# ORIENT ABRASIVES LTD.

**CIN : L24299GJ1971PLC093248**

Ref No.: Orient/Stock Exch/Letter/65

19th September, 2017

**The Dy. General Manager,**
**Corporate Relations & Services Dept.,**
**Bombay Stock Exchange Limited**
**Phirojsha Jeejibhoy Towers,**
**Dalal Street, Mumbai - 400 023.**

**Scrip Code: 504879**

**The Dy. Gen. Manager,**
**National Stock Exchange of India Ltd.,**
**Corporate Relations Dept.,**
**Exchange Plaza, 5th Floor,**
**Plot No. C/1. G Block,**
**Bandra-Kurla Complex, Bandra (E),**
**Mumbai – 400 051.**

**Scrip Code: ORIENTABRA**

**Sub: Annual Report for the year 2016-2017**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of the Annual Report of the Company for the financial year 2016-17 duly approved and adopted by the Members as per the provisions of the Companies Act, 2013.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For Orient Abrasives Limited**

**Bimal Parmar**
**Company Secretary**

ORIENT ABRASIVES LIMITED

Encl. a/a.

**Registered Office :**
G.I.D.C. Industrial Area, Porbandar - 360577, Gujarat, (India)
Tel.: +91-286 2221788 / 9, Fax : +91-286 2222719, Email : orientabrasives@oalmail.co.in, Email : Investor@oalmail.co.in
**Administrative Office :**
Jeevan Udyog Building, 2nd Floor, 278, D. N. Road, Fort, Mumbai - 400 001. (India)
Tel.: +91-22 6665 1700, Fax : +01 22 2207 9395, Email : orientabrasives@oalmail.co.in, Email : Investor@oalmail.co.in

# Orient Abrasives Limited

*46th Annual Report*

*2016-17*

Orient Abrasives Limited

| | |
|---|---|
| **Mr. Pundarik Sanyal (DIN:-01773295)** | Chairman, Non-Executive Independent Director |
| **Mr. Manubhai Rathod (DIN:-07618837)** | Whole Time Director & Chief Executive Officer (Appointed w.e.f 15th June, 2017) |
| **Mr. Bharatkumar Makhecha (DIN:-01351080)** | Non-Executive Independent Director |
| **Mrs. Sangeeta Bohra (DIN:-02036626)** | Non-Executive Independent Director |
| **Mr. Hemul Shah (DIN:-00058558)** | Non-Executive Director |
| **Mr. Mihir Devani (DIN:-07238089)** | Whole Time Director & Chief Executive Officer (Resigned w.e.f 15th June, 2017) |
| **Mr. Bimal Parmar** | Company Secretary |
| **M/s. SRBC & Co. LLP Chartered Accountants** | Auditors |
| **State Bank of India** | Bankers |

**Registered Office:**
GIDC Industrial Area,
Porbandar- 360577
Gujarat
Tel: 0286-2221788-9
Fax: 0286-2222719
Email: investor@oalmail.co.in
Website: www.orientabrasives.com
CIN: L24299GJ1971PLC093248

**Shareholders Information:**
The Company's Securities are listed on the following Stock Exchanges:

1. **Bombay Stock Exchange Limited**
   PhirozeJeejeebhoy Towers,
   Dalal Street, Mumbai0 400001.

2. **National Stock Exchange of India Limited**
   "Exchange Plaza", Bandra Kurla Complex,
   Bandra (East), Mumbai- 400051.

**Registrar & Share Transfer Agent:**
M/s. Skyline Financial Services Pvt. Ltd.
D-153/A, 1st floor, Phase I,
Okhla Industrial Area, New Delhi,
Delhi 110020
Tel.: + 011 3085 7575
Fax: + 91 11 26812682.
E-mail: info@skylinerta.com

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# ORIENT ABRASIVES LIMITED

## NOTICE

NOTICE is hereby given that the 46th Annual General Meeting of the Members of **ORIENT ABRASIVES LIMITED** will be held on Saturday, 16th September, 2017 at 10.30 a.m. at Lords Eco Inn hotel, Near Circuit House, Chaupati, Porbandar, Gujarat - 360575 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2017, together with the Directors' and Auditors' Reports thereon.

2. To declare dividend @ 25% i.e. ₹ 0.25/- per Equity Shares face value of ₹ 1/- each for the Financial Year ended 31st March, 2017.

3. To appoint a Director in place of Mr. Hemul Shah (DIN: 00058558), who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint M/s. Sanghavi & Co., Chartered Accountants (FRN: 109099W) as Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee, M/s. Sanghavi & Co. (FRN: 109099W), be and is hereby appointed as statutory auditors of the Company, in place of retiring auditors, M/s. SRBC & Co. LLP, Chartered Accountants (Firm Registration No. E300003), for a term of five years, to hold office from the conclusion of this 46th Annual General Meeting (AGM) until the conclusion of the 51st AGM of the company to be held in the year 2022, subject to ratification by members at every year AGM, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."

5. **Appointment of Cost Auditors:**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time and subject to such guidelines and approval as may be required, appointment of M/s. S. K. Rajani & Co., Cost Accountants as Cost Auditors, for conducting audit of the cost accounting records relating to the Company's Products for the Financial Year 2017-2018 at the remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) per annum (including reimbursement of actual travel & out of pocket expenses and applicable taxes), as approved by the Board of Directors of the Company, be and is hereby ratified."

### SPECIAL BUSINESS:

6. **Appointment of Mr. Bharatkumar Makhecha (DIN : 01351080) as a Non-Executive, Independent Director of the Company:**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Bharatkumar Makhecha (DIN: 01351080) who was co-opted by Board of Directors of the Company as an Additional Director (Independent Director) w.e.f. 29th September, 2016 and whose appointment is subject to the approval of Shareholders at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive, Independent Director of the Company, not liable to retire by rotation and who shall hold office for five (5) consecutive years w.e.f. 29th September, 2016."

7. **Appointment of Mr. Manubhai Rathod (DIN : 07618837) as an Whole Time Director & Chief Executive Officer (CEO) of the Company:**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** Mr. Manubhai Rathod (DIN: 07618837), who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 15th June, 2017, in terms of Section 161(1) of the Companies Act, 2013 and the existing Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

**RESOLVED FURTHER THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of recommendation of the 'Nomination and Remuneration Committee' and the Board of Directors, the Company hereby approves the appointment of Mr. Manubhai Rathod (DIN: 07618837) as the Whole Time Director & Chief Executive Officer of the Company, for a period of three years with effect from w.e.f. 15th June, 2017 upon such terms and conditions including remuneration as are set out in the Statement pursuant to Section 102 of the Companies Act, 2013, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the duly authorised Committee of the Board including the Nomination & Remuneration Committee) to alter and vary the terms and conditions of the said appointment, including the remuneration which shall not exceed an overall ceiling of Rs. 35,38,886/- (Rupees Thirty Five Lakhs Thirty Eight Thousand Eight Hundred Eighty Six Only) per annum, as may be agreed between the Board and Mr. Manubhai Rathod.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/consent from the concerned/ appropriate authorities, as may be required in this regard."

**By Order of the Board of Directors**

**Sd/-**

**BIMAL PARMAR**
**COMPANY SECRETARY**

**Place:** Mumbai
**Date**: 10th August, 2017

**NOTES:**

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY (IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. The instrument appointing proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

4. Corporate Members intending to send their Authorised Representative(s) to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorising him/them to attend and vote at the meeting.

5. Members are requested to bring their copies of Annual Report and Attendance Slip for attending the Meeting.

6. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the SEBI Listing Regulations, 2015.

7. Members are requested to address all correspondences, including dividend matters, if any, to the Registrar and Share Transfer Agent, Skyline Financial Services Pvt. Ltd., D-153-A, 1st Floor, Okhla Industrial Area, Phase-I,New Delhi,Delhi,110020.

8. The members are requested to intimate, well in advance, to the Company and to the Depositories, as the case may be, of the changes in their addresses with the postal pin code numbers and also the e-mail ids & particulars of their Bank Account Numbers to minimise the chances of fraudulent encashment of the future dividend warrants/cheques/drafts, if any.

9. Members, holding shares in physical form, may avail of the facility of nomination in terms of Section 72 of the Act and Rules made thereunder, by filing prescribed Form No. SH. 13 (in duplicate) with the Company's Registrar & Share Transfer Agent. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participants (DP).

10. The Company's Transfer Books will remain closed from Monday, 11th September, 2017 to Saturday, 16th September, 2017 (both days inclusive).

11. The unclaimed dividend for the financial year 2008-2009 has been transferred to the Investor Education and Protection Fund (IEPF) as per provisions of Section 205 (c) of the Companies Act, 1956 read with Companies Act, 2013.

12. Queries on accounts and operations of the Company, if any, may please be sent to the Company ten days in advance of the Meeting so that the answers may be made available at the Meeting.

13. The Ministry of Corporate Affairs (MCA) has adopted/implemented "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. The Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered email addresses of the shareholders.

    To support this green initiative and to receive communication from the Company through electronic mode, members who have not registered their e-mail addresses and holding shares in physical form are requested to contact the Company's Registrar & Share Transfer Agent and register their e-mail ID and Members holding shares in dematerialised form are requested to contact their Depository Participant (DP). Members may please note that notices, annual reports, etc. will also be available on the Company's website viz. www.orientabrasives.com.

14. The Notice of the Meeting along with the Annual Report 2016-2017 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

    **E-Voting Facility:**

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 46th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 13th September, 2017 (9:00 am) and ends on 15th September, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 9th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :

(i) Open email and open PDF file viz; "remote Orient e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder – Login

(iv) Put User ID and password noted in step (1) above and Click Login.

*NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on* ***www.evoting.nsdl.com****.*

*In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).*

*In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).*

(v) After successful login, you can change the password with new password of your choice.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Orient Abrasives Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to jatinfcs@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

| EVEN (Remote e-voting Event Number) | USER ID | PASSWORD/PIN |
|---|---|---|

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 9th September, 2017.

IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 9th September, 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investor@oalmail.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using *"Forgot User Details/ Password?" or "Physical User Reset Password?"* option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

X. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM).

XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XII. Mr. Jatin Gupta, Practicing Company Secretary (Membership No. 5651) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.www.orientabrasives.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Bombay Stock Exchange Limited & the National Stock Exchange of India Limited.

**By Order of the Board of Directors**

**Sd/-**

**BIMAL PARMAR**
**COMPANY SECRETARY**

Mumbai, 10th August, 2017

**Registered Office:**
GIDC Industrial Area,
Porbandar,
Gujarat – 360577

CIN: L24299GJ1971PLC093248
Email: investor@oalmail.co.in
Website: www.orientabrasives.com

-E & OE regretted

## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:

### Item No. 6:

**Appointment of Mr. Bharatkumar Makhecha (DIN: 01351080) as a Non-Executive, Independent Director of the Company:**

In view of broad basing the Board of Directors of the Company by inducting professional candidate, the Company on the recommendation of Nomination and Remuneration Committee co-opted Mr. Bharatkumar Makhecha as an Additional Director (Independent Director) w.e.f. 29th September, 2016.

Mr. Makhecha, is a Commerce Graduate, has more than 40 years of rich experience in Mining Operation namely Bauxite, Lime Stone, White clay and other Minerals. Mr. Makhecha is active member of Porbandar Chamber of Commerce and Industries and Porbandar & Gujarat Minerals Association.

In the opinion of the Board, Mr. Makhecha fulfil the conditions specified in Section 149 (6) & Section 149 (7) of the Companies Act, 2013 and the rules made there under.

Accordingly, the Board proposes to co-opt Mr. Makhecha as Independent Director of the Company for a period of 5 years with effect from 29th September, 2016 as set out at Item No. 6 of this Notice. The company has received the Notice as required under Section 160 of the Companies Act, 2013 from a member proposing the candidature as a Independent Director of the Company. Further, in terms of Section 149(13) of the said Act, Mr. Makhecha shall not be liable to retire by rotation.

Brief profile of the said Independent Director, in terms of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is provided after this Notice.

The Board accordingly recommends the resolution at Item No. 6 of this Notice for the approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than those mentioned in the resolution and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution.

### Item No. 7:

**Appointment of Mr. Manubhai Rathod (DIN: 07618837) as an Whole Time Director & Chief Executive Officer (CEO) of the Company:**

Consequant to the resignation of Mr. Mihir Devani and considering the business growth & expansion plan of the Company the management thought it fit to induct experienced professional in the field of mining & processing (operations) of Bauxite and allied minerals, be co-opted as an Additional Director (Whole Time Director & Chief Executive Officer (CEO) on the Board of the Company.

In view of the above, the Board of Directors of the Company at its meeting held on 13th June, 2017 co-opted Mr. Manubhai Rathod as an Additional Director of the Company w.e.f 15th June, 2017 until the conclusion of this Annual General Meeting of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 from a member signifying its intention to propose his candidature for the office of Director.

Further, in the same meeting Mr. Manubhai Rathod was also appointed as Whole time Director & CEO of the Company w.e.f 15th June, 2017, subject to approval of members. The appointment of Mr. Manubhai Rathod was duly considered & recommended by the Nomination Remuneration Committee.

**Brief Profile:**

Mr. Manubhai Rathod holds degree in BSC (Chemistry Graduate) from Saurashtra University, has experience & expertise of more than a decade in the field of mining & processing (operations) of Bauxite and allied minerals.

Mr. Manubhai Rathod prior to his appointment at present designation, was associated with Ashapura Group as unit head of the Company at Khambhalia, Gujarat.

Brief resume of Mr. Manubhai Rathod, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, as required under Regulation 36 of the SEBI Regulations, 2015 is provided after this Notice.

The main terms of the agreement to be entered into between the Company and Mr. Manubhai Rathod are given:

The remuneration payable to Mr. Manubhai Rathod shall be determined by the Board from time to time within the maximum limits set forth under the applicable provisions of the Act and as per the Remuneration Policy of the Company:

a. Term of appointment:- Three Years with effect from 15th June, 2017.

b. Salary:- ₹ 35,38,886/- (Rupees Thirty Five Lakhs Thirty Eight Thousand Eight Hundred Eighty Six Only) per annum.

The annual increment will be decided by the Board of Directors of the Company after taking into consideration with nomination & remuneration committee and subject to the provisions of the Companies Act, 2013.

c. Perquisites & Allowances:

Shall be paid in addition to the Salary as per the policy of the Company but within the overall limit, if any, prescribed under the Companies Act, 2013, as amended from time to time. He shall also be entitled to receive the following: -

i. Contribution to Provident Fund, Superannuation Fund and Gratuity as per the rules of the Company.

ii. Leave as per the rules of the Company.

Board recommends the Resolutions No. 7 of the Notice for approval by the Members as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company except Mr. Manubhai Rathod, and their respective relatives are concerned or interested, financial or otherwise, the resolution set out at item No. 7 of the Notice.

**By Order of the Board of Directors**

**Sd/-**
**BIMAL PARMAR**
**COMPANY SECRETARY**

Mumbai, 10th August, 2017

**Registered Office:**
GIDC Industrial Area,
Porbandar,
Gujarat – 360577

CIN: L24299GJ1971PLC093248
Email: investor@oalmail.co.in
Website: www.orientabrasives.com

## Annexure 'A'

### Details of Director seeking re-appointment at the forthcoming Annual General Meeting
### (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

| **Name of Director** | Mr. Hemul Shah | Mr. Bharatkumar Makhecha | Mr. Manubhai Rathod |
|---|---|---|---|
| **Date of Birth** | 04/01/1961 | 12/03/1950 | 20/04/1968 |
| **Qualification** | Commerce Graduate | Commerce Graduate | BSC (Chemistry Graduate) |
| **Brief Profile & Expertise in specific functional areas** | Mr. Hemul Shah has been supervising the accounts, marketing and operation functions of the Company and serving as an Executive Director of M/s. Bombay Minerals Limited. | Mr. Makhecha, has more than 40 years of rich experience in Mining Operation of Bauxite, Lime Stone, White clay and other Mineral processing. He is an active member of Porbandar Chamber of Commerce and Industries and Porbandar & Gujarat Minerals Association. | Mr. Manubhai has experience & expertise of more than a decade in the field of mining & processing (operations) of Bauxite and allied minerals. |
| **Directorship in other Public Companies** | Ambica Maritime Ltd.<br>Ashmin Minerals Pvt. Ltd.<br>Prashansha Ceramics Ltd.<br>Bombay Minerals Ltd.<br>Ashapura Aluminium Ltd.<br>Ashapura Industrial Finance Ltd.<br>Ashapura Claytech Ltd.<br>Ashapura International Ltd. | — | Prashansha Ceramics Ltd. |
| **Chairmanship / Membership of the Committees of the Board*** | **Chairman:**<br>Bombay Minerals Limited- AC<br>Ashapura International Ltd.- AC<br>**Membership:**<br>Orient Abrasives Limited- AC & SRC | — | —<br>**Membership:**<br>Orient Abrasives Limited- SRC |
| **No. of shares held in the Company as on 31.03.2017** | 57,256 Equity Shares of Rs. 1/- each. | 20,416 Equity Shares of Rs. 1/- each. | 35,000 Equity Shares of Rs. 1/- each. |

* Represents only Membership/Chairmanship of the Audit Committee (AC) and the Stakeholders Relationship Committee (SRC) of Indian Public Limited Companies.

# DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Forty Sixth Annual Report of the Company together with the Annual Statements of Accounts for the year ended 31st March, 2017.

## FINANCIAL RESULTS AND PERFORMANCE:

(₹in Lakhs)

| PARTICULARS | 2016-2017 | 2015-16 |
|---|---|---|
| Profit/(Loss) before Interest, Depreciation and Tax | 2,178.56 | 4,944.31 |
| Interest | 451.89 | 340.45 |
| Depreciation | 796.77 | 896.22 |
| Profit / (Loss) before Tax | 929.90 | 3,707.64 |
| Provision for Taxation: | — | — |
| Current | 237.65 | 1,346.48 |
| Earlier years' Tax | — | — |
| Deferred Tax | — | — |
| Profit / (Loss) after Tax | 692.25 | 2,361.16 |
| Prior Period Adjustments | — | — |
| Net Profit | 692.25 | 2,361.16 |
| Balance brought forward from the previous year | 7,357.93 | 5,756.76 |
| Balance Carried to Balance Sheet | 8,050.18 | 7,357.93 |

## COMPANY PERFORMANCE AND OPERATIONS:

Financial Year 2016-2017 witnessed challenges in capacity utilization, majorly on account of competition from Chinese Suppliers, weak global demand and volatile exchange rates in Indian Economy. Your Company supplies products to Refractory and Abrasive industry wherein it was observed that refractory industry has faced various challenges due to major impact on steel industry.

This has impacted, the gross turnover which stood at ₹ 24,185.27 Lakhs for the year ended 31st March, 2017 i.e., approx. 23% down as compared to the previous financial year majorly on account of reduction in Raw Bauxite sales.

Further the Company reported substantial drop in Profit Before Tax (PBT) which came down to ₹ 929.90 Lakhs for the FY 2016-2017 as against ₹ 3,707.64 Lakhs for the previous financial year. The main reasons for low profitability, primarily reasons being increased prices of Raw materials and consumables especially Coal.

During the year under review the Company sold low grade bauxite amounting to ₹ 2,449.26 Lakhs, as compared to ₹ 7,249.24 Lakhs, in the previous year.

Your Company also runs wind power plants of 11.1 M.W. in Rajasthan & Karnataka. The plant in Karnataka is operating satisfactorily, however the wind power plant in Rajasthan faced several problems like theft of cables etc. Therefore, the generation of power was lower compared to the previous year. During the year the gross revenue from sale of power to respective state power distribution companies stood at ₹ 808.72 Lakhs as compare to ₹ 666.53 Lakhs in previous year meaning thereby that there was improvement in performance on Power count. Your Company is taking control of situation and deliberating on measures required to be taken for improvement on this count as well. Your Company has a power plant capacity of 18 Mega Watt M.W. out of which 9.6 M.W. is coal based whereas - 9 M.W. on furnace oil. Due to unaffordable price of furnace oil, the furnace oil based power plant is used as and when required.

The management is getting accustomed to state of affairs of your Company, hence in time to come the performance of your company shall improve.

Your Company envisages better performance for the Financial Year 2017-18, considering the positive changes in the economy at the domestic and Global levels. Considering the increase in potential demand, your Company has invested in expansion for increased capacity and modernisation of the Plant resulting better operational efficiency in order to reduce the cost at various levels.

## DIVIDEND:

Your Directors are pleased to recommend dividend @ 25 % per share, on the face value of ₹ 1/- each viz. ₹ 0.25/- per Equity Share for the financial year ended 31st March, 2017. Payment of dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Dividend if declared will involve total outflow of ₹ 359.99 Lakhs wherein ₹ 299.10 Lakhs will be towards dividend and ₹ 69.80 Lakhs towards dividend tax.

## TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND:

During the year under review, your Company has transferred a sum of ₹ 18.93 Lakhs to the Investors Education and Protection Fund of Central Government, in compliance with Section 205C of the Companies Act, 1956. This amount represent dividends for the financial year 2008-09 which had been lying unclaimed with the Company for a period of 7 years from the due date of the payment.

