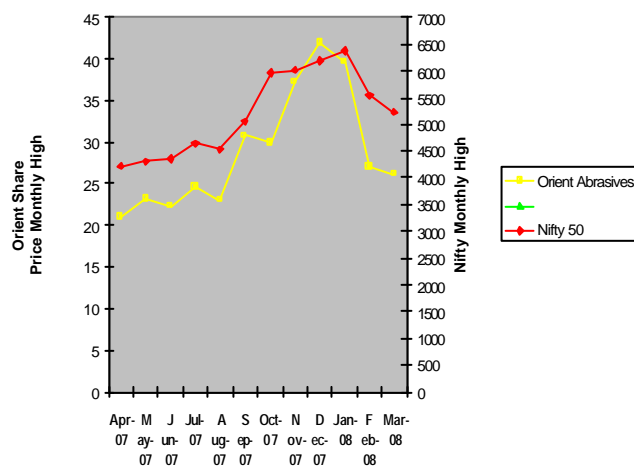
Market Price Data : Monthly High, Low (based on the closing prices) and volume, number of trades and value of total shares traded during each month of the last financial year :

BSE

Month	High (Rs.)	Low (Rs.)	Volume	No. of trades	Net value (Rs. lac)
April, 2007	21.10	17.95	191126	850	37.71
May, 2007	23.25	19.05	329032	1399	68.69
June, 2007	22.40	19.00	455393	1316	91.94
July, 2007	24.60	19.65	893342	3168	196.28
August, 2007	23.10	19.90	804079	2323	176.20
September, 2007	30.75	22.00	2038215	7831	549.81
October, 2007	30.00	24.00	1299656	4662	363.07
November, 2007	37.25	28.00	1566901	6346	508.17
December, 2007	41.90	33.30	3757950	9780	1391.76
January, 2008	39.70	21.05	1411225	5375	476.03
February, 2008	29.65	23.00	271214	1176	72.17
March, 2008	26.10	17.80	431427	1222	90.50

NSE

Month	High (Rs.)	Low (Rs.)	Volume	Turn over in Rs. Lac
April, 2007	20.95	17.80	216217	42.23
May, 2007	23.05	19.35	269501	56.39
June, 2007	21.40	19.10	296605	56.67
July, 2007	24.80	19.50	1224775	270.21
August, 2007	23.00	19.10	705237	153.86
September, 2007	30.00	21.00	1440553	381.91
October, 2007	30.50	24.00	1501696	717.73
November, 2007	38.00	27.15	1612586	520.89
December, 2007	41.00	30.05	2981553	1093.12
January, 2008	39.50	20.60	1365193	449.38
February, 2008	29.00	21.65	354851	94.28
March, 2008	26.35	16.00	539618	111.42

Performance in Comparison to Sensex 07-08

Performance in Comparison to Nifty 50 07-08


Registrar & Share Transfer Agents

Skyline Financial Services Pvt. Ltd.
 246, First Floor, Sant Nagar, East of Kailash
 New Delhi – 110 065
 Phone : 011-26292682, 011-26292683
 Fax : 011-26292681 E mail : admin@skylinerta.com

Share transfer is done once in every 10 days. A share transfer committee comprising of Mr S G Rajgarhia (Chairman), an executive director and Mr T N Chaturvedi, a non-executive director is in place to approve valid requests for share transfer etc. The authority to authenticate the endorsements has been given to a senior executive and the Company Secretary.

Distribution of shareholding

No. of equity shares held	As on 31/03/2008		As on 31/03/2007	
	Percent of share holders	Percent of shares	Percent of share holders	Percent of shares
1 to 5000	94.79	15.43	95.15	16.88
5001 to 10000	2.66	3.78	2.73	4.18
10001 to 100000	2.07	11.76	1.71	9.74
over 100000	0.47	69.03	0.41	69.20
	100.00	100.00	100.00	100.00

Categories of Shareholders

Category	Number of shareholders		Voting strength %		Number of shares	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
Promoter group (individuals & trust)	15	15	49.13	47.52	29391985	28427010
Promoter group(Companies)	6	6	3.64	4.67	2285132	2790632
UTI/Mutual Funds	1	2	0.01	3.64	4000	2179092
Banks and Financial Institutions	4	5	0.02	0.02	9500	9500
Other domestic companies/Trust	386	367	8.52	5.47	5101459	3269300
NRIs/FIIs	84	102	0.31	0.36	185161	217257
Indian public	10720	11717	38.19	38.33	22842363	22926809
Total	11216	12214	100.00	100.00	59819600	59819600

Dematerialisation of shares and liquidity

The Company has arrangements with both National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd. (CDSIL) Till date 80.89 % of the total equity shares have been dematerialized out of which 35.12% has been rematerialized and the outstanding demat shares as on date is 45.77 %.

The Company has not issued any ADRs, GDRs or any other convertible instruments.

Plant Locations

Abrasives Grains Division : Porbander, Gujarat
 Refractory Division : Bhiwadi, Rajasthan and Salem, Tamil Nadu

Address for correspondence

Orient Abrasives Limited
 1307, Chiranjiv Tower
 43, Nehru Place, New Delhi – 110 019

Phone : 011-26449480, 26425446
 Fax : 011-26443859 E-mail : ho@oalindia.com
 Website : <http://www.orientabrasives.com>

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

I, S G Rajgarhia, Managing Director of Orient Abrasives Limited do hereby declare and confirm that all the Board Members and the Senior Managerial Personnel have affirmed compliance of the Code of Conduct during the year from April 1, 2007 to March 31, 2008

New Delhi
July 31, 2008

S G Rajgarhia
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
ORIENT ABRASIVES LIMITED
New Delhi

We have examined the compliance of conditions of Corporate Governance by **ORIENT ABRASIVES LIMITED** for the year ended March 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

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

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee of the Company.

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

For **SMG & ASSOCIATES**
COMPANY SECRETARIES

PLACE : NEW DELHI
DATE : JULY 31, 2008

(MAHIPAL GUPTA)
PROPRIETOR
C. P. NO. 2716

**ANNEXURE 'B' TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**General Review

At present the Company has two commercial business divisions namely the Abrasives Grains Division (AGD) at Porbander, Gujarat that manufactures fused alumina grains and calcined products and the Refractory Division that manufactures refractories and monolithics. The Abrasives Grains Division, the first of Company's all divisions, was established in the year 1974.

Thereafter the Company established the Bonded Abrasives Division in 1980, which was divested last year and the Refractory Division in 1985 both at Bhiwadi, Distt. Alwar, Rajasthan.

The Company also has a Power Division that generates electricity for captive consumption, which has now been expanded with the addition of a 9 MW coal based thermal power plant.

BUSINESS DIVISIONS/SEGMENTS

As mentioned above, the Company has three major business segments in terms of the nature of output i) Fused Aluminium Oxide Grains including Calcined Products and ii) Refractories and Monolithics and iii) Electricity (Power Division), which have been elucidated in the following paragraphs:

Abrasives Grains Division

The Abrasives Grains Division at Porbander is the first manufacturing unit set up by the Company. The Division manufactures calcined bauxite and fused aluminium oxide abrasive grains. Raw bauxite and calcined alumina are

the basic raw materials used for the manufacture of abrasive grains. Raw bauxite is procured from mines owned by the Company and others and calcined alumina is purchased from aluminium companies. A portion of these products is captively consumed by the Refractory Division at Bhiwadi and are also sold in the domestic market. Now this unit has started increasing its share in the total export turnover of the Company.

Refractory Division

The unit manufactures various types of continuous casting and slide gate refractories, low cement castables etc. which are exclusively consumed in the steel plants. The division had a small plant at Salem, Tamilnadu manufacturing monolithics (tundish coating material). However this business was re-organised last year by entering into an agreement with a local party to act as a supporting manufacturer for those products.

The Refractory Division exports a fair share of its output to various overseas customers. The major export customers are based in Egypt, Turkey, Indonesia, Pakistan, Kingdom of Saudi Arabia, Sultanate of Oman, Greece, Spain, Nigeria, Azerbaijan, Malaysia, Bulgaria, Thailand, Iran and Austria. Last year some new geographical markets like Kingdom of Bahrain, Japan, Korea, Republic of Yemen etc. were developed.

Power Division

The Company had a power generating unit of about 9 MW capacity based on furnace oil which generated power for the use of the Abrasives Grains Division. But as the cost of furnace oil inflated considerably, the power generation through this plant became increasingly unaffordable. Therefore, to economise on this, a thermal power plant unit of 9 MW based on lignite/coal was imported last year which would reduce the cost of generation of electricity substantially.

At present the new power plant has replaced the earlier one and is working at full capacity. The plant has started generating power at a much lower cost and has helped in making substantial savings for the Company.

Financials of Segments

Financials of business segments are given in detail in Schedule 24 (notes to the financial statements) of the Annual Report.

FINANCIALS AND INTERNAL CONTROL

The gross turnover of the Company during the year ended March 31, 2008 increased to Rs. 259.21 crore, yielding a growth of about 21 %. Gross profit and net profit were Rs. 29.98 crore and Rs. 19.48 crore respectively. The Company could somewhat contain the steep increase in the price of major raw materials like furnace oil and calcined alumina during the year. For calcined alumina, the Company could negotiate and earn better deal in terms of price stability and availability. For furnace oil, as mentioned elsewhere, towards the second half of the year, a replacement in the form of coal and lignite could be found out.

The Company has an adequate internal control system which is commensurate with its size and which adopts the best practices prevalent in the industry. Besides conducting internal audit at regular intervals and implementing the measures suggested from time to time there is a statutory audit committee comprising of independent directors in place to oversee the internal control processes in the Company. The Company has also received ISO 9001 : 2000 certification for the plants at Bhiwadi.

An enterprise resource planning system (ERP) was implemented in January, 2008 at Bhiwadi to integrate the operations of various divisions of the Company in a phased manner. At present the operations of Bhiwadi plant, head office at Delhi and the branch offices have been integrated through this system. The ERP covers various functional areas like purchases, inventory, production, sales, marketing, accounts and finance. The system would help in integration of the data and information and anywhere access to information with controls and restrictions as may be stipulated, control of flow of operations, detection of errors and irregularities and fixation of responsibility and accountability.

