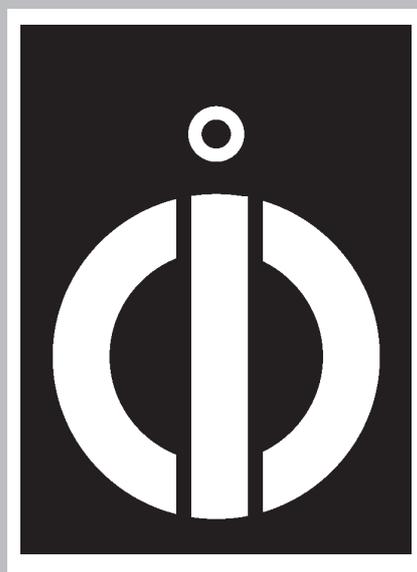


Omnitex Industries (India) Limited



24th ANNUAL REPORT 2009-2010



Omnitex Industries (India) Limited

Board of Directors	Mr. Amit R. Dalmia Mr. Vivek M. Jalan Mr. Deepak Advani
Auditors	J. G. Verma & Co., Chartered Accountants
Registrars & Transfer Agents	Adroit Corporate Services Pvt. Ltd. 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400 059.
Registered Office	317, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai - 400 011.

24th Annual General Meeting

Date : 29th July, 2010
Day : Thursday
Time : 10.00 a.m.
Venue : Omnitex Industries (India) Ltd.
317-319, Tantia Jogani Indl. Premises,
3rd Floor, J. R. Boricha Marg,
Lower Parel, Mumbai - 400 011.

Members are requested to bring their copies of the Annual Report to the Annual General Meeting



Omnitex Industries (India) Limited

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Members of **Omnitex Industries (India) Limited**, will be held on Thursday, 29th July, 2010, at 10.00 a.m., at the Registered Office of the Company at 317, TANTIA JOGANI INDUSTRIAL PREMISES, 3rd FLOOR, J. R. BORICHA MARG, LOWER PAREL, MUMBAI 400 011, to transact the following business:

Ordinary Business

1. To receive, consider, and adopt the Audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on that date, and Reports of the Directors and Auditors thereon.
2. To appoint Mr. Vivek M. Jalan as a Director of the Company, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint auditors for the current year and fix their remuneration.

By Order of the Board of Directors,

Place : Mumbai
Date : 29th May, 2010

Amit R. Dalmia
Chairman

Registered Office:

317, Tantia Jogani Industrial Premises,
3rd Floor, J. R. Boricha Marg,
Lower Parel, Mumbai-400 011.

Notes:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing a Proxy should be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
3. The Register of Members and Share transfer Books of the Company will remain closed from 27th July, 2010 to 29th July, 2010 (both days inclusive)
4. Members / proxies should bring the attendance slip duly filled in for attending the meeting.
5. Members are requested to intimate the change of address, if any to the Registrar and Share Transfer Agents M/s. Adroit Corporate Services Private Limited, 19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059.
6. Members desiring any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

24th Annual Report 2009-2010

7. The Members who wish to take advantage of the nomination facility, can obtain the prescribed nomination form, from the Company's Registrar and Transfer Agent.
8. Brief resume of Mr. Vivek M. Jalan is given in the Corporate Governance Report (Refer Item 12 of the report).

By Order of the Board of Directors,

Place : Mumbai
Date : 29th May, 2010

Amit R. Dalmia
Chairman

Registered Office:

317, Tantia Jogani Industrial Premises,
3rd Floor, J. R. Boricha Marg,
Lower Parel, Mumbai-400 011.



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2010.

1. FINANCIAL RESULTS

	2009-10 (Rs. in Lacs)	2008-09 (Rs. in Lacs)
Profit before Financial Charges, Depreciation and Taxes	110.91	131.78
<i>Less:</i> Financial Charges	0.11	0.32
Depreciation	4.28	4.58
Current Tax	18.80	6.63
Fringe benefit Tax	0.00	0.02
MAT Credit Entitlement	(18.10)	(6.63)
Net Profit after depreciation and tax	105.82	126.86
<i>Add:</i> Loss brought down from earlier year	(195.48)	(322.34)
Prior Period Adjustment for Taxes	(1.91)	0.00
Balance (Loss) carried to Balance Sheet	(91.57)	(195.48)

2. DIVIDEND

In view of the accumulated losses, your Directors are not in a position to recommend any dividend for the year.

3. REVIEW OF OPERATION

During the year under review, the Company has disposed off the land and building at Silvassa as approved by the shareholders of the Company under section 293(1)(a) of the Companies Act, 1956 vide postal ballot notice dated 9th February, 2008. This action together with other activities have resulted in a net profit of Rs. 103.91 lacs for the year under review as against net-profit of Rs. 126.86 lacs during the previous year.

The Management is exploring investment opportunities that may be deemed most beneficial to the interest of the Company. The Company has acquired new premises at Mumbai during the year under report.

4. JOINT VENTURE

During the year under review, M/s. Strata Geosystems (India) Private Limited the Joint Venture Company has made reasonable progress and it's outlook is good.

5. DIRECTORS

Mr. Vivek M. Jalan will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state as under:

- (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 the Directors 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 of the company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

7. INSURANCE

All the properties of the Company including building, plant, machinery wherever necessary, and to the extent required, have been adequately insured.

8. PARTICULARS OF EMPLOYEES

As there were no employees drawing remuneration more than the limit prescribed under section 217 (2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, statement under section 217(2A) is not annexed.

9. PARTICULARS OF ENERGY CONSUMPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOING

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

10. AUDITORS

M/s. J. G. Verma & Co., Chartered Accountants, present statutory auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. Members are requested to consider their re-appointment and authorize the Audit Committee to fix their remuneration.

Your attention is also invited to the observation in Paragraph No 15 of the annexure to the Auditors' Report. The same has been adequately dealt with in the last year's Report.

11. SECRETARIAL COMPLIANCE CERTIFICATE

Your Company appointed M/s. Jay D'Souza & Co., Practising Company Secretaries to conduct Secretarial Audit of the Company in terms of section 383-A of the Companies Act 1956. The Compliance Certificate issued by them is attached hereto.

12. CORPORATE GOVERNANCE

Your Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and in the Listing Agreement with the Stock Exchanges. Necessary measures were taken during the year under report to implement the Code of Corporate Governance. A report of the Corporate Governance, along with the Certificate of Compliance from the Auditors forms part of this report.

13. APPRECIATION

The Board of Directors records its grateful thanks to all the stakeholders of the Company for their continued support and co-operation.

On behalf of the Board of Directors,

Place : Mumbai
Date : 29th May, 2010

Amit R. Dalmia
Chairman



Omnitex Industries (India) Limited

ANNEXURE TO DIRECTORS' REPORT 2009-10

Additional information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY:

- 1) Energy Conservation measures taken by the Company:
Since the Company is not having any manufacturing operations this is not applicable
- 2) Additional Investments and proposal for reduction of Consumption of energy:
Since the Company is not having any manufacturing operations this is not applicable
- 3) Total energy consumption and energy consumption per unit of production as per Form 'A'.