Your Company updates the details of unclaimed dividend on its website, www.orientabraisves.com. The shareholders, who have not yet claimed any of their dividends, are requested to contact the Company's Registrar and Share Transfer Agent ("RTA") for timely claiming the same. Contact details of the RTA are provided in this Annual Report as well as available on the Company's website.

## INDIAN ACCOUNTING STANDARDS (IND AS):

Pursuant to the provisions of Companies (Indian Accounting Standards) Rules, 2015, the Indian Accounting Standards have been adopted and implemented in the Company w.e.f. 1st April, 2017.

## DEPOSITS:

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANY:

The Company does not have Subsidiary/Joint Venture or Associate Company.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31st MARCH, 2017 AND 10th AUGUST, 2017 (DATE OF THE REPORT):

During the year under review, there are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report save and except as mentioned above.

## SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATIONS:

During the year under review, no significant material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations save and except as mentioned above.

## CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A report on 'Corporate Governance' along with the Certificate from M/s. Jatin Gupta & Associates, Company Secretary regarding its compliance and 'Management Discussion and Analysis' Report as stipulated by Regulation 34 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) are set out separately which form part of this Annual Report.

## DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

(a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

(b) the Directors had 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 that period;

(c) the Directors 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;

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL:

**Appointment of Directors:**

I. The Board of Directors of the Company at its meeting held on 29th September, 2016, on the recommendation of the Nomination & Remuneration Committee, co-opted Mr. Bharatkumar Makhecha as an Additional Director (Non-Executive, Independent Director) of the Company subject to the approval of shareholders at the ensuing Annual General Meeting, in accordance with the provisions of Sections 149, 152, 161 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder.

The Company has, pursuant to the provisions of Section 160 of the Companies Act, 2013 received a notice in writing proposing the candidature of Mr. Bharatkumar Makhecha for the office of Independent Director for a period of five (5) consecutive years w.e.f. 29th September, 2016, not liable to retire by rotation.

The Company has received a declaration from him confirming that he meets the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013.

The relevant details of Mr. Bharatkumar Makhecha as required pursuant the provisions of the Act and the Listing Regulations are furnished in the Notice of the ensuing Annual General Meeting.

II. The Board of Directors of the Company at its meeting held on 13th June, 2017 appointed Mr. Manubhai Rathod as an Additional Director w.e.f 15th June, 2017, to hold office till the date ensuing Annual General Meeting. Further, Mr. Manubhai Rathod has been appointed as 'Whole Time Director & Chief Executive Officer' of the Company for a period of 3 (Three) years w.e.f 15th June, 2017, subject to approval of shareholders and accordingly a resolution is included in the Notice of Annual General Meeting. The Company has received notice in writing under Section 160 of the Companies Act, 2013 proposing appointment of Mr. Manubhai Rathod Whole Time Director & CEO. The Board recommends his appointment.

**Cessation:**

During the year under review following changes were reported;

- Mr. S. G. Rajgarhia resigned as Non- Executive, Director of the Company w.e.f 13th October, 2016.
- Mr. Kamlesh Mundra resigned from the post of Company Secretary w.e.f 30th April, 2017.
- Mr. Mihir Devani demitted from the post of Whole Time Director & CEO of the Company w.e.f. on 15th June, 2017.

Your Board of Directors take this opportunity to express their appreciation for the valuable services rendered during their tenure as Directors and Key Managerial Personnel (KMP).

**Retire by Rotation:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company, Mr. Hemul Shah, Non-Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The relevant details of Mr. Hemul Shah as required pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations are furnished in the Notice of the ensuing Annual General Meeting.

**Declaration by Independent Directors:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations.

**Appointment of Key Managerial Personnel:**

- Mr. Bimal Parmar has been appointed as the Company Secretary and Compliance Officer of the Company under Section 203(2) of the Companies Act, 2013 w.e.f. 1st November, 2016. Mr. Bimal Parmar, is an Associate Member of the Institute of Company Secretaries of India and possesses requisite qualification prescribed under Companies (Appointment and Qualification of Secretary) Rules, 1988.

- In addition, upon resignation of Mr. Mihir Devani from the post of Whole time Director & CEO, the Board of Directors of the Company at its meeting held on 13th June, 2017 approved the appointment of Mr. Manubhai Rathod as an Additional Director & upon such appointment, as Whole-Time Director & CEO of the Company for a period of 3 (Three) years w.e.f 15th June, 2017, subject to approval of Shareholders at the ensuing Annual General Meeting of the Company. Further, pursuant to provision of Section 203 of the Companies Act, 2013, upon appointment as Whole-Time Director & CEO of the Company Mr. Manubhai Rathod be considered as Key Managerial Personnel of the Company. The relevant details of Mr. Manubhai Rathod as required pursuant the provisions of the Act and the Listing Regulations are furnished in the Notice of the ensuing Annual General Meeting.

## PERFORMANCE EVALUATION:

Pursuant to the provisions of Companies Act, 2013, Listing Regulations and Performance Evaluation Policy of the Company, the Board of Directors, in consultation with the Nomination & Remuneration Committee and Independent Directors, carried out & analysed the annual performance evaluation of all the Directors, the Board as a whole and its Committees.

The performance evaluation framework was designed keeping in view the Guidance Note on Board Evaluation issued by SEBI and accordingly, a structured questionnaire was formulated having qualitative parameters such as functioning, information availability, leadership qualities, compliance and governance, effectiveness etc.

Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, strategic planning, etc.

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment, etc.

Based on the annual performance evaluation the Board expressed its satisfaction with the evaluation process.

## NOMINATION & REMUNERATION POLICY:

Pursuant to the provisions of the Company Act, 2013 and Listing Regulations, the Nomination & Remuneration Committee formulated the Nomination & Remuneration Policy that was duly adopted by the Board of Directors to ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and to meet appropriate performance benchmark. The Nomination & Remuneration Policy lays down the framework for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel, Senior Management Personnel and their remuneration.

The Nomination & Remuneration Committee, after identifying and ascertaining the integrity, quotient, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management Level, recommends his/her appointment to the Board of Directors. The remuneration and commission paid to the Whole-Time Director is in accordance with the percentage/slabs/ conditions as per the provisions of the Companies Act, 2013. The KMPs, Senior Management Personnel and other employees of the Company are paid monthly remuneration as per the Company's HR policies and/or as may be approved by the Committee. If the remuneration of KMPs or any other officer is to be specifically approved by the Committee and/or the Board of Directors then such approval will be accordingly procured.

The Policy on Nomination & Remuneration is available on the website of the Company viz. www.orientabrasives.com. The details about the Nomination & Remuneration Committee and payment of remuneration to the Directors are provided in the Report on Corporate Governance which forms part of this Annual Report.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in "**Annexure A**" to this Report.

## MEETINGS OF THE BOARD:

During the year under review, the Board of Directors met Five (5) times. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations. The dates of the meetings alongwith the attendance of the Directors therein have been disclosed in the Corporate Governance Report.

### AUDIT COMMITTEE:

The Company has an Audit Committee of the Board of Directors in place. The terms of reference of the Audit Committee are in line with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the Listing Regulations. Detailed information pertaining to the Audit Committee including its composition has been provided in the Corporate Governance Report, which forms part of this Annual Report.

## AUDITORS AND AUDITORS' REPORT

**Statutory Auditors:**

As per the provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the term of office of M/s. S R B C & CO. LLP, Chartered Accountants (Firm Registration Number E300003), as Statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company.

In view of above, the need to appoint M/s. Sanghavi & Co. Statutory Auditors in place of M/s. S R B C & CO. LLP., and accordingly, the Board of Directors at their Meeting held on 10th August, 2017, recommended that M/s. Sanghavi & Co., Chartered Accountants, be appointed as Statutory Auditor of the Company for a period of five years so as to hold the office till the conclusion of 51st Annual General Meeting to be held in the year 2022, subject to the ratification of Members of the Company at every Annual General Meeting.

The Company has received a written consent and certificate from M/s. Sanghavi & Co., confirming that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

The Board of Directors places on record its appreciation for the services rendered by M/s. S R B C & CO. LLP as the Statutory Auditors of the Company.

**Cost Auditors:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors has, on recommendation of the Audit Committee, appointed M/s. S. K. Rajani & Co., Cost Accountants as the Cost Auditors of the Company to conduct audit of the Company's Cost Accounting Records in respect of the products of the Company for the financial year 2017-2018 at the remuneration of ₹ 1,25,000/- (Rupees One Lakh Twenty Five Only) per annum. (including reimbursement of actual travel & out of pocket expenses)

Your Company has received consent from M/s. S. K. Rajani & Co., Cost Accountants, to act as the Cost Auditors of your Company for the financial year 2017-2018 along with a certificate confirming their independence. As per the provisions of the Companies Act, 2013, a resolution seeking approval of the Members for the remuneration payable to the Cost Auditors forms part of the Notice convening Annual General Meeting.

**Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of Mr. Jatin Gupta, Company Secretary in Practice, Delhi to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2017.

The Secretarial Audit Report (in Form MR-3) is annexed as "**Annexure B**" to this Report.

### SECRETARIAL AUDITOR'S OBSERVATIONS:

The Secretarial Auditors report contained following qualification, reservation or adverse remarks:

***The Company has not appointed Chief Financial Officer as required under Section 203 (1) of the Companies Act, 2013 during the audit period under review.***

### BOARD EXPLANATION/COMMENTS ON ABOVE REMARKS:

Your Directors would like to bring to the notice of the Members that after retirement of erstwhile Chief Financial Officer, the Company has been finding it difficult to induct willing candidates to hold fiduciary positions including that of the Chief Financial Officer i.e. Key Managerial Personnel as required under the provisions of the Companies Act, 2013.

However, your company is taking all efforts in shortlisting suitable Professional Chief Financial Officer of the company that suits & under stands the multi dimensional business anatomy.

## INTERNAL CONTROL SYSTEM & THIER ADEQUACY:

The Company has in place internal control systems commensurate with the size and nature of the business and has experienced personnel positioned adequately in the organization to ensure internal control processes and compliances.

The Company takes abundant care in designing, reviewing and monitoring regularly the working of inter control systems and their compliances for all important financial internal control processes. Internal Auditors comprising of professional firms of Chartered Accountants have been entrusted the job to conduct regular internal audit at all units/location and report to the management the observation, if any. The Audit findings are reported on quarterly basis to the Audit Committee of the Board headed by a Non-executive Independent Director.

## CORPORATE SOCIAL RESPONSIBILITY:

Your Company embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. As per requirements of Companies Act, 2013, the Company had duly constituted Corporate Social Responsibility Committee. The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiative undertaken by the Company on CSR activities during the year are set out in "**Annexure C"** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The details of composition of CSR Committee etc. are provided under the Corporate Governance Report.

## VIGIL MECHANISM- WHISTLE BLOWER POLICY:

The Company has established a 'vigil mechanism' for its directors and employees to report genuine concerns or grievances and accordingly formulated the Whistle Blower Policy in compliance with the provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations. The Policy has been formulated with an objective to build and strengthen a culture of transparency and trust within the Company and to provide a framework to its directors and employees for responsible and secure reporting of improper activities (whistle blowing); and also to provide for adequate safeguards against victimization of directors/employees, who avail of the mechanism; and for direct access to the Chairman of the Audit Committee. The said Policy is available on the website of the Company viz. www.orientabrasives.com.

During the year under review, no compliant has been received under the Whistle Blower Policy (Vigil Mechanism). Further information on the Vigil Mechanism and the Whistle Blower Policy of your Company can be referred to in the Report on Corporate Governance.

## RISK MANAGEMENT POLICY:

The Board of Directors of your Company has laid down a Risk Management Policy for the Company that identifies elements of risks inherent to the business and have entrusted the Audit Committee with the responsibility of reviewing the said policy.

## RELATED PARTY TRANSACTIONS:

All contracts/arrangements/transactions entered by the Company during the financial year under review with the Related Parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with the Related Parties which could be considered as material in accordance with the Company's Policy on Related Party Transactions. In view thereof, the disclosure in Form AOC-2 is not required to be provided.

The Company places all Related Party Transactions before the Audit Committee and also before the Board of Directors for approval on quarterly basis. The omnibus approval was obtained from the Audit Committee in respect of transactions which are repetitive in nature in accordance with the Company's Policy on Related Party Transactions. The Audit Committee also reviewed the details of such Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given on a quarterly basis.

The Policy on Related Party Transactions as approved by the Board of Directors of the Company is available on the website of the Company viz. www.orientabrasives.com

Your Directors draw attention of the members to Note no. 26 to the financial statements which sets out related party disclosures.

## PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

During the year under review no loans given, investments made, guarantees given and securities provided in accordance with the provisions of Section 186 of the Companies Act, 2013.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013, are provided in "**Annexure D**" to this Report.

## EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return of the Company in Form MGT-9 as provided under Section 92(3) of the Companies Act, 2013 is annexed herewith as "**Annexure E**" to this Report.

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has adopted an Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has set up an Internal Complaint Committee to redress the complaints, if any, received.

During the year under review, no complaint was received from any employee of the Company involving sexual harassment and thus, no case was filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## ACKNOWLEDGEMENT:

Your Directors wish to express their appreciation for the assistance and co-operation received from the financial institutions, banks, employees, investors, customers, Government & Government agencies, Members & Shareholders and all other business associates for the continuous support given by them to the Company and their confidence in its management during the year under review and look forward for their contributed support in future.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **MANUBHAI RATHOD** | **HEMUL SHAH** |
| **WHOLE TIME DIRECTOR & CEO** | **DIRECTOR (NON-EXECUTIVE)** |
| **(DIN: 07618837)** | **(DIN: 00058558)** |

Place : Mumbai
Date: 10th August, 2017

- E & OE are regretted

## "Annexure- A"

## DISCLOSURE ON THE REMUNERATION OF THE MANAGERIAL PERSONNEL

a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; **13.95 times***

(*NOTE: i)* ***"median"*** *means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one.*

*ii) If there is an even number of observations, the median shall be the average of the two middle values.*

b) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; **-31.25%.**

**New person has assume office as the designated company secretary**

c) the percentage increase in the median remuneration of employees in the financial year; **18.94%.**

d) the number of permanent employees on the rolls of company; **223.**

e) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

| | | |
|---|---|---|
| Overall Increased in salary | : | 29.26% |
| Increased in salary for Managerial person | : | 26.24% |
| Increased in salary for other than Managerial person | : | 29.42% |

f) affirmation that the remuneration is as per the remuneration policy of the company.

**It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel (KMP) and other employees is as per the remuneration policy of the company.**

A statement showing the name of the top ten employees in terms of remuneration drawn and the name of every employee, who:

a) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two Lakhs rupees; **NA**

b) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight Lakhs and fifty thousand rupees per month; **NA**

c) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

d) The said statement shall also indicate –

- designation of the employee;
- remuneration received;
- nature of employment, whether contractual or otherwise;
- qualifications and experience of the employee;
- date of commencement of employment;
- the age of such employee;
- the last employment held by such employee before joining the company;
- the percentage of equity shares held by the employee in the company within the meaning of clause (c) of sub-rule (2) above; and
- whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:

e) Particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty Lakhs rupees per financial year or Five Lakhs rupees per month, **NA**

## "Annexure- B"

**Form No. MR-3**

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017
Pursuant to Section 204 (1) of the Companies Act, 2013 and
Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

To,

The Members

Orient Abrasives Limited (The Company)

GIDC Industrial Area Porbandar,

Gujarat 360577

Company No. : L24299GJ1971PLC093248

1. We have conducted, the Secretarial Audit of compliance of applicable statutory provisions and adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and accordingly expressing our opinion thereupon.

2. We have examined the registers, records, books, papers, minutes books, forms and returns filed and other records as required to be maintained by the Company for the year ended 31.03.2017 according to the provisions of:

   i. The Companies Act, 2013 (hereinafter referred as 'Act') and Rules made there under and various allied acts warranting compliance;

   ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   iii. The Depositories Act, 1996 and the Regulations and Bye - Laws framed thereunder;

   iv. If applicable, the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

   v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):-

      (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

      (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009.

   vi. Mining Act and Gujarat Pollution and Control Board Regulations being special act/rules/regulations governing the Company.

   vii. Other applicable laws including labour law like Factories Act, Payment of Gratuity Act, etc.

   viii. The Memorandum and Articles of Association of the Company;

   We have also examined compliance with the applicable clauses of the following:

   (i) Secretarial Standards issued by the Institute of Company Secretaries of India.

   (ii) The Listing Agreement entered into by the Company with the Stock Exchange(s).

3. Based on our verification of books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31.03.2017 complied with various statutory provisions and also that the Company has proper Board – Processes and compliance – mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

   i. maintenance of various statutory registers and documents and making necessary entries therein;

   ii. forms, returns, documents and resolutions required to be filed with the MCA;

   iii. service of documents by the Company on its Members, Auditors and the Registrar of Companies;

   iv. notice of Board and various Committee meetings of Directors;

   v. meetings of Directors and all the Committees of Directors;

   vi. notice and convening of Annual General Meeting held on 28th September 2016;

   vii. minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;

viii. approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required;

ix. constitution of the Board of Directors, Committees of Directors and appointment and reappointment of Directors;

x. payment of remuneration to Directors and Managing Directors;

xi. appointment and remuneration of Statutory and Cost Auditors;

xii. transfer of Company's shares ;

xiii. contracts, registered office and publication of name of the Company;

xiv. report of the Board of Directors;

xv. investment of Company's funds;

xvi. generally, all other applicable provisions of the Act and the Rules there under;

xvii. the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter and also in line with applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI). The Company has, in our opinion, proper Board-processes and compliance mechanism and has complied with the applicable statutory provisions, Act, rules, regulations, guidelines, standards, etc., mentioned above as stipulated under the provisions of the Companies Act, 2013 and the Rules made under the Act, and the Memorandum and Articles of Association of the Company.

4. We further report that:

i. the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities;

ii. the Company has obtained all necessary approvals under various provisions of the Act where necessary;

iii. there was no prosecution initiated against or show cause notice received by the Company during the year under review under the Companies Act and rules, regulations and guidelines under these Acts.

5. We further report that during the year:

The status of the Company has been a widely held listed Company (listed on BSE and NSE) and we are informed that Company is regular in complying with applicable provisions. The Compliance to that effect has been made, this fact has been examined from the perusal of various records maintained by the Company and for which a representation certificate too have been issued to us.

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(ii) Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

***(iii) The Company has not appointed Chief Financial Officer as required under Section 203 (1) of the Companies Act, 2013 during the audit period under review.***

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Jatin Gupta & Associates**
**Company Secretaries**

**Sd/-**
**Jatin Gupta**

**CP No.: 5236**
**FCS No.: 5651**

Place: New Delhi
Date: 10.08.2017

*Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report*

***Annexure A***

To

The Members

Orient Abrasives Limited (The Company)
GIDC Industrial Area Porbandar,
Gujarat 360577
Company No. : L24299GJ1971PLC093248

**Our report of even date is to be read along with this letter**

a. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our examination.

b. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records, we believe that the process and practices, we followed provide a reasonable basis for our opinion.

c. We rely on the statutory auditors reports on the Audited Financial Statement for the correctness and appropriateness of the financial records and books of accounts of the Company.

d. The compliance of the provisions of corporate and other applicable laws, rules and regulations, and standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

e. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Jatin Gupta & Associates**
**Company Secretaries**

**Sd/-**
**Jatin Gupta**

**CP No.: 5236**
**FCS No.: 5651**

Place: New Delhi
Date: 10.08.2017

## "Annexure- C"
## DETAILS CSR ACTIVITIES FOR THE FY 2016-2017

| | | |
|---|---|---|
| 1. | A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.<br>During the year under review, your Company undertook CSR activities for promotion of education and establishment of museum for protection of national heritage, art & culture as set out below. |
| 2. | The Composition of the CSR Committee. | 1. Mr. Pundarik Sanyal - Chairman<br>2. Mr. Hemul Shah - Member<br>3. Mr. Mihir Devani - Member |
| 3. | Average net profit of the company for last 3 financial years. | ₹ 2217.89/- Lakhs |
| 4. | Prescribed CSR Expenditure (2% of the amount as in item 3 above). | ₹ 44.36/- Lakhs |
| 5. | **Details of CSR spent during the financial year:**<br>(1) Total amount to be spent for the F.Y.<br>(2) Amount unspent, if any.<br>(3) Manner in which the amount spent during the financial year. | ₹ 44.52/- Lakhs<br>NA<br>The manner in which the amount is spent is detailed below |

| Sr. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs 1) Direct Expenditure on projects or programs 2) Overhead | Cumulative Expenditureup to the reporting period | Amount spent: Direct or through implementing agency |
|---|---|---|---|---|---|---|---|
| 1 | Establishment of Museum for protection of national heritage, art and culture and expenses towards protection of culture. | Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries, promotion and development of traditional arts and handicrafts; | Bhuj – Kutch | – | ₹ 36 Lakhs | ₹ 36 Lakhs | Ashapura Foundation |
| 2 | Promote rural sports | Training to promote rural sports, nationally recognized sports Paralympic sports and Olympic sports; | Porbandar- Gujarat | – | ₹ 4.36 Lakhs | ₹ 4.36 Lakhs | Direct |
| 3 | Promoting Education | promoting education, including special education and employment enhancing vocation skill sespecially among children, women, elderly, and the differently abled and livelihood enhancement projects; | Porbandar- Gujarat | – | ₹ 3 Lakhs | ₹ 3 Lakhs | Direct |
| 4 | Promoting health care including preventive health care | Eradicating hunger, poverty and malnutrition and sanitation, promoting health care including preventive health care and making available safe drinking water; | Porbandar- Gujarat | – | ₹ 1.16 Lakhs | ₹ 1.16 Lakhs | Direct |
| | | | **TOTAL** | | ₹ 44.52/- Lakhs | ₹ 44.52/- Lakhs | |

**Details of implementing agency:**

Ashapura Foundation, established in the year 1991. The trust is involved in various welfare and social activities, inter alia, for rural development and woman empowerment. The activities are namely woman empowerment and education, promotion of handicrafts, rural development etc.

