

OROSIL SMITHS INDIA LIMITED

(Formerly Known as Silver Smith India Limited)

20TH ANNUAL REPORT

SATURDAY, 27TH SEPTEMBER, 2014, (11 A.M.)

YWCA of Delhi, Ashoka Road, New Delhi-110001

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Corporate Information

BOARD OF DIRECTORS:

Mr. B. K. Narula	Managing Director
Mrs. Rita Narula	Director
Mr. Puneet Jain	Independent Director
Mr. Bhavana Sampath Kumar	Independent Director

AUDITORS:

M/S Khanna Gulati & Associates
Chartered Accountants,
171, Somdutt Chamber-2,
9-Bhikaji Cama Place, New Delhi-110066.

REGISTERED OFFICE :

620, Hemkunt Chambers,
89, Nehru Place, New Delhi-110019.

CORPORATE OFFICE:

A-89, Sector-2, Noida-201301.

LISTED WITH STOCK EXCHANGE:

Bombay Stock Exchange Limited
Corporation Relationship Department
1st Floor, New Trading Wing
Rotunda Building, PJ Towers,
Dalal Street, Fort Mumbai 400001

BANKER :

HDFC Bank Limited
Deutsche Bank
Bank of Baroda
Oriental Bank of Commerce

REGISTRAR & SHARE TRANSFER AGENT:

M/s Skyline Financial Services Private Limited
D-153 A, Okhla Industrial Area, Phase-I, New Delhi – 110 020



NOTICE

OROSIL SMITHS INDIA LIMITED

CIN: L74899DL1994PLC059341
Registered Office: Hemkunt Chambers,
Flat. 620, 89, Nehru Place, Delhi-110019
Website: www.orosil.com
Email: info@orosil.com, M: 9811088560.

NOTICE IS HEREBY GIVEN THAT THE 20TH ANNUAL GENERAL MEETING OF OROSIL SMITHS INDIA LIMITED WILL BE HELD ON SATURDAY, THE 27TH DAY OF SEPTEMBER, 2014, 11.00 A.M AT YWCA OF DELHI, ASHOKA ROAD, NEW DELHI-110001 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2014 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Bhushan Kumar Narula (holding DIN: 00003629), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, M/s Aggarwal Aman & Associates LLP, Chartered Accountants (Firm Registration No. 023479N) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this meeting (AGM) till the conclusion of sixth consecutive Annual General Meeting (with the meeting wherein such appointment has been made being counted as the first meeting), subject to ratification by the members of the company at every AGM after this AGM, at a remuneration (including terms of payment) as may be recommended by the Audit Committee and fixed by the Board of Directors of the Company, in order to fill the casual vacancy caused due to resignation vide letter dated 14th August, 2014, by the Auditors M/s Khanna Gulati & Associates, Chartered Accountants (Firm Registration No. 012190N).”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Ms. Bhawana Sampath Kumar (DIN 05260084), a non-executive independent director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, for a term of five consecutive years from the date of this Annual General Meeting.”

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. THE PROXY FORM IS ATTACHED. A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% percent of the total share capital of the Company.
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than forty-eight hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.
2. The notice of the AGM along with the copies of the 20th Annual Report, 2014, instructions for e-voting, attendance slip and proxy form are being sent by electronic mode to all the members whose email addresses are registered with the company/ Depository Participants/ Registrar and Transfer Agent for communication purposes.
3. Hard copy of the notice along with the copies of the 20th Annual Report, 2014, instructions for e-voting, attendance slip and proxy form are being sent by the permitted mode to those members who have not registered their email addresses and those who have requested for the same. Annual Report will also be available on Company's website.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd September, 2014 to 27th September, 2014 (both days inclusive).
5. The information required in terms of Clause 49 of the Listing Agreement is given in Corporate Governance Report annexed to the Directors' Report.
6. Details under Clause 49 of the Listing Agreement in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
7. Members holding shares in demat form are requested to submit their Permanent Account Number (PAN) to their respective Depository Participant and those holding shares in physical form are requested to submit their PAN details to the Company/ RTA, in order to comply with the SEBI guidelines.
8. Members who hold shares in dematerialized form are requested to bring their client ID and DPID numbers for facilitating identification for attendance at the meeting.
9. Members are requested to update their email address with their Depository Participants to enable the company to send the future correspondences/ communication via e-mail.
10. The members are requested to send the transfers, change of address, bank mandates and other related correspondence to the Registrars and Share Transfer Agents, M/s. Skyline Financial Services Pvt. Limited, D-153 A, Okhla Industrial Area, Phase-I, New Delhi – 110 020.
11. Members seeking any clarification/information relating to Annual Accounts are requested to write at the Registered Office of the Company at-least one week before date of meeting.
12. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed herewith.

**By order of the Board
For OROSIL SMITHS INDIA LIMITED**

**New Delhi
August 14, 2014**

**Sd/-
B. K. Narula
Managing Director
DIN: 00003629**

Enclosures: 20th Annual Report comprising of the Directors' Report, Auditors' Report, Audited Balance Sheet, Statement of Profit & Loss, Cash Flow Statement along with Accounting Policies and Notes to the Accounts, etc.

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

Item No. 3:

Section 139 of the Companies Act, 2013 and the Rules made there under provide that a company can appoint a Firm as auditor for maximum two terms of five consecutive years. In other words, company can make appointment of auditor for five years at a time. Further, the appointment is subject to ratification by shareholders every year in the Annual General Meeting.

The Resignation of Auditor M/s Khanna Gulati & Associates, Chartered Accountants (Firm Registration No. 012190N) vide letter dated 14th August, 2014, resulted in casual vacancy. Board recommends the appointment of M/s Aggarwal Aman & Associates LLP, Chartered Accountants (Firm Registration No. 023479N) as Statutory Auditors of the Company, to hold office from the conclusion of this meeting till the conclusion of sixth consecutive Annual General Meeting (AGM) subject to ratification by members at every AGM of the Company in order to fill the casual vacancy.

This resolution sets at Item No. 3 requiring Shareholders' approval.

Item No. 4:

Ms. Bhavana Sampath Kumar joined the Board of Directors of the Company on 28th May, 2012. She is independent of the management and is considered as a non-executive Independent Director of the Company under Clause 49 of the Listing Agreement.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1 April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Ms. Bhavana Sampath Kumar has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act. The appointment of Ms. Bhavana Sampath Kumar as Independent Director is now being placed before the Members in general meeting for their approval.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP, except Ms. Bhavana Sampath Kumar, is concerned or interested in the Resolution at Item No. 4 of the Notice.