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

	2009-10	2008-09
a) POWER & FUEL CONSUMPTION		
Electricity:		
(i) Purchased		
Units (Nos)	NIL	NIL
Total Amount (Rs.)	NIL	NIL
Rate/Unit (Rs.)	NIL	NIL
(ii) Own Generation (D.G.)		
Units (Nos)	NIL	NIL
Value of Diesel Consumed (Rs.)	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL
b) CONSUMPTION PER UNIT OF PRODUCTION		
Electricity (Units Nos./Kg.)	NIL	NIL

There was no production during the year and all Payments of Electricity charges are minimum commitment charges and are not included in the value above.

(B) TECHNOLOGY ABSORPTION

Efforts in technology absorption as per Form B is given below:

FORM - B

Research And Development (R & D)

Nil

Technology absorption, adaptation and innovation:

Nil

(C) FOREIGN EXCHANGE EARNINGS AND OUTGOING

Exports during the year amounted to Rs. Nil. The outgo of Foreign Exchange amounted to Rs. Nil.

On behalf of the Board of Directors,

Place : Mumbai
Date : 29th May, 2010

Amit R. Dalmia
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS**(31st March, 2010)**

The Company has further strengthened its Balance Sheet by bringing down the brought forward losses to Rs. 91.57 lacs. During the year, the Company has continued trading activities and is hopeful of further improvement. The Management is exploring investment in other business opportunities.

INTERNAL CONTROL AND SYSTEMS

The Company has adequate internal control procedures commensurate with its size and nature of business. These internal policies ensure efficient use and protection of assets and resources, compliance with policies, statutes and reliability as well as promptness of financial reports.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**Sales:**

Total income from operations was 25.58 lacs against last year's figure of Rs. 11.10 lacs.

Profit before Interest, Depreciation , Taxes and Impairment Loss on Fixed Assets:

The Company has earned an Operational profit of Rs. 110.91 lacs, as against last year's figure of Rs. 131.78 lacs. Out of the above Rs. 91.99 lacs is profit on sale of assets.

Financial Charges:

Financial Charges payment is reduced to Rs. 0.11 lacs from Rs. 0.32 lacs.

Net Profit:

The Company has earned a net profit of Rs. 103.91 lacs as against Rs. 126.86 lacs during the previous year.

Cash-flow analysis

	2009-10 (Rs. In Lacs)	2008-09 (Rs. In Lacs)
Source of Cash		
Cash from operations	8.47	9.73
Sale of Fixed Assets	126.66	225.24
Sale of Investments	NIL	0.25
Income from Investment Activities	9.75	7.87
Increase / (Decrease) in Working Capital	22.16	25.46
Decrease in Cash & Cash Equivalents	19.55	(14.89)
Total	186.59	253.66
Uses of Cash		
Repayment of Borrowings (Net)	NIL	NIL
Purchase of Fixed Assets	174.25	NIL
Purchase of Investments	NIL	245.33
Interest Paid	0.11	0.32
Taxes Paid (Net)	12.23	8.01
Total	186.59	253.66

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

There are no material developments on the human resources front.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis may be "forward looking statements" and have been issued as required by applicable Securities Laws and Regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from that envisaged.



CORPORATE GOVERNANCE REPORT (31st March, 2010)

1. Philosophy on Corporate Governance

The Board of Directors are the trustees to the interests of all the stakeholders of the Company, particularly the shareholders and your Board always believed that good corporate governance is critical to the success of the Company. Therefore, your Board continuously reviews the developments on good corporate governance to update its standards on an ongoing basis.

The key elements of corporate governance standards of your Company include:

- a) Adoption of effective measures to protect shareholders' rights
- b) Timely disclosure of quality information about Company's business and operations to improve transparency
- c) Implementation of quality board practices to increase the effectiveness of the Board

2. Board of Directors

Seven Board meetings were held in the year 2009-2010 and the gap between two board meetings did not exceed four months. The same were held on 25th April 2009, 29th June 2009, 31st July 2009, 11th August 2009, 31st October 2009, 18th November 2009 and 30th January 2010.

Composition and category of Directors, attendance of each Director at the Board Meetings and the last AGM, Number of Boards or Board Committees where the Director is a Member / Chairperson are as under:

Name of the Director	Board Meetings Attended During 2009-2010	Attendance at the Last AGM	No of other Directorships in Public Company	Member/Chairperson in no of Board Committees in other Companies as at the date of report
Mr Vivek M. Jalan	7	No	1	2
Mr. Deepak Advani	7	Yes	1	-
Mr. Amit R. Dalmia	6	Yes	Nil	-
Mr. Narendra M. Dalmia *	2	Yes	2	-

* Mr. Narendra M. Dalmia ceased to be Director w.e.f. 29th June, 2009

3. Audit Committee

Terms of Reference:

- i. To oversee Company's financial reporting/financial information/financial statements.
- ii. To review with management the Annual Financial Statement before submission to Board, focusing primarily on changes in accounting policies and practices.
- iii. To look into compliance with Stock Exchange and legal requirements concerning financial statements.
- iv. To review internal control systems.
- v. Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- vi. To discuss with the Auditors periodically about internal control system, the scope of audit including the observations of the Auditors and review periodical financial results before submission to the Board.

24th Annual Report 2009-2010

The composition of the Audit Committee is as under:

Name of the Member	Chairman / Member	No. of Meeting held	Meetings Attended During 2009-2010
Mr. Vivek M. Jalan	Chairman	4	4
Mr. Deepak Advani	Member	4	4
Mr. Amit R. Dalmia	Member	4	3
Mr. Narendra M. Dalmia*	Member	4	1

*Mr. Narendra M. Dalmia ceased to be Director w.e.f. 29th June, 2009

During the year four Audit Committee Meetings were held on 29th June 2009, 31st July 2009, 31st October 2009 and 30th January 2010.

4. Remuneration Committee

Since no remuneration is being paid to any Directors and this being a non-mandatory requirement, the remuneration committee was not constituted.

There are no payments like stock options, pension etc., to any Directors during the year.

5. Shareholders Grievances Committee

Two meetings of the Investors' Grievances Committee were held during the year. The meetings were held on 31st October, 2009 and 30th March, 2010.

The composition of the committee is as under:

Name of the Member	Chairman / Member	Number of Meetings attended
Mr. Vivek M. Jalan	Chairman	2
Mr. Deepak Advani	Member	2

Number of Shareholders complaints received during the year.

During 2009-10 no complaint was received and no complaint was pending as on 31st March, 2010.

6. Share Transfer System

A Share Transfer Committee of the Company was constituted by the Board of Directors to specifically look into transfer / dematerialization of shares. Transfer of shares are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. The share transfer approved by the committee are placed at the Board Meeting from time to time. As on 31st March 2010, no shares are pending for transfer for more than 15 days.

The Company has appointed M/s. Adroit Corporate Services Private Limited as its Registrar and Share Transfer Agent for both physical and demat segments w.e.f. 8th June, 2001.

Compliance Officer

The Company has appointed Mr. Amit R. Dalmia, Director of the Company as the Compliance Officer of the Company.



7. General Body Meetings

The details of Annual General Meetings held during the last three years are as under:

Year	Day & Date of Meeting	Time	Place
2006-07	Friday 21st September, 2007	11.30 a.m.	317, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai 400 011
2007-08	Wednesday 24th September, 2008	10.00 a.m.	317, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai 400 011
2008-09	Thursday 24th September, 2009	10.00 a.m.	317, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai 400 011

8. Disclosure

1. Related Party Transactions:

Refer to Note No. 8 of Schedule "14" to the Audited Financial Statement.

2. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital market during last 3 years:

There were no instances of non-compliance of any matter related to the capital markets during the last three years.

3. Outstanding Listing Fees:

Listing Fees for the year 2009-10 have already been paid to Bombay Stock Exchange where the Company's shares are listed.

4. A Certificate from the Director, on the financial statement of the Company was placed before the Board.

9. Means of Communication

The quarterly, half-yearly, nine monthly and yearly financial results of the Company are sent out to the Stock Exchanges immediately after they are approved by the Board. The Company published its un-audited / audited financial results in the following papers from each group:

English	Vernacular
The Financial Express	Mumbai Laksadeep

The un-audited quarterly / half-yearly financial results were considered and approved by the Board of Directors and are filed with the Bombay Stock Exchange where the Company's shares are listed.

A report on limited review of the financial results for all the quarters was obtained from the auditors of the Company and filed with the Bombay Stock Exchange where the Company's shares are listed.

10. Management Discussion and Analysis forms part of this Annual Report.

24th Annual Report 2009-2010

11. General Shareholder Information

Annual General Meeting Shall be held on Thursday the 29th July, 2010 at 10.00 a.m. at Registered Office of the Company at 317, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai – 400 011.

Financial Calendar 1st April to 31st March

Date of Book Closure 27th July, 2010 to 29th July 2010

Dividend Payment Date Not Applicable

Listing on Stock Exchanges Mumbai

Stock Code 514324

ISIN No. (for dematerialized shares) INE814D01010

Market Price Date

High and Low price of equity shares on The Stock Exchange, Mumbai			
Month	Year	High	Low
April	2009	2.20	2.00
May	2009	2.01	1.83
June	2009	3.08	2.11
July	2009	3.08	2.94
August	2009	3.05	2.96
September	2009	3.10	2.96
October	2009	3.42	3.11
November	2009	3.59	3.25
December	2009	3.59	3.59
January	2010	3.60	3.59
February	2010	3.78	3.59
March	2010	4.33	3.76

Registrar and Transfer Agent

M/s. Adroit Corporate Services Pvt. Ltd.,
19/20, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road,
Marol Naka, Andheri (E), Mumbai – 400 059.
Phone: 2859 0942 Fax: 2850 3748
Contact Person: Ms. Veena Shetty
E-mail: adroits@vsnl.net



Omnitex Industries (India) Limited

Distribution of Shareholding as of 31st March, 2010

No of Equity Shares Held	No of Shareholders	% of Shareholders	Total No of Shares held	% of Shares Held
Upto - 500	1,952	89.02	3,13,262	7.45
501 - 1,000	112	5.11	1,00,497	2.39
1,001 - 2,000	48	2.19	75,507	1.80
2,001 - 3,000	29	1.32	82,273	1.96
3,001 - 4,000	4	0.18	13,464	0.32
4,001 - 5,000	8	0.36	38,349	0.91
5,001 -10,000	11	0.50	78,454	1.87
10,001& above	29	1.32	35,02,294	83.30
Total	2,193	100.00	42,04,100	100.00

Categories of Shareholding as on 31st March, 2010

Sr. No.	Category	No of Shares Held	% to Total Shares
A	Promoters Holding		
1	a. Indian Promoter	7,43,670	17.69
	b. Foreign Promoter	Nil	Nil
2	Persons acting in concert	10,49,656	24.97
	Sub-total	17,93,326	42.66
B	Non-Promoter Holding		
3	Institutional Investor		
	a. Mutual Funds	100	0.002
	b. Banks, Financial Institutions	1,75,100	4.16
	c. FII	Nil	Nil
	Sub-total	1,75,200	4.17
4	Others		
	a. Private Corporate Bodies	8,60,473	20.46
	b. Indian Public	13,67,171	32.52
	c. NRIs/OCBs	7,930	0.19
	d. Clearing Members	Nil	Nil
	Sub-total	22,35,574	53.17
	Grand Total	42,04,100	100.00

24th Annual Report 2009-2010

Dematerialization of shares	88.18% of shares (as at 31st March, 2010) have been dematerialized.
Details on use of public Funds obtained in the last three years	No fund has been raised from public in the last three years.
Liquidity	The shares of the Company are traded infrequently.
Plant Locations	No Plant
Address for Correspondence	Omnitex Industries (India) Limited, 317-319, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai – 400 011. Phone: 40635100 • Fax: 40635199 E-mail: info@omnitex.com
Insider Trading	In terms of SEBI (Prohibition of Insider Trading) Regulations, 1992 the Company has framed Code of Conduct for dealing in shares of the Company for observance by its Directors and other specified persons.

12. Brief Resume of Persons proposed to be re-appointed as Director of the Company at the Annual General Meeting.

Name of the Director	Date of Birth	Date of Appointment	Expertise in Specific functional areas	Qualifications	Directorship held in other Public Companies
Mr. Vivek M. Jalan	18/07/1970	21.9.2007	Mr. Vivek M. Jalan is Executive Director of Mahalaxmi Seamless Ltd.	Electrical Engineer from IIT Madras & MBA from University of Texas at Austin in USA	Mahalaxmi Seamless Ltd.

On behalf of the Board of Directors

Place : Mumbai
Dated : 29th May, 2010

Amit R. Dalmia
Chairman



Omnitex Industries (India) Limited

Auditor's Certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement.

To
The Members,
Omnitex Industries (India) Limited,

We have examined the compliance of conditions of Corporate Governance by **Omnitex Industries (India) Limited**, for the year ended on 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2010 no investor grievances are pending against the Company exceeding one month as per records maintained by the Company and as per certificates issued by the Registrar which are presented to the Shareholders / Investors Grievance Committee.

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 **J. G. Verma & Co.**,
Chartered Accountants
(Registration No. 111381W)

Arun G. Verma
Partner
Membership No. 31898

Place : Mumbai
Dated : 29th May, 2010

Declaration on Code of Conduct by Director

29th May, 2010

To
The Board of Directors,
Omnitex Industries (India) Ltd.,
317-319, Tantia Jogani Industrial Premises,
3rd Floor, J. R. Boricha Marg,
Lower Parel, Mumbai – 400 011.

Dear Sirs,

I hereby confirm and declare that all the Directors of the Company, as defined in the Code of Conduct of the Company, have submitted annual declarations for the year ended 31st March, 2010 confirming their compliance of the same.

Thanking you,

Yours faithfully,

For **Omnitex Industries (India) Ltd**

Amit R. Dalmia
Chairman

COMPLIANCE CERTIFICATE UNDER SECTION 383A OF THE COMPANIES ACT, 1956

To,
The Members,
Omnitex Industries (India) Limited
317-319, Tantia Jogani Industrial Premises,
3rd Floor, J. R. Boricha Marg,
Lower Parel, Mumbai 400 011

We have examined the registers, records, books and papers of **Omnitex Industries (India) Limited** ("the Company") as required to be maintained under the Companies Act, 1956, ("the Act") and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there-under.
3. The Company being public limited company, comments are not required.
4. The Board of Directors duly met 7 (Seven) times respectively on April 25, 2009, June 29, 2009, July 31, 2009, August 11, 2009, October 31, 2009, November 18, 2009 and January 30, 2010 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members, from September 22, 2009 to September 24, 2009 during the financial year and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended March 31, 2009 was held on September 24, 2009.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or the Central Government.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company:
 - (i) has delivered, in case of non dematerialized securities, all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. However there was no allotment of securities during the financial year.
 - (ii) has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) has not posted warrants to any member of the Company as no dividend was declared during the financial year.