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**– NA

7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

   We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

| Sd/- | Sd/- |
|---|---|
| **MANUBHAI RATHOD**<br>**WHOLE TIME DIRECTOR & CEO**<br>**(DIN: 07618837)** | **HEMUL SHAH**<br>**DIRECTOR (NON-EXECUTIVE)**<br>**(DIN: 00058558)** |

Place : Mumbai
Date : 10th August, 2017

## "ANNEXURE – D"
## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### A. CONSERVATION OF ENERGY:

Your Company is committed to ensure a clean and green, pollution free environment as well a safe and healthy work place at all locations and department of the Plant. Your Company has made all efforts to optimize the use of energy and minimise its wastage. To ensure minimum consumption of energy for a given level of production, operating parameters of production have been standardized. Your Company is also committed to fulfill its statutory RPO obligations without any default.

### B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

The Company is constantly trying to provide its customers with products that incorporate latest available technology. Though indigenously available materials and technology are preferred, efforts are being made, wherever possible, to make use of best contemporary technology. During the last three years, the company has not imported any technology.

During the year, the Company has incurred ₹ 58.28 Lakhs on research and development.

### C. FOREIGN EXCHANGE EARNING OUTGO:

**(₹in Lakhs)**

| Particulars | **2015-16** | 2014-2015 |
|---|---|---|
| Earned | **8012.61** | 23.00 |
| outgo | **297.61** | 765.29 |

## ANNEXURE – E
## Form No. MGT-9
## EXTRACT OF ANNUAL RETURN

**As on the financial year ended on 31st March, 2017**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

### I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| i) | CIN | L24299GJ1971PLC093248 |
| ii) | Registration Date | 12/11/1971 |
| iii) | Name of the Company | Orient Abrasives Limited |
| iv) | Category / Sub-Category of the Company | Company Limited by Shares/Indian-Non Government Company |
| v) | Address of the Registered office and contact details | GIDC Industrial Area, Porbandar, 360577, Gujarat<br>Tel. No.: 0286- 2221788 Email Id: investor@oalmail.co.in |
| vi) | Whether listed company Yes / No | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any: - | M/s. Skyline Financial Services Pvt. Ltd.<br>D-153A, 1st Floor, Okhla Industrial Area, Phase-I,<br>New Delhi- 110020<br>Tel: 011-41044923, Fax: +91 11 26812682<br>Web: www.skylinerta.com |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:-

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products/serveices | NIC Code of the Product/Services | % to total turnover of the Company |
|---|---|---|---|
| 1 | Fused Grains | 2391 | 56.82% |
| 2 | Monolithics | 2391 | 9.63% |
| 3 | Calcined Products | 2391 | 17.71% |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:- N.A

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

**i) Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2016] | | | | No. of Shares held at the end of the year [As on 31-March-2017] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| (1) **Indian** | | | | | | | | | |
| a) Individual/ HUF | 1,13,000 | – | 1,13000 | 0.09% | 4,51,285 | – | 4,51,285 | 0.38% | 0.29% |
| b) Central Govt | – | – | – | 0.00% | – | – | – | 0.00% | – |
| c) State Govt(s) | – | – | – | 0.00% | – | – | – | 0.00% | – |
| d) Bodies Corp. | 46,782,953 | – | 46,782,953 | 39.10% | 46,782,953 | – | 46,782,953 | 39.10% | – |
| e) Banks / FI | – | – | – | 0.00% | – | – | – | 0.00% | – |
| f) Any other | – | – | – | 0.00% | – | – | – | 0.00% | – |
| **Sub Total (A) (1)** | **46,895,953** | – | **46,895,953** | **39.19%** | **47,234,238** | – | **47,234,238** | **39.48%** | **0.29%** |
| (2) **Foreign** | | | | | | | | | |
| a) NRI Individuals | 1,65,315 | – | 1,65,315 | 0.14% | 1,65,315 | – | 1,65,315 | 0.14% | – |
| b) Other Individuals | – | – | – | 0.00% | – | – | – | 0.00% | – |
| c) Bodies Corp. | 28,297,974 | 91,520 | 28,389,494 | 23.73% | 28,389,494 | – | 28,389,494 | 23.73% | – |
| d) Any other | – | – | – | 0.00% | – | – | – | 0.00% | – |
| **Sub Total (A) (2)** | **28,463,289** | **91,520** | **28,554,809** | 23.87% | **28,554,809** | – | **28,554,809** | **23.87%** | – |
| **TOTAL (A)** | **75,359,242** | **91,520** | **75,450,762** | **63.07%** | **75,789,047** | – | **75,789,047** | **63.35%** | **0.28%** |

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2016] | | | | No. of Shares held at the end of the year [As on 31-March-2017] | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **B. Public Shareholding** | | | | | | | | | |
| ***1. Institutions*** | | | | | | | | | |
| a) Mutual Funds | 10,517 | 5,000 | 15,517 | 0.01% | – | – | – | 0.00% | 0.01% |
| b) Banks / FI | – | – | – | 0.00% | 21,577 | 5,000 | 26,577 | 0.02% | 0.02% |
| c) Central Govt | – | – | – | 0.00% | – | – | – | 0.00% | – |
| d) State Govt(s) | – | – | – | 0.00% | – | – | – | 0.00% | – |
| e) Venture Capital Funds | – | – | – | 0.00% | – | – | – | 0.00% | – |
| f) Insurance Companies | – | – | – | 0.00% | – | – | – | 0.00% | – |
| g) FIIs | 32,64,273 | – | 32,64,273 | 2.73% | 28,605 | | 28,605 | 0.02% | 2.71% |
| h) Foreign Venture Capital Funds | – | – | – | 0.00% | – | – | – | 0.00% | – |
| i) Others (specify) | | | | | | | | | |
| a. Foreign Mutual Fund | – | | – | 0.00% | – | – | – | 0.00% | – |
| b. Foreign Portfolio Investor (Corporate) | – | – | – | 0.00% | – | – | – | 0.00% | – |
| **Sub-total (B)(1):-** | **32,74,790** | **5,000** | **32,79,790** | **2.74%** | **50,182** | **5,000** | **55,182** | **0.05%** | **2.69%** |
| ***2. Non-Institutions*** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 85,85,867 | 26,740 | 86,12,607 | 7.20% | 40,60,147 | 26,240 | 40,86,387 | 3.42% | 3.78% |
| ii) Overseas | – | – | – | 0.00% | – | – | – | 0.00% | – |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 14,184,032 | 25,03,508 | 16,687,540 | 13.95% | 14,522,078 | 23,74,448 | 16,896,526 | 14.12% | 0.17% |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 77,162,28 | – | 77,162,28 | 6.45% | 57,75,386 | – | 57,75,386 | 4.83% | 1.62% |
| c) Others (specify) | – | – | – | 0.00% | – | – | – | 0.00% | – |
| a. Non Resident Indians (Repat & Non-Rept). | 60,90,448 | 2,500 | 60,929,48 | 5.09% | 7,410,571 | 2,500 | 7,413,071 | 6.20% | 1.11% |
| b. Overseas Corporate Bodies | – | – | – | 0.00% | – | – | – | 0.00% | – |
| c. Foreign Nationals | – | – | – | 0.00% | – | – | – | – | – |
| d. Clearing Members | 26,695 | – | 266,95 | 0.02% | 35,851 | – | 35,851 | 0.03% | 0.01% |
| e. Market Makers | – | – | – | 0.00% | – | – | – | 0.00% | – |
| f. Trusts | – | – | – | 0.00% | 10,000 | – | 10,000 | 0.01% | 0.01% |
| g. Foreign Bodies – D R | – | – | – | 0.00% | – | – | – | 0.00% | – |
| h. Other Directors | – | – | – | 0.00% | – | – | – | 0.00% | – |
| i. Hindu Undivided Family | 5,84,484 | – | 5,84,484 | 0.87% | 7,55,331 | – | 7,55,331 | 0.63% | 0.24% |
| j. Qualified Foreign Investor- Corporate | 11,88,146 | – | 11,88,146 | 0.99% | 8,822,419 | – | 8,822,419 | 7.37% | 6.38% |
| **Sub-total (B)(2):-** | **38,375,900** | **25,32,748** | **40,908,648** | **34.19%** | **41,391,783** | **2,403,188** | **43,794,971** | **36.61%** | **2.42%** |
| **Total Public (B)** | **4,16,50,690** | **25,37,748** | **4,41,88,438** | **36.93%** | **41,441,965** | **2,408,188** | **43,850,153** | **36.65%** | **0.28%** |
| C. Shares held by Custodian for GDRs & ADRs | – | – | – | 0.00% | – | – | – | 0.00% | – |
| **Grand Total (A+B)** | **117,009,932** | **526,413** | **119,639,200** | **100%** | **117,231,012** | **24,081,88** | **119,639,200** | **100%** | **–** |

## ii) Shareholding of Promoters -

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| **1** | Bombay Minerals Limited | 46,782,953 | 39.10% | 0.00% | 46,782,953 | 39.10% | 0.00% | 0.00% |
| **2** | Cura Global Holdings Limited | 28,389,494 | 23.73% | 0.00% | 28,481,014 | 23.81% | 0.00% | 0.08% |
| **3** | Chetan Navnitlal Shah | 2,000 | 0.00% | 0.00% | 2,81,440 | 0.24% | 0.00% | 0.24% |
| **4** | Himani Chetan Shah | 1,65,315 | 0.14% | 0.00% | 1,65,315 | 0.14% | 0.00% | 0.00% |
| **5** | Chaitali Chetan Shah | 1,11,000 | 0.09% | 0.00% | 1,11,000 | 0.09% | 0.00% | 0.00% |
| **6** | Manan Chetan Shah | — | 0.00% | 0.00% | — | 0.00% | 0.00% | — |
| **7** | Dina Chetan Shah | — | 0.00% | 0.00% | 58,845 | 0.05% | 0.00% | 0.05% |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| Sl. No. | Name of the Shareholders | Shareholding at the beginning of the year | | Changes During the year | | | | Cumulative Shareholding during the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares | Date | No. of Shares (Increased/ Decreased | % of total shares | Reason | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | Cura Global Holdings Ltd. | 28,389,494 | 23.73% | 22/04/2016 | 91,520 | 0.07% | Sale | 28,481,014 | 23.81% | 28,481,014 | 23.81% |
| 2 | Chetan Navnitlal Shah | 2,000 | 0.00% | 25/11/2016 | 1,00,995 | 0.09% | Purchase | 1,02,995 | 0.09% | | |
| | | | | 02/12/2016 | 23,733 | 0.01% | | 1,26,728 | 0.11% | | |
| | | | | 09/12/2016 | 7,100 | 0.01% | | 1,33,828 | 0.11% | | |
| | | | | 16/12/2016 | 800 | 0.00% | | 1,34,628 | 0.11% | | |
| | | | | 23/12/2016 | 3,314 | 0.00% | | 1,37,942 | 0.12% | | |
| | | | | 06/01/2017 | 14,000 | 0.01% | | 1,51,942 | 0.13% | | |
| | | | | 20/01/2017 | 63,854 | 0.05% | | 2,15,796 | 0.18% | | |
| | | | | 24/03/2017 | 20,499 | 0.01% | | 2,36,295 | 0.20% | | |
| | | | | 31/03/2017 | 45,145 | 0.03% | | 2,81,440 | 0.24% | 2,81,440 | 0.24% |
| 3 | Dina Chetan Shah | 0 | 0.00% | 24/02/2017 | 16,408 | 0.01% | Purchase | 16,408 | 0.01% | | |
| | | | | 17/03/2017 | -14,954 | 0.01% | Sale | 1454 | 0.00% | | |
| | | | | 24/03/2017 | 864 | 0.00% | Purchase | 2318 | 0.00% | | |
| | | | | 31/03/2017 | 56527 | 0.05% | Purchase | 58,845 | 0.05% | 58,845 | 0.05% |
| 4 | Manan Chetan Shah | 0 | 0.00% | 17/03/2017 | 16278 | 0.01% | Purchase | 16278 | 0.01% | | |
| | | | | 24/03/2017 | -16278 | 0.01% | Transfer | 0.00% | 0.00% | 0.00% | 0.00% |

**(iv) Shareholding Pattern of top ten Shareholders**
**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | Name of the Shareholders | Shareholding at the beginning of the year | | Changes During the year | | | | Cumulative Shareholding during the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares | Date | No. of Shares (Increased/ Decreased | % of total shares | Reason | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | The Great Indian Tusker Fund | 11,88,146 | 0.99% | 06/05/2016 | 11,80,000 | 0.99% | Purchase | 23,68,146 | 1.98% | | |
| | | | | 13/05/2016 | 31,90,000 | 2.67% | Purchase | 55,58,146 | 4.65% | 55,58,146 | 4.65% |
| 2 | New Leaina Investments Limited | 43,33,158 | 3.62% | - | - | - | - | 43,33,158 | 3.62% | 43,33,158 | 3.62% |
| 3 | Lts Investment Fund Ltd. | 32,64,273 | 2.73% | - | - | - | - | 32,64,273 | 2.73% | 32,64,273 | 2.73% |
| 4 | Orient Abrasives Ltd. Unclaimed Shares Demat Suspense Account | 30,22,660 | 2.53% | 07/05/2016 | -500 | 0.00% | Sale | 30,22,160 | 2.53% | | |
| | | | | 30/06/2016 | -1,000 | 0.00% | Sale | 30,21,660 | 2.53% | | |
| | | | | 08/07/2016 | -20,000 | 0.02% | Sale | 30,01,660 | 2.51% | | |
| | | | | 12/08/2016 | -4,000 | 0.00% | Sale | 29,97,660 | 2.51% | | |
| | | | | 16/09/2016 | -25,000 | 0.03% | Sale | 29,72,660 | 2.48% | | |
| | | | | 02/12/2016 | -3,000 | 0.00% | Sale | 29,69,660 | 2.48% | | |
| | | | | 09/12/2016 | -1,480 | 0.00% | Sale | 29,68,180 | 2.48% | | |
| | | | | 13/01/2017 | -2,000 | 0.00% | Sale | 29,66,180 | 2.48% | 29,66,180 | 2.48% |
| 5 | Lgof Global Opportunities Limited | 14,45,852 | 1.21% | 03/06/2016 | 11,09,000 | 0.93% | Purchase | 25,54,852 | 2.14% | | |
| | | | | 15/07/2016 | 85,000 | 0.07% | Purchase | 26,39,852 | 2.21% | 26,39,852 | 2.21% |
| 6 | Alok Rajgarhia | 23,05,086 | 1.93% | 22/04/2016 | -2,500 | 0.01% | Sale | 23,02,586 | 1.92% | | |
| | | | | 29/04/2016 | -7,500 | 0.00% | Sale | 22,95,086 | 1.92% | | |
| | | | | 06/05/2016 | -5,000 | 0.01% | Sale | 22,90,086 | 1.91% | | |
| | | | | 13/05/2016 | -9,000 | 0.00% | Sale | 22,81,086 | 1.91% | | |
| | | | | 20/05/2016 | -6,000 | 0.01% | Sale | 22,75,086 | 1.90% | | |
| | | | | 03/06/2016 | -15,000 | 0.01% | Sale | 22,60,086 | 1.89% | | |
| | | | | 10/06/2016 | -5,000 | 0.01% | Sale | 22,55,086 | 1.88% | | |
| | | | | 17/06/2016 | -10,000 | 0.00% | Sale | 22,45,086 | 1.88% | | |
| | | | | 30/06/2016 | -5,000 | 0.01% | Sale | 22,40,086 | 1.87% | | |
| | | | | 15/07/2016 | 120 | 0.00% | Purchase | 22,40,206 | 1.87% | | |
| | | | | 22/07/2016 | 9,880 | 0.01% | Purchase | 22,50,086 | 1.88% | | |
| | | | | 29/07/2016 | -5,000 | 0.01% | Sale | 22,45,086 | 1.88% | | |
| | | | | 12/08/2016 | -20,000 | 0.02% | Sale | 22,25,086 | 1.86% | | |
| | | | | 09/09/2016 | 15,000 | 0.01% | Purchase | 22,40,086 | 1.87% | | |
| | | | | 10/02/2017 | 24,151 | 0.02% | Purchase | 22,64,237 | 1.89% | | |
| | | | | 17/02/2017 | 4,343 | 0.01% | Purchase | 22,68,580 | 1.90% | | |
| | | | | 17/03/2017 | -5,255 | 0.01% | Sale | 22,63,325 | 1.89% | 22,63,325 | 1.89% |

| Sl. No. | Name of the Shareholders | Shareholding at the beginning of the year | | Changes During the year | | | | Cumulative Shareholding during the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares | Date | No. of Shares (Increased/ Decreased | % of total shares | Reason | No. of shares | % of total shares | No. of shares | % of total shares |
| 7 | Ashok Kumar Rajgarhia | 22,50,000 | 1.88% | 22/07/2016 | 20,000 | 0.02% | Purchase | 22,70,000 | 1.90% | | |
| | | | | 29/07/2016 | -18,000 | 0.01% | Sale | 22,52,000 | 1.88% | | |
| | | | | 05/08/2016 | 20,000 | 0.01% | Purchase | 22,72,000 | 1.90% | | |
| | | | | 17/02/2017 | -5,00,000 | 0.4% | Sale | 17,72,000 | 1.48% | | |
| | | | | 24/02/2017 | -22,649 | 0.01% | Sale | 17,49,351 | 1.46% | | |
| | | | | 03/03/2017 | -10,000 | 0.00% | Sale | 17,39,351 | 1.45% | | |
| | | | | 17/03/2017 | -40,000 | 0.03% | Sale | 16,99,351 | 1.42% | | |
| | | | | 24/03/2017 | -17,025 | 0.01% | Sale | 16,82,326 | 1.41% | 16,82,326 | 1.41% |
| 8 | Jyotsna Rajgarhia | 14,81,65 | 0.12% | 27/05/2016 | -27,000 | 0.02% | Sale | 1,21,165 | 0.10% | | |
| | | | | 08/07/2016 | -23,184 | 0.01% | Sale | 97,981 | 0.08% | | |
| | | | | 22/07/2016 | -20,000 | 0.01% | Sale | 77,981 | 0.07% | | |
| | | | | 05/08/2016 | -20,000 | 0.02% | Sale | 57,981 | 0.05% | | |
| | | | | 17/02/2017 | 4,79,194 | 0.40% | Purchase | 5,37,175 | 0.45% | | |
| | | | | 24/02/2017 | -11,556 | 0.01% | Sale | 5,25,619 | 0.44% | | |
| | | | | 17/03/2017 | -5,000 | 0.01% | Sale | 5,20,619 | 0.44% | | |
| | | | | 24/03/2017 | -8,610 | 0.07% | Sale | 5,12,009 | 0.43% | 5,12,009 | 0.43% |
| 9 | Vishnu Vithaldas Gujarathi | 3,45,221 | 0.29% | - | - | - | - | 3,45,221 | 0.29% | 3,45,221 | 0.29% |
| 10 | Virpal Singh | 2,10,650 | 0.18% | - | - | - | - | 2,10,650 | 0.18% | 2,10,650 | 0.18% |
| 11 | Satish Bansal (Huf) | 1,68,178 | 0.14% | - | - | - | - | 1,68,178 | 0.14% | 1,68,178 | 0.14% |
| 12 | Arvindbhai Kantilal Shah | 8,99,193 | 0.75% | 03/06/2016 | -8,14,000 | 0.68% | Sale | 85,193 | 0.07% | | |
| | | | | 15/07/2016 | -85,000 | 0.07% | Sale | 193 | 0 | 193 | 0.00% |
| 13 | Trincass Vyapaar Pvt.Ltd. | 46,65,000 | 3.90% | 06/05/2016 | -35,40,000 | 2.96% | Sale | 11,25,000 | 0.94% | | |
| | | | | 13/05/2016 | -8,30,000 | 0.69% | Sale | 2,95,000 | 0.25% | | |
| | | | | 27/05/2016 | -2,95,000 | 0.25% | Sale | 0 | 0 | 0 | 0.00% |
| 14 | Deepak Harlalka | 7,38,474 | 0.62% | 29/07/2016 | -25,000 | 0.02% | Sale | 7,13,474 | 0.60% | | |
| | | | | 26/08/2016 | -25,000 | 0.02% | Sale | 6,88,474 | 0.58% | | |
| | | | | 02/09/2016 | -30,000 | 0.03% | Sale | 6,58,474 | 0.55% | | |
| | | | | 30/09/2016 | -50,000 | 0.04% | Sale | 6,08,474 | 0.51% | | |
| | | | | 07/10/2016 | -3,00,000 | 0.25% | Sale | 3,08,474 | 0.26% | | |
| | | | | 14/10/2016 | -3,08,474 | 0.26% | Sale | 0 | 0 | 0 | 0 |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No. | Name of the Shareholders | Shareholding at the beginning of the year | | Changes During the year | | | | Cumulative Shareholding during the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares | Date | No. of Shares (Increased/ Decreased | % of total shares | Reason | No. of shares | % of total shares | No. of shares | % of total shares |
| 1. | Mihir Devani | — | — | — | — | — | — | — | — | — | — |
| 2. | Hemul Ramesh Shah | 57,256 | 0.05% | — | — | — | — | 57,256 | 0.05% | 57,256 | 0.05% |
| 3. | Pundarik Sanyal | — | — | — | — | — | — | — | — | — | — |
| 4. | Sangeeta Bohra | — | — | — | — | — | — | — | — | — | — |
| 5. | Bharatkumar Prabhudas Makhecha | 15,500 | 0.01% | 08/04/2016 | 4,500 | 0.00% | Purchase | 20,000 | 0.02% | | |
| | | | | 15/04/2016 | 500 | 0.00% | Purchase | 20,500 | 0.02% | | |
| | | | | 22/04/2016 | 500 | 0.00% | Purchase | 21,000 | 0.02% | | |
| | | | | 13/05/2016 | 200 | 0.00% | Purchase | 21,200 | 0.02% | | |
| | | | | 27/05/2016 | 500 | 0.00% | Purchase | 21,700 | 0.02% | | |
| | | | | 03/06/2016 | 2,500 | 0.00% | Purchase | 24,200 | 0.02% | | |
| | | | | 17/06/2016 | -172 | 0.00% | Sale | 24,028 | 0.02% | | |
| | | | | 24/06/2016 | 250 | 0.00% | Purchase | 24,278 | 0.02% | | |
| | | | | 30/06/2016 | 750 | 0.00% | Purchase | 25,028 | 0.02% | | |
| | | | | 01/07/2016 | -1,500 | 0.00% | Sale | 23,528 | 0.02% | | |
| | | | | 29/07/2016 | -1,000 | 0.00% | Sale | 22,528 | 0.02% | | |
| | | | | 05/08/2016 | 1,100 | 0.00% | Purchase | 23,628 | 0.02% | | |
| | | | | 12/08/2016 | -1,000 | 0.00% | Sale | 22,628 | 0.02% | | |
| | | | | 19/08/2016 | 688 | 0.00% | Purchase | 23,316 | 0.02% | | |
| | | | | 09/09/2016 | 1,000 | 0.00% | Purchase | 24,316 | 0.02% | | |
| | | | | 23/09/2016 | 600 | 0.00% | Purchase | 24,916 | 0.02% | | |
| | | | | 28/10/2016 | -4,000 | 0.00% | Sale | 20,916 | 0.02% | | |
| | | | | 03/02/2017 | -500 | 0.00% | Sale | 20,416 | 0.02% | | |
| | | | | 10/02/2017 | -20,416 | 0.02% | Sale | 0 | 0 | | |
| | | | | 17/02/2017 | 20,416 | 0.02% | Purchase | 20,416 | 0.02% | 20,416 | 0.02% |
| 6. | Bimal Parmar | — | — | — | — | — | — | — | — | — | — |