HUMAN RESOURCES

The Company believes in the strength of human resources and that it is the best form of business capital which needs to be explored and utilised to full potential. At the company, constant efforts are made in developing human resources by providing necessary training and taking care of employee welfare. The Company endeavors to keep the employees' motivation level high by providing congenial work atmosphere and rewarding/remunerating adequately.

There are cordial relations between the management and the employees.

CONCERNS AND FUTURE OUTLOOK

The problem posed by high furnace oil costs has been resolved to a large extent with the commissioning of the new lignite/coal based power plant in Porbander. But as of now, coal is also not very affordable as expected since its price has been increasing in the recent months. The Company is making efforts to explore various sources and to enter into agreements with multiple suppliers to ensure availability of coal at a competitive price. The price of calcined alumina the other major raw material for the Company is also likely to increase in the current year. Arrangements are being made to stabilize the price by establishing long term contracts wherever necessary. The Company will be able to offset the high manufacturing costs substantially by increasing the selling price and improving the operating efficiency. The company shall be able to further increase its sale of fused products since the import of similar products from China has reduced considerably leading to high demand for the Company's products.

In the refractories segment, there shall be a significant improvement in the turnover and profit. Steel industry, being a key contributor in the nation's economic growth and GDP shall be immensely benefited by the Government's economic policy aimed at 9% GDP growth. This will in turn help the refractories industry which is consumed in the steel industry in large quantities.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Statement of the Employees pursuant to Section 217 (2 A) of the Companies Act, 1956

Name/Age(Yrs)	Remuneration (Rs.)	Designation/ Nature of duties	Qualification & Experience (Yrs)	Date of Commencement of employment	Last employment
S G Rajgarhia (61)	83,23,746/-	Managing Director, Overall Management	B Tech. (Hons.), S.M. (MIT) 37 years	01/08/1973	–

- Above details are of that employee who was employed throughout the accounting year and was in receipt of remuneration of not less than Rs. 24 lac per annum.
- Remuneration as above includes salary, contribution to provident fund, leave travel allowance, medical expenses, leave encashment, bonus, actual amount spent on perquisites valued as per income tax rules and commission on sales at the limits approved by the members.
- Mr S G Rajgarhia is a related to Mr R K Rajgarhia, Director of the Company.
- Employment is contractual and is also governed by the approval granted by the members at the Annual General Meeting.

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

CONSERVATION OF ENERGY

The company has made all efforts to optimize the use of energy and to minimise its wastage. To ensure minimum consumption of energy for a given level of production, operating parameters of production have been standardized. Insulation materials are also being used to avoid energy loss.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company is constantly trying to provide its customers with products that incorporate latest available technology. Though indigenously available materials and technology are preferred, efforts are being made, wherever possible, to make use of best contemporary technology.

	Rs.in lacs	
	2007-08	2006-07
A) Power & Fuel Consumption for Refractories		
1. ELECTRICITY		
Purchased :		
Units (in lacs)	58.21	41.40
Total amount (Rs. in lacs)	255.66	199.81
Rate/Unit (Rs.)	4.39	4.83
Own generation through D.G.Set :		
Units (in lacs)	3.24	3.45
Units per ltr.of Diesel Oil	3.10	3.15
Cost/Units (Rs.)	9.31	9.46
2. LDO/FO/C9/HSD		
Qty.(Kilo ltr.)	21.31	20.72
Total cost (Rs.in lacs)	461.80	473.39
Average/Kilo ltr.(Rs.)	21673	22890
B) Consumption per Unit of Production for Refractories		
Electricity (Units)	553	483
LDO/FO/C9/Ltr.	188	223
FOREIGN EXCHANGE EARNINGS AND OUTGO		
Earned (Rs.in lacs)	2947.17	2254.54
Used (Rs.in lacs)	1438.65	1644.85

AUDITORS' REPORT

TO THE MEMBERS OF ORIENT ABRASIVES LIMITED

- a) We have audited the attached Balance Sheet of ORIENT ABRASIVES LIMITED as at March 31, 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- b) 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 material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- c) As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-Section (4A) of Section 227 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.
- d) Further to our comments in the Annexure referred to in para (c) above, we report that;
 - (i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (ii) 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 these books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the Directors as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2008 from being appointed as a Director in terms of Section 274 (1) (g) of the Companies Act, 1956;
 - (vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008,
 - b) in the case of the Profit & Loss Account, of the "Profit" of the Company for the year ended on that date, and
 - c) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For S.R. Batliboi & Co.
Chartered Accountants

Per Manoj Gupta
Partner
Membership No. 83906

Date : June 17, 2008
Place : Gurgaon, Haryana

Annexure referred to in paragraph (c) of our report of even date**Re: Orient Abrasives Limited**

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
c) There was no substantial disposal of fixed assets during the year.
2. a) The management has conducted physical verification of inventory at reasonable intervals during the year.
b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. a) As informed, the Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4(iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
e) As informed, 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. Therefore, the provisions of clause 4(iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls system in respect of these areas.
5. a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lacs have been entered into during the financial year are at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. To the best of our knowledge and as explained to us, the Central Government has not prescribed maintenance of cost records under Clause (d) of sub-Section (1) of Section 209 of the Companies Act, 1956 for the products of the Company.
9. a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, sales tax, income tax, wealth tax, service tax, custom duty, excise duty, cess have been regularly deposited with the appropriate authorities.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, sales tax, income tax, wealth tax, service tax, customs duty and excise duty, cess and other undisputed statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.
c) According to the records of the Company, there are no dues outstanding of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess on account of dispute other than the following:

Name of the Statute	Nature of dues	Amount (Rs. In lacs)	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales tax and Interest demand for non submission of sales tax declaration forms for the years 1987-88, 1993-94 and 1994-95	22.88	Sales Tax Commissioner (Appeal)
Sales Tax Act, 1944	Entry tax demand for entry of goods in Rajasthan	20.55	Hon'ble High Court of Rajasthan, Jodhpur
Income Tax Act, 1961	Disallowance of various expenses/deductions (under section 80I(A) claimed by the Company for the years 2001-02, 2004-05 & 2005-06	628.51	Commissioner of Income Tax (Appeal), Delhi
Income Tax Act, 1961	Disallowance of various expenses/deductions (under section 80I(A) claimed by the Company for the year 2003-04	243.91	Income Tax Appellate Tribunal, Delhi

10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and financial institution. We have been informed that the Company did not have any outstanding debentures during the year.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies. Therefore, provisions of clause 4 (xiii) of the Companies (Auditor Report) Order, 2003 (as amended) are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view on the financial statements and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Co.
Chartered Accountants

Per Manoj Gupta
Partner
Membership No. 83906

Date : June 17, 2008
Place : Gurgaon, Haryana

BALANCE SHEET AS AT MARCH 31, 2008

(All amount in Rs. Lacs)

	Schedules	2008	2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	598.33	598.33
Reserves and Surplus	2	8,488.05	7,231.70
		<u>9,086.38</u>	<u>7,830.03</u>
Loan Funds			
Secured Loans	3	6,579.04	3,685.81
Unsecured Loans	4	1,156.86	2,319.06
		<u>7,735.90</u>	<u>6,004.87</u>
Deferred Tax Liabilities (Net)	5	<u>403.73</u>	<u>335.49</u>
		<u>17,226.01</u>	<u>14,170.39</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	12,943.30	7,827.58
Less : Accumulated Depreciation		<u>4,029.77</u>	<u>3,287.27</u>
Net Block		<u>8,913.53</u>	<u>4,540.31</u>
Capital Work-in-Progress including Capital Advances		<u>390.31</u>	<u>3,551.63</u>
		<u>9,303.84</u>	<u>8,091.94</u>
Investments	7	<u>0.27</u>	<u>0.32</u>
Current Assets, Loans and Advances			
Inventories	8	5,324.34	4,195.48
Sundry Debtors	9	5,273.21	4,286.42
Cash and Bank Balances	10	266.97	225.37
Other Current Assets	11	31.98	29.09
Loans and Advances	12	1,108.69	1,008.32
		<u>12,005.19</u>	<u>9,744.68</u>
Less : Current Liabilities and Provisions			
Current Liabilities	13	3,219.14	3,082.27
Provisions	14	864.15	584.28
		<u>4,083.29</u>	<u>3,666.55</u>
Net Current Assets		<u>7,921.90</u>	<u>6,078.13</u>
		<u>17,226.01</u>	<u>14,170.39</u>
Notes to Accounts	24		

The schedules referred to above and Notes to Accounts form an integral part of the Balance Sheet.
As per our report of even date

For and on behalf of the Board of Directors

for S.R.BATLIBOI & CO
Chartered Accountants

Per Manoj Gupta
Partner
Membership No. 83906

Place : Gurgaon, Haryana
Date : June 17, 2008

S.G.RAJGARHIA
(Managing Director)

B.L.GUPTA
(Sr. Vice President - Finance)

T.N.CHATURVEDI
(Director)

DEEPAK C.S.
(Company Secretary)

R.K.RAJGARHIA
(Chairman)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

(All amount in Rs. Lacs)