Omnitex Industries (India) Limited

- (iv) was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
- (v) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of additional directors and directors has been duly made. However there were no appointment of alternate directors or directors to fill casual vacancy during the financial year.
 15. The Company has not appointed any Managing Director/ Whole Time Director / Manager during the financial year.
 16. The Company has not appointed any sole-selling agents during the financial year.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
 18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. There was no redemption of preference shares/debentures during the financial year.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
 24. The Company has not made any borrowings during the financial year ended 31.03.2010.
 25. The Company has given guarantees to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose during the financial year. However no investments, loans or advances have been made during the financial year.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the financial year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year and complied with provisions of the Act.
 29. The Company has not altered the provisions of the Memorandum with respect to Capital of the Company during the financial year under scrutiny.
 30. The Company has not altered its Articles of Association during the financial year.
 31. There was no prosecution initiated against or show cause notice(s) received by the Company during the financial year for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act.

Place : Mumbai
Date : 29th May, 2010

Signature :
Name of Company Secretary : Jay D'Souza
C.P. No. 6915

ANNEXURE A**Statutory Registers as maintained by the Company**

- i. Register of Members under Section 150
- ii. Register of Contracts under Section 301
- iii. Register of Charges under Section 143
- iv. Register of Share transfer
- v. Minutes Books under Section 193
- vi. Register of Directors under Section 303
- vii. Register of Director' Shareholding under Section 307
- viii. Register of Transfers
- ix. Register of Directors' Attendance
- x. Register of Shareholders' Attendance.
- xi. Register of Fixed Assets
- xii. Register of Investments or Loans made, Guarantee Given or Security provided under Section 372A.

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2010.

Sr. No.	Form No./ Return	Filed u/s	For	Date of filing	Whether filed within the prescribed date	If delay in filing whether requisite additional fee paid
1	32	303(2)	Appointment of Additional Director and resignation of Director	15.10.09	No	Yes
2	8	125	Modification of charge	23.12.09	Yes	NA
3	20B	159	Annual Return made up to 24.09.09	25.01.10	No	Yes
4	66	383	Secretarial Compliance Certificate for the year ended 31.03.09	25.01.10	No	Yes
5	23AC & 23ACA	220	Filing of Balance Sheet etc for the year ended 31.03.09	11.02.10	No	Yes



AUDITORS' REPORT

**To,
The Members,
OMNITEX INDUSTRIES (INDIA) LIMITED**

We have audited the attached Balance Sheet of **OMNITEX INDUSTRIES (INDIA) LIMITED** as at **31st March, 2010** the Profit and Loss account and also 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.

We conducted our audit in accordance with the 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.

As required by the Companies (Auditors' Report) Order, 2003 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 & 5 of the said Order.

Further to our comments in the Annexure referred to 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 purpose 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 those books;
- (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of the section 211 of the Companies' Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956;
- (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 subject to Note (2) regarding guarantee issued in non-compliance of section 295 of the Companies Act, 1956; note (3) regarding non-provision of depreciation on assets not in use and read with other notes on accounts in Schedule No."14", 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, 2010;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For J. G. Verma & Co.,
Chartered Accountants
(Registration No. 111381W)

Arun G. Verma
Partner
Membership No. 31898

Place : Mumbai
Dated : 29th May, 2010

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our Report of even date)

- (1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
 - (c) On discontinuation of operations of Silvassa unit in earlier year, the Company has disposed of land and building and plant and machinery at Silvassa during the year. In our opinion and according to the information and explanation given to us, the sale of said fixed assets has not affected the ability of the Company to continue as a going concern.
- (2) (a) The Inventory has been physically verified during the year by the Management. In our opinion the frequency of the verification is reasonable.
 - (b) The procedures of physical verification of inventories 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. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (3) (a) The Company had not granted any Secured/Unsecured loan to the parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the same our comments on the requirement of clauses 4(iii)(c) and (d) are not given.
 - (b) The Company has not taken loan from any parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of the same, our comments on the requirement of clauses 4(iii)(f) and (g) are not given.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (5) (a) According to the information and explanations provided by the management, the contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) According to the information and explanations given to us, there were no transaction in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956 which exceeded the value of rupees five lakhs during the year. Therefore, our comments on the reasonableness of the price are not given.
- (6) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.



Omnitex Industries (India) Limited

- (7) In our opinion, the Company has an Internal Audit Systems commensurate with the size and nature of its business.
- (8) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of the manufacturing activities carried on by the Company and therefore, clause 4(viii) of the Order is not applicable.
- (9) (a) According to records of the Company, and on the basis of our examination of the books of account, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, investor education and protection fund, income tax, sales tax, wealth tax, service tax, excise duty, custom duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of above statutory dues which were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no dues of Provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (10) The Company has accumulated losses of Rs. 91,56,862/- (Previous Year Rs. 1,95,47,757/-) at the end of the financial year which are less than 50% of its networth. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (11) According to the information and explanations given to us, the Company has not taken any loan from bank, financial institutions or by way of debentures and accordingly our comments on clause 4 (xi) of the Order, are not applicable.
- (12) In our opinion and according to the information and explanations given 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 company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order 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 Order are not applicable to the Company.
- (15) *According to the information and explanations given to us, the company had issued corporate guarantees for Rs. 10,00,00,000/- to a Bank to secure certain credit facilities taken by a joint venture company from a bank in the last year, which was in non-compliance of section 295 of the Companies Act as mentioned in note 2 of Schedule "14". In our opinion, the other terms and conditions of the said guarantee are not prejudicial to the interest of the Company.*
- (16) The Company has not raised any term loans during the year.

24th Annual Report 2009-2010

- (17) According to the information and explanations given to us and on an overall examination of the balance sheet 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 preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (19) The Company has not issued any debentures. Accordingly, clause 4(xix) of the Order is not applicable.
- (20) The Company has not raised any money by way of public issue during the year.
- (21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For J.G. Verma & Co.,
Chartered Accountants
(Registration No. 111381W)

Place : Mumbai
Dated : 29th May, 2010

Arun G. Verma
Partner
Membership No. 31898



BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	Rupees	Prev. Year Rupees
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	42,310,000	42,310,000
Reserves and Surplus	2	24,248,000	24,248,000
TOTAL :		66,558,000	66,558,000
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	3	21,766,420	15,503,024
Less: Depreciation		715,321	6,404,084
Net Block		21,051,099	9,098,940
Add: Capital Work in Progress		1,582,603	-
		22,633,702	9,098,940
Investments:	4	28,807,800	28,807,800
Current Assets, Loans and Advances:			
Sundry Debtors	5	24,851	41,324
Cash and Bank Balances	6	712,400	2,667,712
Loans and Advances	7	5,825,185	9,318,661
		6,562,436	12,027,697
Less: Current Liabilities and Provisions:	8		
Current Liabilities		348,897	2,924,194
Provisions		253,903	-
		602,800	2,924,194
Net Current Assets		5,959,636	9,103,503
Miscellaneous Expenditure:			
Debit Balance in Profit and Loss Account		9,156,862	19,547,757
TOTAL :		66,558,000	66,558,000
SIGNIFICANT ACCOUNTING POLICIES	13		
NOTES ON ACCOUNTS	14		