**By order of the Board
For OROSIL SMITHS INDIA LIMITED**

**New Delhi
August 14, 2014**

**Sd/-
B. K. Narula
Managing Director
DIN: 00003629**

DIRECTORS' REPORT

The Board of Directors of the Company takes immense pleasure in presenting Annual Report together with the Annual Audited Accounts for the financial year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

Particulars	Amount (Rs. in Lacs)	
	Year ended 31 st March, 2014	Year ended 31 st March, 2013
Total Income	501.15	297.85
Profit before Interest, Depreciation & Taxes	70.88	(53.72)
Less: Interest & Depreciation	60.00	60.36
Profit/(Loss) before Tax	10.88	(114.08)
Less: Prior Period Adjustments	(0.02)	(0.13)
Less: Provision for Tax	-	-
Profit/(Loss) after Tax	10.86	(114.21)
Add: Profit/(Loss) Brought forward from Previous Year	-	-
Surplus available for appropriation	-	-
Less: Appropriations	-	-
I) Proposed Dividend on Equity Shares	-	-
II) Transfer to Reserve Fund u/s 45IC of RBI Act, 1934	-	-
Surplus carried to Balance Sheet	10.86	(114.21)

DIVIDEND

As the Company kept the profits for investment in better projects, Directors regret not to recommend any dividend for the year ended 31st March, 2014. However, the Directors are hopeful of better results in the near future.

MANAGEMENT DISCUSSION AND ANALYSIS

A. Industry Structure and Development

Your Company is engaged in the manufacturing and sale of silver jewellery, gold jewellery as well as plain and trading of Silver Articles.

B. Opportunity and Threats

Your Company foresees great opportunity in this line of business as the export markets as well as the domestic market are gaining momentum. The efforts put in by the management by introducing the affordable

silver & gold jewelry specially targeted to the working class women. The Company may reap benefits in the long run.

C. Risk and Concern

The prices of the precious metals is the only matter of concern for the Company otherwise there is no other risk as the global market is picking up and jewelry is always a value addition.

D. Internal Control System and their Adequacy

Your company has proper and adequate system of Internal Controls to provide reasonable assurance that all assets are safeguarded and protected against any loss.

All the policies, procedures, guidelines, authorization and approval procedures are well documented.

The Management periodically reviews the internal control system and its adequacy and report to the Board, observations, if any.

E. Discussion of Financial Performance with respect to Operational Performance

Your Company's gross turnover for the year ended March 31, 2014, was Rs. 501.15 Lacs as compared to Rs. 297.85 Lacs in the previous year.

There is a Net Profit of Rs. 10.86 Lacs in the present financial year. Other Income for the year stood as Rs. 59.09 Lacs mainly representing rental & miscellaneous income. Interest expenses were Rs. 23.89Lacs.

Depreciation was at Rs. 36.10Lacs as compared to Rs. 37.70Lacs for the corresponding period of the previous year.

CORPORATE GOVERNANCE

Report of the Directors on Corporate Governance is given separately and forms a part of this Annual Report.

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

DIRECTORS

Pursuant to Section 152 of the Companies Act, 2013, Mr. B. K. Narula (holding DIN: 00003629), Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

LISTING OF SHARES

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited. The Annual Listing Fee for the financial year 2013-14 has been paid to the Stock Exchange where the Shares of the Company are listed.

FIXED DEPOSITS

Your Company has not invited or accepted any deposits from the public within the meaning of section-58A of the Companies Act 1956, during the year under report.

STATUTORY AUDITORS

M/s Khanna Gulati & Associates, Chartered Accountant (Firm Registration No. 012190N) has resigned vide letter dated 14th August, 2014, resulting into casual vacancy in the office of auditor.

Board recommends the appointment of M/s Aggarwal Aman & Associates LLP, Chartered Accountant (Firm Registration No. 023479N) as Statutory Auditor of the Company, to hold office from the conclusion of this meeting till the conclusion of sixth consecutive Annual General Meeting (AGM) subject to ratification by members at every AGM of the Company in order to fill the casual vacancy.

AUDITORS' REPORT

The Auditors' Report on the Financials of the Company for the year ended 31st March, 2014, does not contain any reservation, qualification or adverse remark.

PARTICULARS OF EMPLOYEES, CONSERVATION OF ENERGY, FOREIGN EXCHANGE EARNING/OUTGO

There are no employees in receipt of remuneration in excess of the amount specified in Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, as amended.

Provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable to your Company.

During the period under review, the Company has neither earned nor used any foreign exchange.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 your Directors state:

- i. While preparing Annual Accounts for the year ended 31st March, 2014 the applicable Accounting Standards have been followed;
- ii. The Company had selected such accounting policies and applied consistently and made judgments 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 the year under review;
- iii. That the Company had 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 the Company had prepared the Annual Accounts for the year ended 31st March, 2014 on a going concern basis.

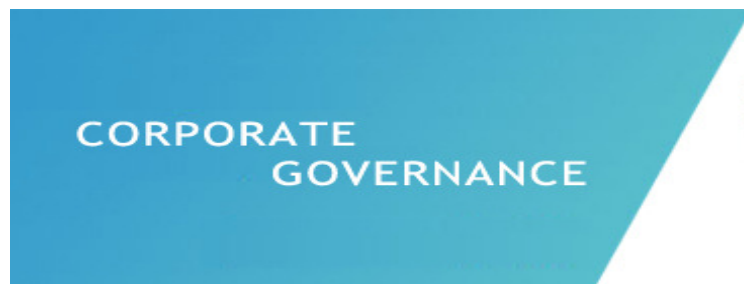
ACKNOWLEDGEMENT

We take this opportunity to express our deep sense of gratitude to the Company's Shareholders, Bankers, Customers and all the concerned authorities for their consistent support to the Company.

**By order of the Board
For OROSIL SMITHS INDIA LIMITED**

**New Delhi
August 14, 2014**

**Sd/-
B. K. Narula
Managing Director
DIN: 00003629**



Corporate Governance Policies

Orosil Smiths India Limited continuously strives for excellence through adopting best governance and disclosure practices. The Company believes that the good corporate governance practices enables the organization to perform efficiently and ethically, generate long term wealth and create value for all the stakeholders. The corporate governance philosophy of the Company rests on the tenets of Board's accountability to the Company and shareholders, equitable treatment to all the shareholders, strategic guidance and effective monitoring by the Board and timely disclosure.