	Schedules	2008	2007
INCOME			
Turnover (Gross)	15	25,920.82	21,350.31
Less : Excise duty		2,923.85	2,698.55
Turnover (Net)		22,996.97	18,651.76
Other Income	16	210.82	78.96
		23,207.79	18,730.72
EXPENDITURE			
Goods Purchased for Resale		2,382.35	99.83
Raw Materials Consumed	17	7,281.19	8,013.90
Personnel Expenses	18	2,099.06	1,814.28
Operating and Other Expenses	19	7,793.51	7,317.00
(Increase) in Inventories	20	(554.96)	(882.85)
Depreciation	6	792.18	576.26
Financial Expenses	21	715.98	313.73
Exceptional Items (Net)	22	-	(1,845.64)
		20,509.31	15,406.51
Profit/(Loss) before Taxation [(Including Loss from discontinued operation Rs. Nil, (Previous year loss of Rs. (149.43))]		2,698.48	3,324.21
Provision for Current Tax (Including Tax on Transfer of a Division Rs. Nil, Previous Year Rs. 461.67)		(625.00)	(740.00)
Deferred Tax (Charge)		(99.80)	(12.01)
Fringe Benefit Tax [Including FBT on discontinued operations Rs Nil, (Previous Year Rs. 1.73)]		(21.00)	(22.50)
Income Tax (charge)/credit for earlier years (Net)		(5.17)	(0.04)
Total Tax Expenses (after adjusting tax credit and expenses from discontinued Operation Rs. Nil, Previous year tax charges of Rs. 48.57) respectively		(750.97)	(774.55)
Profit after tax (After adjusting Loss from Discontinued Operation Rs. Nil, Previous year Loss of Rs. (100.86))		1,947.51	2,549.66
Balance brought forward from previous year		2,531.70	1,176.50
Profit available for appropriation		4,479.21	3,726.16
Appropriations :			
Utilised for Redemption of Preference Share		-	400.00
Interim Dividend on Preference Shares		-	4.00
Proposed Dividend on Equity Shares		538.38	418.74
Corporate Dividend Tax		91.50	71.72
Transfer to General Reserve		1,000.00	300.00
Surplus Carried to Balance Sheet		2,849.33	2,531.70
		4,479.21	3,726.16
Basic and Diluted Earnings per share	23	3.26	4.25
Nominal value of shares Re. 1 (Previous year : Re. 1)			
Notes to Accounts	24		

The schedules referred to above and notes to Accounts form an integral part of Profit and Loss Account.
As per our report of even date attached

For and on behalf of the Board of Directors

for S.R.BATLIBOI & CO
Chartered Accountants

Per Manoj Gupta
Partner
Membership No. 83906

Place : Gurgaon, Haryana
Date : June 17, 2008

S.G.RAJGARHIA
(Managing Director)

T.N.CHATURVEDI
(Director)

R.K.RAJGARHIA
(Chairman)

B.L.GUPTA
(Sr. Vice President - Finance)

DEEPAK C.S.
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2008

(All amount in Rs. Lacs)

	For the year ended March 31, 2008	For the year ended March 31, 2007
A. Cash Flow From Operating Activities		
Profit before tax	2,698.48	3,324.21
Adjustments for :		
Depreciation	792.18	576.26
Loss on disposal of fixed assets	22.55	18.45
Profit on sale of Bonded Abrasive Division	–	(2,021.67)
Provision for doubtful debts and advances	23.73	(0.96)
Dividend Received	–	(2.54)
Unspent Liabilities Written Back	(5.70)	–
Investment written off	0.05	–
Foreign Exchange Fluctuation	(95.72)	–
Interest Received	(13.25)	(12.05)
Interest Paid	627.48	276.38
Operating profit before working capital changes	4,049.80	2,158.08
Adjustment for :		
(Increase) in Sundry Debtors	(1,015.58)	(887.97)
(Increase) in Loans & Advances and Other Current Assets	(94.16)	(302.94)
(Increase) in Inventories	(1,128.86)	(1,212.11)
Increase in current liabilities & provisions	115.40	932.23
Cash generated from operating Activities	1926.60	687.29
Direct taxes paid	(579.30)	(295.12)
Net cash from operating activities	1347.30	392.17
B. Cash flow from investing activities		
Purchase of fixed assets	(2,056.41)	(4,243.47)
Proceeds from sale of fixed assets	29.40	110.42
Proceeds on Transfer of Bonded Abrasive Division	–	2,021.67
Direct Tax Paid	–	(461.97)
Purchase of investments	–	(1,060.00)
Sale of investments	–	1,060.02
Dividend Income	–	2.54
Interest received	12.68	12.30
Fixed Deposit taken	(130.92)	(70.87)
Fixed Deposit matured	107.05	36.08
Net cash (used in) Investing Activities	(2,038.20)	(2,593.28)
C. Cash flow from Financing Activities		
Proceeds from Long term borrowings	1,200.00	1,572.70
(Repayment) of Long term borrowings	(256.88)	–
(Redemption) of Preference Shares	–	(400.00)
Proceeds from short term borrowings	883.63	1,572.13
Interest paid	(639.73)	(241.16)
Dividend paid	(407.23)	(434.50)
Tax on dividends paid	(71.16)	(62.65)
Net cash from/(used in) Financing Activities	708.63	2,006.52
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	17.73	(194.59)
Cash and cash equivalents at the beginning of the Year	153.68	348.27
Cash and cash equivalents at the end of the year	171.41	153.68

	(All amount in Rs. Lacs)	
	For the year ended March 31, 2008	For the year ended March 31, 2007
Component of cash and cash equivalent as at		
Cash and Cheques on hand	8.50	43.37
Balances with Scheduled Banks :		
On Current Accounts	43.89	70.37
On Cash Credit Account	69.09	-
on Fixed Deposit Accounts	95.56	73.21
on Dividend Warrant Accounts	49.83	38.32
post Office Savings Bank Account	0.10	0.10
Cash and Bank Balance as per Schedule 10	266.97	225.37
Less: Fixed Deposit with maturity more than 3 months	95.56	71.69
Net Cash & Cash Equivalents as at March 31, 2008	171.41	153.68

Notes

- The cash flow statement has been prepared under "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Negative figures have been shown in brackets.
- During the pervious year, the Company had transferred Bonded Abrasive Division to a party for consideration of Rs. 2709.62 (including transfer of Net Working Capital amounting to Rs. 609.62 lacs) and a sum of Rs. 2021.67 was received by means of cash and cash equivalents. (Refer note No. 11 of Schedule 24)

As per our report of even date

for S.R.BATLIBOI & CO
Chartered Accountants

Per Manoj Gupta
Partner
Membership No. 83906

Place : Gurgaon, Haryana
Date : June 17, 2008

For and on behalf of the Board of Directors

S.G.RAJGARHIA
(Managing Director)

T.N.CHATURVEDI
(Director)

R.K.RAJGARHIA
(Chairman)

B.L.GUPTA
(Sr. Vice President - Finance)

DEEPAK C.S.
(Company Secretary)

SCHEDULES TO THE ACCOUNTS
(All amount in Rs. Lacs)
As at March 31 **As at March 31**
2008 **2007**
SCHEDULE — 1 : SHARE CAPITAL
Authorised

4,00,000(Previous Year 400,000) - 6% Redeemable Cumulative Preference Shares of Rs. 100/- each	400.00	400.00
97,500,000 (Previous Year 97,500,000) Equity Shares of Re. 1/- each	975.00	975.00
	<u>1,375.00</u>	<u>1,375.00</u>

Issued & Subscribed

59,839,600 (Previous year : 59,839,600) Equity Shares of Re. 1/- each fully paid up	598.40	598.40
	<u>598.40</u>	<u>598.40</u>

Paid up

59,819,600(Previous year : 59,819,600) Equity Shares of Re. 1/- each fully paid up	598.20	598.20
	<u>598.20</u>	<u>598.20</u>
Add : Shares forfeited	0.13	0.13
	<u>598.33</u>	<u>598.33</u>

Notes:

- i) Out of above Equity Shares, 44,864,700 (Previous year : 44,864,700)equity shares of Re. 1/- each were allotted in earlier Years as fully paid bonus shares by capitalization of Capital Redemption Reserve, Securities Premium and General Reserve.

SCHEDULE — 2 : RESERVES AND SURPLUS

Capital Redemption Reserve		
Balance as per last account	400.00	-
Add : Transfer from Profit and Loss Account*	-	400.00
	<u>400.00</u>	<u>400.00</u>
General Reserve		
Balance as per last account	4,300.00	4,000.00
Add : Transfer from Profit & Loss Account	1,000.00	300.00
Less : Adjustment for Employee benefits provision Rs. 61.29 (net of tax Rs. 31.55 [Previous Year Rs. Nil]) Refer note no. 2 (c)(i) of schedule 24	(61.29)	-
	<u>5,238.71</u>	<u>4,300.00</u>
Profit & Loss Account Balance	2,849.34	2,531.70
	<u>8,488.05</u>	<u>7,231.70</u>

* Created pursuant to the redemption of the preference shares, as per the requirement of section 80 of the Companies Act, 1956

	(All amount in Rs. Lacs)	
	As at March 31 2008	As at March 31 2007
SCHEDULE — 3 : SECURED LOANS		
Term Loans		
-Rupee Term Loan	1,612.50	550.00
-Foreign Currency Loan	962.64	1,177.74
Cash Credit Facilities from Banks	4,003.90	1,958.07
	<u>6,579.04</u>	<u>3,685.81</u>

Notes:

- The rupee term loan is secured by first pari passu charge on the movable fixed assets of the Company. The loan is further secured by first pari passu charge on the immovable properties at Abrasives Grains Division, Porbander and Refractory Division, Bhiwadi.
- The Foreign currency term loan is secured by first pari passu charge on the movable fixed assets of the Company. The loan is to be further secured by mortgage of the immovable properties of the Abrasives Grains Division, Porbandar and Refractory Division, Bhiwadi.
- Cash credit facilities from banks are secured by hypothecation of stocks of raw materials, finished and semi-finished goods and book debts of the Company. These facilities are further secured by second charge on all immovable properties of Abrasives Grains Division and Refractory Division of the Company.
- Term Loans and Cash Credit Facilities are also personally guaranteed by Managing Director of the Company.
- Loans aggregating to Rs. 663.98 (Previous year Rs. 314.18) are repayable within one year.

SCHEDULE — 4 : UNSECURED LOANS

Fixed Deposits from Public	155.80	166.06
Short Term Loans		
- Bodies Corporate	801.06	653.00
- Director	50.00	50.00
- Banks	150.00	1,450.00
	<u>1,156.86</u>	<u>2,319.06</u>

Notes :

- Loans amounting to Rs. 150 lacs (Previous Year Rs. 450 Lacs) are personally guaranteed by the Managing Director of the Company.
- Deposits and Short Term Loans aggregating to Rs. 1034.36 (Previous year Rs. 2231.09) are repayable within one year.