Signature on the above Balance Sheet And Schedules "1" to "8", "13" and "14"

As per our report of even date

For J.G. Verma & Co.,
Chartered Accountants

Arun G. Verma
Partner

For and on behalf of the Board of Directors

Amit R. Dalmia
Chairman

Vivek M. Jalan
Director

Deepak Advani
Director

Place : Mumbai
Dated : 29th May, 2010

24th Annual Report 2009-2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Schedule	Rupees	Prev. Year Rupees
INCOME:			
Sales		2,557,627	1,110,471
Other Income	9	11,683,397	20,676,313
TOTAL:		14,241,024	21,786,784
EXPENDITURE:			
Purchase / Consumption of Material	10	2,532,552	1,070,526
Manufacturing and Other Expenses	11	617,896	7,538,514
Financial Charges	12	11,012	31,501
Depreciation	3	427,698	458,131
TOTAL:		3,589,158	9,098,672
PROFIT BEFORE TAX		10,651,866	12,688,112
Less: Provision for Taxation			
Provision for Current Tax		1,880,000	663,000
Provision for Deferred Tax		-	-
[Refer Note 9 (b) and (c) to Schedule 14]			
Provision for Fringe Benefit Tax		-	2,000
Add: MAT Credit Entitlement		1,810,000	663,000
PROFIT AFTER TAX		10,581,866	12,686,112
Profit/(Loss) brought down from earlier years		(19,547,757)	(32,233,869)
Prior Period Adjustment for taxes (net)		(190,971)	-
PROFIT / (LOSS) CARRIED TO BALANCE SHEET		(9,156,862)	(19,547,757)
Basic and Diluted Earning per Equity Share of Rs. 10		2.47	3.02
SIGNIFICANT ACCOUNTING POLICIES	13		
NOTES ON ACCOUNTS	14		

Signature on the above Profit & Loss Account And Schedules "9" to "14"

As per our report of even date

For J.G. Verma & Co.,
Chartered Accountants

Arun G. Verma
Partner

For and on behalf of the Board of Directors

Amit R. Dalmia
Chairman

Vivek M. Jalan
Director

Deepak Advani
Director

Place : Mumbai
Dated : 29th May, 2010



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010

	Rupees	Prev. Year Rupees
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
50,00,000 Equity Shares of Rs. 10 each	50,000,000	50,000,000
Issued, Subscribed & Paid up		
42,04,100 Equity Shares of Rs. 10 each fully paid	42,041,000	42,041,000
53,900 Forfeited Shares (Amount Paid on Forfeited Shares)	269,000	269,000
TOTAL	42,310,000	42,310,000

NOTE:

Of the above, 8,00,000 Equity Shares have been allotted as fully paid Bonus Shares by capitalisation of Rs. 23,87,714 from Capital Reserve, Rs. 37,12,286 from General Reserve and Rs.19,00,000 from the Profit and Loss Account in earlier years.

SCHEDULE - 2

RESERVES AND SURPLUS

Share Premium

Per last Balance Sheet

TOTAL

24,248,000

24,248,000

24,248,000

24,248,000

24th Annual Report 2009-2010

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010

SCHEDULE - 3

FIXED ASSETS

(AMOUNT IN RUPEES)

Particulars	Gross Block-At Cost			Depreciation			Net Block		
	As at April 1, 2009	Additions/ (Deductions / Impairment) during the Year	As at March 31, 2010	Upto March 31, 2009	For the Year	Adjustments	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
Freehold Land	911,376	(911,376)	-	-	-	-	-	-	911,376
Factory Building	4,835,208	(4,835,208)	-	2,579,851	116,810	(2,696,661)	-	-	2,255,357
Office Building	4,901,940	15,843,200	20,745,140	235,916	129,388	-	365,304	20,379,836	4,666,024
Plant and Machinery	888,982	(888,982)	-	826,797	-	(826,797)	-	-	62,185
Electrical Installations	901,545	(901,545)	-	661,600	6,053	(667,653)	-	-	239,945
Furniture and Fixtures	1,147,987	(1,147,987)	-	838,594	67,699	(906,293)	-	-	309,393
Office and Other Equipments	1,036,693	(1,036,693)	-	974,565	10,730	(985,295)	-	-	62,128
Vehicles	1,056,745	(35,465)	1,021,280	286,761	97,018	(33,762)	350,017	671,263	769,984
	15,680,476	6,085,944	21,766,420	6,404,084	427,698	(6,116,461)	715,321	21,051,099	9,276,392
Add: Capital Work in Progress (Office Interiors)	-	1,582,603	1,582,603	-	-	-	-	1,582,603	-
Less: Insurance Claim	(177,452)	177,452	-	-	-	-	-	-	(177,452)
Net Amount	15,503,024	7,845,999	23,349,023	6,404,084	427,698	(6,116,461)	715,321	22,633,702	9,098,940
As at March 31, 2009	35,976,537	(20,473,513)	15,503,024	14,814,078	458,131	(8,868,125)	6,404,084	9,276,392	

- NOTES : 1. Freehold Land as at March 31, 2009 included Rs. 1,000 being value of 10 fully paid shares of Rs. 100 each in Danudyog Sahakari Sangh Limited.
2. Office Building includes Rs. 500/- being value of 10 fully paid shares of Rs. 50 each in Tantia Jogani Industrial Premises Co-operative Society Limited
3. Insurance Claim of Rs. Nil/- (Previous Year Rs. 1,77,452/-) represents part of the claim received in earlier years, which is adjusted during the current year at the time of disposal.
4. Gross Block of Fixed Assets is after adjusting loss on impairment of Rs. Nil (Previous Year Rs. 7,61,411/-)

SCHEDULE - 4

INVESTMENTS (AT COST)

LONG TERM

Other Investments : Unquoted

7,11,380 (Previous year 7,11,380) Fully paid-up Equity Shares of Rs. 10/- each in Strata Geosystems (India) Pvt. Limited

TOTAL

Rupees	Prev. Year Rupees
28,807,800	28,807,800
28,807,800	28,807,800



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2010

	Rupees	Prev. Year Rupees
SCHEDULE - 5		
SUNDRY DEBTORS		
(Unsecured and Considered good)		
Over six months	-	-
Others	24,851	41,324
TOTAL	24,851	41,324
SCHEDULE - 6		
CASH AND BANK BALANCES		
Cash in Hand (Including cheques)	42,961	8,808
Balance With Scheduled Banks in -		
Current Accounts	489,639	1,686,009
Fixed Deposits Accounts	177,800	177,800
Margin Money	2,000	795,095
TOTAL	712,400	2,667,712
SCHEDULE - 7		
LOANS AND ADVANCES		
(Unsecured and Considered good)		
Advances recoverables in cash or in kind or for value to be received (Refer Note 1a of Schedule 14)	192,000	205,382
Prepaid Expenses	8,121	43,829
Inter-Corporate Deposits	2,500,000	7,200,000
Interest Receivable	636,064	570,396
MAT Credit Entitlement 08-09	663,000	663,000
MAT Credit Entitlement 09-10	1,810,000	-
Trade and Other Advances	16,000	36,978
Balances with Central Excise	-	4,889
Advance Payments against Taxes (Net of Provisions)	-	594,187
TOTAL	5,825,185	9,318,661
SCHEDULE - 8		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities :		
Sundry Creditors (Including Rs. NIL due to Small and Medium Enterprises)	10,000	59,279
Deposits	-	2,500,000
Other Liabilities	338,897	364,915
	348,897	2,924,194
PROVISIONS		
Provision for Taxes (Net of Payments)	253,903	-
	253,903	-
TOTAL	602,800	2,924,194