This section, along with the sections on additional shareholder information and management discussion and analysis in the annual report, constitutes compliance with Clause 49 of the Listing Agreement.

Board of Directors

Your Company has an optimum combination of executive and non-executive Directors to provide strategic guidance to the Company, effective over-seeing of the management, defining responsibilities of the senior management and ensuring accountability.

The composition of the Board of Directors as on 31st March, 2014 is as under:-

Designation	Name of Director	Date of Appointment	Date of Birth
Chairman and Managing Director	Mr. B. K. Narula	01.06.1994	28.02.1954
Whole Time Director	Mrs. Rita Narula	01.06.1994	16.07.1958
Non Executive Independent Director	Mr. Puneet Jain	29.12.2009	05.10.1965
Non Executive Independent Director	Ms. Bhavana Sampath Kumar	28.05.2012	01.11.1979

Attendance of the Directors at the Board Meetings and at the last Annual General Meeting, other Directorships are as under:

S.No	Name of Directors	No. of Board Meetings Attended^A	Attendance at last AGM	No of Outside Directorships Held^B
1.	Mr. B.K Narula	5	Present	5
2.	Mrs. Rita Narula	4	Present	3
3.	Mr. Puneet Jain	5	Present	1
4.	Ms. Bhavana Kumar	5	Present	0
5.	Mr. Mahesh Prasad	2	Not Present as he resigned from Directorship on 26 th September, 2013 (before the date of AGM).	

Directorships in companies registered under the Companies act 1956 excluding the Directorships of Section-25 Companies and alternate directorships.

Board Meetings held during the year 2013-2014

Five (5) Board Meetings were held during the financial year ended March 31, 2014. The dates on which the Board meetings held were as follows: 1) May 28, 2013; 2) July 27, 2013; 3) November 9, 2013; 4) January 18, 2014 and 5) March 27, 2014. The maximum time gap between any two meetings was not more than four months.

Directors

Mr. Mahesh Prasad has resigned from Directorship on 26th September, 2013 (Before the date of AGM).

Audit Committee

The Company has an Audit Committee which consists of Three Members as on 31st March, 2014 viz. Mr. Puneet Jain, Ms. Bhavana Sampath Kumar, Mr. B. K. Narula. Mr. Mahesh Prasad was also a member of Audit Committee before his resignation from Directorship of Company. There had been four audit committee meetings in the year ended 31st March, 2014. The dates are 1) May 28, 2013; 2) July 27, 2013; 3) November 9, 2013; 4) January 18, 2014 and 5) March 27, 2014. The terms of reference of Audit Committee are as per the requirements of the Listing Agreement (Clause-49 and Section 292A of the Companies Act 1956).

S.No.	Name	Designation	No. of Audit Committee meetings Attended
1.	Mr. Puneet Jain	Member	5
2.	Ms. Bhavana Kumar	Member	5
3.	Mr. B. K. Narula	Chairman	5
4.	Mr. Mahesh Prasad	Member till 25 th September, 2013	2

Amongst other things, the Terms of Reference to the Audit Committee included:

- Annual operating plans and budgets and any updates.
- Review of annual and half yearly financial statements before submission to the Board
- Review of the Un-audited Quarterly Results of the Company.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment of goods sold by the Company.
- Review of the draft audit report including the quarterly/half yearly financial statements
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Non-compliance of any regulatory, statutory nature or listing requirements.
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Review with the management and the external auditors the adequacy of the internal control system.
- Any related party transactions entered by the company and the records thereto.
- Discussion and review of the findings of the external auditors.
- Discussion with the external auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Reviewing the Management's Financial and Risk Management Policies.

Shareholder's/Investor's Grievance Committee

The Board of Directors of the Company has constituted a Shareholder's / Investor's Grievance Committee comprising of directors namely Mr. Puneet Jain and Mr. B. K. Narula. The Committee, inter alia, looked into

Redressal of Shareholder's Grievances/ Complaints like transfer of shares, non-receipt of balance sheets, non-receipt of declared dividend etc. It also oversees the performance of the Registrar and Share Transfer Agents, so as to ensure expeditious share transfer process.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was NIL. None of the transfer or dematerialization request was pending for approval as on March 31, 2014.

General Body Meetings

Date, Time and Venue of the last three Annual General Meetings are given in the below table:

Financial Year (ended)	Date	Time	Venue
March 31, 2011	September 16, 2011	11.00 am	YWCA of Delhi, Ashoka Road, New Delhi-110001.
March 31, 2012	September 19, 2012	11.00 am	YWCA of Delhi, Ashoka Road, New Delhi-110001.
March 31, 2013	September 27, 2012	10.00 am	YWCA of Delhi, Ashoka Road, New Delhi-110001.

Special Resolutions passed during previous three AGM's

September 16, 2011	NONE
September 19, 2012	Name Change of the Company from Silver Smith India Ltd. To Orosil Smiths India Ltd.
September 27, 2013	NONE

Disclosures

- a. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or relatives etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with related parties were in conflict with the interests of the Company.

- b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges on SEBI, or and statutory authority, on any matter related to Capital market, during the last three years.**

Means of Communication

a) Half yearly un-audited financial results

Half yearly un-audited financial results for the half-year ended September 30, 2014 will be published in leading English and Hindi daily newspapers and will be circulated to all shareholders.

b) Quarterly Results

The quarterly results for the first, second, third quarters and the audited yearly results were published in "The Financial Express" and "Veer Arjun".

Since, SEBI has discontinued the services of EDIFAR w.e.f April 01, 2010, therefore the Quarterly Results, Half Yearly, Annual Results & Annual Report together with important official news releases will be displayed on the website of the company i.e. www.orosil.com.

No presentations were made to Institutional Investors or to Analysts.

Compliance with other mandatory requirements**(a) Management Discussion and Analysis**

A management discussion and analysis report forms part of the Annual Report and includes discussion on various matters specified under clause 49(IV)(F) of the Listing Agreement.

(b) Secretarial Audit for reconciliation of capital

A qualified Practicing Company Secretary has carried out secretarial audit for every quarter to reconcile the total admitted capital with both the depositories; viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL. The Company had submitted the secretarial audit report to BSE within 30 days from the end of each quarter in accordance with the SEBI requirements.

(c) Code for prevention of Insider Trading

The Company has a comprehensive code on prevention of insider trading. The Code is in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992.

(d) CEO/CFO Certification

A certificate from Chairman & Managing Director and Executive Director was placed before the Board.

(e) Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board.