SCHEDULE — 5 : DEFERRED TAX LIABILITIES (NET)
Deferred Tax Liabilities

Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	459.73	405.58
Income accrued but taxable on receipt	41.39	7.79
Gross Deferred Tax Liabilities	<u>501.12</u>	<u>413.37</u>

Deferred Tax Assets

Effect of expenditure allowable for tax purposes on payment basis	85.70	74.25
Provision for doubtful debts and advances	11.69	3.63
Gross Deferred Tax Assets	<u>97.39</u>	<u>77.88</u>
Net Deferred Tax Liabilities	<u>403.73</u>	<u>335.49</u>



(All amount in Rs. Lacs)

SCHEDULE — 6 : FIXED ASSETS

Particulars	Land-Freehold	Land-Leasehold	Lease Hold Improvement	Buildings	Plant & Machinery	Furniture, Fixtures and Equipment	Office Equipment	Vehicles	Total	Previous Year
Gross Block										
At 01.04.2007	13.76	33.28	19.49	948.76	6,402.60	44.34	78.92	286.43	7,827.58	6,920.22
Additions	-	-	-	706.33	4,376.52	1.32	34.10	99.46	5,217.73	1,540.75
Deductions	-	-	-	5.81	24.67	9.22	8.22	54.09	102.01	633.39
At 31.03.2008	13.76	33.28	19.49	1,649.28	10,754.45	36.44	104.80	331.80	12,943.30	7,827.58
Accumulated Depreciation										
At 01.04.2007	-	8.15	19.49	267.66	2,853.29	25.94	37.14	75.60	3,287.27	3,215.53
For the year	-	0.34	-	38.84	714.12	1.41	9.77	27.70	792.18	576.26
Deductions	-	-	-	3.06	14.33	6.74	5.48	20.07	49.68	504.52
At 31.03.2008	-	8.49	19.49	303.44	3,553.08	20.61	41.43	83.23	4,029.77	3,287.27
Net Block										
At 31.03.2008	13.76	24.79	-	1,345.84	7,201.37	15.83	63.37	248.57	8,913.53	4,540.31
At 31.03.2007	13.76	25.13	-	681.10	3,549.31	18.40	41.78	210.83	4,540.31	3,704.69
Capital Work in Progress										
Plant & Machinery										268.91
Buildings										7.09
Capital Advances (Unsecured and considered good)										114.31
Expenditure during Construction Period (Refer Note No 10. in Schedule 24)										-
										390.31
										3,551.63

Notes:

- Building and Vehicles of the cost of Rs. 1.72 (Previous year Rs. 8.53) and Rs. 0.17 (Previous year Rs. 0.17) respectively are yet to be registered in the name of the Company.
- The detail of assets discarded during the year is as follows;

Assets	Current year Cost	WDV	Previous year Cost	WDV
Building	5.81	2.75	0.77	0.57
Plant & Machinery	13.24	3.88	104.27	8.50
Furniture & Fixtures	0.83	0.37	10.94	2.75
- In previous year, fixed Assets of the value of Rs. Nil [Previous year Rs. 452.43 (W.D.V. Rs. 78.33)] were transferred to party on transfer of a business of a Division. (Refer Note No. 11 in Schedule 24)
- Addition to Capital Work in Progress is after adjusting Foreign Exchange difference of Rs. Nil (Previous year (3.50)).
- Plant & Machinery includes electrical installations and fittings of the value of Rs. 178.85 (WDV-113.94) Previous year Rs. 126.46 (WDV-67.38)

(All amount in Rs. Lacs)
As at March 31, 2008 As at March 31, 2007

SCHEDULE — 7 : INVESTMENTS
Long Term (At Cost)
Government Securities (Unquoted-non trade)

7 year National Savings Certificates (Certificates pledged with Sales Tax Authorities Rs. 0.27, Previous year Rs. 0.32)	0.27	0.32
	0.27	0.32

Note: (i) The Company sold / wrote off 7 Years National Saving Certificates of Rs. 0.05 (Pervious Year Rs. 0.01)
(ii) Nil Units (Previous year 8,987,890.948) of Rs. 10 each of P32D Prudential ICICI Liquid Plan - Daily Dividend Option were purchased and sold during the year.

SCHEDULE — 8 : INVENTORIES

Raw Materials	1,944.27	1,542.59
Stores and Spares	691.74	519.52
Goods Purchased for Resale	235.33	5.07
Work-in-Progress	830.62	734.61
Finished Goods	1,602.75	1,366.41
Waste	19.63	27.28
	5,324.34	4,195.48

SCHEDULE — 9 : SUNDRY DEBTORS (UNSECURED)

Debts outstanding for a period exceeding six months		
Considered Good	304.90	204.96
Considered Doubtful	34.40	5.61
Others Debts:		
Considered Good	4,968.31	4,081.46
	5,307.61	4,292.03
Less: Provision for Doubtful Debts	34.40	5.61
	5,273.21	4,286.42

SCHEDULE — 10 : CASH & BANK BALANCES

Cash in hand (including cheques in hand Rs. Nil, Previous year Rs. 36.58)	8.50	43.37
Balances with Scheduled Banks :		
On Current Accounts	43.89	70.37
On Cash Credit Account	69.09	-
On Fixed Deposit Accounts (Receipts of Rs. 43.75 (Previous year Rs. 25.88) pledged with Banks, Excise and Sales Tax Authorities)	95.56	73.21
On Dividend Warrant Accounts	49.83	38.32
Post Office Savings Bank Account	0.10	0.10
	266.97	225.37

SCHEDULE — 11 : OTHER CURRENT ASSETS

Surrender Value of Keyman Insurance Policies	25.24	22.92
Interest Receivable	6.74	6.17
	31.98	29.09

(All amount in Rs. Lacs)
As at March 31, As at March 31,
2008 2007

SCHEDULE — 12 : LOANS & ADVANCES (Unsecured)
Considered Good

Advances recoverable in cash or in kind or for value to be received	900.57	815.87
Advance Tax/Tax deducted at Source (Net of Provision for Tax)	78.82	72.52
Advance Fringe Benefit Tax (Net of Provision for FBT)	2.23	–
Deposits - Others	127.07	119.93

Considered Doubtful

Advances recoverable in cash or in kind or for value to be received	–	5.06
	1,108.69	1,013.38
Less : Provision for doubtful Advances	–	5.06
	1,108.69	1,008.32

SCHEDULE — 13 : CURRENT LIABILITIES

Sundry Creditors for Goods, services and expenses		
- Dues to Micro, small and Medium Enterprises (Refer Note No. 7 of Schedule No. 24)	92.07	–
- Dues to Others	2,783.96	2,736.89
Advances & Deposits from Dealers & Others	142.22	114.69
Interest Accrued but not due on Loans	41.18	53.43
Investor Education and Protection Fund shall be credited by following amounts (as and when due)		
- Unpaid Dividend (Statutory liabilities as referred in Section 205C of the Companies Act, 1956)	49.80	38.29
Other Liabilities	109.91	138.97
	3,219.14	3,082.27

Payable to Managing Director of the Company	63.42	29.45
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SCHEDULE — 14 : PROVISIONS

For Gratuity	65.47	29.37
For Leave Encashment	81.03	57.63
For Fringe Benefit Tax	–	7.38
For Taxation	87.78	–
For Proposed Dividend on Equity Shares	538.38	418.74
For Corporate Dividend Tax	91.50	71.16
	864.15	584.28

(All amount in Rs. Lacs)

For the year ended
March 31, 2008

For the year ended
March 31, 2007

SCHEDULE — 15 : TURNOVER (GROSS)

Finished Goods (Including sale of goods purchased for resale of Rs. 2,371.94, Previous year Rs. 96.93)	25,564.22	21,370.18
Service Revenue	260.07	68.42
Waste	200.66	157.23
	26,024.95	21,595.83
Less : Sales returns	0.15	11.90
	26,024.80	21,538.93
Less : Turnover and Special Discounts, Claims, Rebates etc.	103.98	233.62
	25,920.82	21,350.31

SCHEDULE — 16 : OTHER INCOME

Surrender value of Keyman Insurance Policies	4.32	2.89
Rent	1.80	—
Royalty Income	34.96	—
Exchange Difference [net of loss of Rs. 65.59 (Previous Year Rs. 35.23)]	141.24	32.40
Provision for doubtful debts and advances written back	—	0.96
Bad Debt earlier written off now recovered	0.20	3.38
Dividend from Current Investment (other than trade)	—	2.54
Sales Tax Refunds	19.00	15.78
Miscellaneous income/Liabilities written back	9.30	21.01
	210.82	78.96

SCHEDULE — 17 : RAW MATERIALS CONSUMED

Inventories as at March 31, 2007	1,533.25	1,211.75
Add : Purchases/Raising*	8,758.47	8,688.23
	10,291.72	9,899.98
Less : Sales	1,066.27	352.83
Less : Inventories as at March 31, 2008	1,944.26	1,533.25
	7,281.19	8,013.90

* including direct expenses relating to raising of Bauxite at Company's own mines amounting to Rs. 759.20 (Previous year Rs. 478.03) [Refer note 14 of Schedule 24]

SCHEDULE — 18 : PERSONNEL EXPENSES

Salaries, Wages and Bonus	1,871.56	1,526.17
Contribution to Gratuity Fund	17.06	77.68
Contribution to Provident and other funds	106.81	100.61
Workmen and Staff Welfare Expenses	103.63	109.82
	2,099.06	1,814.28