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Rupees	Prev. Year Rupees
SCHEDULE - 9		
OTHER INCOME:		
Profit On Sale of Fixed Assets (Net) (Including excess realisation over cost)	9,198,747	10,918,062
Rent/Fees For Use of Amenities [Tax Deducted at Source Rs 2,37,562 (Previous year Rs. 3,28,783)]	1,440,129	1,531,490
Interest [Tax Deducted at Source, Rs 1,44,943/- (Previous Year Rs 2,68,288)]	1,040,510	1,261,407
Provision for doubtful loans, no longer required, Written Back	-	6,450,000
Provision for diminution in value of investment, Written Back	-	500,000
Sundry Balances Written Back (Net)	-	14,933
Excess Provision for Depreciation Written Back	4,011	-
Miscellaneous Income	-	421
TOTAL	11,683,397	20,676,313
SCHEDULE - 10		
PURCHASES/CONSUMPTION OF MATERIALS:		
Trading Goods :		
Opening Stock	-	-
Purchases	2,532,552	1,070,526
	2,532,552	1,070,526
Less: Closing Stock	-	-
TOTAL	2,532,552	1,070,526



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

SCHEDULE - 11

MANUFACTURING AND OTHER EXPENSES:

	Rupees	Prev. Year Rupees
Power and Fuel	-	18,721
Repairs and Maintenance :		
Building	78,364	75,910
Others	13,000	28,420
	91,364	104,330
Employees' Cost :		
Salaries and Wages	-	-
Welfare Expenses	-	-
Contribution to Provident and Other Funds	84	84
	84	84
Loss on Sale of Investments in shares of erstwhile subsidiary	-	475,000
Irrecoverable Loan to erstwhile subsidiary, written off	-	6,450,000
Insurance	43,904	65,190
Rent, Rate and Taxes	20,048	15,100
Travelling and Conveyance	530	-
Communication Expenses	20,340	46,998
Legal and Professional Expenses	290,356	211,666
Printing and Stationery	19,627	34,949
Advertisement Expenses	23,907	24,041
Auditor's Remuneration :		
Audit Fees	27,575	16,545
Limited Review Fees	8,273	8,989
Tax Audit Fees	2,757	5,515
Other Matters	-	12,089
	38,605	43,138
Miscellaneous Expenses	69,131	49,297
TOTAL	617,896	7,538,514

SCHEDULE - 12

FINANCIAL CHARGES:

Interest on :		
Others	3,515	24,135
Financial Charges	7,497	7,366
TOTAL	11,012	31,501

SCHEDULE – “13”

FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting:

The financial statements have been prepared on the basis of historical costs under the accrual system of accounting and applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and are in accordance with the requirements of the Companies Act, 1956.

2. Valuation of Inventories:

Inventories are valued at Lower of Cost and Net Realisable Value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost is arrived at on First In First Out (FIFO) basis. Due allowance is estimated and made for defective and obsolete items, wherever considered necessary.

3. Investments:

- a. Investments, being long term, are stated at cost; where there is a decline, other than temporary, the resultant reduction in carrying amount is charged to the Profit and Loss Account.
- b. Investments are capitalised at cost plus expenses by applying specific identification method.

4. Valuation of Fixed Assets:

- a. All the Fixed Assets are capitalised at cost (Net of Modvat/Cenvat) inclusive of all expenses relating to the acquisition and installation of fixed assets and include borrowing costs attributable to such assets, upto the date the asset is put to use.
- b. Fixed Assets except Freehold Land are valued at cost less depreciation. Freehold Land is shown at its Original Cost.
- c. Impairment Loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

5. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred. There was no such borrowing costs incurred during the year.

6. Depreciation:

- a. Except for items on which 100% depreciation rates are applicable, depreciation is provided on Straight Line Method on *pro-rata* basis as under:
 - i. In respect of the items of Fixed Assets existing on the date on which the amended Schedule XIV came into force:

The specified period of the life of the asset is recomputed by applying to the original cost, the revised rate of depreciation as prescribed in Schedule XIV of the Companies Act, 1956. Thereafter, depreciation charge is calculated by allocating the unamortized value of the asset over the remaining part of the recomputed specified period. For calculating remaining part of the recomputed specified period, only completed years of useful life of the existing assets have been taken into account and fraction of the useful life already expired has been ignored.



ii. In respect of other items of Fixed Assets:

Depreciation is provided at the rates as prescribed in Schedule XIV of the Companies Act, 1956.

- b. The above approach is in accordance with Circular No. 14/93 dated 20th December, 1993 issued by the Department of Company Affairs.
- c. While applying the revised rates as per Schedule XIV of the Companies Act, 1956, continuous process plants as defined therein have been taken on technical assessment and depreciation is provided accordingly.

7. Foreign Currency Transactions:

- a. Foreign currency transactions are recorded at the conversion rates prevailing on the date of transactions.
- b. The exchange differences arising on the settlement of transactions are recognised as the gains or losses in the period in which they arise.
- c. Current Assets and Current Liabilities i.e. items to be received or paid in Foreign Currencies, are translated at the exchange rates prevailing at the Balance Sheet date or at the Forward Contract rates, wherever such contracts have been entered into and resultant gains / losses are recognised in the Profit and Loss Account.

8. Revenue Recognition:

Revenues / Incomes and Costs / Expenditures are accounted for on accrual basis. Revenue from sale of goods is recognized when the significant risks and rewards of ownership of goods are passed to the buyer. Dividends are recorded when the right to receive payment is established. Interest Income is recognized on time proportion basis. Rent and service receipts are accounted for on accrual basis in term of agreement with parties except in cases where ultimate collection is considered doubtful.

9. Employee Benefits:

- a. The Company's Contribution in respect of Provident Fund is charged to the Profit and Loss Account;
- b. Provision for Gratuity to employees and Leave Encashment are charged to the Profit and Loss Account on the basis of actuarial valuation. However, since there were no employees, no provision is required to be made.

10. Taxation:

- a. In accordance with Accounting Standard 22 – Accounting for Taxes on Income (AS-22), notified by the Companies (Accounting Standards) Rules, 2006, the deferred tax for timing differences is accounted for using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.
- b. Deferred tax assets arising from timing differences are recognised only on consideration of prudence.

11. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote or a reliable estimate of the amount of obligation cannot be made.