General Shareholder Information**I. Annual General Meeting**

Date: 27th day of September, 2014
Time: 11.00 AM
Venue : YWCA of Delhi, Ashoka Road, New Delhi-110001

II. Financial Year	:	1 st April to 31 st March
III. Book Closure Date	:	23 rd day of September, 2014 to 27 th day of September, 2014 (both days inclusive)
IV. Dividend Payment Date	:	Not Applicable.
V. Listing on Stock Exchanges	:	Bombay Stock Exchange, Mumbai The Company has paid Annual Listing Fee to the above Stock Exchange.
VI. STOCK CODE	:	531626
DEMAT ISIN NUMBER	:	INE628B01026

Market Price Data (BSE)

MONTH	April 2013	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. 2014	Feb.	Mar.
HIGH	21.00	21.00	21.00	21.00	20.00	19.05	19.05	19.05	19.05	19.05	18.10	17.20
LOW	21.00	21.00	21.00	21.00	20.00	18.10	18.10	18.10	18.10	18.10	18.10	14.50

VII. Registrar and Share Transfer Agent	:	Skyline Financial Services Private Limited D-153 A, Okhla Industrial Area, Phase-I, New Delhi – 110 020
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VIII. Share Transfer System

The share transfers, which are received in physical form, are processed and the share certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The company has, as per SEBI Guidelines dated 18th February 2000, offered the facility of transfer cum demat. Under the said system, after the share transfer is affected, an Option Letter is sent to the transferee indicating the details of the transferred shares and requesting him in case he wishes to demat the shares, to approach a Depository Participant (DP) with the Option Letter. The DP, based on the Option letter, generates a demat request and sends the same to the Company along with the Option Letter issued by the Company. On receipt of the same, the Company dematerializes the shares. In case the transferee does not wish to dematerialize shares, he need not exercise the option and the Company will dispatch the share certificates after 15 days from the date of such Option Letter.

IX. Distribution of Shareholding as on March 31, 2014:

STATEMENT SHOWING SHAREHOLDING PATTERN

Name of the Company : OROSIL SMITHS INDIA LIMITED
 Scrip Code : 531626
 Quarter ended : 31st March, 2014

Category code	Category of Shareholder	No. of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP							
1	INDIAN							
(a)	Individuals/ Hindu Undivided Family	5	2296207	2296207	55.58	55.58	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0.00
(c)	Bodies Corporate	3	701500	701500	16.98	16.98	0	0.00
(d)	Financial Institutions/ Banks		0.00	0.00	0.00	0.00	0	0.00
(e)	Any Others(Specify)		0.00	0.00	0.00	0.00	0	0.00
(e-i)			0.00	0.00	0.00	0.00	0	0.00
(e-ii)			0.00	0.00	0.00	0.00	0	0.00
	Sub Total(A)(1)	8	2997707	2997707	72.56	72.56	0	0.00
2	FOREIGN							
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0.00	0	0.00
d-ii					0.00	0.00	0	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00

	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8	2997707	2997707	72.56	72.56	0	0
(B)	PUBLIC SHAREHOLDING							
1	INSTITUTIONS							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(i)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(1)	0	0	0	0.00	0.00	0	0.00
B 2	NON-INSTITUTIONS							
(a)	Bodies Corporate	46	680876	669676	16.48	16.48	0	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	789	298402	240479	7.22	7.22	0	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	6	94741	74741	2.29	2.29	0	0.00
(c)	Any Other (specify)							
(c-i)	Non Resident Indian	5	1238	1238	0.03	0.03	0	0.00
(c-ii)	Hindu Undivided Family	25	58393	58393	1.41	1.41	0	0.00
	Sub-Total (B)(2)	873	1133893	1044770	27.44	27.44	0	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	873	1133893	1044770	27.44	27.44	0	0.00
	TOTAL (A)+(B)	881	4131600	4042477	100	100	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	Promoter and Promoter Group	0	0	0	0	0	0	0.00
	Public	0	0	0	0	0	0	0.00
	Sub Total	0	0	0	0	0	0	0.00
	GRAND TOTAL (A)+(B)+(C)	881	4131600	4042477	100	100	0	0.00

Distribution of Shareholding as on 31st March, 2014 (Face Value of one Share is Rs. 10/-)

Shareholding	Number of shareholders	Total Shares	Percentage of total
Up to 500	712	78651.00	1.90
501 to 1000	67	54736.00	1.32
1001 to 2000	30	48520.00	1.17
2001 to 3000	20	50629.00	1.23
3001 to 4000	6	20821.00	0.51
4001 to 5000	5	22688.00	0.55
5001 to 10000	15	101502.00	2.46
10001 and above	31	3754053.00	90.86
Total	886	4131600.00	100.00

X. Dematerialization of Shares:

Over 4042477 i.e., 97.84% of the Company's Paid - up Equity Share Capital has been dematerialized up to March 31, 2014. Trading in Equity Shares of the Company is permitted only in dematerialized form as per notification issued by Securities and Exchange Board of India (SEBI).

XI. Outstanding ADRs/ GDRs/ Warrants or any convertible Instruments conversion date And likely impact on equity : Not Applicable

XII. Plant : A-89, Sector-2, Noida -201301

XIII. Address for Investor Correspondence : Skyline Financial Services Pvt. Ltd.
D-153 A, Okhla Industrial Area, Phase-I,
New Delhi - 110 020

XIV. E-Mail for Investors : info@orosil.com

XV. CIN & Registered Office : L74899DL1994PLC059341
Flat No. 620, Hemkunt Chambers, 89, Nehru
Place, New Delhi-110 019

Confirmation of compliance of Code of Business Conduct and Ethics

I declare that all Board Members and Senior Management have individually affirmed compliance during the year 2013-14 with the Code of Business Conduct and Ethics adopted by the Company.