	(All amount in Rs. Lacs)	
	For the year ended March 31, 2008	For the year ended March 31, 2007
SCHEDULE — 19 : OPERATING AND OTHER EXPENSES		
Consumption of Stores and Spares	1,816.69	1,621.58
Power and Fuel	3,657.96	3,493.72
Packing Expenses	396.72	418.50
Rent	24.55	15.73
Excise Duty on Stocks/Samples	48.18	100.97
Rates & Taxes	16.51	21.12
Insurance	38.84	46.62
Managerial Remuneration (Refer Note No. 16.1 in Schedule 24)	107.51	60.88
Legal and Professional Fees	46.05	54.85
Vehicle Running & Maintenance	46.46	47.24
Repairs and Maintenance		
- Plant & Machinery (excluding Stores & Spares Consumed)	158.70	165.59
- Buildings	55.47	45.53
- Others	13.27	10.00
Freight & Forwarding Charges	475.78	454.49
Commission on Sales (other than sole selling agents)	503.30	408.25
Cash Discount on Sales	0.59	8.27
Other Selling Expenses	33.17	23.61
Travelling & Conveyance	139.75	138.84
Communication Costs	50.86	53.33
Printing and Stationery	23.76	24.84
Directors' Sitting Fees	2.05	2.90
Auditor's Remuneration		
- Audit Fee	11.47	10.76
- Quarterly Reviews	7.63	5.92
- Certification etc.	0.11	6.11
- Out-of-Pocket Expenses	1.13	1.36
Donations and Contributions	2.93	2.04
Provision for doubtful debts & advances	23.73	-
Loss on Disposal/Discard of Fixed Assets	22.55	18.45
Miscellaneous Expenses	67.79	55.50
	<u>7,793.51</u>	<u>7,317.00</u>

SCHEDULE — 20 : (INCREASE) IN INVENTORIES

Inventories as at March 31, 2008		
- Goods Purchased for Resale	235.33	5.07
- Work-in-progress	830.62	734.61
- Finished goods	1,602.75	1,366.41
- Waste	19.63	27.28
	<u>2,688.33</u>	<u>2,133.37</u>
Inventories as at March 31, 2007		
- Goods Purchased for Resale	5.07	0.30
- Work-in-progress	734.61	643.83
- Finished goods	1,366.41	676.78
- Waste	27.28	3.06
	<u>2,133.37</u>	<u>1,323.97</u>
Less: Stocks of discontinued Business sold on September 30, 2006 (Refer Note No. 8 in Schedule 24)	-	73.45
	<u>2,133.37</u>	<u>1,250.52</u>
	<u>(554.96)</u>	<u>(882.85)</u>

	(All amount in Rs. Lacs)	
	For the year ended March 31, 2008	For the year ended March 31, 2007
SCHEDULE — 21 : FINANCIAL EXPENSES		
Interest		
on term loans	183.79	49.26
to a director	6.00	0.09
to banks & others*	424.44	214.98
Bank charges	101.75	49.40
	<u>715.98</u>	<u>313.73</u>

* Net of Interest Received Rs. 13.25, Previous year Rs. 12.05 (Gross, Tax Deducted at Source Rs. 2.27, Previous year Rs. 0.90)

SCHEDULE — 22 : EXCEPTIONAL ITEMS

Voluntary Retirement Scheme	–	176.03
Profit on Transfer of Bonded Abrasives Division to a Party (Refer Note No. 11 in Schedule 24)	–	(2,021.67)
	–	<u>(1,845.64)</u>

SCHEDULE — 23 : EARNINGS PER SHARE (EPS)

Net profit as per Profit and Loss Account	1,947.51	2,549.66
Less : Dividend on Preference Shares (including Corporate Dividend Tax)	–	4.56
Net Profit available for equity shareholders	<u>1,947.51</u>	<u>2545.10</u>
Number of Equity Shares considered for calculating Basic and Diluted EPS	59,819,600	59,819,600
Basic and Diluted Earnings per Share	3.26	4.25

SCHEDULE — 24 : NOTES TO THE ACCOUNTS

(All amount in Rs. lacs, unless otherwise stated)

1. Nature of Operations

The Company is engaged in the production and selling of Fused Aluminum Oxide Grains, Calcined Products, Refractories, Monolithics and Ceramic Paper. The Company has manufacturing facilities at Porbandar (Gujarat), Bhiwadi (Rajasthan).

2. Statement of Significant Accounting Policies
(a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards issued by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except where otherwise stated, The Accounting policies, except for the changes in accounting policy discussed below, are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Changes in Accounting Policies***(i) Adoption of Accounting Standard AS15 (Revised) Employee Benefits***

Till March 31, 2007, the Company was providing for gratuity based on actuarial valuation as per LIC certificate and leave encashment liability as per actuarial valuation. In Current year, the Company has adopted the Accounting Standard 15 (Revised) which is mandatory from accounting periods commencing on or after December 7, 2006, Accordingly the Company has provided for gratuity and long term compensated absences based on actuarial valuation done as per projected unit credit method. Further in accordance with the transitional provision in the revised accounting standard, Rs. 61.29 lacs (net of tax Rs. 31.55 lacs) has been adjusted to General Reserve, These changes are not having material impact on the profit for the current year.

(ii) Accounting for Foreign exchange fluctuations on fixed assets

Pursuant to Companies (Accounting Standard) Rules 2006, with effect from April 1, 2007, the Company has changed the accounting policy related to recognition of foreign exchange fluctuation on fixed assets, related to transactions entered after April 01, 2004. The foreign exchange variation is now being charged / credited to the profit and loss account, which till previous year was adjusted to the carrying value of respective assets. Pursuant to this change, foreign exchange fluctuation gain for the year amounting to Rs. 96.54 lacs (Net of Tax of Rs. 32.81 lacs) has been credited to profit and loss account under the head "Other Income"

(d) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(e) Depreciation

Depreciation on leasehold land is provided over the unexpired period of lease and depreciation of leasehold improvements which includes temporary structures is provided over unexpired period of lease or estimated useful life whichever is lower.

Depreciation on all other fixed assets is provided on Straight Line Method as per rates computed based on estimated useful lives (estimated by the management), which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on assets costing below Rs. 5000 are depreciated at the rate of 100% on prorata basis.

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

(g) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Lease where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profits & Loss Account on a straight line basis over the lease term.

(h) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(i) Inventories

Inventories are valued as follows:

Raw materials, Goods purchased for resale, stores and spares	Lower of cost and net realisable value. Cost is determined on weighted average basis. Materials and other items held for use in the production of inventories are written down below cost only if the finished products in which they will be incorporated are expected to be sold below cost.
Work-in-progress and finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty, wherever applicable.
Waste	Net realizable value

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability accrued during the year.

Maintenance and Repair Services

Revenue from maintenance and repair services is accounted for in accordance with the terms of contracts, as and when these services are rendered

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Export Benefits

Export Benefits under Duty Exemption Advance Licence Scheme are accounted for in the year of actual purchase of raw materials under the above scheme. However, Export Benefits under Duty Exemption Pass Book Schemes (DEPB) are accrued for in the year of export.

(k) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise, except those arising from investments in non-integral operations. Exchange differences arising in respect of fixed assets acquired from outside India before accounting period commencing after December 7, 2006 are capitalized as a part of fixed asset.

(iv) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for that year.

(l) Retirement and other benefits

- i. Retirement benefits in the form of Provident Fund is defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions is made to Regional Provident Fund Commissioner. There are no other obligations other than the contribution payable
- ii. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year. However, the Company has created an approved Gratuity Fund, which has taken a group gratuity cum insurance policy with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and premium paid to LIC is charged to Profit & Loss account. At the end of accounting year, difference between obligation as per actuarial valuation and the fair value of plan asset is further provided for.
- iii. Short term compensated absences are provided for based on estimates at cost to company basis. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv. Actuarial gains/losses are immediately taken to Profit and Loss account and are not deferred.
- v. Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss account.

(m) Income taxes

Tax expense comprises of current, fringe benefit and deferred taxes. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the income tax authorities in accordance with Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has unabsorbed depreciation or carry forward tax losses, entire deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(n) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction year is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction year which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned during construction year is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

(o) Segment Reporting Policies

Identification of Segment :

Business Segment :

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Intersegment Transfers :

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

General corporate income and expense items are not allocated to any business segment.

(p) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issues, bonus elements in rights issue to existing shareholders, share split, and reverse share split (consolidation of shares)

For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(q) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

(r) Cash and Cash equivalents

Cash and cash equivalents in the Cash Flow Statements comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(s) Derivative Instruments

As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the income statement. Net gains are ignored.

3. Segment Information

Business Segments :

The Company operates in primarily three segments i.e. Fused Aluminum Oxide Grains including Calcined Products, Refractories & Monolithics and generation of power. The Company manufactured Bonded Abrasives products during the previous year till the date the same was transferred to a party.

Segment Information

Primary Segment – reporting (by Business Segment)

The following table presents revenue and profit information regarding business segments for the years ended March 31, 2008 and March 31, 2007 and certain assets and liability information regarding business segments at March 31, 2008 and March 31, 2007.

A) Primary Segments Reporting (by Business Segments)

Segment Revenue, Results and Other Information

(Amount in Rs.)

Particulars	Fused Aluminum Oxide Grains Including Calcined Products		Bonded Abrasives (Discontinued)		Refractories & Monolithics		Power Generation		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
REVENUE										
External sales/Income	6,104.36	4,980.45	–	1,123.32	17,004.90	12,623.85	–	–	23,109.26	18,727.62
Inter-segment sales	3,844.95	3,156.51	–	–	10.71	17.72	3,281.16	2,691.02	7,136.82	5,865.25
Total Revenue	9,949.31	8,136.96	–	1,123.32	17,015.61	12,641.57	3,281.16	2,691.02	30,246.08	24,592.87
Less: Inter segment sale	3,844.95	3,156.51	–	–	10.71	17.72	3,281.16	2,691.02	7,136.82	5,865.25
Add: Unallocated										
Corporate Income									98.53	3.10
Total revenue	6,104.36	4,980.45	–	1,123.32	1,7004.90	12,623.85	–	–	23,207.79	18,730.72
SEGMENT RESULT	331.14	(244.21)	–	2.06	2,556.45	1,744.82	578.43	432.85	3,466.02	1,935.52
Less: Corporate Expenses										
(Net) (Unallocated)									–	–
<i>Exceptional Items</i>										
Voluntary Retirement Scheme	–	–	–	150.18	–	25.85	–	–	–	176.03
Profit on Transfer of Bonded Abrasives Division	–	–	–	2,021.67	–	–	–	–	–	–
Operating Profit									3,312.71	3,588.54
Interest Expense (Net)									(614.23)	(264.33)
Profit from Operating activity									2,698.48	3,324.21
Taxes									(750.97)	(774.55)
Net Profit									1,947.51	2,549.66
Segment Assets	7650.23	9765.05	–	–	8,855.50	6,980.04	4500.27	849.60	21,006.00	17,594.69
Unallocated Corporate Assets									303.29	242.26
Total Assets									21,309.29	17,836.95
Segment Liabilities	1252.42	1,317.38	–	–	1,863.98	1,671.05	3.21	1.82	3,119.60	2,990.25
Unallocated Corporate Liabilities									9,103.32	7,016.67
Total Liabilities									12,222.92	10,006.92
Capital Expenditure	537.98	968.88	–	–	594.35	373.17	898.74	2900.57	2,031.07	4,242.62
Unallocated Capital Expenditure									25.35	0.82
Total Capital Expenditure									2,056.42	4,243.44
Depreciation	316.07	213.83	–	12.69	166.48	140.44	303.49	197.88	786.04	564.83
Unallocated Corporate Depreciation									6.14	11.43
Total Depreciation									792.18	576.26