SCHEDULE – 14

FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

			Rupees	Prev. Year Rupees
1.	A.	Contingent Liabilities not provided for in respect of: Liability in respect of a award of the Labour Court Silvassa which has been deposited in court pending disposal of the case	1,92,000	1,92,000
	B.	Estimated amount of contracts remaining to be executed on capital account - Net of Advance	5,79,861	Nil
	C.	Corporate guarantees given by the Company to Bank of India for securing credit facilities given by the said bank to the Joint Venture Company namely Strata Geosystems (India) Private Limited. (Refer Note 2 and 3 below)	12,75,00,000	10,00,00,000

2. The Company had issued corporate guarantees upto an aggregate value of Rs. 10 Crores during the year 2008-09 to Bank of India for securing credit facilities granted by the said bank to the Joint Venture Company, viz. Strata Geosystems (India) Private Limited, in which a director of the company was a director at the relevant time. The said guarantees are within the limit of Rs. 25 Crores approved by the shareholders of the Company under section 372-A of the Companies Act, 1956 vide postal ballot notice dated May 26, 2008. Before issue of the above guarantees, the Company has made an application to The Central Government for approval under section 295 of the Act which requires prior approval. The Central Government has intimated its approval to the Company. The above guarantees were secured by deposit of title deeds of land and building situated at plot no 126, Piparia Industrial Estate, Piparia Silvassa and also of unit no 317, Tantia Jogani Industrial Premises, J. R. Boricha Marg, Lower Parel, Mumbai – 11 of the Company. Subsequent to the sale of Silvassa land and building and purchase of Units 318 and 319 at Tantia Jogani Industrial Premises, Mumbai the above guarantees are secured by deposit of title deeds of Unit No 317,318 & 319 at Tantia Jogani Industrial Premises, J. R. Boricha Marg, Lower Parel, Mumbai.

The above guarantees are also secured by the personal guarantee of Mr. Ashok M. Bhawnani the erstwhile Chairman and Managing Director of the Company.

3. The Company has issued a further guarantee of Rs. 2.75 Crores during the year to Bank of India to secure the enhanced credit facilities sanctioned to the Joint Venture Company referred to in note(2) above . The said guarantee is within the limit of Rs. 25 Crores approved by the shareholders of the Company under section 372-A of the Companies Act, 1956 vide postal ballot notice dated May 26, 2008.
4. Fixed Assets being Land & Building, Plant & Machinery, Electrical Installations, Furniture & Fixtures and Office Equipments at Silvassa which were held for sale have been sold during the year. The disposal was approved by the shareholders of the Company vide resolution passed in terms of Postal Ballot Notice dated February 9, 2008. Since the said assets except the building block were not in use, no depreciation was provided in respect of these assets upto the date of sale.
5. Apart from the limited trading activities, the management has also leased out part of the Mumbai office premises at Tantia Jogani Industrial Premises, J. R. Boricha Marg, Lower Parel, Mumbai – 11.
6. Miscellaneous Expense include Rs. Nil/- (Previous year Rs. 20,000/-) being compounding fees paid in terms of CLB order dated March 31, 2009.



7. ADDITIONAL INFORMATION REQUIRED UNDER PARA 3, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956:

- i. Details of Licensed Capacity, Installed Capacity, Production, Purchases, Turnover and Stocks, etc.: During the year ended 31st March, 2010 and the previous year there were no manufacturing activities and most of the plant and machinery were disposed off. Accordingly the quantitative details have not been given. However quantitative details for the trading activity are as under:

	2009 - 10		2008 - 09	
	Quantity (Fabrics) Mtr	Value Rupees	Quantity (Fabrics) Mtr	Value Rupees
Opening Stock	Nil	Nil	Nil	Nil
Purchases	1,00,299	25,32,552	39,945	10,70,526
Sales	1,00,299	25,57,627	39,945	11,10,471
Closing Stock	Nil	Nil	Nil	Nil

		2009 - 10 Rupees	2008 - 09 Rupees
II	C.I.F. Value of Imports:		
	a. Raw Materials	Nil	Nil
	b. Components and Spares	Nil	Nil
	c. Capital Goods	Nil	Nil
III.	Earnings in Foreign Currency: F.O.B. Value of Exports	Nil	Nil
IV.	Expenditure in Foreign Currency	Nil	Nil
V.	Number of Non-Resident Share Holders	7	7
VI.	Remittances made in Foreign Exchange on account of dividend	Nil	Nil

8. Related Party Transactions

A. Remuneration of Directors and Key Managerial persons.

Name	Designation	Remuneration in Rupees
Mr. Amit R. Dalmia	Chairman	NIL

B. a. List of Related Parties and Nature of Relationship:

	List of related parties	Nature of Relationship
Amit R. Dalmia, Chairman	Saanwaria Polyester Pvt. Ltd.	Director
	Creative Global Services Pvt. Ltd.	Director
	Viaton Energy Pvt. Ltd.	Director
	Viaton Infrastructure Pvt. Ltd.	Director
	Intelinet Software Pvt. Ltd.	Director
	Datryx Solution Pvt. Ltd.	Director
	CTS Infratech Limited	Director
	Encompass Designs Private Limited	Director
Associates	Strata Geosystems (India) Pvt. Ltd.	Joint Venture Company

b. Transactions with M/s. Strata Geosystems (India) Private Limited:

Transaction	Opening Balance as at April 1, 2009	Amount Received/credited During the year	Amount Paid / debited during the year	Closing Balance as at March 31, 2010
Investments in Share Capital (including share application money)	2,88,07,800 (42,75,000)	NIL (NIL)	NIL (2,45,32,800)	2,88,07,800 (2,88,07,800)
Corporate Guarantees	10,00,00,000 (95,45,000)	2,75,00,000 (10,00,00,000)	Nil (95,45,000)	12,75,00,000 (10,00,00,000)
Other Transactions with M/s Strata Geosystems (India) Private Limited				
Sale of Fixed Assets				Nil (2,25,18,408)
License Fees received for use of premises / amenities				4,20,000 (3,24,823)
Reimbursement for expenses				8,418 (Nil)

Note: Figures in brackets are for previous years.

9. Taxation:

- a. Provision for current tax has been made in accordance with Section 115JB of the Income-Tax Act and applicable MAT Credit has been recognized.



Omnitex Industries (India) Limited

b. Deferred Taxation:

Deferred Tax Liability on account of:

	Deferred Tax Balance As at March 31, 2009 Rupees	Charge / (Credit) during the year Rupees	Deferred Tax Balance As at March 31, 2010 Rupee
i. Depreciation	28,24,355	13,41,608	41,65,963
	28,24,355	13,41,608	41,65,963
Deferred Tax Assets on account of:			
i. Unabsorbed Depreciation	(50,24,627)	23,05,399	(27,19,228)
ii. Expenses allowable for Tax purpose when paid – Bonus	NIL	NIL	NIL
iii. Business loss	NIL	(16,42,202)	(16,42,202)
	(50,24,627)	6,63,197	(43,61,430)
Net Deferred Tax Liability / (Assets)	(22,00,272)	20,04,805	(1,95,467)

c. The Deferred Tax Liability (Net) for the year comes to Rs 20,04,805 {Previous year Deferred Tax Liability (Net) Rs. 41,26,770}. Since the Deferred Tax Assets as at the Balance Sheet date is more than the Deferred Tax Liability the same has not been recognized as it was considered inappropriate.

10. Segment Reporting:

The operation of the Company represents only one business segment, viz. 'Trading in Fabrics'. Accordingly, all earnings, assets and liabilities relate to this activity only and there is no separate Segment.

11. The Company has a 33.88% equity interest in a Jointly Controlled Entity- M/s. Strata Geosystems (India) Private Limited. ("Strata"). The Company has made an investment into Strata's Equity Capital and will from time to time commit other resources, as may be necessary, based on Strata's business plan.

In accordance with the requirements of Accounting Standard on Financial Reporting of Interest in Joint Ventures (AS-27) notified by the Companies (Accounting Standards) Rules, 2006, the interest in the jointly controlled entity has been accounted for as an Investment in accordance with Accounting Standard (AS) 13, Accounting for Investments and has been reflected under investments – Schedule 4

In compliance with Accounting Standard 27 – 'Financial Reporting of Interests in Joint Venture' – AS(27), notified by the Companies (Accounting Standards) Rules, 2006 the Company has interest in the following jointly controlled entity.