**For and on behalf of the Board
OROSIL SMITHS INDIA LIMITED**

**Sd/-
B. K. Narula
Chairman & Managing Director**

COMPLIANCE CERTIFICATE

*To the Members of **Orosil Smiths India Limited***

1. We have examined the compliance of conditions of Corporate Governance by Orosil Smiths India Ltd for the year ended 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the Compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company. In our opinion and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as explained in the mentioned Listing Agreement.
3. We state that in respect to investor grievances received during the year ended 31st March, 2014, no investor grievances are pending against the company as per the records maintained by the company.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For N. K. Chandok & Associates
Company Secretaries in Practice

Navneet Kaur
CP No.12930

New Delhi
May 28, 2014

AUDITORS' REPORT

To the Members of

OROSIL SMITHS INDIA LIMITED

(Formerly Known as Silver Smith India Limited)

1. Report on the Financial Statements

We have audited the accompanying financial statements of **Orosil Smiths India Limited** (Formerly known as Silver Smith India Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2014, Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend in the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give a statement in the Annexure on the matters specified in paragraphs 4 and 5 of the Order.
- (ii) As required by Section 227 (3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of Account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, and
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Khanna Gulati & Associates
Chartered Accountants
ICAI Regn. No. 012190N

Place: New Delhi
Date: 28th May, 2014

(Rohit Khanna)
Partner
M. No. 84878

ANNEXURE TO THE AUDITORS' REPORT***Annexure referred to in paragraph 5 of the Auditors' Report***

The Annexure referred to in our report to the members of Orosil Smiths India Limited (Formerly known as Silver Smith India Limited) ("the Company") for the Year ended 31st March, 2014. We report that:

- i)
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The Fixed Assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - c) In our opinion and according to the information and explanations given to us, a substantial part of Fixed Assets has not been disposed of by the Company during the year.
- ii)
 - a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, 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) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii)
 - a) As informed, the Company has not granted any loan to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such clause 4(iii) (a) to 4 (ii) (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
 - b) As informed, the Company has taken unsecured loan from 7 (Seven) parties covered in the register maintained under Section 301 of the Companies Act, 1956. The Maximum amount involved during the year was Rs. 346.65 Lakh and year ended balance of loan taken from such party was Rs.NIL.
 - c) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima Facie, prejudicial to the interest of the company.
 - d) The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- v)
 - a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained in section 301 of the Act have been so entered.

- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public. Accordingly, paragraph 4 (vi) of order is not applicable.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues applicable to it *except delays of few days in the above said statutory dues*. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty and excise duty were in arrears as at 31st March 2014 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute.
- x) In our opinion, the accumulated losses of the Company are not more than 50% of its net worth and the Company has not incurred cash losses during the financial year covered by our audit. However, the Company has incurred cash losses of Rs. 48.45 Lakhs in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii) 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.
- xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- xv) In our opinion, and 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 during the year.
- xvi) According to the information and explanations given to us, the Company has not taken any term loan. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xvii) According to the information and explanations given to us, the Company and on overall examination of the Balance Sheet of the company, we report that the no funds have been raised on short term basis which have been used for long-term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- xx) During the period covered by our Audit Report, the Company has not raised any money by public issues. Therefore, the provisions of clause (xx) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- xxi) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and as per 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 Khanna Gulati & Associates
Chartered Accountants
Firm Registration No 012190N

Place: New Delhi
Date: 28th May, 2014

(Rohit Khanna)
Partner
M. No.084878

OROSIL SMITHS INDIA LIMITED
(Formerly known as Silver Smith India Limited)
BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No.	As at 31.03.2014 Amt. (Rs.)	As at 31.3.2013 Amt. (Rs.)
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	41,316,000	41,316,000
(b) Reserves and Surplus	2	(16,712,693)	(17,799,454)
		24,603,307	23,516,546
Share application money pending allotment	35	21,768,000	-
Non-current liabilities			
(a) Long-Term Borrowings	3	4,207,198	27,410,000
(b) Long-Term Provisions	4	328,682	541,424
		4,535,880	27,951,424
Current liabilities			
(a) Trade Payables	5	16,665	543,787
(b) Other Current Liabilities	6	3,660,358	4,201,088
(c) Short-Term Provisions	7	16,926	18,834
		3,693,949	4,763,709
Total		54,601,136	56,231,679
ASSETS			
Non-current assets			
(a) Fixed Assets	8		
(i) Tangible assets		28,380,744	24,575,866
(ii) Intangible assets		831,142	1,385,238
		29,211,886	25,961,104
(b) Non-current investments	9	6,109,125	7,733,340
(c) Long-term loans and advances	10	788,373	922,997
		6,897,498	8,656,337
Current assets			
(a) Inventories	11	15,827,576	17,672,504
(b) Trade Receivables	12	1,876,174	3,070,145
(c) Cash and Cash Equivalents	13	388,848	449,744
(d) Short-Term Loans and Advances	14	399,154	421,845
		18,491,752	21,614,238
Total		54,601,136	56,231,679
Significant Accounting Policies			
Notes on Financial Statements		1 to 35	

For & on behalf of the Board of Directors

Sd/- Sd/- Sd/-
(B. K. Narula) **(Puneet Jain)** **(Rita Narula)**
Managing Director Director Director

Place : New Delhi

Dated : 28th May 2014

As per our Report attached

For Khanna Gulati & Associates

Chartered Accountants

ICAI Regn. 012190N

Sd/-

Rohit Khanna

Partner

M. No. 084878

OROSIL SMITHS INDIA LIMITED
(Formerly known as Silver Smith India Limited)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note No.	Year ended 31.3.2014 Amt. (Rs.)	Year ended 31.3.2013 Amt. (Rs.)
INCOME			
Income from Operations	15	44,206,438	27,701,955
Other Income	16	5,909,221	2,083,448
Total Revenue		50,115,659	29,785,403
EXPENDITURE			
Cost of Materials Consumed	17	6,824,899	5,754,150
Purchase of Traded Goods		29,272,123	18,590,550
Changes in Inventories of Finished Goods and Stock-In-trade	18	1,000,062	(2,264,581)
Employee Benefits Expense	19	1,835,844	4,263,211
Financial Expenses	20	2,409,583	2,280,535
Depreciation	8	3,610,755	3,770,947
Administrative and Other Expenses	21	4,073,492	8,799,022
Total Expenses		49,026,758	41,193,835
Profit/(Loss) Before Taxation		1,088,901	(11,408,432)
Tax Expenses			
Less : Deferred tax		-	-
Profit/(Loss) After Taxation		1,088,901	(11,408,432)
Less : Prior Period adjustments		2,140	13,464
Profit/(Loss) For The Year		1,086,761	(11,421,896)
Earnings/ (Loss) per Share			
Basic		0.26	(2.76)
Diluted		0.26	(2.76)
Significant Accounting Policies			
Notes on Financial Statements			
	1 to 35		

For & on behalf of the Board of Directors

Sd/- Sd/- Sd/-
(B. K. Narula) **(Puneet Jain)** **(Rita Narula)**
 Managing Director Director Director

As per our Report attached
For Khanna Gulati & Associates

Chartered Accountants

ICAI Regn. 012190N

Sd/-

Rohit Khanna

Partner

M. No. 084878

Place : New Delhi
Dated : 28th May 2014

OROSIL SMITHS INDIA LIMITED
(Formerly known as Silver Smith India Limited)
CASH FLOW STATEMENT FOR THE YEAR 2013-2014