Note: Unbold figures indicates previous year Figures

Secondary Segment Reporting (By Geographical Segments)

The following is the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced:

	For the year ended March 31, 2008	For the year ended March 31, 2007
Domestic Market	19,957.27	16338.21
Overseas Markets	3151.99	2245.12
Total	23,109.26	18,583.33

The following table shows the carrying amount of segment assets by geographical markets

	As at March 31, 2008	As at March 31, 2007
Domestic Market	4758.16	3897.48
Overseas Markets	515.05	394.56
Total	5273.21	4292.04

Note : The Company has common fixed assets for producing goods for Domestic Market as well as Overseas Markets. Hence, separate figures for fixed assets/ additions have not been furnished.

4. Related Party Disclosures

Names of Related Parties

A. Individuals holding 20% or more voting rights and his relatives

1. Mr. S.G. Rajgarhia (Managing Director)

B. Key Management personnel and their relatives

	Relationship
1. Mr. S.G. Rajgarhia	Managing Director
2. Mrs. Usha Rajgarhia	Wife
3. Mr. R.K. Rajgarhia	Brother
4. Mrs. Prabha Rajgarhia	Brother's Wife
5. Mr. N.K. Rajgarhia	Brother
6. Mrs. Rajkumari Rajgarhia	Brother's Wife
7. Mr. S.K. Rajgarhia	Brother
8. Mrs. Sulabha Rajgarhia	Brother's Wife
9. Mr. P.K. Rajgarhia	Brother
10. Mrs. Madhushree Rajgarhia	Brother's Wife
11. Mrs. Sunita Bagla	Sister
12. Ms Anisha Mittal	Daughter
13. Mr. Ashwin Mittal	Son-in-Law
14. Ms Bhawna Rajgarhia	Daughter
15. S G Rajgarhia (HUF)	HUF
16. R.K. Rajgarhia & Sons (HUF)	HUF
17. RKR Foundation	
18. Mr. P.P. Khanna	Key management personnel
19. Mrs. Prabha Khanna	Wife
20. Mr. Sanjay Khanna	Son
21. Mr. Sandeep Khanna	Son

C. The Enterprises controlled by the above persons

- | | |
|--------------------------------------|---|
| 1. Perfectpac Ltd. | 8. Rovo Marketing Pvt. Ltd. |
| 2. Unifrax India Ltd. | 9. Madhushree Properties Pvt. Ltd. |
| 3. Pyramid Abrasives Pvt. Ltd. | 10. Rajgarhia Leasing & Financial Services Ltd. |
| 4. Orient Abratech Pvt. Ltd. | 11. AJR Fiscal Pvt. Ltd. |
| 5. APM Industries Ltd. | 12. Faridabad Paper Mills Ltd. |
| 6. Hindustan General Industries Ltd. | 13. Orient Abratool Pvt. Ltd. |
| 7. HGI Finance & Leasing Ltd | 14. Orient Coated Pvt. Ltd. |

Particulars	A. An Individual with substantial interest		B. Relatives of Key Management personnel		C. Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Sales to :								
Unifrax India Ltd.	-	-	-	-	2.54	-	2.54	-
Orient Abratool Pvt. Ltd.	-	-	-	-	40.70	-	40.70	-
Orient Abratech Pvt. Ltd.	-	-	-	-	11.78	-	11.78	-
Orient Coated Pvt. Ltd.	-	-	-	-	0.67	-	0.67	-
Pyramid Abrasives Pvt. Ltd.	-	-	-	-	0.33	0.79	0.33	0.79
Others	-	-	-	-	0.10	0.08	0.10	0.08
Total Sales	-	-	-	-	56.12	0.87	56.12	0.87
Purchase of raw materials, stores and spares from :								
Unifrax India Ltd.	-	-	-	-	41.42	26.23	41.42	26.23
Perfectpac Ltd.	-	-	-	-	27.73	35.90	27.73	35.90
Others	-	-	-	-	0.23	0.10	0.23	0.10
Total Purchase					69.38	62.23	69.38	62.23
Service Charges (Commission Paid) to Hindustan General Industries Ltd.	-	-	-	-	27.36	25.57	27.36	25.57
Rent paid to :								
Bhawna Rajgarhia	-	-	4.28	4.72	-	-	4.28	4.72
Usha Rajgarhia	-	-	1.80	1.80	-	-	1.80	1.80
Madhushree Properties Pvt. Ltd.	-	-	-	-	1.80	1.80	1.80	1.80
Perfectpac Ltd.	-	-	-	-	-	0.08	-	0.08
Total Rent Paid	-	-	6.08	6.52	1.80	1.88	7.88	8.40
Guarantee given by S G Rajgarhia	-	-	2,300.00	4,865.00	-	-	2,300.00	4,865.00
Guarantee given by S G Rajgarhia released	-	-	-	2,490.00	-	-	-	2,490.00
Interest Paid to :								
HGI Finance & Leasing Ltd.	-	-	-	-	-	0.88	-	0.88
Rovo Marketing Pvt. Ltd.	-	-	-	-	32.40	21.00	32.40	21.00
Hindustan Gen. Industries Ltd.	-	-	-	-	-	0.53	-	0.53
P P Khanna	-	-	6.00	0.62	-	-	6.00	0.62
Prabha Khanna	-	-	-	0.53	-	-	-	0.53
Others	-	-	0.79	0.44	-	-	0.79	0.44
Total Interest Paid			6.79	1.59	32.40	22.41	39.19	24.00
Dividend paid to :								
S G Rajgarhia	62.24	62.01	-	-	-	-	62.24	62.01
S G Rajgarhia (HUF)	-	-	25.25	21.28	-	-	25.25	21.28
Usha Rajgarhia	-	-	19.71	19.85	-	-	19.71	19.85
Anisha Mittal	-	-	44.91	44.65	-	-	44.91	44.65
Bhavna Rajgarhia	-	-	20.81	20.66	-	-	20.81	20.66
Rovo Marketing Pvt. Ltd.	-	-	-	-	0.05	0.55	0.05	0.55
Faridabad Paper Mills Ltd.	-	-	-	-	3.29	6.31	3.29	6.31
Rajgarhia Leasing & Financial Ser. Pvt. Ltd.	-	-	-	-	3.58	4.13	3.58	4.13
Madhushree Properties Pvt. Ltd.	-	-	-	-	10.24	10.25	10.24	10.25
Others	-	-	28.67	27.07	1.12	1.10	29.79	28.17
Total Dividend Paid	62.24	62.01	139.35	133.51	18.28	22.34	219.87	217.86

Particulars	A. An Individual with substantial interest		B. Relatives of Key Management Personnel		C. Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
*Salary to :								
S G Rajgarhia	-	-	83.67	48.08	-	-	83.67	48.08
P P Khanna	-	-	23.84	21.09	-	-	23.84	21.09
Others	-	-	6.90	5.22	-	-	6.90	5.22
Total Salary	-	-	114.41	74.39	-	-	114.41	74.39
Sitting Fees to R K Rajgarhia	-	-	0.50	0.70	-	-	0.50	0.70
Loan taken from :								
HGI Finance & Leasing Ltd.	-	-	-	-	-	30.00	-	30.00
Hindustan General Industries Ltd.	-	-	-	-	-	20.00	-	20.00
Rovo Marketing Pvt. Ltd.	-	-	-	-	291.40	521.00	291.40	521.00
P P Khanna	-	-	-	50.00	-	-	-	50.00
Total Loans Taken	-	-	-	50.00	291.40	571.00	291.40	621.00
Loans repaid to :								
HGI Finance & Leasing Ltd.	-	-	-	-	-	85.00	-	85.00
Hindustan General Industries Ltd.	-	-	-	-	-	45.00	-	45.00
Rovo Marketing Pvt. Ltd.	-	-	-	-	195.34	288.00	195.34	288.00
S. G. Rajgarhia	-	-	-	-	-	-	-	-
Total Loans Repaid	-	-	-	-	195.34	418.00	195.34	418.00
Fixed Deposits Repaid :								
P P Khanna	-	-	-	20.00	-	-	-	20.00
Prabha Khanna	-	-	-	20.00	-	-	-	20.00
Ashwin Mittal	-	-	4.17	-	-	-	4.17	-
Total fixed deposits repaid	-	-	4.17	40.00	-	-	4.17	40.00
Balance outstanding as at year end								
Receivable From :								
Orient Steel & Industries Ltd.	-	-	-	-	15.44	-	15.44	-
Orient Coated Pvt. Ltd.	-	-	-	-	0.67	-	0.67	-
Total Receivable	-	-	-	-	16.11	-	16.11	-
Payable to :								
S G Rajgarhia	-	-	60.26	29.45	-	-	60.26	29.45
Usha Rajgarhia	-	-	-	0.19	-	-	-	0.19
Bhavna Rajgarhia	-	-	-	0.16	-	-	-	0.16
Anisha Mittal	-	-	-	0.58	-	-	-	0.58
Hindustan General Industries Ltd.	-	-	-	-	0.12	4.80	0.12	4.80
Rovo Marketing Pvt. Ltd.	-	-	-	-	329.06	233.00	329.06	233.00
Perfectpac Ltd.	-	-	-	-	5.50	10.91	5.50	10.91
Unifrax India Ltd.	-	-	-	-	10.83	11.27	10.83	11.27
P P Khanna	-	-	53.60	52.12	-	-	53.60	52.12
Total Payable	-	-	113.86	82.50	345.51	259.98	459.37	342.48
Fixed Deposits Repayable								
Ashwin Mittal	-	-	-	4.17	-	-	-	4.17
Total Fixed Deposits Repayable	-	-	-	4.17	-	-	-	4.17
-Outstanding Guarantees Given	-	-	8,450.00	6,150.00	-	-	8,450.00	6,150.00

Notes:

1. No amount has been provided as doubtful debts or advances/written off or written back in the year in respect of debts due from above related parties.
2. *Excluding Contribution to Gratuity, provision for leave encashment, being the figures those are actuarially determined for the Company as a whole and therefore, are not separately available.