**IV. INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

**( ₹ in Lakhs)**

| | Secured Loans Excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the Financial Year** | | | | |
| i. Principal amount | 3,621.92 | ---- | ---- | 3,621.92 |
| ii. Interest due but not paid | ---- | ---- | ---- | ---- |
| iii. Interest accrued but not due | ---- | ---- | ---- | ---- |
| **Total (i + ii + iii)** | **3,621.92** | ---- | ---- | **3,621.92** |
| **Changes in Indebtedness during the financial year ·** | | | | |
| Addition· | 1,088.21 | 606.92 | ---- | 1,695.13 |
| Reduction | ---- | ---- | ---- | ---- |
| **Net Change** | **1,088.21** | **606.92** | ---- | **1,695.13** |
| **Indebtedness at the end of the Financial Year** | | | | |
| i. Principal amount | 4,699.05 | 600.00 | ---- | 5,299.05 |
| ii. Interest due but not paid | ---- | 6.92 | ---- | 6.92 |
| iii. Interest accrued but not due | 11.08 | ---- | ---- | 11.08 |
| **Total (i + ii + iii)** | **4710.13** | **606.92** | ---- | **5,317.05** |

**V. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Director and/or Manager:**

**( ₹ in Lakhs)**

| Sr. No. | Particulars of Remuneration | Mr. Mihir Devani Whole-time Director | Total Amount |
|---|---|---|---|
| **1.** | Gross Salary | **28,93,884/-** | **28,93,884/-** |
| | (a) Salary as per provisions contained in section 17(1) of the Income-Tax, 1961 | | |
| | (b) Value of perquisites u/s 17 (2) Income Tax Act, 1961 | | |
| | (c) Profits in-lieu of salary under Section 17 (3) Income-Tax, 1961 | ---- | ---- |
| **2.** | Stock Option | ---- | ---- |
| **3.** | Sweat Equity | ---- | ---- |
| **4.** | Commission | | |
| | - As % of profit | | |
| | - Others, specify | ---- | ---- |
| **5.** | Others, please specify | ---- | ---- |
| | **Total Rs.** | **28,93,884/-** | **28,93,884/-** |

**B. Remuneration to other directors:**

**(Amount in ₹ )**

| Sr. No. | Particulars of Remuneration | Mr. Pundarik Sanyal | Mrs. Sangeeta Bohra | Mr. Hemul Shah | Mr. Bharat Makhecha |
|---|---|---|---|---|---|
| 1. | Independent Directors fee for attending Board Meetings Total (1) | 1,75,000/- | 1,20,000/- | — | 50,000/- |
| 2. | Other Non-Executive Director fee for attending Board Meetings Total (2) | — | — | 175000/- | — |
| | **Total (1) + (2)** | 1,75,000/- | 1,20,000/- | 1,75,000/- | 50,000/- |

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD:**

**(Amount in ₹ )**

| Sr. No. | Particulars of Remuneration | Mr. Kamlesh Mundra Company Secretary* | Mr. Bimal Parmar (w.e.f 1st November, 2016) | Total Amount |
|---|---|---|---|---|
| 1. | Gross Salary | ₹ 78,788/- | ₹ 2,28,805/- | ₹ 3,07,593/- |
| | (a) Salary as per provisions contained in section 17(1) of the Income-Tax, 1961 | | | |
| | (b) Value of perquisites u/s 17 (2) Income Tax Act, 1961 | | | |
| | (c) Profits in-lieu of salary under Section 17 (3) Income-Tax, 1961 | — | — | — |
| 2. | Stock Option | — | — | — |
| 3. | Sweat Equity | — | — | — |
| 4. | Commission | — | — | — |
| | - As % of profit<br>- Others, specify | | | |
| 5. | Others, please specify | — | — | — |
| | **Total** | ₹ 78,788/- | ₹ 2,28,805/- | ₹ 3,07,593/- |

*Mr. Kamlesh Mundra resigned from the post of Company Secretary W.e.f 30th April, 2017.

## VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

During the year under review, no penalty was levied, nor any punishment was pronounced or meted out neither any offences were compounded against the Company and/or any of its Directors and/or any of its officers in default.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Sd/-**
**MANUBHAI RATHOD**
**WHOLE TIME DIRECTOR & CEO**
**(DIN: 07618837)**

**Sd/-**
**HEMUL SHAH**
**DIRECTOR (NON-EXECUTIVE)**
**(DIN: 00058558)**

Place : Mumbai
Date : 10th August, 2017

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company believes in good Corporate Governance in tune with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. Your Company aims at achieving transparency, accountability equity and ethics in all facets of its operations and in all interaction with its stakeholders. Your Company believes that all its operations and actions must result in enhancement of overall shareholders value over a sustained period of time without compromising in any way compliance with laws and regulations.

Your Company confirms the compliance of Corporate Governance as contained in Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. A report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI), is given below:

### 2. BOARD OF DIRECTORS:

**A. Composition and category of Board of Directors:**

During the year under review, the Board of Directors had optimum combination of Executive, Non-Executive and Independent Directors.

As on 31st March, 2017, the Board of Directors of the Company comprised of Five (5) Directors, including One (1) Executive Director, Three (3) Non-Executive Independent Directors (including One Woman Director) and One (1) Non-Executive Director.

The composition of the Board is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

The Company has obtained the requisite disclosures from the Directors in respect of their Directorships in other Public Limited Companies and their Memberships in Committees of other Public Limited Companies.

The Composition of the Board of Directors and their attendance at the Board Meetings during the year and at the previous Annual General Meeting as also number of Directorships/Memberships of committees of other Companies are as under:

| Name of Directors | DIN | Category | No. of Board Meetings Attended | Attendance at last AGM Held on 28th September, 2016 | No. of Directorships in other companies as on 31st March, 2017[5] | No. of Committee Positions held including Orient Abrasives Ltd. as on 31st March, 2017[6] | |
|---|---|---|---|---|---|---|---|
| | | | | | | Member | Chairman |
| Mr. Mihir Devani[1] | 07238089 | Whole-Time Director & Chief Executive Officer (CEO) | 5 | Present | — | — | — |
| Mr. Manubhai Rathod[2] | 07618837 | Whole-Time Director & Chief Executive Officer (CEO) | N.A | N.A | 1 | — | — |
| Mr. S. G. Rajgarhia[3] | 00002245 | Non-Executive Director | 0 | Absent | — | — | — |
| Mr. Hemul Shah | 00058558 | Non-Executive Director | 5 | Present | 6 | 1 | 2 |
| Mr. Pundarik Sanyal | 01773295 | Non-Executive, Independent Director | 5 | Present | 5 | — | 2 |
| Mr. Bharatkumar Makhecha[4] | 01351080 | Non-Executive, Independent Director | 2 | Present | — | — | — |
| Mrs. SangeetaBohra | 02036626 | Non-Executive, Independent Director | 3 | Absent | — | 1 | — |

1. The Board of Directors at their meeting held on 13th June, 2017 took on record the resignation of Mr. Mihir Devani from the post of Whole-Time Director & CEO of the Company pursuant to provisions of Section 168(1) of the Companies Act, 2013 w.e.f 15th June, 2017.

   The Company places on record its sincere appreciation for assistance and guidance provided by Mr. Mihir Devani during his tenure as Whole Time Director & CEO and other Committee member of the Company.

2. Mr. Manubhai Rathod has been co-opted as an Additional Director and further appointed as an Whole-Time Director & CEO of the Company w.e.f. 15th June, 2017.

3. Mr. S. G. Rajgarhia ceases as Director of the Company w.e.f 13th October, 2016.

4. Mr. Bharatkumar Makhecha has been co-opted as an Additional (Independent) Director of the Company w.e.f. 29th September, 2016 and holds office up to the ensuing Annual General Meeting. The relevant details as required pursuant to Companies Act, 2013 and the Listing Regulations are furnished in the Notice of the ensuing Annual General Meeting.

5. Exclude directorships in Private Limited Companies, Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and Alternate Directorships.

6. Represents only Membership/Chairmanship of the Audit Committee and the Stakeholders' Relationship Committee of Indian Public Companies.

**B. Number of shares held by Non-Executive Directors:**

The details of number of shares held by the Non-Executive Directors as on 31st March, 2017 is given below:

| Name of Director | Designation | Number of Shares Held |
|---|---|---|
| Mr. Pundarik Sanyal | Non-Executive, Independent | — |
| Mr. Hemul Shah | Non-Executive, Non-Independent | 57256 |
| Mr. Bharatkumar Makhecha | Non-Executive, Independent | 20416 |
| Mrs. Sangeeta Bohra | Non-Executive, Independent | — |

**C. Number of Meetings held during Financial Year 2016-17:**

During the Financial Year 2016-2017, the Board of Directors of the Company met Five (5) times on 26th May, 2016, 9th August, 2016, 27th September, 2016, 10th November, 2016 and 10th February, 2017 and that the time elapsed between any two consecutive meetings never exceeded 120 days. The necessary quorum was present for all the meetings.

**D. Independent Directors:**

a. Appointment of Mr. Bharatkumar Makhecha:

Mr. Bharatkumar Makhecha has been co-opted as an Additional (Independent) Director w.e.f. 29th September, 2016, whose appointment as an Independent Director in terms of the Companies Act, 2013 and SEBI Listing Regulations shall be placed before Shareholders at the ensuing Annual General Meeting for ratification.

b. A formal Letter of Appointment is issued to Independent Directors upon their appointment at the General Meeting of the Company. A model letter of appointment is available at the website of the Company at www.orientabrasives.com.

c. The Company has received necessary declarations from the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed.

d. During the Financial Year 2016-2017, following events were held as regard to Independent Directors:

- A separate meeting of Independent Directors was held on 14th February, 2017 to review the performance of Non-Independent Directors, Chairman of the Board and the Board as a whole, which was attended by all the Independent Directors. The process for evaluation of Board performance, Non- Independent Non-Executive Directors and the Board Chairman is detailed in the Board's Report.

- The Company has an appropriate induction programme for new Directors and an ongoing Familiarisation Programme, with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of the Familiarisation Programme are disclosed on the Company's website at www.orientabrasives.com.

**E. CEO Certificate:**

A certificate, pursuant to the provisions of Regulation 17(8) of SEBI Listing Regulation, duly signed by the Whole Time Director & CEO in respect of the Financial Year ended 31st March, 2017 has been placed before the Board and the same was taken on record.

**F. Code of Conduct:**

The Company has adopted Orient's Code of Conduct for the Board Members, Senior Management and all employees in and above Officers level and the same is posted on the website of the Company.

A declaration from the Whole-Time Director & CEO that all Board Members and senior management personnel have affirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2017 forms part of the Annual Report.

The Company is in due compliance of all the provisions of Regulation 17 of the Listing Regulation for the Financial Year 2016-2017.

## 3. COMMITTEES OF BOARD OF DIRECTORS:

Currently, there are Five Committees of the Board such as Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Executive Committee. The terms of reference to the Board Committees are determined by the Board from time to time. Meetings of each Board Committee are convened by the respective Committee Chairman. The minutes of the Board Committee meetings are placed for ratification of the Board.

### A. AUDIT COMMITTEE:

The Board has constituted a qualified and independent Audit Committee in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein.

**a. Terms of Reference:**

The terms of reference of the Audit Committee are in line with the regulatory requirements which among other are specified herein below:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with the management, the quarterly/half yearly/annual financial statements before submission to the Board and wherever required necessary recommendations are made to comply with applicable legislations.
- Approving or subsequently modifying transactions of the Company with related parties and to grant omnibus approval after confirming that they satisfy the requirement of law.
- Reviewing the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit.
- Discussion with auditors before the audit commences on nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Overseeing/Reviewing the Vigil (Whistle Blower) Mechanism.
- Recommending appointment, removal and terms of remuneration of Auditors.
- Reviewing statement of deviations, if any.
- To review all other information as requested by the Board of Directors and/or are required under SEBI Regulations.

**b. Composition:**

As on 31st March, 2017, the Audit Committee comprised of Four (4) Directors. The composition of the Audit Committee and the details of meetings attended by its members are given below:

| Name | Category | Number of meetings during the F.Y. 2016-2017 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Pundarik Sanyal **(Chairman)** | Independent, Non-Executive | 4 | 4 |
| Mr. Hemul Shah | Non-Independent, Non-Executive | 4 | 4 |
| Mrs. Sangeeta Bohra | Independent, Non-Executive | 4 | 3 |

Mr. Pundarik Sanyal, Chairman of the Audit Committee was present at the 45th Annual General Meeting of the Company held on 28th September, 2016.

Representative of Finance & Accounts, the representative of Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings.

Mr. Bimal Parmar, Company Secretary acts as the Secretary of the Audit Committee.

**c. Meetings:**

During the Financial Year 2016-2017, the members of the Audit Committee met four (4) times on 26th May, 2016, 09th August, 2016, 10th November, 2016 and 14th February, 2016 and that time elapsed between any two consecutive meetings never exceeded 120 days. The necessary quorum was present for all the meetings.

**B. NOMINATION AND REMUNERATION COMMITTEE:**

The Board has constituted the Nomination and Remuneration Committee in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013 and is in compliance of all the provisions stated therein.

**a. Terms of Reference:**

The terms of reference of the Nomination and Remuneration Committee are in line with the regulatory requirements which among other are specified herein below:

- To form criteria/policy for appointment/remuneration/removal of Directors including Whole-Time Director / Managing Director, if any and Senior Management Executives.
- To identify deserving candidates for Directorships & senior management positions.
- To form policy for performance evaluation of Directors/CEO/Committee of Directors and to alter and modify the same to be in line with Companies Act, 2013 and Listing Regulations.
- To devise guidelines for Diversity of Board of Directors of the Company.
- To recommend extension/termination of the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of the Independent Directors.

**b. Composition:**

As on 31st March, 2017, the Nomination & Remuneration Committee comprised of Three (3) Directors. The composition of Nomination & Remuneration Committee and the details of meetings attended by its members are given below:

| Name | Category | Number of meetings during the F.Y. 2016-2017 | |
|---|---|---|---|
| | | Held | Attended |
| Mrs. Sangeeta Bohra **(Chairperson)** | Independent, Non-Executive | 2 | 1 |
| Mr. Pundarik Sanyal | Independent, Non-Executive | 2 | 2 |
| Mr. Hemul Shah | Non-Independent, Non-Executive | 2 | 2 |

**c. Meetings:**

During the Financial Year 2016-2017, the members of the Nomination & Remuneration Committee met Two (2) times on 27th September, 2016 and 14th February, 2017.

**d. Remuneration of Directors:**

The Non-Executive Directors have no pecuniary relationships or transactions with the Company in their personal capacity except that the Sitting Fees is paid for attending the Board Meetings and Audit Committee Meetings (detailed herein below) as recommended by the Board pursuant to the provisions of the Companies Act, 2013 and rules framed thereunder. Besides payment of sitting fees, no other fees/compensation/commission is paid to the Non-Executive Directors.

The criteria for making payments to Non-Executive Directors of the Company is disseminated on the website of the Company and can be accessed at weblink: http://www.orientabrasives.com/OAL%20policies/Criteria-of-Making-Payments-to-Non-Executive-Directors.pdf

During the year under review, the Company revised the sitting fees for attending Board Meeting from ₹ 10,000/- per meeting to ₹ 25,000/- per meeting & for Audit Committee Meeting from ₹ 5,000/- to ₹ 15,000/- to the Non-Executive Directors for attending each meeting of the Board and Audit Committee.

The details of sitting fees paid to Non-Executive Directors for the year ended 31st March, 2017 are as under:

| Name of the Directors | Sitting fees paid for Board Meetings ( ₹ ) | Sitting Fees paid for Audit Committee Meetings ( ₹ ) |
|---|---|---|
| Mr. Hemul Shah | 1,15,000/- | 60,000/- |
| Mr. Pundarik Sanyal | 1,15,000/- | 60,000/- |
| Mrs. Sangeeta Bohra | 75,000/- | 45,000/- |
| Mr. Bharatkumar Makhecha# | 50,000/- | N.A |
| Mr. S. G. Rajgarhia* | NIL | NIL |

# Mr. Bharatkumar Makhecha has been co-opted as an Additional (Independent) Director of the Company w.e.f. 29th September, 2016 and holds office up to the ensuing Annual General Meeting. The relevant details as required pursuant to Companies Act, 2013 and the Listing Regulations are furnished in the Notice of the ensuing Annual General Meeting.

* Mr. S. G. Rajgarhia ceases as Director of the Company w.e.f 13th October, 2016.

The details of Remuneration paid to Whole-Time Director & CEO for the year ended March 31, 2017 are as under:

| Name of the Directors | Salaries & Perquisites including allowance | Tenure as per agreement upto |
|---|---|---|
| Mr. Mihir Devani# | ₹ 41,00,000/-@ | 5th August, 2018<br>(3 Years w.e.f. 6th August, 2015) |

@ The remuneration paid to Mr. Mihir Devani, Whole- Time Director & CEO, was approved by the Board and shareholders are within the overall limit fixed under the law and in compliance with Schedule V of the Companies Act, 2013.

**e. Performance Evaluation:**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a policy containing, inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

As a part of the said policy, a structured questionnaire covering various aspects has been framed depending on the category of Director, Board & Committee, whose performance is to be evaluated. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2016-17 by Independent Directors at their separate Meeting as also by the Nomination & Remuneration Committee and the same was analyzed & confirmed by the Board of Directors.

Details of methodology adopted for performance evaluation of Directors including that of the Board as a whole and its Committee have been provided in the Board's Report.