Particulars	For the year 2013-2014	For the year 2012-2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(Loss) before tax and extraordinary items	1,088,901	(11,421,896)
Adjustments for :		
Depreciation	3,610,755	3,770,947
Interest earned	(20,830)	(187,624)
Profit on Sale of Shares	(4,222,925)	(7,500)
Profit on Sale o Fixed Assets	(2,76,981)	-
Interest Expenses	2,389,333	2,265,619
Operating profit before Working Capital changes	2,568,252	(5,580,454)
Adjustments for :		
Trade & other receivables	1,351,286	(1,285,664)
Inventories	1,844,928	(2,639,495)
Trade & other Payables	(1,282,502)	3,322,558
Cash flow from operating activities	4,481,964	(6,183,055)
Less : Income Tax Paid	-	-
Net Cash flow from operating activities	4,481,964	(6,183,055)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to/ of Fixed Assets	(7,305,555)	(1,217,467)
Sale of Investments	5,845,000	110,000
Sale of Fixed Assets	721,000	-
Interest Received	20,830	187,624
Net Cash from /(Used) in Investing Activities	718,725	(919,843)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	(1,434,802)	8,485,000
Interest Paid	(2,389,333)	(2,265,619)
Net Cash from/(Used) in Financing Activities	(3,824,135)	6,219,381
Net Increase / (decrease) in Cash and Cash Equivalents	(60,896)	(883,517)
Opening Cash and Cash Equivalents	449,744	1,333,260
Closing Cash and Cash Equivalents	388,848	449,744
Net increase / (decrease) as per Books	(60,896)	(883,516)
Note:		
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.		

For & on behalf of the Board of Directors

Sd/- Sd/- Sd/-
(B. K. Narula) **(Puneet Jain)** **(Rita Narula)**
Managing Director Director Director

As per our Report attached
For Khanna Gulati & Associates

Chartered Accountants

ICAI Regn. 012190N

Sd/-

Rohit Khanna

Partner

M. No. 084878

Place : New Delhi
Dated : 28th May 2014

Notes forming part of the Financial Statements**Note: 1****a) Share Capital**

Particulars	As at 31-3-2014	As at 31-3-2013
AUTHORISED: 55,00,000 (previous year 55,00,000) Equity Shares of Rs 10/- each	55,000,000	55,000,000
Issued, Subscribed and Paid up: 41,31,600 (previous year 41,31,600) Equity Shares of Rs. 10/- each fully paid up	41,316,000	41,316,000

b) Reconciliation of opening and closing balances of share capital

Particulars	Equity Shares	
	Numbers	Value
Shares outstanding at the beginning of the year	41,316,000	41,316,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	41,316,000	41,316,000

c) List of the Shareholders having more than 5% of the aggregate share of the Company

Name of Shareholders	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% of Holding	No. of Shares	% of Holding
B. K. Narula	704,000	17.04	704,000	17.04
B.K. Narula (HUF)	442,000	10.70	434,404	10.51
Rita Narula	585,800	14.18	585,800	14.18
Sidhi Narula	293,257	7.10	290,504	7.03
Ridhi Narula	271,150	6.56	270,150	6.54
Sukarma Finance Ltd.	540,000	13.07	540,000	13.07

d) The Company had only one class of Shares referred to as Equity Share having par value of Rs.10/- per share. Each Equity Shareholder is entitled to one vote per share.

Note: 2**Reserves & Surplus**

Particulars	As at 31.03.2014	As at 31.03.2013
Capital Reserve	4,317,600	4,317,600
Opening Balance	(22,117,054)	(10,695,158)
Add: Profit (Loss) for the year	1,086,761	(11,421,896)
Closing Balance	(21,030,293)	(22,117,054)
Total	(16,712,693)	(17,799,454)

Note: 3**Long Term Borrowings**

Particulars	As at 31.03.2014	As at 31.03.2013
Secured Loans		
Vehicle Loan From Banks (Secured against Hypothecation of Vehicles)	5,080,272	-
Less: Current Maturities of Long Term Debts (Refer to Note No. 6)	873,074	-
	4,207,198	-
(Unsecured)		
Loans and Advances from Related Parties	-	22,225,000
Other Loans and Advances	-	5,185,000
Total	4,207,198	27,410,000

Note: 4**Long Term Provisions**

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for employee benefits (includes Gratuity/Leave encashment)	328,682	541,424
Total	328,682	541,424

Note: 5**Trade Payables**

Particulars	As at 31.03.2014	As at 31.03.2013
Trade Payables*	16,665	543,787
Total	16,665	543,787

* Refer Note No. 35 for amounts payable to Micro Small and Medium Enterprises

Note: 6**Other Current Liabilities**

Particulars	As at 31.03.2014	As at 31.03.2013
Current Maturities of Long Term Debts (Refer to Note No. 3)	873,074	-
Advances from customers	355,988	227,366
Duties & Taxes	307,642	324,675
Interest accrued and due on borrowings	1,186,883	1,968,113
Expense Payables	764,927	1,476,441
Security Deposits	-	3,000
Book Overdraft with banks	171,844	201,494
Total	3,660,358	4,201,088

Note: 7**Short Term Provisions**

Particulars	As at 31.03.2014	As at 31.03.2013
Provision for Employee benefits (includes Gratuity, Leave encashment and Bonus)	16,926	18,834
Total	16,926	18,834

Note: 9**Non Current Investments**

Particulars	Face Value	As at 31.03.2014		As at 31.03.2013	
		No.s	Value (Rs.)	No.s	Value (Rs.)
Trade Investments (Unquoted)					
Sridhi Infra Pvt. Ltd	1/-	5000000	5000,000	5000000	5000,000
Electrolux Kelvinator Ltd	10/-	2850	154,850	2850	154,850
Xtrems Retails Pvt Ltd.	100/-	7260	734,275	10890	1,108,490
Citizen Co-operative Bank Ltd	25/-	800	20,000	800	20,000
Corporate Research & Intelligence Services Ltd	10/-	20000	200,000	20000	200,000
Goswami Credit & Investments (P) Ltd	10/-	-	-	50000	500,000
Sukarma Finance Limited	100/-	-	-	7500	750,000

Note: 10**Long Term Loans and Advances (Unsecured and Consider Good)**

Particulars	As at 31.03.2014	As at 31.03.2013
Security Deposits	273,363	407,987
Advance Income Tax / TDS/SAT (Net of Provision for Tax)	515,010	515,010
Total	788,373	922,997