	2008	2007
5. Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of Capital advances Rs 127.20, Previous year Rs 195.51)	107.87	483.24
6. Contingent liabilities (not provided for) in respect of:		
i) Power claim matters decided in favour of the Company by the District Court (Civil Court, Senior Division, Porbandar) but Pashim Gujarat Vidyut Company Limited has gone into further appeal before Hon,ble High Court of Gujarat,*	338.02	338.02
ii) Sales tax and interest demand raised by Kolkata Sales tax authorities for non-submission of declarations forms for the year 1987-88. 1993-94 and 1994-95.	22.87	22.87
iii) Differential Sales tax demand by Karnataka Sales tax authorities. Company has gone into appeal before Sales tax Appellate Tribunal (Company deposited Rs. 7.28 against the penalty under protest and same is being disclosed in loans and advances).	7.28	7.28
iv) Demand raised by the Income Tax Authorities, being disputed by the Company (Refer Note A below)	1238.39	5.65
v) Cases pending with Labour Courts		(Amount unascertainable)

* In view of decision already in favour of the Company by the District Court (Civil Court, Senior Division, Porbandar) and based on discussions with the solicitors, the management believes that the Company has a strong chance and hence no provision there against is considered necessary.

a) The Company has a thermal power plant at Porbander to meet the energy needs of its abrasives grains division (AGD) at Porbander. Under Section 80 IA of the Income Tax Act, 1961, the profit of the power plant is not liable to income tax and therefore a deduction of an amount equal to hundred percent of the profit derived from such business is allowable from the total income of the Company for a period of 10 consecutive assessment years. The Department allowed the benefit to Company with respect to year 2001-02 and 2002-03. However in respect of year 2003-04, Department denied the benefit by taking a different view. The Company appealed against the same and Commissioner of Income Tax (Appeals) decided appeal in favour of Company by reversing the department's order. Against this, the department has gone into appeal before the Income Tax Appellate Tribunal. Further in respect of year 2004-05 & 2005-06 also, department has disallowed benefit to Company and the Company's appeal with respect to each year is pending with CIT (Appeals). Subsequently, the department reopened the case for the year 2001-02 and disallowed the benefit to Company. The Company has appealed to CIT (Appeals) against this. The department also reopened the case for the year 2002-03 against which the Company has filed a writ petition with the Hon'ble High Court, Delhi and the court has passed an interim order staying further assessment by the department. The Company, on the basis of current status of the case and advice obtained from legal counsel is confident that there would not be any probable outflow of resources in this matter.

7. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

No.	Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006	2008	2007
i	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	Principal Amount Unpaid	92.07	-
	Interest Due	1.89	-
ii	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year		

No.	Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006	2008	2007
	Payment made beyond the Appointed Date	77.85	—
	Interest Paid beyond the Appointed Date	—	—
iii	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	3.15	—
iv	The amount of interest accrued and remaining unpaid at the end of the year; and	5.04	—
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006		

8. Gratuity and other Post-employment benefit plans:

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy. At the end of accounting year actuarial valuation is done as per the Projected unit credit method and any shortfall in the funding claims is further provided for.

The Company has also provided long term compensated absences which are unfunded.

The following tables summarise the components of net benefit expense recognized in the profit and loss account and the unfunded status and amounts recognized in the balance sheet for the Gratuity

Profit and Loss account

Net employee benefit expense (recognised in Employee Cost)

	Rs in Lacs
	<i>(Gratuity)</i>
	March 31, 2008
Current service cost	22.45
Interest cost on benefit obligation	28.25
Expected return on plan assets	(22.79)
Net actuarial loss recognised in the year	(10.85)
Past service cost	
Net benefit expense	17.06
Actual return on plan assets	—

Balance Sheet

Detail of provision for gratuity

	Rs. Lacs
	March 31, 2008
Defined benefit obligation	378.80
Fair value of plan assets	(313.33)
	65.47
Less: Unrecognised past service cost	—
Plan liability	65.47

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2008
Defined benefit obligation as at April 1, 2007	353.11
Interest cost	28.25
Current service cost	22.45
Benefits paid	(13.97)
Actuarial losses on obligation	(11.06)
Defined benefit obligation as at March 31, 2008	378.80

	March 31, 2008
Fair value of plan assets as at April 1, 2007	246.42
Expected return	22.79
Contributions by employer	58.28
Benefits paid	(13.97)
Actuarial gains / (losses)	0.20
Fair value of plan assets as at March 31, 2008	313.33

The Company expects to contribute Rs. 60 lakhs to gratuity in 2008-09.

The major categories of plan assets as a percentage of the fair value of total plan assets is as follows:

Insurance policy with Life Insurance Corporation of India

100

The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

	March 31, 2008
	%
Discount rate	8.0
Increase in Compensation cost	7.0
Expected rate of return on assets	9.25
Employee turnover – Age Group	
Up to 30 years	3%
30 – 44 years	2%
Above 44 years	1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Pursuant to a limited revision to AS 15 (revised) made by Companies (Accounting Standards) Amendment Rules, 2008 an entity is allowed to make disclosures required by paragraph 120(n) of AS 15 (revised) prospectively from the transition date. In view of the above the Company has not disclosed the information required to be disclosed under para 120 (n) of AS 15 (revised).

The current year being the first year of adoption of Accounting Standards – 15 (Revised 2005) by the Company, the previous year's comparative information has not been furnished.

Contribution to Defined Contribution Plans:

Provident Fund 73.96

9. Provision for Income Tax has been made after taking into consideration the benefits available under Section 801A of the Income Tax Act, 1961 in respect of Power Plant installed at Porbandar for captive consumption.

10. Expenditure during construction period

Particulars	2007-08 (Rs in Lacs)	2006-07 (Rs in Lacs)
Balance brought forward	72.68	5.73
Expenditure incurred during the period		
-Interest on Term Loan	67.99	35.48
-Bank Charges	-	26.60
-Traveling & Conveyance	2.63	4.87
Allocated to fixed assets	(143.30)	
Balance carried forward	-	72.68

11. During the previous year, pursuant to Shareholders approval and as further approved by the Board of Directors on October 1, 2006, the Board of Directors of the Company finally approved the transfer of Bonded Abrasives Division (BAD) located at Bhiwadi to a party. The same was a reportable segment in accordance with Accounting Standard "17" Segment Reporting issued by ICAI. The disposal was consistent with the Company's strategy to focus and to divest unrelated activities. After obtaining necessary approvals, all assets and liabilities of the BAD were transferred on October 1, 2006 for a total consideration of Rs. 2709.62 lacs. The pre tax gain of R.s. 2021.67 (excluding Income Tax Expense of Rs. 461.97) have been recognized on transfer of BAD and shown as Exceptional Item in the Profit & Loss Account.

12. The Company has taken various residential, office and warehouse premises and plant & machinery under operating lease agreements. These are not non-cancellable and are renewable by mutual consent on mutually agreed terms. The lease payment recognized in the statement of profit & loss account for the year is Rs. 24.55 (Previous year Rs. 15.73).

**13. Derivative Instrument and Unhedged Foreign Currency Exposure
Forward Contract Outstanding as at Balance Sheet date**

Particular of Derivative		C.Y.	P.Y.	Purpose
Sell	USD	US \$ 1,050,000	- -	Hedge of Debtors/expected future sales

Note: There is a net gain on mark to market valuation of derivative contract as on March 31, 2008. The same has been ignored as per Company policy.

Particulars of Unhedged Foreign Currency Exposure at the Balance Sheet Date

Particulars	Amount in Foreign Currency			Amount in Indian Currency	
	Currency	C.Y.	P.Y.	C.Y.	P.Y.
Sundry Creditors for Goods, Advances and Expenses	USD	225,502 @40.58	113,052 @43.58	90.45	49.27
	EURO	50,940 @ 63.47	32,496 @58.43	32.33	18.99
	GBP	4,390 @ 80.12	35,678 @86.02	3.52	30.69
Secured Loan	USD	2,400,000 @ 40.11	2,700,000 @43.58	962.64	1176.66
Interest on Term Loan	USD	37,794 @ 40.11	46,640 @43.58	15.16	20.33
Sundry Debtors	USD	523,472 @ 39.52	609,584 @43.14	206.88	262.97
	EURO	431,157 @62.34	229,725 @57.28	268.78	131.58

14. The Breakup of expenses relating to raising of Raw Bauxite at Company's own mines is as under :

	March 31, 2008	March 31, 2007
Personnel Expenses		
Salaries, Wages and Bonus	662.10	414.07
Contribution to Provident and other funds	1.69	1.49
Workmen and Staff Welfare Expenses	0.81	2.92
Operating and Other Expenses		
Consumption of Stores and Spares	2.62	0.37
Rent	6.73	0.67
Rates & Taxes	0.69	5.65
Royalty on Raw Bauxite (On dispatch to factory)	50.05	31.10
Insurance	0.16	0.01
Legal and Professional Fees	-	0.07
Vehicle Running & Maintenance	6.58	2.65
Repairs and Maintenance :		
- Plant & Machinery (excluding Stores & Spares Consumed)	0.03	0.02
- Buildings	0.40	-
- Others	0.15	0.15
Travelling & Conveyance	2.65	2.99
Printing and Stationery	0.72	0.77
Donations and Contributions	0.17	0.51
Bank Charges	0.69	0.97
Miscellaneous Expenses	22.96	13.62
TOTAL	759.20	478.03

15. In accordance with Para 10 of Accounting Standard -9 on Revenue Recognition notified under Companies (Accounting Standard) Rules, 2006, excise duty on sales amounting to Rs. 2923.85 (Previous Year Rs. 2698.55) has been reduced from sales in profit & loss account and excise duty on increase/decrease in stock amounting to Rs. 48.18 (Previous Year Rs. 100.97) has been considered as (income)/expense in Schedule 19 of the financial statements.