(Rupees in Lacs)

Name of the Company	Country of Incorporation	Holding (%)	Amount of Interest based on the Provisional Accounts as approved by the Directors for the year ended March 31, 2010			
			Assets	Liabilities	Income	Expenditure
Strata Geosystems (India) Pvt. Ltd.	India	33.88 (33.88)	541.79 (454.96)	307.11 (258.20)	508.26 (216.19)	470.16 (221.67)

12. Disclosure as required by Accounting Standard 19, "Leases" (AS-19), notified by the Companies (Accounting Standards) Rules, 2006 are given below:

a. Where the Company is a lessee:

i. Lease payments are recognized in the statement of Profit and Loss Account under "Rent, Rate & Taxes" in Schedule 11.

24th Annual Report 2009-2010

- b. Where the Company is a lessor:
i. Details in respect of assets given on operating lease:

	Gross block as at March 31, 2010 Rupees	Accumulated depreciation as at March 31, 2010 Rupees	Depreciation (Corresponding to period of lease rentals) Rupees
Building	49,01,940	3,15,812	79,900

These assets are in respect of part of the Mumbai Office Building given on Leave and License for a short term period. This does not include Silvassa factory building given on Leave and License for a short period as the asset have been sold during December 2009 and is not part of the gross block as at 31st March, 2010.

- i. Licence Fee of Rs. 14,40,129/- received from temporary user is recognized in the Profit and Loss Account.
- ii. The future minimum lease payments under non-cancelable operating lease-not later than one year Rs. NIL, (Previous year Rs. NIL).
- iii. Initial direct costs are recognized as expenses in the year in which it is incurred.

13. Earning Per Share

Earning per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earning per equity share are as stated below:

		As at March 31, 2010	As at March 31, 2009
Profit before Taxation and Prior Period Items	Rupees	1,06,51,866	1,26,88,112
Profit after Taxation and Prior Period Items	Rupees	1,03,90,895	1,26,86,112
Weighted average number of shares	Nos.	42,04,100	42,04,100
Earning per share before exceptional items (Basic and Diluted)	Rupees	2.47	3.02
Earning per share (Basic and Diluted)	Rupees	2.47	3.02
Face value per share	Rupees	10	10

14. The figures of the previous year have been regrouped / reclassified, wherever necessary, to conform to the current year's presentation.

For and on behalf of the Board of Directors

Amit R. Dalmia
Chairman

Vivek M. Jalan
Director

Deepak Advani
Director

Place : Mumbai
Dated : 29th May, 2010



Omnitex Industries (India) Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details	
Registration No:	42391
State Code:	11
Balance Sheet Date:	31st March, 2010
II. Capital Raised during the year (Amount in Rs. Thousands)	
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)	
Total Liabilities	66,558
Total Assets	66,558
Source of Funds	
Paid-up Capital	42,310
Reserves & Surplus	24,248
Secured Loans	Nil
Unsecured Loans	Nil
Deferred Tax Credit (Net)	Nil
Application of Funds	
Net Fixed Assets	22,634
Investments	28,808
Net Current Assets	5,959
Miscellaneous Expenditure	Nil
Accumulated Losses	9,157
IV. Performance of Company (Amount in Rs. Thousands)	
Turnover	14,241
Total Expenditure	3,589
Profit/(Loss) Before Tax	10,652
Profit/(Loss) After Tax	10,391
Earning Per Share in Rs.	2.47
Dividend Rate %	Nil
V. Generic Names of Three Principle Products / Service of Company. (As per monetary terms)	
Item Code No. (Itc Code)	54070000
Product Description:	Fabrics

For and on behalf of the Board of Directors

Amit R. Dalmia
Chairman

Vivek M. Jalan
Director

Deepak Advani
Director

Place : Mumbai
Dated : 29th May, 2010

24th Annual Report 2009-2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

	2009-2010 Rupees	2008-2009 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	10,651,866	12,688,112
Adjusted for :		
Depreciation	427,698	458,131
Interest Income	(1,040,510)	(1,261,407)
Financial Expenses	11,012	31,501
Provisions Written Back	(4,011)	(6,950,000)
Profit on Sale of Fixed Assets	(9,198,747)	(10,918,062)
Loss in Sale of Investments	-	475,000
Amounts Written Off	-	6,450,000
	(9,804,558)	(11,714,837)
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	847,308	973,275
Adjusted for Changes in :		
Trades and Other Receivables	4,791,432	531,848
Trade Payables	(2,575,298)	2,014,118
	2,216,134	2,545,966
CASH GENERATED FROM OPERATIONS :	3,063,442	3,519,241
Direct Taxes Paid	(1,222,881)	(801,073)
Net Cash From Operating Activities (A)	1,840,561	2,718,168
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(17,425,803)	(500)
Sale of Fixed Assets	12,666,100	22,523,950
Purchase of Investments	-	(24,532,800)
Sale of Investments	-	25,000
Interest Received	974,842	786,602
Net Cash Used In Investing Activities (B)	(3,784,861)	(1,197,748)

**Omnitex Industries (India) Limited****C. CASH FLOW FROM FINANCING ACTIVITIES**

Interest Paid	<u>(11,012)</u>	<u>(31,501)</u>
Net Cash Used In Financing Activities (C)	(11,012)	(31,501)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,955,312)	1,488,919
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,667,712	1,178,793
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	712,400	2,667,712

As per our report of even date

For J.G. Verma & Co.,
*Chartered Accountants***Arun G. Verma**
*Partner*Place : Mumbai
Dated : 29th May, 2010**For and on behalf of the Board of Directors****Amit R. Dalmia**
*Chairman***Vivek M. Jalan**
*Director***Deepak Advani**
Director



Omnitex Industries (India) Limited

Registered Office : 317, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg,
Lower Parel, Mumbai - 400 011.

ATTENDANCE SLIP

24th Annual General Meeting on 29th July, 2010, at 10.00 a.m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Attendance Slips or request.

NAME & ADDRESS OF THE SHARE HOLDER	L. F. NO.

I hereby record my presence at the 24th Annual General Meeting of the Company at 317-319, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg, Lower Parel, Mumbai - 400 011 on Thursday, 29th July, 2010.

SIGNATURE OF THE SHARE HOLDER OR OF THE PROXY ATTENDING THE MEETING

If Shareholder, Please sign here	If Proxy, Please sign here

Tear Here

PROXY FORM



Omnitex Industries (India) Limited

Registered Office : 317, Tantia Jogani Industrial Premises, 3rd Floor, J. R. Boricha Marg,
Lower Parel, Mumbai - 400 011.

L.F.No.

I/We.....

of **being a member/members of Omnitex Industries (India) Limited**

hereby appoint of

or failing him/her of

as my / our proxy to vote for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Thursday, 29th July, 2010 or at any adjournment thereof.

As witness my/our hand(s) thisday of 2010.



(Signature of the Shareholder)

NOTE : The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.

Book - Post

If undelivered, please return to :



Omnitex Industries (India) Limited

317-319, Tantia Jogani Industrial Premises, 3rd Floor,
J. R. Boricha Marg, Lower Parel, Mumbai - 400 011.

Crystal - (022) - 6614 0900