Note: 11
Inventories (As taken, valued and Certified by the management)

Particulars	As at 31.03.2014	As at 31.03.2013
Raw Materials	1,835	711,524
Finished Goods	15,695,113	16,695,175
Packing Materials	9,768	11,350
Consumables	104,320	225,780
Printing & Stationary	16,540	28,675
Total	15,827,576	17,672,504

Note: 12
Trade Receivables(Unsecured and considered good)

Particulars	As at 31.03.2014	As at 31.03.2013
Over Six Months	1,396,409	2,733,205
Others	479,765	336,940
Total	1,876,174	3,070,145

Note: 13
Cash and Bank Balances

Particulars	As at 31.03.2014	As at 31.03.2013
Cash on hand (as certified by the Management)	146,507	228,053
Bank Balances with Scheduled Banks		
In Current Accounts	30,348	22,790
In Term Deposits*	211,993	198,901
*Pledged with Sales Tax Authority for Rs.2,11,993 (previous year Rs. 1,98,901)		
Total	388,848	449,744

Notes: 14
Short Term Loans and Advances (Unsecured and Considered good)

Particulars	As at 31.03.2014	As at 31.03.2013
Advance Income Tax / TDS/SAT (Net of Provision for Tax)	303,247	195,047
Advances recoverable in cash/kind or for value to be received	52,000	74,844
Prepaid Expenses	41,464	103,458
Others Receivables	2,443	48,496
Total	399,154	421,845

Notes: 15
Income from Operation

Particulars	As at 31.03.2014	As at 31.03.2013
Sales of Products	43,694,611	27,346,261
Service Income	511,827	355,694
Total	44,206,438	27,701,955

Notes: 16
Other Income

Particulars	As at 31.03.2014	As at 31.03.2013
Interest Income	20,830	187,624
Profit on sale of investments	4,222,925	7,500
Rental Income	1,116,000	1,866,000
Old Liabilities written off	16,180	2,360
Excess Provision for Employees benefits w/back	192,568	-
Profit on sale of fixed assets	276,981	-
Miscellaneous Income	63,737	19,964
Total	5,909,221	2,083,448

Notes: 17**Cost of Materials Consumed**

Particulars	As at 31.03.2014	As at 31.03.2013
Opening Stock :		
Raw Materials	711,524	47,805
Packing Materials	11,350	73,620
Consumables	225,780	438,190
Printing & Stationary	28,675	42,800
Total (A)	977,329	602,415
Add : Purchase		
Raw Materials	5,858,141	5,410,601
Packing Materials	22,888	190,266
Consumables	90,576	426,608
Printing & Stationary	8,428	101,589
Total (B)	5,980,033	6,129,064
Less : Closing Stock		
Raw Materials	1,835	711,524
Packing Materials	9,768	11,350
Consumables	104,320	225,780
Printing & Stationary	16,540	28,675
Total (C)	132,463	977,329
Cost of Materials Consumed (A-B-C)	6,824,899	5,754,150

Notes: 18**Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	As at 31.03.2014	As at 31.03.2013
<i>Inventories at the end of the year:</i>		
Finished Goods	15,695,113	16,695,175
Total (A)	15,695,113	16,695,175
<i>Inventories at the beginning of the year:</i>		
Finished Goods	16,695,175	14,430,594
Total (B)	16,695,175	14,430,594
Net (increase) / decrease (A-B)	1,000,062	(2,264,581)

Notes: 19**Employee Benefits Expense**

Particulars	As at 31.03.2014	As at 31.03.2013
Salaries and Wages	1,687,791	3,735,382
Contribution to provident and other funds	108,710	220,614
Gratuity Expenses	-	153,674
Leave encashment	-	26,193
Staff Welfare	39,343	127,348
Total	1,835,844	4,263,211

Notes: 20**Financial Expenses**

Particulars	As at 31.03.2014	As at 31.03.2013
Bank Charges	20,250	14,916
Interest on borrowings	2,389,333	2,265,619
Total	2,409,583	2,280,535

Notes: 21**Administrative and Other Expenses**

Particulars	As at 31.03.2014	As at 31.03.2013
Audit Fee	58,000	58,000
Communication Expenses	128,486	466,519
Directors' Remuneration	940,004	1,140,000
Electricity & Water Charges	285,793	430,946
Freight & Forwarding Expenses	8,030	7,380

Insurance Expenses	106,955	125,797
Job Worker Expenses	13,645	7,324
Lease Rent	94,716	94,716
Legal & Professional Charges	177,935	280,659
Loss on Sale of Commodities	-	61,396
Miscellaneous Expenses	305,655	737,424
Office Maintenance Expenses	157,494	634,040
Rent	379,236	970,068
Sales Promotion & Marketing Expense	1,010,337	3,182,461
Security Expenses	99,237	144,000
Traveling and Conveyance Expenses	307,970	458,293
Total	4,073,492	8,799,023

Note: 22**Auditor's Remuneration (excluding service tax)**

Particulars	As at 31.03.2014	As at 31.03.2013
Audit Fees	43,000	43,000
Tax Audit	15,000	15,000
Total	58,000	58,000

Note: 23**Contingent Liability**

Contingent liabilities not provided for in the books of accounts

Particulars	As at 31.03.2014	As at 31.03.2013
Bank Guarantees given to Sales Tax authorities	115,000	115,000

Note: 24**Earnings/ (Loss) Per Share**

Particulars	As at 31.03.2014	As at 31.03.2013
Profit/ (Loss) after Taxation as per Profit & Loss Account	1,086,761	(11,421,896)
Weighted Average No. of Equity Share outstanding	4,131,600	4,131,600
Basic and Diluted Earnings/ (Loss) Per Share	0.26	(2.76)

Note: 25**Related party Disclosures****i) Associates**

Sukarma Finance Ltd
Corporate Research & Intelligence Services Ltd

ii) Key Management Personnel

Mr. B. K. Narula
Mrs. Rita Narula
Mr. Punit Jain
Mr. Mahesh Prasad
Mrs. Bhavana Sampath Kumar

iii) Relatives of Key Management Personnel

Ms. Ridhi Suri
Mr. C L Narula

iv) Entities over which Key Management Personnel are able to exercise significant influence

B. K. Narula (HUF)
Xtremes Retails Pvt. Ltd
BKN Educational Society
Sridhi Infra Pvt. Ltd

Note: 26**Segment Reporting**

Based on the guiding Principles given in Accounting Standards on "Segment Reporting" issued by the "Institute of Chartered Accountants of India", the Company is having only one segment as primary segment based on nature of product/ services rendered.