## C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted the Stakeholders' Relationship Committee in line with the provisions of Regulation 20 of the SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein.

**a. Terms of Reference:**

The terms of reference of the Stakeholders' Relationship Committee are in line with the regulatory requirements which among other are specified herein below:

- Issue of Duplicate Share Certificates.
- Matters connected with transfer/credit of securities/transmission.

- Redressal of Shareholders'/Investors' complaints related to non-receipt of declared dividend, transfer of shares, non-receipt of annual reports, non receipt of duplicate share certificates etc.
- To review the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Share Transfer Agent.
- Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time.

**b. Composition:**

As on 31st March, 2017, the Stakeholders' Relationship Committee comprised of Three (3) Directors. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

| Name | Category | Number of meetings during the F.Y. 2016-2017 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Hemul Shah **(Chairman)** | Non-Independent, Non-Executive | 11 | 11 |
| Mr. Pundarik Sanyal | Independent, Non-Executive | 11 | 11 |
| Mr. Mihir Devani# | Executive, Whole time Director & CEO | 11 | 11 |

# Demitted office as a Whole-time Director and CEO w.e.f. 15th June, 2017.

**c. Meetings:**

During the Financial Year 2016-2017, the members of the Stakeholders' Relationship Committee met Eleven (11) times on 16th April, 2016, 24th June, 2016, 28th July, 2016, 31st August, 2016, 30th September, 2016, 31th October, 2016, 30th November, 2016, 30th December, 2016, 20th January, 2017, 16th February, 2017 and 29th March, 2017.

**d. Compliance Officer:**

Mr. Bimal Parmar, Company Secretary acts as the Compliance Officer for ensuring compliance with the regulatory requirements of Securities Laws and Listing Regulations.

Compliance officer may be reached at the following address;

Jeevan Udyog Building, 3rd Floor, 278, D.N. Road, Fort, Mumbai- 400001
Tel:- +91 22 66651700; Email- investor@oalmail.com

**e. Stakeholder's Grievance Redressal**

The Secretarial Department and the Registrar & Share Transfer Agents attend to all grievances received from the shareholders either directly or through SEBI and Stock Exchanges. Efforts are made to ensure that all the grievances of the shareholders are redressed expeditiously and satisfactory. The details of the complaints received from the shareholders and redressed upto their satisfaction during the Financial Year 2016-2017 are as follows:

| | |
|---|---|
| No. of complaints pending at the beginning of the financial year i.e. April 1, 2016 | NIL |
| No. of complaints received during the financial year | 1 |
| No. of complaints resolved during the financial year | 1 |
| Complaints pending at the end of the financial year i.e. March 31, 2017 | NIL |

A separate e-mail ID, investor@oalmail.co.in, has been designated by the Company for the shareholders to lodge their complaints/queries.

## D. COMMITTEE OF DIRECTORS:

### a. Terms of Reference:

The terms of reference of the Committee of Directors are as follows:

- To open/close bank account(s) in the name of the Company & avail such other facilities as may be provided by the bank and to review & revive the signatories authorised to operate the bank account(s).
- To authorise executives/officers/representatives to do all such acts, deeds and things for & on behalf of the Company as also to present the Company before various authorities.
- To acquire/give property/assets for/of the Company on lease/leave & license basis.
- To issue power of attorney in favour of executives/officers/representatives for carrying out business affairs of the Company.
- To consider setting-up/closure of units/branches for the business affairs of the Company and for said purpose to verify and take on record the project report as may be tabled before the Committee meetings;
- To consider registering of the Company with Financial/other Institutions;
- To participate in tender/bid for the business of the Company;
- To make application to government/semi-government authorities/registrars/local bodies/ corporations and to receive requisite permissions / registrations / orders for the business of the Company;
- To initiate/defend legal/other proceedings for & on behalf of and in the name of the Company.

### b. Composition and Meetings:

During the year under review, Three (3) meetings of the Executive Committee of Directors were held on the dates mentioned below:

6th December, 2016, 24th January, 2017 and 3rd March, 2017.

The Composition of the Executive Committee of Board of Directors and the particulars of attendance of the Executive Committee Members are as follows:

| Name | Category | Number of meetings during the F.Y. 2016-2017 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Hemul Shah (**Chairman**) | Non-Independent, Non-Executive | 3 | 3 |
| Mr. Bharatkumar Makhecha | Non-Executive, Non-Independent | 3 | 3 |
| Mr. Mihir Devani# | Executive, Whole time Director & CEO | 3 | 3 |

# Demitted office as a Whole-time Director and Chief Executive officer w.e.f. 15th June, 2017.

## E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility (CSR) Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein.

The terms and reference of CSR Committee is as follows:

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company after taking into consideration Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities referred above.
- Monitor the CSR activities of the Company from time to time.
- To finalize the budget for CSR expenditure and recommend the same to the Board for approval considering the applicable rules/regulations.

During the year under review, One (1) meetings of the CSR Committee were held on 14th February, 2017.

The composition of the CSR Committee and details of the meeting attended by its members are given below:

| Name | Category | Number of meetings during the F.Y. 2016-2017 | |
|---|---|---|---|
| | | Held | Attended |
| Mr. Pundarik Sanyal **(Chairman)** | Non-Executive, Independent | 1 | 1 |
| Mr. Hemul Shah | Non-Executive, Non-Independent | 1 | 1 |
| Mr. Mihir Devani# | Executive, Whole Time Director & CEO | 1 | 1 |

# Demitted office as a Whole-time Director and Chief Executive officer w.e.f 15th June, 2017.

## 4. GENERAL BODY MEETINGS:

Details of Annual General Meetings (AGMs) of the last three years:

| Financial Year | Date | Time | Location | Special resolution Passed |
|---|---|---|---|---|
| 2013-2014 | 24th September, 2014 | 11.00 a.m. | Sun Village Inn, A-14, Ring Road, Lajpat Nagar-IV, New Delhi-110024 | ● Approving the borrowing limit of Rs. 300 Crores.<br>● Approval of mortgage of the assets of the Company. |
| 2014-2015 | 29th September, 2015 | 12.30 p.m. | Hotel Lords Eco Inn Porbandar (A Unit of Delite Enterprises), Near Circuit House, Chaupati, Porbandar-360575 | ● To replace the Articles of Association as per Companies Act, 2013.<br>● To ratify and approve related party transactions entered with M/s. Orient Refectories Ltd.<br>● To ratify and approve related party transactions entered with M/s. Bombay Minerals Ltd.<br>● To ratify, confirm and approve the remuneration of Mr. P.P. Khanna Executive Director during the period from 2nd May, 2015 to 15th July, 2015, who has resigned w.e.f 15th July, 2015.<br>● To appoint Mr. Mihir Devani as Whole Time Director & CEO for a period of 3 years w.e.f 6th August, 2015 to 5th August, 2018. |
| 2015-2016 | 28th September, 2016 | 10.00 a.m. | Hotel Lords Eco Inn Porbandar (A Unit of Delite Enterprises), Near Circuit House, Chaupati, Porbandar-360575 | – |

**Postal Ballot**

Your Company has not conducted any postal ballot for passing any resolution during the year under review.

None of the business proposed to be transacted at the ensuing Annual General Meeting require to be transacted through postal ballot.

## 5. MEANS OF COMMUNICATION:

The Unaudited Quarterly, Half-Yearly and Yearly Financial Results are communicated to the Stock Exchanges where the shares of your Company are listed and published in Business Standard (English) and Phulchhab (Gujarati) newspapers.

The results are also uploaded on the Company's Website at www.orientabrasives.com.

The Company has not made any presentation to any institutional investor or to any analyst during the year under review.

A separate section under 'Investor update' on the Company's website gives information on various announcements made by the Company, Quarterly/ Half Yearly Results and Annual Financial Results of the Company.

Material events or information as detailed in Regulation 30 of the Listing Regulations are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE Limited through BSE Online Portal. They are also displayed on the Company's website under the 'Investor Relations' section.

Your Company makes timely disclosures of necessary information to the Stock Exchanges in terms of the Listing Regulations issued by SEBI.

All other statutory information as may be prescribed under the Companies Act, 2013 and/or Listing Regulation are displayed on the website of the Company.

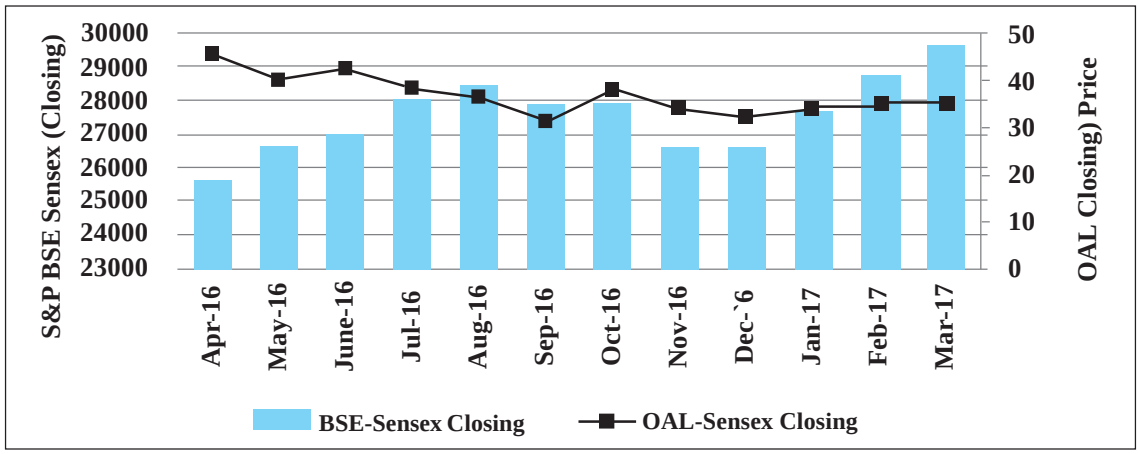
## 6. GENERAL SHAREHOLDER INFORMATION:

| | |
|---|---|
| **Annual General Meeting:** | Day & Date : Saturday, 16th September, 2016.<br>Time : 10.30 a.m.<br>Venue : Hotel Lords Eco Inn Porbandar, Near Circuit House, Chaupati, Porbandar - 360575 |
| **Tentative Financial Calendar:** | Financial reporting for the quarter ending 30th June, 2017:<br>On or before 14th September, 2017*<br><br>Financial reporting for the quarter ending 30th September, 2017:<br>On or before 14th December, 2017*<br><br>Financial reporting for the quarter ending 31st December, 2017:<br>On or before 14th February, 2018<br><br>Financial reporting for the quarter ending 31st March, 2018:<br>On or before 30th May, 2018<br><br>* In view of applicability of Indian Accounting Standard (Ind - AS) to the Company vide Companies (Indian Accounting Standard) Rules, 2015 and subsequent relaxation granted by the SEBI vide Circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016,the Company may avail the extended period for approval and submission of financial results for the said quarter. |
| **Date of Book Closure:** | 11th September, 2017 to 16th September, 2017 (Both days inclusive) |
| **Dividend Payment Date:** | Credit/Dispatch of dividend warrants after 16th September, 2017. |
| **Listing Details:** | Equity Shares are listed on the following Stock Exchanges:<br><br>1. Bombay Stock Exchange Limited, PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400 001.<br>2. National Stock Exchange of India Limited, "Exchange Plaza", Bandra Kurla Complex, Bandra (East), Mumbai – 400051.<br><br>The Annual Listing Fees for the year 2016-2017 have been paid to the said Stock Exchanges. |
| **Stock Code:** | Bombay Stock Exchange Ltd. 504879<br>National Stock Exchange of India Ltd. ORIENTABRA |
| **ISIN Number:** | INE569C01020 |
| **Corporate Identification Number (CIN):** | L24299GJ1971PLC093248 |

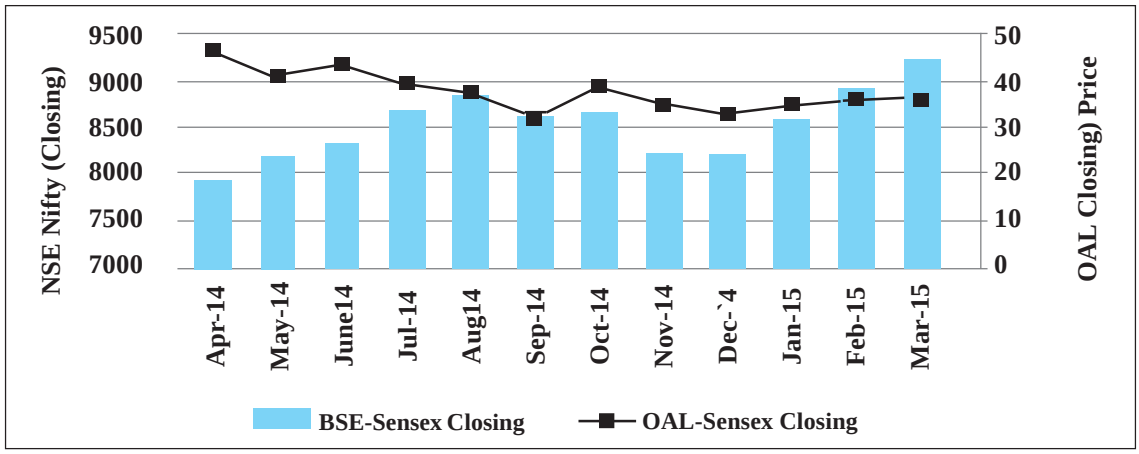
**Market Price Data :**

| Period | Bombay Stock Exchange Limited | | | | National Stock Exchange Limited | | | |
|---|---|---|---|---|---|---|---|---|
| | Sensex ( ₹ ) | | OAL Share price ( ₹ ) | | Nifty ( ₹ ) | | OAL Share price ( ₹ ) | |
| | High | Low | High | Low | High | Low | High | Low |
| Apr-16 | 26100.54 | 24523.20 | 50.05 | 45.00 | 7889.05 | 7788.70 | 50.95 | 45.25 |
| May-16 | 26837.20 | 25057.93 | 49.90 | 37.00 | 8213.60 | 8134.30 | 49.90 | 39.05 |
| Jun-16 | 27105.41 | 25911.33 | 43.40 | 34.25 | 8308.15 | 8242.10 | 43.50 | 34.35 |
| Jul-16 | 28240.20 | 27034.14 | 42.95 | 36.20 | 8670.35 | 8631.15 | 41.70 | 36.20 |
| Aug-16 | 28532.25 | 27627.97 | 39.50 | 35.80 | 8819.20 | 8754.05 | 39.35 | 35.15 |
| Sep-16 | 29077.28 | 27716.78 | 36.75 | 30.80 | 8637.15 | 8555.20 | 36.95 | 30.75 |
| Oct-16 | 28477.65 | 27488.30 | 41.70 | 30.50 | 8678.25 | 8616.25 | 41.80 | 30.50 |
| Nov-16 | 28029.80 | 25717.93 | 38.00 | 29.90 | 8234.25 | 8139.25 | 38.40 | 29.65 |
| Dec-16 | 26803.76 | 25753.74 | 34.50 | 29.05 | 8197.00 | 8114.75 | 34.75 | 29.75 |
| Jan-17 | 27980.39 | 26447.06 | 35.90 | 31.00 | 8631.75 | 8552.40 | 35.30 | 31.10 |
| Feb-17 | 29065.31 | 27590.10 | 39.65 | 32.15 | 8914.75 | 8867.60 | 39.70 | 32.15 |
| Mar-17 | 29824.62 | 28716.21 | 40.95 | 33.00 | 9191.70 | 9152.10 | 40.40 | 33.25 |

**Share Performance of the Company in comparison to BSE Sensex:**




**Share Performance of the Company in comparison to NSE Nifty:**



| | |
|---|---|
| **Registrar and Share Transfer Agent:** | M/s. Skyline Financial Services Pvt. Ltd.D-153/A, 1st floor, Phase I, Okhla Industrial Area, New Delhi, Delhi 110020. |
| **Share Transfer System:** | The Company's shares are traded on the Stock Exchanges in Demat Mode as well as in Physical Mode.In Demat Mode, the transfers are effected through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Majority of the share transfers take place in this mode.In Physical Mode, the transfer of shares is processed and approved weekly and the certificates are returned to the shareholders within 15 days from the date of receipt, subject to documents being valid and complete in all respects. |
| **Distribution of Shareholding & Category-wise distribution:** | Refer Table A & B |
| **Dematerialization of shares and liquidity:** | As on 31st March, 2017, 97.97% of the paid up share capital (face value of Equity Shares of Rs. 1 each) is held in Demat form with NSDL and CDSL. |

| Mode | No. of equity shares | % to the Total Share Capital |
|---|---|---|
| Physical | 24,08,188 | 2.01% |
| Electronic:<br>(A) NSDL<br>(B) CDSL | <br>11,04,04,477<br>68,26,535 | <br>92.27%<br>5.70% |
| **TOTAL** | **11,96,39,200** | **100.00%** |

| | |
|---|---|
| **Outstanding GDR / ADR / Warrants or any Convertible Instruments and their likely impact on Equity:** | The Company has not issued any GDR/ADRs/ warrants or any convertible instruments in the past and hence as on 31st March, 2017, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instruments. |
| **Plant Locations:** | GIDC Industrial Area, Porbandar, Gujarat – 360 577. |
| **Address for Correspondence:** | The Company's Registrar and Share Transfer Agent viz. M/s Skyline Financial Services Pvt. Ltd. provides all shareholder related services.<br><br>Any query relating to shares and requests for transactions such as transfers, transmissions and nomination facilities, duplicate share certificates, change of address and also dematerialization of shares may please be taken up with:<br><br>M/s. Skyline Financial Services Pvt. Ltd.<br>D-153/A, 1st floor, Phase I, Okhla Industrial Area, New Delhi, Delhi 110020<br>Tel.: + 011 3085 7575 Fax: + 91 11 26812682.<br>E-mail: info@skylinerta.com |

## 7. OTHER DISCLOSURES:

a. All transactions entered into with Related Parties as defined under Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and approved by the Audit Committee. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. The web link is at http://www.orientabrasives.com/startpage/Company-Policy.aspx

b. The Board of Directors has entrusted responsibility on the Audit Committee to grant omnibus approval for the transactions which are repetitive in nature and to confirm that they meet the criteria of having entered into ordinary course of business and at arm's length basis. Related party transactions have been disclosed under Note__ to the Accounts for the year under review. A Statement in summary form of transactions with related parties in the ordinary course of business are placed periodically before the Audit Committee/Board for review and approval.

c. The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company.

d. A Vigil Mechanism/Whistle Blower Policy has been established for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguard against victimization of Director(s)/employee(s) who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee. The Policy is available on the Company's website www.orientabrasives.com.

e. The Company has formulated a Code of Fair Disclosure and Conduct (For Regulating, Monitoring and Reporting of Trading by Insiders) ('Code') in accordance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and Designated Employees of the Company.

Mr. Bimal Parmar, Company Secretary as the Compliance Officer of the Company is responsible for complying with the procedures, monitoring, adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board.