16. Supplementary Statutory Information

16.1 Directors' Remuneration

	For the year ended March 31, 2008	For the year ended March 31, 2007
Salaries	46.28	29.60
Commission	56.60	27.32
Contribution to Provident fund	3.19	2.09
Perquisites	1.44	1.87
	107.51*	60.88*

*Excluding contribution to Gratuity Fund / Provision for Leave Encashment

16.2 Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 for calculation of commission payable to director

Profit as per Profit and Loss Account	2698.48	3324.21
<i>Add:</i>		
Directors' Remuneration	107.51	60.90
Director Fee	2.05	2.90
Loss on sale / discard of fixed assets	22.55	-
<i>Less:</i>		
Profit on sale of Bonded Abrasive Division	-	2021.67
Provision for Doubtful Debts and Advances adjusted (net)		0.96
Net profit as per Section 349 of the Companies Act, 1956	2830.59	1365.38
Commission to Managing Director @ 2% (Previous Year 2%) of the net profits as calculated above	56.60	27.32

16.3 Earnings in foreign currency (on accrual basis)

Exports at F.O.B. Value	2912.21	2244.13
Freight	–	10.41
Royalty	34.96	–

16.4 Expenditure in foreign currency (on accrual basis)

Travelling	17.44	19.79
Interest	67.68	20.34
Legal and professional fees (net of taxes)	15.49	28.61
Others (net of taxes, wherever applicable)	167.00	146.99
	267.61	215.73

16.5 Value of imports calculated on CIF basis (on accrual basis)

Raw Materials	951.40	885.81
Stores and Spares	48.22	58.01
Capital Goods	171.42	485.30
	1171.04	1429.12

17.0 Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956
17.1 Licensed Capacity, Installed Capacity and Actual Production

Class of Goods	Unit	Licensed	Capacity	Installed	Capacity*	Actual Production	
		2008	2007	2008	2007	2008	2007
Fused Aluminum Oxide Grains	MT	NA	NA	25000	21000	24687	21317
Calcined Products	MT	NA	NA	74250	74250	52459	52497
Bonded Abrasives	MT	NA	NA	–	3,600	–	1060
Refractories	MT	NA	NA	16000	9000	12083	9494
Monolithics	MT	NA	NA	28000	23200	21548	25127
Ceramic Paper	Pcs	NA	NA	20000	20000	4817	27052
Waste	MT	NA	NA			3819	6335

* As Certified by the Technical Head

Notes :

1. Production of Fused Aluminum Oxide Grains 8897 MT for captive consumption (Previous year 7722 MT).
2. Production of Calcined Products includes 35627 MT for captive consumption (Previous year 31095 MT).
3. Production of Monolithics includes 4797 MT for captive consumption (Previous year 3177 MT).
4. Production of waste includes 226 MT used for captive consumption (Previous year 347 MT).

17.2 Sales & Stocks of Finished Goods
Sales

Class of Goods	Unit	Quantity		Value (Rs)	
		2008	2007	2008	2007
Fused Aluminum Oxide Grains	MT	16301	12172	5427.42	3844.31
Calcined Products	MT	15830	21,146	1464.24	1758.31
Bonded Abrasives	MT	–	1,128	–	1329.63
Refractories	MT	11759	9,149	12426.39	10266.06
Monolithics	MT	16851	21,604	3764.41	3805.94
Ceramic Paper	Pcs	4817	27,052	5.70	21.71
Waste	MT	3811	5,474	189.95	150.62
Service Revenue	NA	NA	NA	260.07	68.42
Miscellaneous				10.71	8.38
				23548.89	21253.38

Stocks

Class of Goods	Unit	Quantity		Value (Rs)	
		2008	2007	2008	2007
Opening Stock					
Fused Aluminum Oxide Grains	MT	2144	590.15	590.01	192.15
Calcined Products	MT	992	735	123.84	67.16
Bonded Abrasives	MT	–	68	–	63.80
Refractories	MT	667	370	545.10	313.56
Monolithics	MT	600	277	107.46	40.11
Waste	MT	621	107	27.28	3.06
				1393.69	679.84
Closing Stock					
Fused Aluminum Oxide Grains	MT	1633	2144	496.57	590.01
Calcined Products	MT	1994	992	157.35	123.84
Bonded Abrasives	MT	–	–	–	–
Refractories	MT	991	667	827.05	545.10
Monolithics	MT	500	600	121.78	107.46
Waste	MT	403	621	19.63	27.28
				1622.38	1393.69

Notes :

1. Turnover of Bonded Abrasives is the balancing quantity which includes free replacements, samples, breakages, claims, shortages, excesses etc., the quantum of which has not been separately determined.
2. The quantitative figures in respect of Bonded Abrasives and Refractories in Excise Records are available in numbers and the same have been converted into tonnage by the Management.
3. Differences in quantitative tally in respect of Refractories and Monolithics are on account of samples, free replacements, damages etc.

17.3 Consumption of Raw Materials

Class of Goods	Unit	Quantity		Value (Rs)	
		2008	2007	2008	2007
Raw Bauxite	MT	102072	90648	707.84	749.54
Calcined Alumina	MT	12523	12355	3138.22	3302.23
Others*				3435.13	3962.13
				7281.19	8013.90

* In view of large number of items, it is not practicable to furnish quantitative information in respect of raw material consumption shown in others.

Note: Raw materials consumed is net of DEPB benefits amounting to Rs.152.08 (Previous year Rs. 87.94)

17.4 Imported and Indigenous Raw Materials, Stores and Spares Consumed

	% of total consumption		Value	
	2008	2007	2008	2007
Raw Materials				
Indigenous	88.48	88.85	6442.47	7120.73
Imported	11.52	11.15	838.72	893.17
	100.00	100.00	7281.19	8013.90
Stores and Spares				
Indigenous	89.31	96.08	1622.43	1557.94
Imported	10.69	3.92	194.26	63.64
	100.00	100.00	1816.69	1621.58

17.5 Detail of goods Purchased for Resale

	Value	
	2008	2007
Opening Stock	5.07	030
Purchase	2382.35	99.83
	2387.42	100.13
Sales	2371.93	96.93
Closing Stock	235.33	5.07

In view of large number of items, it is not practicable to furnish quantitative information in respect of Goods purchased for resale.

18. Previous year Comparatives

Pursuant to transfer of Bonded Abrasives Division with effect from October 1, 2006, previous year's figures to that extent are not comparable with those of current year's figures. Previous year's figure have been regrouped/ rearranged whenever necessary.

As per our report of even date attached

For and on behalf of the Board of Directors

for S.R.BATLIBOI & CO
Chartered Accountants

Per Manoj Gupta
Partner
Membership No. 83906

Place : Gurgaon, Haryana
Date : June 17, 2008

S.G.RAJGARHIA
(Managing Director)

B.L.GUPTA
(Sr. Vice President - Finance)

T.N.CHATURVEDI
(Director)

DEEPAK C.S.
(Company Secretary)

R.K.RAJGARHIA
(Chairman)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
I. Registration Details

Registration No.	5854	State Code	55
Balance Sheet Date	31	03	2008

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	1722601	Total Assets	1722601
Sources of Funds			
Paid-up Capital	59833	Reserves & Surplus (including Deferred Tax Liability)	889178
Secured Loans	657904	Unsecured Loans	115686
Application of Funds			
Net Fixed Assets	930384	Investments	27
Net Current Assets	792190	Misc. Expenditure	NIL

IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Including other Income)	2320779	Total Expenditure	2050931
Profit Before Tax	269848	Profit After Tax	194751
Earning per Share in Rs	3.26	Dividend Rate %	90%

V. Generic Names of Three Principal Products of Company (As per monetary terms)

Item Code No. (ITC Code)	28182090
Product Description	Fused Aluminium Oxide Grains
Item Code No. (ITC Code)	69022030
Product Description	Slide Gate and Continuous Casting Refractories
Item Code No. (ITC Code)	38160000
Product Description	Refractory Cement and Castables

For and on behalf of the Board of Directors

S.G.RAJGARHIA
(Managing Director)

T.N.CHATURVEDI
(Director)

R.K.RAJGARHIA
(Chairman)

Place : New Delhi
Date : June 17, 2008

B.L.GUPTA
(Sr. Vice President - Finance)

DEEPAK C.S.
(Company Secretary)

MANAGEMENT

BOARD OF DIRECTORS

Mr. Rajendra Kumar Rajgarhia, Chairman
 Mr. Rama Shanker Bajoria
 Mr. Tribhuvan Nath Chaturvedi
 Mr. Umesh Kumar Khaitan
 Mr. Sudhir Kumar Samarendra Narayan
 Mr. Shri Gopal Rajgarhia, Managing Director
 Mr. Prem Prakash Khanna, Executive Director

BANKERS

HDFC Bank
 State Bank of India
 Citibank

AUDITORS

S. R. Batliboi & Co.

REGISTERED OFFICE

1307, Chiranjiv Tower
 43, Nehru Place
 New Delhi-110 019

REGISTRAR & TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
 246, First Floor, Sant Nagar,
 East of Kailash
 New Delhi – 110 065
 Phone : 011-26292682, 011-26292683
 Fax : 011-26292681
 E mail : admin@skylinerta.com

WORKS

Abrasives Grains & Power Division :
 GIDC Industrial Area,
 Porbandar
 Gujarat-360 577

Refractories Division :
 SP-148A & B, RIICO Industrial Area,
 Bhiwadi, Dist Alwar (Rajasthan)

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