OROSIL SMITHS INDIA LIMITED

Note: 8

SCHEDULE OF FIXED ASSETS AS ON 31.3.2014 [As Per Companies Act 1956]

Particulars	COST			Total As on 31.3.2014	DEPRECIATION			Total As On 31.3.2014	WDV	
	Total As on 01.04.2013	Addition	Sales / Disposal		As On 1.4.2013	For the year	Adjustment		As on 31.3.2014	As on 31.3.2013
<u>Intangible Assets</u>										
Web Portal	3,701,140	-	-	3,701,140	2,377,326	529,526	-	2,906,852	794,288	1,323,814
Softwares	1,521,030	-	-	1,521,030	1,459,606	24,570	-	1,484,176	36,854	61,424
<u>Tangible Assets</u>										
Land	4,152,041	-	-	4,152,041	-	-	-	-	4,152,041	4,152,041
Building	22,607,499	-	-	22,607,499	11,691,601	1,091,590	-	12,783,191	9,824,307	10,915,897
Lease Hold Improvements	1,141,237	-	-	1,141,237	895,047	215,796	-	1,110,843	30,394	246,190
Plant & Machinery	12,860,282	624,593	-	13,484,875	8,753,163	485,426	-	9,238,589	4,246,286	4,107,119
Furniture & Fittings	8,666,542	355,075	-	9,021,617	7,093,531	335,724	-	7,429,255	1,592,362	1,573,011
Vehicle	4,513,483	6,137,629	4,449,527	6,201,585	3,938,946	563,139	4,005,507	496,578	5,705,008	574,537
Office Equipments	6,861,437	18,258	-	6,879,695	5,144,492	257,084	-	5,401,576	1,478,119	1,716,945
Computers Library Books & Props	1,985,651	170,000	-	2,155,651	1,743,381	107,900	-	1,851,281	304,370	242,270
	1,047,856	-	-	1,047,856	-	-	-	-	1,047,856	1,047,856
Total	69,058,198	7,305,555	4,449,527	71,914,226	43,097,093	3,610,755	4,005,507	42,702,340	29,211,886	25,961,105
Previous Year	67,705,132	1,353,066	-	69,058,198	39,326,146	3,770,947	-	43,097,093	25,961,105	-

Note: 27

Disclosure pursuant to Accounting Standard 15 on "Employee Benefits

Defined contribution plans

The Company's employee provident fund scheme is a defined contribution plans. A sum of Rs. 51,815 has been recognized as an expense in relation to the scheme and shown under Personnel Expenses in the Profit and Loss account.

Note: 28 Earnings in Foreign Exchange

Particulars	Year ended 31.03.2014 Amt (Rs.)	Year ended 31.03.2013 Amt. (Rs.)
FOB Value of Export	336,899	-

29) Expenditure in Foreign Exchange

Particulars	Year ended 31.03.2014 Amt (Rs.)	Year ended 31.03.2013 Amt. (Rs.)
Marketing Expenses	7,547	5,644
Website Expenses	-	8,216

30) The Company does not have any exposure in respect of foreign currency denominated assets and liabilities (not hedged by derivative instruments) as at 31 March 2014.

31) The Company has taken office premises on an operating lease, with an option of renewal at the end of the lease term. Lease payments charged during the year to the Statement of Profit & Loss aggregate to Rs 3,86,652 The future lease payments under non cancellable operating lease is Nil.

32) These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Company Act 1956. Previous year figures have been regrouped / reclassified wherever considered necessary.

33) Balance of Debtors and Creditors are subject to confirmations.

34) Based on the information presently available with the management, there are no dues outstanding to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

35) Share Application Money pending allotment

As at 31st March 2014, the Company had received an amount of Rs. 21,768,000/- towards share application money towards 3.5 % optionally convertible preference share of Rs. 10 each at a premium of Rs. 10 each. The share application money was received by conversion of amount of loan and interest payable to M/s Sridhi Infra Pvt Ltd. and Xtremis Retails Ltd. of Rs. 2,17,68,000/-. The share application money was received pursuant to an invitation to offer shares and in terms of such invitation; the Company is required to complete the allotment formalities after receiving the approval from shareholders in the EGM. The Company has sufficient authorized capital to cover the allotment of these shares.

For & on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
(B. K. Narula)	(Punit Jain)	(Rita Narula)
Managing Director	Director	Director

Place: New Delhi

Date: 28th May, 2014

As per our Report

For Khanna Gulati & Associates

Chartered Accountants

ICAI Regn. 012190N

(Rohit Khanna)

Partner

M. No. 084878

OROSIL SMITHS INDIA LIMITED

Registered office: Flat No.620, Hemkunt Chambers, 89, Nehru Place, New Delhi-110019

PROXY FORM

Folio No. / Client ID No. & DP ID No. -----

I/We-----

of ----- being a member / members of the above mentioned company, hereby appoint -----
-----or failing him ----- as my /our proxy
to attend and vote for me/us and on my/our behalf at the 20th ANNUAL GENERAL MEETING of the Company to be held at 11.00 am on
Saturday, 27th September, 2014 and at any adjournment thereof . This form is to be used in favor of the resolution(s)/ against the
resolution(s) ----- Unless otherwise instructed the proxy will act as he may think fit.

Signed on this -----day of -----2014.

Signature-----

Affix
Revenue
Stamp here

Note: Proxy Forms must reach the Company's Registered Office not less than 48 hours before the Meeting.

-----TEAR HERE-----

OROSIL SMITHS INDIA LIMITED

Registered office: Flat No.620, Hemkunt Chambers, 89, Nehru Place, New Delhi-110019

ATTENDANCE SLIP

Regd. Folio No. _____

DP ID. No.* _____

Client ID No.* _____

Mr./Ms. _____

Father's/Husband's Name _____

I certify that I am a registered Shareholder/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 20th Annual General Meeting of the Company at YWCA of Delhi, Ashoka Road, New Delhi - 110001, on
Saturday, the 27th day of September, 2014.

Members'/Proxy's Name in BLOCK Letters

Members'/Proxy's Signature

- Note:
- 1) Please fill in this attendance slip and hand it over at the entrance of the Meeting Hall.
 - 2) Member's Signature should be in accordance with the specimen signature registered with the Company.
 - 3) Please bring your copy of the Annual Report for reference at the Meeting.

* Applicable for investors holding shares in electronic form.