The Code requires pre-clearance for dealing in the Company's shares and prohibits purchase and/or sale of the Company's shares by the Directors and Designated Employees while in possession of unpublished price sensitive information in relation to the Company.

f. The Company does not have any material subsidiary whose income or net worth exceeds 20% of the consolidated income and net worth respectively of the holding company in immediately preceding accounting year. A policy on material subsidiaries has been formulated by the Company and posted on website of the Company at the link http://www.orientabrasives.com/startpage/Company-Policy.aspx

## 8. UNCLAIMED SUSPENSE DEMAT ACCOUNT:

In accordance with the Regulation 39 of the Listing Regulations, the Company has Unclaimed Suspense Demat Account with Stock Holding Corporation of India Limited and wherever any request for said unclaimed shares were received, equity shares either in electronic or physical forms is issued to the claimant concerned after debiting said Demat Account.

| Particulars | No. of Shareholders | No. of Shares |
|---|---|---|
| Aggregate number of Shareholders and the outstanding Shares credited to Unclaimed Suspense Demat Account during the Financial Year | 1 | 20000 |
| Number of Shareholders who approached issuer for transfer of Shares from Suspense Account during the Financial Year | 8 | 36480 |
| Number of Shareholders to whom Shares were transferred from Suspense Account during the Financial Year | 8 | 36480 |
| Aggregate number of Shareholders and the outstanding Shares in the Suspense Account lying at the end of the Financial year | 1475 | 2965680 |

## "TABLE A"

## DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2017

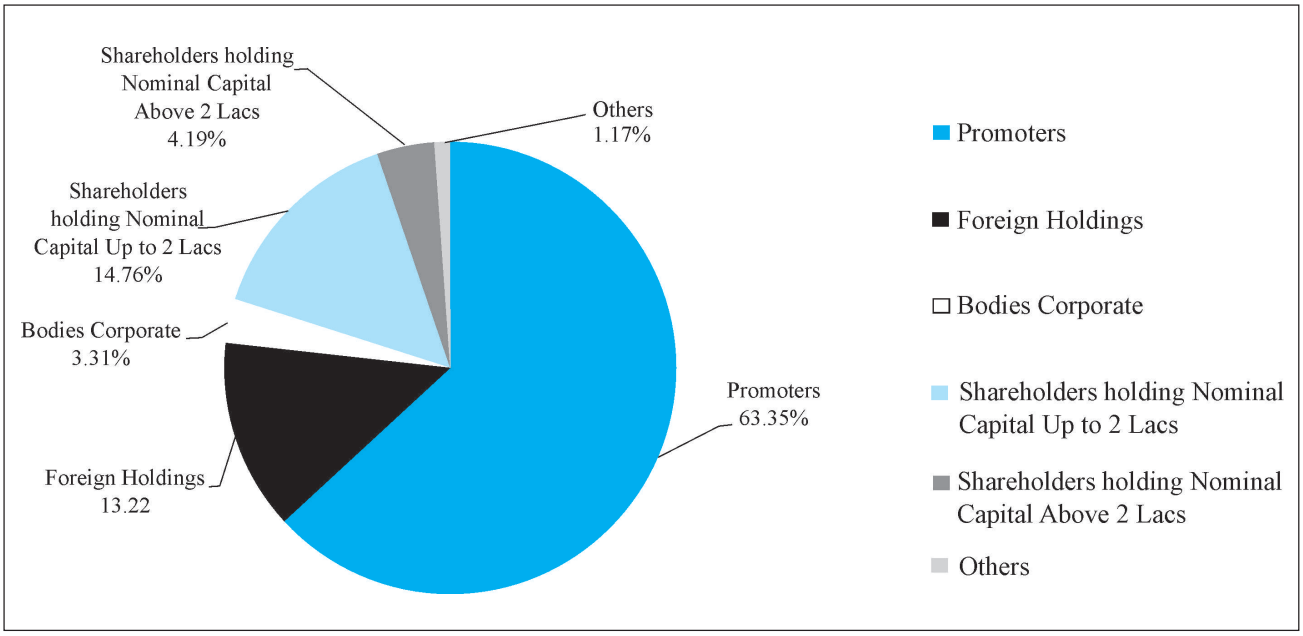
| No. of Equity Shares held | No. of Shareholders | % of Shareholders | Physical | NSDL | CDSL | Total Shares | % age |
|---|---|---|---|---|---|---|---|
| 1-500 | 7917 | 60.00 | 63978 | 910033 | 529444 | 1503455 | 1.26 |
| 501-1000 | 2019 | 15.30 | 388130 | 972431 | 452451 | 1813012 | 1.52 |
| 1001-2000 | 1595 | 12.09 | 704800 | 1608103 | 531468 | 2844371 | 2.38 |
| 2001-3000 | 356 | 2.70 | 99760 | 606059 | 257384 | 963203 | 0.81 |
| 3001-4000 | 459 | 3.48 | 382600 | 1083414 | 308678 | 1774692 | 1.48 |
| 4001-5000 | 183 | 1.39 | 19920 | 543763 | 317200 | 880883 | 0.74 |
| 5001-10000 | 376 | 2.85 | 380000 | 1742717 | 682848 | 2805565 | 2.35 |
| 10001 & above | 291 | 2.21 | 369000 | 102937957 | 3747062 | 107054019 | 89.48 |
| **Total** | **13196** | **100%** | **2408188** | **110404477** | **6826535** | **119639200** | **100%** |

## "TABLE B"

## CATEGORY-WISE DISTRIBUTION AS ON 31ST MARCH, 2017

| | Total No. of Shares | % of Holdings |
|---|---|---|
| A) **Promoters Holding** | | |
| Individuals | 616600 | 0.52 |
| Bodies Corporate | 75172447 | 62.83 |
| **Total (A) ..** | **75789047** | **63.35** |
| B) **Public Holding** | | |
| i) **Institutions** | | |
| Foreign Portfolio Investor | 15795429 | 13.21 |
| Foreign Institutions/Bank | 26577 | 0.02 |
| Others | 28605 | 0.02 |
| **Total (B)(i)** | **15850611** | **13.25** |
| ii) **Non-Institutions** | | |
| Individual Shareholders holding Nominal Share Capital Up to 2 Lacs | 17658282 | 14.76 |
| Individual Shareholders holding Nominal Share Capital Above 2 Lacs | 5013531 | 4.19 |
| NBFC | 250 | 0.00 |
| Any others | | |
| Bodies Corporate | 3957214 | 3.31 |
| Non Resident Indian | 434409 | 0.36 |
| Resident Indian Huf | 755331 | 0.63 |
| Trusts | 10000 | 0.01 |
| Clearing Members/House | 170525 | 0.14 |
| **Total (B)(ii)** | **27999542** | **23.40** |
| **Total (B)(i) + (B)(ii)** | **43850153** | **36.65** |
| **Grand Total (A) + (B)(i) + (B)(ii)** | **119639200** | **100.00** |

## SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

Corporate Identity No : L24299GJ1971PLC093248
Nominal Capital : Rs. 16,00,00,000/-
Paid up Capital : Rs. 11,96,39,200/-

To
The Members of
**Orient Abrasives Limited**
Porbandar, Gujarat

We have examined all the relevant records of **Orient Abrasives Limited** ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period April 01, 2016 to March 31, 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

**Managements' Responsibility**

The compliance of conditions of corporate governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

**Auditor's Responsibility**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance.This certificate is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

**Opinion**

In our opinion and to the best of my information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Listing Regulations, as applicable, except that the Company has not appointed Chief Financial Officer (CFO) during the year under review. Further,as regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has not opted for compliance thereto, hence there is nothing required to be stated on this count.

We 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.

**Jatin Gupta & Associates**
Company Secretaries

**Sd/-**

**Jatin Gupta**
FCS No. 5651; CP No.5236

Place: New Delhi
Date:10th August, 2017

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that Company has adopted a Code of Conduct for all the Board Members, Senior Management and all employees in and above Officer Level. These Codes are available on the Company's website.

I further confirm that the Company has in respect of the Financial Year ended on 31st March, 2017, received from all the Board Members and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

**For and on behalf of the Board**

**Sd/-**

**Manubhai Rathod**
**Whole-Time Director & CEO**
**(DIN: 07618837)**

Place : Porbandar
Date : 10th August, 2017

## CEO CERTIFICATION

[Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**To**
**The Board of Directors**
**Orient Abrasives Limited**

I, Manubhai Rathod, Whole-Time Director & Chief Executive Officer Orient Abrasives Limited, to the best of our knowledge and belief, certify that:

A. I have reviewed the Financial Statements and the Cash Flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.

C. I accept responsibility for establishing and maintaining internal controls for financial reporting for the Company and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors &the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which weare aware of and steps taken to rectify these deficiencies.

D. I have indicated to the Auditors and the Audit Committee of the following changes/instances, if any, occurred during the year:
   1) significant changes in internal control over financial reporting;
   2) significant changes in accounting policies and its disclosure in the notes to the Financial Statements; and
   3) instances of any significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting;

**For and on behalf of the Board**

**Sd/-**

**Manubhai Rathod**
**Whole-Time Director & CEO**
**(DIN: 07618837)**

Place : Porbandar
Date : 10th August, 2017

## NOTES

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## CAUTIONARY STATEMENT:

Statements made in this report describing the Company's objective, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Important factors that could make a difference to the Company operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws and other statutes and incidental factors.

Although the expectations are based on reasonable assumptions, the actual results might differ.

## GENERAL AND ECONOMIC REVIEW:

India has registered almost consistent steady pace of economic growth in Fiscal 2017 as it did in Fiscal 2016. Signs of improvement was mainly due to additional focus on parameters namely inflation, current account balancing and fiscal deficit. India's exports has suffered as setback on account of weak growth in advanced and emerging economies Though the Global situation seems not promising, India is estimated to endeavor to remain the fastest growing major economy in the world . Nevertheless, trade and current account deficits have improved due to relatively lower prices for crude oil which is imported by India.

Key projects such as 'Make in India', 'Start up India', 'Digital India' and 'Skill India' seek to encourage investments and improve the ecosystem at various levels of business activity which is mainly due to several positive and strategic initiatives taken by the existing Government in order to eliminate the obstacles and ensure smooth business operations by relaxing various Policies namely Foreign Direct Investment (FDI) & Tax Rules. Aggressive roll-out of the Financial inclusion program has made banking services accessible to millions of previously unbanked people.

The Government has envisaged better economic conditions at domestic and Global level which will attribute beacon of hope for sustained growth momentum that could potentially bring vast improvements in the lives of hundreds of millions of people in our country.

## OVERVIEW OF THE COMPANY'S BUSINESS:

The Company was incorporated in the year 1971 and has three business divisions:

The Abrasives Grains Division at Porbandar, Gujarat that manufactures fused alumina grains and calcined products, the Refractory Monolithics Division that manufactures refractory castables and monolithics and the Power division comprising of thermal power plants and wind turbine generators.

## BUSINESS DIVISIONS / SEGMENTS:

There is no change in the nature of business of the Company during the year under review. As mentioned above, the Company has two major business segments in terms of the nature of output (i) Fused Aluminium Oxide Grains including Calcined Products and Refractories Monolithics and (ii) Electricity (Power Division), which have been elucidated in the following paragraphs:

## ABRASIVE GRAINS & REFRACTORY MONOLITHICS:

The Abrasives Grains Division at Porbandar is the first manufacturing unit set up by the Company. The Division manufactures calcined bauxite and fused aluminium oxide abrasive grains. Raw bauxite and calcined alumina are the basic raw materials used for the manufacture of abrasive grains. Raw bauxite is procured from mines owned by the Company and others and calcined alumina is purchased from aluminium companies, Hindalco Industries Limited being prominent amongst them. These products are used in the manufacture of refractories and grinding wheels & coated abrasives. The Company manufactures refractory castables & monolithics used in the cement & steel industries. It is also located in Porbandar, Gujarat.

## POWER GENERATION:

The Company has a total thermal power plant capacity of 18 M.W. out of which 9 M.W. is based on coal and 9 M.W. on furnace oil. The thermal power plant based on coal is more economical and is operated at full capacity. The electricity from this power division is meant for captive consumption by the manufacturing division at Porbandar.

The Company also has wind power generation capacity of 11.1 MW. The power generated by these plants is sold to the respective state power distribution companies.

## FINANCIALS OF SEGMENTS:

Financials of business segments are given in detail in note 25 (Segment Information) of the Annual Report.

## FINANCIALS AND INTERNAL CONTROL:

Your Company has effective and adequate internal control systems which ensure reliable and accurate financial reporting, safeguarding of assets, keeping constant check on cost structure and adhering to management policies. Company is committed to good corporate governance practices and have well defined systems and processes covering all corporate functions and units. The internal controls are commensurate with the size, scale and complexity of our operations and facilitate timely detection of any irregularities and early remedial steps against factors such as loss from unauthorized use and disposition. Company policies, guidelines and procedures provide for adequate checks and balances which are meant to ensure that all transactions are authorized, recorded and reported correctly. The internal controls are continuously assessed and improved/modified to meet changes in business conditions, statutory and accounting requirements.

During the year under review the gross turnover of the Company was ₹ 24,185.27 lakhs and gross profit & net profit were ‘ 929.80 lakhs & ₹ 692.25 lakhs respectively. The turnover of the abrasives grains was ₹ 13,741.89 Lakhs.

During the year, the Company has sold/export non plant grade bauxite amounting to ₹ 2449.26 Lakhs. The management expects that the company will sale/export non-plant grade bauxite at various mines in Jamnagar district, Gujarat. During the year under review gross revenue for sale of power (wind energy) was ₹ 808.72 Lakhs.

The Company’s strong and Independent Internal Audit Team function performs regular Audits objectively and independently tests the design and operating effectiveness of the internal control system to provide a credible assurance to the Board and the Audit Committee regarding the adequacy and effectiveness of the internal control system. The Internal Controls are upgraded based on Internal Audit recommendations. Every quarter significant audit findings, the corrective steps recommended and their implementation status are presented to the Audit Committee.

**Dividend:**

The Board has recommended dividend of ₹ 0.25/- per equity share for the Financial Year ended on 31 March, 2017, payable subject to approval at the ensuing Annual General Meeting. This will result in a total payout for the year 2016-17 (including dividend distribution tax) of ₹ 359.99 Lakhs ( ₹ 359.99 Lakhs in 2015-16) translating into a dividend payout of 25% (compared to 25% in the previous year) on consolidated net profit.

Orient believes in maintaining a fair balance between dividend distribution and cash retention. Cash retention is required for future growth, probable acquisitions and to meet any unforeseen contingencies.

## RISK FACTORS:

**Risks associated with the Company’s Business and Industry:**

The manufacturing industry and the demand thereof are influenced by general economic conditions, including, among other things, rates of economic growth, credit availability, Infrastructure spending, interest rates, environmental and tax policies, safety regulations, freight rates and fuel and commodity prices. Negative trends in any of these factors impacting the regions where the Company operates could materially and adversely affect the Company’s business, financial condition and results of operations.

Orient recognizes that every business have its inherent risks and what is required is a proactive approach to identify and mitigate them in time, so that they do not impact the business negatively. We try to regularly scan the internal and external environment to identify risks and decide on possible mitigation measures and costs for overcoming them and incorporate them in company’s strategic, business and operational plans. The company has developed systems and processes to map the risks across segments, products and geographies and respond effectively to counter them and achieve the organizational goals. Sustained action is taken to further strengthen the system.

## HUMAN RESOURCES:

The Company believes in the strength of human resources and that it is the best form of business capital which needs to be explored and utilised to full potential. The Company has the vision to establish a reputation for being a people-centric organization in all the regions it operates in and has provided an invigorating work environment, marked by teamwork, respect for merit and an emphasis on knowledge accretion. The Company recognizes the need for change management and talent management throughout the business and just how critical these aspects are to its future growth and success as any other element of its commercial strategy. Your Company has several processes in place to ensure the continual training and growth of its employees over the entire life cycle. Processes are also in place to attract and recruit talent into the Company.

The Company has elaborate processes in place to prevent discrimination and harassment, including sexual harassment. Whistle Blower Policy is also in place.

At the company, constant efforts are made in developing human resources by providing necessary training and taking care of employee welfare. The Company endeavors to keep the employees’motivation level high by providing congenial work atmosphere and rewarding/ remunerating adequately.

The Company has reinforced the capabilities of its workforce through the launch of numerous in-house training programmes and job-specific training throughout the year. With rapid expansionand advent of new promoters, the Company has hired several senior and mid-level resources to support the next level of growth.

There are cordial relations between the management and the employees.

## ENVIRONMENT, HEALTH & SAFETY (EHS):

**Safety and Health:**

The Health and Safety of employees and associates continues to be deeply embedded in the Human Recourses Policy, Corporate Social Responsibility and Environment Health and Safety (EHS) policies. The Group's Environment Health and Safety ("EHS") Charter, communicated to all employees, sets out the objectives which include zero loss- time accidents and zero occupational illness. Your Company has drawn up standards and recommendations with regard to specific EHS concerns. The standards are mandatory and apply to all sites of the Group, even if the country or local legislation is less stringent. Orient EHS policy states that as a responsible corporate citizen and employer,we have an obligation to the public,in general, and our employees, in particular, to operate our facilities and to conduct our business in such a way as to; (1) ensure the health and safety of all our employees and (2) to protect the environment. Your Company, at every level from the top to the shop-floor, monitors and reports accidents (loss-time and non-loss-time), first aid cases and near misses. Orient also continuously identifies and reduces risks and offers itself for periodic audits The health and safety policies apply to everyone (employees, service providers,participants of onsite initiatives viz. student interns,apprentices,visitors) at all the departments of your Company. Your Company emphasizes the importance of healthy living of all the employees and facilitates the same by providing regular heath check-ups (and other medical advisory interventions) to all its employees.

**Environment Footprint and Climate change:**

Environment sustainability is one of the key elements in our Corporate Sustainability Model. Conservation of energy, greening of product and environment, reduction and reuse of industrial waste are key focus areas under environment initiatives. Climate change has been identified as one of the greatest challenges facing nations, governments, businesses and citizens in the coming decades. Your Company has laid out systems going beyond regulations, by continuously working on different technologies in effluent management to upgrade waste water treatment in its Units.

## CONCERNS AND FUTURE OUTLOOK:

While the long term outlook for the Indian economy remains very positive, the short term outlook is uncertain. The order inflow, across businesses, remains muted and there is no pull from the channel. While the implementation of the Goods and Services Tax Act will have a positive impact in the medium term, it will accentuate short term uncertainty. With capacity utilization increasing,inflation expected to remain low, the Rupee expected to depreciate gradually and the cumulative impact of the economic reforms initiated by the Government being positive, there are hopes of higher industrial growth in the new fiscal. Under the circumstances, your Company's management will continue to focus on new products, new markets and exports to sustain growth. The Company is optimistic about increasing profitability on the back of increasing revenue and margins in the near term.

The global economic climate continues to be volatile, uncertain and prone to risks. Weak consumer sentiment and low commodity prices are expected to affect global growth adversely. For India, despite challenging global headwinds, a stable macro performance will help to remain an attractive investment destination. However, execution of the reforms agenda and commencing the investment cycle will be key determinants of India's economic performance on a long term basis.

To conclude, the strategic location of manufacturing facility, captive mineral resources and in-house thermal based power generation facility continue to keep us in a leadership position and we expect our renewed innovative focus and efficiency improvement initiatives will contribute to achieve and exceed our objectives. Your Company is able to maintain/grow market share due to superior product quality and strong brand image. Our focus on innovation ensures that we stay ahead of competition.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Orient Abrasives Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Orient Abrasives Limited ("the Company"), which comprise the Balance Sheet as at March 31st, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of theCompanies Act, 2013 ("the Act")with respect to 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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are freefrom material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit inaccordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 on 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 financial control relevant to the Company's preparation of thefinancial statements that give a true and fair viewin order to design audit procedures that areappropriate in the circumstances. An audit also includes evaluatingthe appropriateness of accounting policies used and the reasonableness of the accounting estimates made bythe Company's Directors, 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 ouraudit opinion on the financial statements.

**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 givea true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit, andits cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

(a) We have sought and 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 it 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 inagreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in Note 40 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

**For S R B C & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**Sd/-**
**per Arpit K. Patel**
Partner
Membership No.: 34032

Place : Ahmedabad
Date : May 30th, 2017

## ANNEXURE REFERRED TO IN PARAGRAPH ON REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE

Re: Orient Abrasives Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2017 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of aluminium oxide grains, calcined products and monolithics, and generation of power, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it have been regularly deposited with the appropriate authorities though the delays in deposit of income tax, provident fund and service tax have not been serious.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales- tax, service tax, duty of custom, value added tax and cess on account of any dispute, are as follows:

| Name of the statute | Nature of dues | Amount (in ₹lakhs) | Forum where dispute is pending |
|---|---|---|---|
| Customs Act, 1962 | Differential custom duty on account of misclassification on import of coal. | 54.51 | Commissioner of Customs (Appeals) |
| Customs Act, 1962 | Redemption fine in lieu of confiscation u/s 125 of the Act | 1.59 | Additional Commissioner of Customs |
| Income Tax Act, 1961 | Penalty proceedings for error made in the return filed by the Company for the assessment year 2006-07 and 2009-10 | 47.49 | Commissioner of Income Tax (Appeal) |
| Income Tax Act, 1961 | Disallowance of various expenses/deductions (under section 80IA) claimed by the Company for the year 2008-09, 2010-11, 2011-12, 2012-13 and 2013-14 along with the penalty proceedings of the same for the year 2008-09 | 775.38 | Commissioner of Income Tax (Appeal) |
| Income Tax Act, 1961 | Disallowance of deductions (under section 80IA) claimed by the Company for the year 2014-15 | 76.28 | Assessing Officer |

(viii) According to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or debentures during the year.

(ix) In our opinion and according to information and explanations given by the management, monies raised by the company by way of term loans were applied for the purpose for which they were raised. The Company has not raised any money way of initial public offer / further public offer / debt instruments).

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S R B C & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**Sd/-**
**per Arpit K. Patel**
Partner
Membership No.: 34032

Ahmedabad
May 30th, 2017

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ORIENT ABRASIVES LIMTED

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Orient Abrasives Limited ("the Company") as of March 31st, 2017 Orient Abrasives Limited in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on [the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S R B C & CO. LLP**
Chartered Accountants
**ICAI Firm Registration Number:** 324982E/E300003

**Sd/-**
**per Arpit K. Patel**
Partner
Membership No.: 34032

Place : Ahmedabad
Date : May 30, 2017

## Balance Sheet as at March 31, 2017

(₹ in Lakhs)

| | Notes | March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' fund** | | | |
| Share capital | 3 | 1,196.52 | 1,196.52 |
| Reserves and surplus | 4 | 17,029.62 | 16,337.37 |
| | | 18,226.14 | 17,533.89 |
| **Non-current liabilities** | | | |
| Long-term borrowings | 5 | 567.11 | — |
| Deferred tax liabilities (net) | 6 | 1,187.16 | 1,196.51 |
| Long-term provisions | 10 | 141.39 | 141.83 |
| Other non-current liabilities | 7 | 8.94 | 16.09 |
| | | 1,904.60 | 1,354.43 |
| **Current liabilities** | | | |
| Short-term borrowings | 8 | 4,668.92 | 3,621.92 |
| Trade Payables | 9 | | |
| -Total outstanding dues of Micro and Small Enterprises | | — | — |
| - Total outstanding dues of creditor other than Micro and Small Enterprises | | 6,594.63 | 3,654.34 |
| Other current liabilities | 7 | 2,047.72 | 755.04 |
| Short-term provisions | 10 | 129.91 | 597.97 |
| | | 13,441.18 | 8,629.26 |
| **Total** | | 33,571.92 | 27,517.58 |
| **Assets** | | | |
| **Non-current assets** | | | |
| Fixed assets | | | |
| Tangible assets | 11a | 8,862.26 | 9,501.64 |
| Intangible assets | 11b | 160.80 | — |
| Capital work-in-progress | 11c | 3,195.11 | 548.52 |
| Intangible assets under development | | — | 51.90 |
| Loans and advances | 12 | 686.59 | 553.70 |
| Other non current assets | 13 | 296.77 | 197.83 |
| | | 13,201.53 | 10,853.59 |
| **Current assets** | | | |
| Inventories | 14 | 11,079.15 | 7,114.85 |
| Trade receivables | 15 | 7,268.29 | 8,085.46 |
| Cash and bank balances | 16 | 244.03 | 311.30 |
| Loans and advances | 12 | 1,642.74 | 1,057.20 |
| Other current assets | 13 | 136.18 | 95.18 |
| | | 20,370.39 | 16,663.99 |
| **Total** | | 33,571.92 | 27,517.58 |
| **Summary of significant accounting policies** | 2.1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S R B C & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Sd/-
**per Arpit K Patel**
**Partner**
Membership No. 34032
Place : Ahmedabad
Date : May 30th, 2017

For and on behalf of the Board of Directors of
**Orient Abrasives Limited**

Sd/-
**Mihir Devani**
Whole Time Director
DIN : 07238089

Sd/-
**Hemul Shah**
Director
DIN : 00058558

Sd/-
**Bimal Parmar**
Company Secretary

Place : Mumbai
Date : May 30th, 2017

## Statement of Profit and Loss for the year ended

(₹ in Lakhs)

| | Notes | March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations (gross) | 17 | 24,185.27 | 31,131.15 |
| Less: Excise duty | | 2,210.67 | 2,501.38 |
| Revenue from operations (net) | | 21,974.60 | 28,629.77 |
| Other income | 18 | 92.54 | 205.64 |
| **Total (I)** | | 22,067.14 | 28,835.41 |
| **Expenses** | | | |
| Cost of materials consumed | 19 | 7,824.40 | 7,203.97 |
| Purchase of trading materials | | 1,044.78 | 474.47 |
| Increase in inventories | 20 | (1,380.04) | (354.70) |
| Employee benefits expenses | 21 | 2,276.85 | 2,223.20 |
| Depreciation and amortization expense | 11 | 796.77 | 896.22 |
| Other expenses | 22 | 10,122.59 | 14,344.16 |
| Finance costs | 23 | 451.89 | 340.45 |
| **Total (II)** | | 21,137.24 | 25,127.77 |
| **Profit before tax** | | 929.90 | 3,707.64 |
| **Tax Expense** | | | |
| Current tax (Refer Note 40) | | 247.00 | 803.00 |
| Tax relating to earlier years, charge / (written back) | | - | 269.18 |
| Deferred tax charge / (credit) | | (9.35) | 274.30 |
| **Total tax expense** | | 237.65 | 1,346.48 |
| **Profit for the year** | | 692.25 | 2,361.16 |
| **EARNINGS PER EQUITY SHARE** | | | |
| **[Nominal value of share Re. 1 (Previous year Re. 1)]** | | | |
| Basic and diluted (Rs.) | 24 | 0.58 | 1.97 |

**Summary of significant accounting policies** 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S R B C & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Sd/-
**per Arpit K Patel**
**Partner**
Membership No. 34032
Place : Ahmedabad
Date : May 30th, 2017

For and on behalf of the Board of Directors of
**Orient Abrasives Limited**

Sd/-
**Mihir Devani**
Whole Time Director
DIN : 07238089

Sd/-
**Hemul Shah**
Director
DIN : 00058558

Place : Mumbai
Date : May 30th, 2017

Sd/-
**Bimal Parmar**
Company Secretary

## Cash Flow Statement for the year ended March 31, 2017

( ₹ in Lakhs)

| PARTICULARS | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Profit before tax** | **929.90** | 3,707.64 |
| Adjustments for: | | |
| Depreciation and amortisation | **796.77** | 896.22 |
| Loss on sale of fixed assets | **19.98** | 25.57 |
| Interest income | **(21.20)** | (122.61) |
| Interest expense | **398.29** | 310.98 |
| Liabilities/ provisions no longer required, written back | **(0.31)** | (79.36) |
| Provision for doubtful debts | **222.17** | 59.09 |
| Unrealised foreign exchange loss (net) | **20.73** | 12.58 |
| **Operating profit before working capital changes** | **2,366.34** | 4,810.11 |
| Movements in working capital : | | |
| (Increase) in loans and advances and other assets | **(635.34)** | (511.74) |
| Increase in trade payables, other current liabilities and provisions | **3,737.91** | 1,885.81 |
| (Increase) in inventories | **(3,964.31)** | (441.78) |
| Decrease / (Increase) in trade receivables | **636.86** | (4,640.98) |
| Cash generated from operations | **2,141.45** | 1,101.42 |
| Direct taxes paid (net of refunds) | **(189.84)** | (215.19) |
| **Net cash generated from operating activities** | **1,951.62** | 886.23 |
| **B. Cash flows from investing activities** | | |
| Purchase of fixed assets (including capital work-in-progress and capital advances) | **(2,820.11)** | (1,002.06) |
| Proceed from sale of fixed assets | **8.79** | 28.32 |
| Interest received | **20.08** | 118.67 |
| Deposits made during the year (with maturity more than three months) | **(127.26)** | (40.74) |
| **Net cash used in investing activities** | **(2,918.50)** | (895.81) |
| **C. Cash flows from financing activities** | | |
| Term loan taken | **630.13** | - |
| Term loan (repaid) | **-** | (231.00) |
| Proceeds of working capital loan (net) | **447.00** | 1,320.96 |
| Proceeds from other short term borrowings | **600.00** | 311.66 |
| Repayment from other short term borrowings | **-** | (568.37) |
| Dividends paid (including dividend tax) | **(368.04)** | (363.28) |
| Interest paid | **(409.38)** | (324.20) |
| **Net cash from financing activities** | **899.71** | 145.77 |
| **Net increase in cash and cash equivalents (A + B + C)** | **(67.17)** | 136.19 |
| Cash and cash equivalents at the beginning of the year | **289.30** | 153.11 |
| **Cash and cash equivalents at the end of the year** | **222.13** | 289.30 |

(₹ in Lakhs)

| PARTICULARS | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **Components of cash and cash equivalents :** | | |
| Cash in hand | 9.20 | 6.97 |
| With banks | | |
| - In current accounts | 104.85 | 166.20 |
| - In unpaid dividend accounts* | 108.08 | 116.13 |
| **Cash and cash equivalents in Cash flow statement: (Note 16)** | 222.13 | 289.30 |

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

**Notes:**

a) The cash flow statement has been prepared under "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statement.

b) Cash outflows have been shown in brackets.

As per our report of even date

**For S R B C & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Sd/-
**per Arpit K Patel**
**Partner**
Membership No. 34032

Place : Ahmedabad
Date : May 30th, 2017

For and on behalf of the Board of Directors of
**Orient Abrasives Limited**

Sd/-
**Mihir Devani**
Whole Time Director
DIN : 07238089

Sd/-
**Hemul Shah**
Director
DIN : 00058558

Sd/-
**Bimal Parmar**
Company Secretary

Place : Mumbai
Date : May 30th, 2017

## Notes to financial statements for the year ended March 31, 2017

**Significant accounting policies and notes to accounts to the financial statements for the year ended March 31, 2017**

### 1 Corporate information

Orient Abrasives Limited ('The Company') is engaged in the production and selling of Alumina Refractories and Monolithics products, Mining of bauxite ores and generation of power (including windmill facilities).The Company's manufacturing facilities are located at Porbandar (Gujarat) along with thermal power generation; bauxite mines located at various sites in Gujarat and windmill facilities in the state of Rajasthan and Karnataka.

### 2 Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

### 2.1 Summary of significant accounting policies

**a. Change in accounting policy**

Accounting for Proposed Dividend

As per the requirements of pre-revised AS 4, the Company used to create a liability for dividend proposed/ declared after the balance sheet date if dividend related to periods covered by the financial statements. Going forward, as per AS 4(R), the company cannot create provision for dividend proposed/ declared after the balance sheet date unless a statute requires otherwise. Rather, company will need to disclose the same in notes to the financial statements. Accordingly, the company has disclosed dividend proposed by board of directors after the balance sheet date in the notes.

Had the company continued with creation of provision for proposed dividend, its surplus in the statement of profit and loss account would have been lower by ₹ 359.99 lakhs and current provision would have been higher by ₹ 359.99 lakhs ( including dividend distribution tax of ₹ 60.89 lakhs ).

**b. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**c. Property, Plant and Equipment**

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

**Significant accounting policies and notes to accounts to the financial statements for the year ended March 31, 2017**

**d. Depreciation on property, plant and equipment**

Leasehold land is amortized on a straight line basis over the period of lease.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013, Which coincides with management's estimate of useful life, on all assets except for certain categories of plant & machinery such as Thermal Power Plant and Windmills, which are depreciated based on management estimate of the useful life of 25 years.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**e. Intangible Asset**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets comprise of computer software which is amortized over a period of 6 years.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**f. Impairment**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment depreciation is provided on the reviewed carrying amount of the asset over it's remaining useful life.

**g. Leases**

**Where the Company is lessee**

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

**h. Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. Where the company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value. Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds

**Significant accounting policies and notes to accounts to the financial statements for the year ended March 31, 2017**

**i. Inventories**

Inventories are valued as follows:

| | |
|---|---|
| Raw materials, Stores and spares | Lower of cost and net realizable value. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis |
| Work-in-progress and finished goods | Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty, wherever applicable. Cost is determined on a weighted average basis. |
| Bauxite Ores | Lower of cost and net realizable value. Cost includes excavation cost and other direct costs to bring the inventory to present location and condition. Cost is determined on a weighted average basis. |
| Waste | Net realizable value |

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

**j. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

(i) **Sale of goods**

Revenue from sale of goods / bauxite ore is recognized when all the significant risks and rewards of ownership of the goods / bauxite ore have been passed to the buyer, usually on delivery of the good / bauxite ore. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) **Power generation income**

Revenue from sale of power is recognized on accrual basis in accordance with the provisions of the agreements with the respective state governments/organization.

(iii) **Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head 'other income' in the statement of profit & loss.

**k. Borrowing Cost**

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**l. Foreign currency transactions**

(i) **Initial Recognition**

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

(ii) **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) **Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) **Forward exchange contracts entered into to hedge foreign currency risk of an asset / liability**

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

**m. Derivative instruments**

The Company uses derivative contracts such as Option Contracts to hedge foreign currency borrowings. The outstanding derivative contracts at the balance sheet date are valued by marking them to market and losses, if any, are recognised in the Statement of Profit and Loss.

The option premium payable is recognised on an accrual basis during the tenure of the borrowing.

**n. Retirement and other employee benefits**

(i) Retirement benefits in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

(ii) Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit (PUC) method made at the end of each financial year. The Company has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and amount paid/payable in respect of the present value of liability for the past services is charged to statement of profit and loss account every year. The difference, if any, between the actuarial valuation of the gratuity of the employee at the year end and the balances of the fund of LIC is provided for as liability in the books. Actuarial Gain/losses are immediately taken to the statement of profit and loss and are not deferred.

(iii) Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefits. The Company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date. The company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method.

(iv) The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The company presents the leave as

a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(v) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

**o. Income taxes**

Tax expense comprises of current and deferred taxes. Current income tax is measured at the amount expected to be paid to the income tax authorities in accordance with Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years.

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

The Company is entitled to a tax holiday under the Income-tax Act, 1961 in respect of certain income, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

Minimum Alternate Tax (MAT) paid during a year is charged to the statement of profit and loss as current tax. MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e. for the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**p. Segment Reporting Policies**

**Identification of segments**

**Business Segment**

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

**Intersegment Transfers**

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

**Allocation of common costs**

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

**Segment Policies :**

The Company prepares segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**q. Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**r. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less for the purposes of cash-flow statement

**t. Contingent liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

## Notes to financial statements for the year ended March 31, 2017

(₹ in Lakhs)

| PARTICULARS | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **3 Share Capital** | | |
| **Authorised shares** | | |
| 12,00,00,000 (Previous year 12,00,00,000) Equity Shares of Re. 1/- each | 1,200.00 | 1,200.00 |
| 4,00,000 (Previous year 4,00,000) - 6% Redeemable cumulative preference shares of Rs. 100/- each | 400.00 | 400.00 |
| | 1,600.00 | 1,600.00 |
| **Issued and subscribed shares** | | |
| 11,96,59,200 (Previous year 1,196,59,200) Equity Shares of Re. 1/- each | 1,196.59 | 1,196.59 |
| **Paid up shares** | | |
| 11,96,39,200 (Previous year 11,96,39,200) Equity Shares of Re. 1/- each | 1,196.39 | 1,196.39 |
| **Add:** Shares forfeited (amount paid up) | 0.13 | 0.13 |
| **Total issued, subscribed and paid-up share capital** | 1,196.52 | 1,196.52 |

**a. Reconciliation of the equity shares outstanding at the beginning and at the end of reporting period**

| | | |
|---|---|---|
| **At the beginning of the year (excluding forfeited shares)** | | |
| 11,96,39,200 (Previous year 11,96,39,200) Equity Shares of Re. 1/- each | 1,196.39 | 1,196.39 |
| **Outstanding at the year end (excluding forfeited shares)** | | |
| 11,96,39,200 (Previous year 11,96,39,200) Equity Shares of Re. 1/- each | 1,196.39 | 1,196.39 |

**b. Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Re. 1.00 per share. The holder of each fully paid equity share is entitled to one vote. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% shares in the company**

| | March 31, 2017 | | March 31, 2016 | |
|---|---|---|---|---|
| | No. Lacs | %' holding | No. Lacs | %' holding |
| **Equity shares of Re. 1.00 each fully paid up** | | | | |
| Bombay Minerals Limited | 467.83 | 39.10% | 467.83 | 39.10% |
| Cura Global holdings Limited | 283.89 | 23.73% | 283.89 | 23.73% |

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

( ₹ in Lakhs)

| | | March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| **4 Reserves and Surplus** | | | |
| **General Reserve** | | | |
| Balance as per the last financial statements | | 8,979.44 | 8,579.44 |
| Add: Amount transferred from surplus balance in the statement of profit and loss | | --- | 400.00 |
| Less: Depreciation charge due to useful life estimate change | | --- | --- |
| **Closing Balance** | **(A)** | 8,979.44 | 8,979.44 |
| **Surplus Balance in Statement of Profit and Loss** | | | |
| Balance as per the last financial statements | | 7,357.93 | 5,756.76 |
| Profit for the year | | 692.25 | 2,361.15 |
| | | 8,050.18 | 8,117.92 |
| Less: Appropriations | | | |
| Proposed dividend on equity shares (previous year Re. 0.25) (Refer note 2.1.a) | | --- | 299.10 |
| Tax on dividend | | --- | 60.89 |
| Transferred to general reserve | | --- | 400.00 |
| **Net Surplus in the statement of profit and loss** | **(B)** | 8,050.18 | 7,357.93 |
| **Total reserves and surplus** | **(A+B)** | 17,029.62 | 16,337.37 |
| **5 Long-term borrowings** | | | |
| **Term loans (secured)** | | | |
| Term loan from banks | | 630.13 | --- |
| | | 630.13 | --- |
| Less: Current maturity of term loans disclosed under other current liabilities (Refer note 97) | | 63.01 | --- |
| | | 63.01 | --- |
| **TOTAL** | | 567.11 | --- |
| **The above amount includes:** | | | |
| Secured borrowings | | 630.13 | --- |
| Amount disclosed under the head “other current liabilities” (Refer note 7) | | (63.01) | --- |
| **TOTAL** | | 567.11 | --- |

*Term loans from bank is secured by first charge on all Fixed Assets and Current assets of company, both present & future these facilities are secured by equitable mortgage of the following properties: - (i) City Survey ward No. 03, Old survey no. 3480/2 Opp. Collector Bungalow, Lal Palace, Main Road, Porbandar (ii) City Survey ward No. 03, Old survey no. 3481 Lal Palace area, B/h Jadav Pan off. Juri Baug, Main Road, Porbandar. (iii) City Survey ward No. 03, Survey No. 1662 Paiki East Part & West Part Opp. Chopati Cricket Ground, S.T. Depot, New Foundation road Porbandar. (iv) GIDC Plot No. 400. GIDC Main Road GIDC Area Dharampur, Porbandar. These facilities further secured by entire current assets of the company including hypothecation of Raw material, Semi Finished Goods and finished Goods including goods in transit, Books Debts and other current assets of the company.The Term loan is repayable in 60 monthly equal instalment starting from October 2017 and carries interest @ 9.10% (1year MCLR) + 2.75% above MCLR. Hence present Efeective interest rate is 11.85%.

(₹ in Lakhs)

| | | March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| **6 Deferred tax liability (net)** | | | |
| **Deferred tax liability** | | | |
| Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting | | 1,333.07 | 1,292.09 |
| **Gross deferred tax liability** | **(A)** | 1,333.07 | 1,292.09 |
| **Deferred tax assets** | | | |
| Provision for doubtful debts, advances and recoverables | | 88.87 | 29.52 |
| Employee benefit expenditure debited to the statement of profit and loss but allowable for tax purposes on payment basis | | 57.04 | 66.06 |
| **Gross deferred tax asset** | **(B)** | 145.91 | 95.58 |
| **TOTAL** | **(A-B)** | 1,187.16 | 1,196.51 |
| **7 Other liabilities** | | | |
| **Non-current** | | | |
| Interest free deposits | | | |
| From staff * | | 8.94 | 16.09 |
| **TOTAL** | | 8.94 | 16.09 |
| **Current** | | | |
| Current maturities of long-term borrowings (Refer note 5) | | 63.01 | --- |
| Capital goods creditors | | 232.14 | 1.46 |
| Interest accrued but not due on borrowings | | 11.08 | |
| Advance from customers | | 344.28 | 8.54 |
| Unpaid dividend | | 108.08 | 116.13 |
| Others | | | |
| Interest free deposits from staff* | | 4.72 | 3.95 |
| Statutory dues | | 75.62 | 133.13 |
| Other payable | | 1,208.80 | 491.82 |
| **TOTAL** | | 2,047.72 | 755.04 |

* Interest free deposits as security from staff against vehicles provided by the Company.

| | | | |
|---|---|---|---|
| **8 Short-terms borrowings** | | | |
| Working capital loans from banks (secured)* | | 4,068.92 | 3,621.92 |
| **Other borrowings** | | | |
| Loan from body corporate (unsecured) repayable on demand, interest 15% p.a. | | 600.00 | --- |
| **TOTAL** | | 4,668.92 | 3,621.92 |

*Working capital loans from bank is secured by first charge on all current and fixed assets of company, both present & future, including stocks of raw materials, stores, spares, stocks in process & finished goods etc. lying in company premises, godowns, elsewhere including those in transit and all present and future book-debts / receivables of the company. These facilities are further secured by equitable mortgage of the following properties:- (i) Industrial Plot in GIDC Industrial Area, Porbandar, Gujarat, Survey No. 1 measuring 200022 square meters; (ii) Immovable property on plot at Choapti Road as Lal Bangla, Survey Ward No. 3, Survey No. 3480 and 3481 measuring square yards 712-3-0, Porbandar, Gujarat and (iii) Immovable property Vageswari Plot in Porbandar City bearing City Survey No. 3, Survey No. 1662 measuring square yards 648-8-0. The working capital loan is repayable on demand and carries interest @ 9.45% - 10.55% p.a.

( ₹ in Lakhs)

| | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **9 Trade Payables** | | |
| **Trade Payables** | | |
| - Total outstanding dues of Micro and Small Enterprises (Refer note 29) | --- | --- |
| - Total outstanding dues of creditor other than Micro and Small Enterprises | 6,594.63 | 3,654.34 |
| **TOTAL** | 6,594.63 | 3,654.34 |
| **10 Provisions** | | |
| **Non-current** | | |
| Provision for litigation (Refer Note 37) | 37.68 | 37.68 |
| Provision for gratuity (Refer Note 30) | --- | 3.47 |
| Provision for leave benefits | 87.26 | 85.68 |
| Provision for cost of mines restoration (Refer Note 37) | 16.45 | 15.00 |
| **TOTAL** | 141.39 | 141.83 |
| **Current** | | |
| Provision for leave benefits | 9.00 | 13.49 |
| Proposed equity dividend | --- | 299.10 |
| Provision for tax on proposed equity dividend | --- | 60.88 |
| Provision for tax | 52.36 | 136.25 |
| Provision for gratuity (Refer Note 30) | 68.56 | 88.25 |
| **TOTAL** | 129.91 | 597.97 |

## 11 (a) Tangible fixed assets

(₹ in Lakhs)

| | Freehold Land | Leasehold Land | Leasehold Improvement | Building | Plant & Machinery | Furniture & Fixtures | Office Equipments | Vehicle | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | |
| **At March 31, 2015** | 29.16 | 48.49 | 19.49 | 1,895.65 | 18,035.20 | 13.27 | 109.93 | 372.53 | 20,523.72 |
| Additions | - | - | - | 63.79 | 212.75 | 21.01 | 20.97 | 35.05 | 353.57 |
| Disposals | - | - | (19.49) | - | - | (0.57) | (0.87) | (93.95) | (114.88) |
| **At March 31, 2016** | **29.16** | **48.49** | **-** | **1,959.44** | **18,247.95** | **33.71** | **130.03** | **313.63** | **20,762.41** |
| Additions | - | - | - | 50.02 | 84.68 | 0.25 | 19.94 | 18.05 | 172.94 |
| Disposals | - | - | - | (4.36) | (26.96) | (6.97) | (24.08) | (24.13) | (86.50) |
| **At March 31, 2017** | **29.16** | **48.49** | **-** | **2,005.10** | **18,305.67** | **26.99** | **125.89** | **307.55** | **20,848.85** |
| **Depreciation** | | | | | | | | | |
| **At March 31, 2015** | **-** | **12.93** | **19.49** | **490.18** | **9,676.80** | **10.12** | **85.09** | **131.43** | **10,426.04** |
| Charge for the year | - | 1.93 | - | 102.59 | 739.02 | 2.78 | 12.05 | 37.85 | 896.22 |
| Disposals | - | - | (19.49) | - | - | (0.54) | (0.83) | (40.63) | (61.49) |
| **At March 31, 2016** | **-** | **14.86** | **-** | **592.77** | **10,415.82** | **12.36** | **96.31** | **128.65** | **11,260.77** |
| Porbandar | - | 1.79 | - | 83.30 | 650.21 | 2.59 | 14.33 | 31.33 | 783.55 |
| Charge for the year | **-** | **1.79** | **-** | **83.30** | **650.21** | **2.59** | **14.33** | **31.33** | **783.55** |
| Disposals | **-** | **-** | **-** | **(4.14)** | **(14.93)** | **(6.84)** | **(22.76)** | **(9.06)** | **(57.73)** |
| **At March 31, 2017** | **-** | **16.65** | **-** | **671.93** | **11,051.10** | **8.11** | **87.88** | **150.92** | **11,986.59** |
| **Net Block** | | | | | | | | | |
| **At March 31, 2016** | **29.16** | **33.63** | **-** | **1,366.67** | **7,832.13** | **21.35** | **33.72** | **184.98** | **9,501.64** |
| **At March 31, 2017** | **29.16** | **31.84** | **-** | **1,333.17** | **7,254.57** | **18.88** | **38.01** | **156.63** | **8,862.26** |

## 11 (b) Intangible fixed assets

(₹ in Lakhs)

| | Computer Software |
|---|---|
| **Cost** | |
| **At March 31, 2015** | --- |
| Additions | --- |
| Disposals | --- |
| **At March 31, 2016** | --- |
| Additions | 174.03 |
| Disposals | --- |
| **At March 31, 2017** | **174.03** |
| **Depreciation** | |
| **At March 31, 2015** | --- |
| Charge for the year | --- |
| Disposals | --- |
| **At March 31, 2016** | --- |
| Charge for the year | **13.22** |
| Disposals | --- |
| **At March 31, 2017** | **13.22** |
| **Net Block** | |
| **At March 31, 2016** | --- |
| **At March 31, 2017** | **160.81** |

## 11 (c) Capital work-in-progress

The Company is constructing Kiln, Gradation Line, etc. to increase its capacity of calcination and production of calcined bauxite. Accordingly, expenses of ₹ 3,172.95 lakhs has been incurred till date which, pending completion of the project, is included in Capital Work in progress. Such expense include mainly ₹ 2,091.02 lakhs towards Plant & Machinery, ₹ 648.89 lakhs towards Buildings and ₹ 433.03 lakhs towards electrical installations.

(₹ in Lakhs)

| | | March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| **12 Loans and advances (unsecured, considered good unless stated otherwise)** | | | |
| **Non Current** | | | |
| Capital Advances | | | |
| Unsecured, considered good | | 241.53 | 183.06 |
| Unsecured, considered doubtful | | 50.65 | --- |
| | | 292.19 | 183.06 |
| Provision for doubtful capital advances | | (50.65) | - |
| Net Capital Advances | | 241.53 | 183.06 |
| Other loans and advances | | | |
| Prepaid expenses | | 53.74 | 53.19 |
| Security deposits | | 50.48 | 12.69 |
| Income-Taxes (net of provision for tax) | | 340.84 | 304.76 |
| **TOTAL** | | 686.59 | 553.70 |
| **Current** | | | |
| Advances recoverable in cash or kind | | | |
| Unsecured, considered good | | 1,165.92 | 723.66 |
| Unsecured, considered doubtful | | 11.07 | 11.07 |
| | | 1,176.99 | 734.73 |
| Provision for doubtful advances | | (11.07) | (11.07) |
| | **(A)** | 1,165.92 | 723.66 |
| Other loans and advances | | | |
| Security deposit | | 24.32 | 20.00 |
| Prepaid expenses | | 82.41 | 65.46 |
| Balance with statutory/government authorities | | 370.08 | 248.09 |
| | **(B)** | 476.81 | 333.55 |
| **TOTAL** | | 1,642.73 | 1,057.20 |
| **13 Other assets** | | | |
| **(unsecured, considered good unless stated otherwise)** | | | |
| **Non current** | | | |
| Non current bank balances (Refer note 16) | | 258.32 | 131.17 |
| Subsidy receivable on power generated from windmill | | 35.59 | 36.61 |
| Electricity duty Receivable | | 2.86 | 27.83 |
| Interest accrued on non current bank balances and security deposits | | --- | 2.22 |
| **TOTAL** | | 296.77 | 197.83 |
| **Current** | | | |
| Export benefits recoverable (considered doubtful) | | 7.36 | 7.36 |
| Less: Provision for doubtful export benefits recoverable | | (7.36) | (7.36) |
| | **(A)** | --- | --- |
| Interest accrued on current bank balances and security deposits | | 6.79 | 3.45 |
| Custom duty recoverable | | 89.40 | 50.58 |
| Accrued revenue | | 39.99 | 41.15 |
| **TOTAL** | | 136.18 | 95.18 |

( ₹ in Lakhs)

| | | March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| **14 Inventories (valued at lower of cost and net realizable value)** | | | |
| Raw materials (including goods in transit Rs. Nil, Previous year Rs. 11.56 lacs) | | 4,082.20 | 1,987.83 |
| Work-in-progress | | 1,453.13 | 1,724.98 |
| Finished goods | | 2,336.19 | 1,363.64 |
| Bauxite Ore (Refer note 36) | | 1,112.97 | 497.46 |
| Waste | | 451.88 | 388.05 |
| Stores and spares | | 1,642.79 | 1,152.89 |
| **TOTAL** | | 11,079.15 | 7,114.85 |
| **15 Trade receivables (unsecured unless otherwise stated)** | | | |
| **Outstanding for a period exceeding six months from the date they are due for payment** | | | |
| Unsecured, considered good | | 684.22 | 426.45 |
| Considered doubtful | | 238.37 | 66.86 |
| | | 922.59 | 493.31 |
| Provision for doubtful receivables | | 238.37 | 66.86 |
| | (A) | 684.22 | 426.45 |
| **Others receivables** | | | |
| Considered good | | 6,584.07 | 7,659.01 |
| | (B) | 6,584.07 | 7,659.01 |
| **TOTAL** | (A + B) | 7,268.29 | 8,085.46 |
| **16 Cash and bank balances** | | | |
| **Cash and cash equivalents** | | | |
| **Balances with banks** | | | |
| - On Current accounts | | 104.85 | 166.20 |
| - On Current accounts (Earmarked for unpaid dividend) | | 108.08 | 116.13 |
| Cash in hand | | 9.20 | 6.97 |
| | | 222.13 | 289.30 |
| **Other bank balances** | | | |
| Deposits with original maturity for more than 3 months but less than 12 months | | 269.69 | 20.00 |
| Deposits with original maturity for more than 12 months | | | 6.00 |
| Margin money deposits* | | 10.53 | 127.17 |
| | | 280.22 | 153.17 |
| Amount disclosed under non-current asset (Refer note 13) | | (258.32) | (131.17) |
| | | 21.90 | 22.00 |
| **TOTAL** | | 244.03 | 311.30 |

*Margin money deposits are given as lien against the bank guarantees given to government authorities and customers.

(₹ in Lakhs)

| | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **17 Revenue from operations** | | |
| **Sales of products** | | |
| Finished goods (Refer Note below) | 20,355.90 | 22,688.20 |
| Sale of bauxite ore | 2,449.26 | 7,249.24 |
| **Sale of power** | 808.72 | 666.53 |
| **Other operating revenue** | | |
| Sale of waste | 499.04 | 489.57 |
| Subsidy on power generated from windmill | 17.03 | 14.66 |
| Others | 55.32 | 22.95 |
| **Revenue from operations (gross)** | 24,185.27 | 31,131.15 |
| Less: Excise duty* | 2,210.67 | 2,501.38 |
| **Revenue from operations (net)** | 21,974.60 | 28,629.77 |

* Excise duty on sales amounting to ₹ 2,210.67 lakhs (Previous year ₹ 2,501.38 lakhs) has been reduced from sales in statement of profit and loss and excise duty on increase in stock amounting to ₹ 185.58 lakhs (Previous year decrease of ₹ 13.12 lakhs) has been considered as expense in note 22 of financial statements.

**Details of finished goods sold**

| | | |
|---|---|---|
| Grains | 13,741.89 | 16,474.25 |
| Monolithics | 2,329.93 | 2,736.54 |
| Calcined products | 4,284.08 | 3,477.41 |
| **TOTAL** | 20,355.90 | 22,688.20 |

| | | |
|---|---|---|
| **18 Other income** | | |
| Interest income | | |
| - On bank deposits | 21.14 | 9.86 |
| - On others | 0.05 | 112.75 |
| Liabilities no longer required written back | 0.31 | 79.36 |
| Derivative Income | 13.41 | --- |
| Miscellaneous income | 57.63 | 3.67 |
| **TOTAL** | 92.54 | 205.64 |

| | | |
|---|---|---|
| **19 Cost of materials consumed** | | |
| Inventory at the beginning of the year | 1,987.83 | 2,012.96 |
| Purchases* (Refer note 33) | 9,918.78 | 7,178.84 |
| | 11,906.61 | 9,191.79 |
| Less: Inventory at the end of the year | (4,082.20) | (1,987.83) |
| **Cost of materials consumed** | 7,824.40 | 7,203.97 |

*includes royalty paid on bauxite ores excavated for captive consumption amounting to Rs. 284.95 lacs (previous year Rs.411 lacs)

**Details of materials**

| | | |
|---|---|---|
| **Materials consumed** | | |
| Bauxite | 3,419.85 | 3,507.33 |
| Alumina | 2,913.41 | 2,770.43 |
| Zirconia | 308.18 | 212.79 |
| Others | 1,182.96 | 713.43 |
| **TOTAL** | 7,824.40 | 7,203.97 |
| **Details of closing inventory of materials** | | |
| Bauxite | 3,585.58 | 1,809.75 |
| Alumina | 379.80 | 74.83 |
| Zirconia | 6.47 | 15.86 |
| Others | 110.34 | 87.38 |
| **TOTAL** | 4,082.20 | 1,987.83 |

(₹ in Lakhs)

| | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **20 Increase in inventories** | | |
| Inventories at the end of the year | | |
| Finished goods | 2,336.19 | 1,363.64 |
| Bauxite Ore | 1,112.97 | 497.46 |
| Work-in-progress | 1,453.13 | 1,724.98 |
| Waste | 451.88 | 388.05 |
| | 5,354.17 | 3,974.13 |
| Inventories at the beginning of the year | | |
| Finished goods | 1,363.64 | 1,920.54 |
| Bauxite Ore | 497.46 | 265.60 |
| Work in progress | 1,724.98 | 1,254.28 |
| Waste | 388.05 | 179.01 |
| | 3,974.13 | 3,619.43 |
| **Increase in inventories** | (1,380.04) | (354.70) |
| **Details of Inventories** | | |
| **Finished Goods** | | |
| Grains | 1,966.04 | 1,030.51 |
| Monolithics | 45.50 | 48.17 |
| Calcined products | 324.65 | 284.97 |
| | 2,336.19 | 1,363.64 |
| **Bauxite Ore** | 1,112.97 | 497.46 |
| **Work in progress** | | |
| Grains | 1,113.44 | 1,385.53 |
| Monolithics | 70.08 | 132.09 |
| Calcined products | 269.61 | 207.36 |
| | 1,453.13 | 1,724.98 |
| **Waste** | | |
| Grains | 364.07 | 339.09 |
| Calcined products | 87.81 | 48.96 |
| | 451.88 | 388.05 |
| **21 Employee benefits expense*** | | |
| Salaries, wages and bonus | 2,043.32 | 1,842.93 |
| Contribution to provident and other funds | 50.53 | 74.94 |
| Gratuity expenses (Refer note 30) | 59.83 | 167.93 |
| Staff welfare expenses | 123.17 | 137.40 |
| | 2,276.85 | 2,223.20 |

*includes costs relating to sub-contractor's workers, who are entitled to all retirement benefits as per Company's policy

(₹ in Lakhs)

| | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **22 Other expenses** | | |
| Power and fuel | 4,546.69 | 4,872.41 |
| Consumption of stores and spares | 1,537.15 | 1,601.03 |
| Royalty and tax levies on export | 551.20 | 2,097.27 |
| Mining cost to contractors | 364.23 | 637.32 |
| Repairs and maintenance | | |
| Plant and machinery | 293.13 | 350.82 |
| Buildings | 34.26 | 65.81 |
| Others | 103.09 | 66.78 |
| Rent (Refer note 31) | 16.95 | 36.71 |
| Packing expenses | 330.55 | 276.81 |
| Increase in excise duty on closing stock | 185.58 | (13.12) |
| Freight and forwarding expenses | 1,166.14 | 3,367.37 |
| Commission on sales | 29.40 | 21.95 |
| Research & development | 58.28 | 300.00 |
| Rates and taxes | 181.91 | 60.74 |
| Legal and professional fees | 105.86 | 106.91 |
| Donation | — | 70.40 |
| Insurance | 71.00 | 55.83 |
| Provision for doubtful advances and other advances | 222.17 | 59.09 |
| Exchange difference (net) | (5.05) | 39.67 |
| Expenditure on Corporate Social Responsibility (CSR) (Refer note 41) | 44.52 | 31.66 |
| Travelling and conveyance | 55.70 | 31.23 |
| Loss on sale of fixed assets | 19.98 | 25.57 |
| Auditor's remuneration (Refer details below) | 26.96 | 21.52 |
| Communication expenses | 14.53 | 17.39 |
| Printing and stationery | 7.70 | 12.99 |
| Miscellaneous expenses | 160.69 | 130.01 |
| **TOTAL** | 10,122.59 | 14,344.16 |
| **Payment to auditor** | | |
| **As auditor:** | | |
| Audit fee | 15.00 | 13.35 |
| Limited review | 7.80 | 5.40 |
| Certification fees | 2.25 | 1.25 |
| Out of pocket expenses | 1.91 | 1.52 |
| **TOTAL** | 26.96 | 21.52 |
| **23 Finance costs** | | |
| Interest | | |
| - to banks | 357.69 | 277.02 |
| - to others | 40.61 | 33.96 |
| Bank charges | 53.60 | 29.47 |
| **TOTAL** | 451.89 | 340.45 |
| **24 Earnings per equity share (EPS)** | | |
| The following reflects the profit and share data used in the basic and diluted EPS computations: | | |
| Net profit for calculation of basic and diluted EPS | 692.25 | 2,361.16 |
| Weighted average number of equity shares in calculating basic and diluted EPS (no. in lacs) | 1,196.39 | 1,196.39 |
| Basic and diluted earning per share (Rs.) | 0.58 | 1.97 |

## 25 Segment Information

**Business Segments :**

The Company operates in primarily two segments i.e. (a) Alumina Refactories & Monolithics products & bauxite ores and (b) power generation.

A description of the types of products and services provided by each reportable segment is as follows:

Alumina Refactories & Monolithics products manufactures calcined bauxite, fused aluminium oxide abrasive grains and low cementcastables which are mainly consumed in steel plants. Plant grade bauxite ores are captively consumed at the plant and Non plant grade bauxite ores are sold in the market.Power generation - The Company has a thermal power plant, furnace oil based power plant and windmills. Power generated from thermal power plant and furnace oil based power plant is captively consumed at the plant and power generated from windmills is sold to the respective state power distribution companies

**Geographical Segments:**

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has some presence in international markets as well through exports. Its business is accordingly aligned geographically, catering to two markets i.e. India and Outside India.

**( ₹ in Lakhs)**

**Primary Segments Reporting (by Business Segments)**

**Segment Revenues, Results and Other Information**

| Particulars | Alumina Refactories & Monolithics products & Bauxite Ores | | Power Generation | | Total | |
|---|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-17 | 31-Mar-16 | 31-Mar-17 | 31-Mar-16 |
| **REVENUE** | | | | | | |
| External Sales (net of Excise duty) | 21,149.36 | 27,948.58 | 825.24 | 681.19 | 21,974.60 | 28,629.77 |
| Inter Segment Sales | — | — | 4,415.41 | 4,856.97 | 4,415.41 | 4,856.97 |
| **TOTAL** | 21,149.36 | 27,948.58 | 5,240.65 | 5,538.16 | 26,390.01 | 33,486.74 |
| Less: Inter Segment Sale | — | — | 4,415.41 | 4,856.97 | 4,415.41 | 4,856.97 |
| **Net Sales/Income from Operations** | 21,149.36 | 27,948.58 | 825.24 | 681.19 | 21,974.60 | 28,629.77 |
| **SEGMENT RESULTS** | (311.01) | 2,385.75 | 1,877.95 | 1,917.08 | 1,566.94 | 4,302.83 |
| Less: Unallocable expenditure/ (income) net off unallocable income/ expenditure | | | | | 238.75 | 284.21 |
| **Operating Profit** | | | | | 1,328.19 | 4,018.62 |
| Less: Interest Expenses | | | | | 398.29 | 310.98 |
| **Profit before tax** | | | | | 929.90 | 3,707.64 |
| Less: Current tax | | | | | 237.65 | 1,346.48 |
| **Net Profit after tax** | | | | | 692.25 | 2,361.16 |

**Segment Assets and Liabilities**

| Particulars | Alumina Refactories & Monolithics products & Bauxite Ores | | Power Generation | | Total | |
|---|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-17 | 31-Mar-16 | 31-Mar-17 | 31-Mar-16 |
| **Segment Assets** | 25,407.50 | 19,789.77 | 7,289.86 | 6,881.37 | 32,697.36 | 26,671.14 |
| **Unallocated Corporate Assets** | | | | | 874.56 | 846.44 |
| **Total Assets** | 25,407.50 | 19,789.77 | 7,289.86 | 6,881.37 | 33,571.92 | 27,517.58 |
| **Segment Liabilities** | 7,952.66 | 4,359.49 | 469.64 | 183.49 | 8,422.30 | 4,542.98 |
| **Unallocated Corporate Liabilities** | | | | | 6,923.48 | 5,440.72 |
| **Total Liabilities** | 7,952.66 | 4,359.49 | 469.64 | 183.49 | 15,345.78 | 9,983.70 |
| **Capital Expenditure** | 2,853.12 | 697.06 | 75.20 | 133.42 | 2,928.32 | 830.48 |
| **Depreciation** | 467.19 | 532.10 | 329.39 | 352.56 | 796.58 | 884.66 |

### Secondary Segment Reporting (by Geographical Segments)

Secondary segment reporting is based on the geographical location of customers. The geographical segments have been identified based on revenues within India (sales to customers within India) and revenues outside India.

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

**( ₹ in Lakhs)**

| Particulars | India | | Outside India | | Total | |
|---|---|---|---|---|---|---|
| | 31-Mar-17 | 31-Mar-16 | 31-Mar-17 | 31-Mar-16 | 31-Mar-17 | 31-Mar-16 |
| **Revenue** | | | | | | |
| Sale of goods to external customer (Net of excise duty) | 19,556.85 | 20,617.16 | 2,417.75 | 8,012.61 | 21,974.60 | 28,629.77 |
| **Segment Assets** | | | | | | |
| Trade Receivables | 6,193.35 | 6,445.42 | 1,074.94 | 1,640.04 | 7,268.29 | 8,085.46 |

Note: The company has other common assets for producing goods for sales within India and Sales outside India. Hence, separate disclosure for the other assets is not furnished.

## 26 Related party disclosures

**(a)** Names of related parties and their relationship

**(i)** **Related parties with whom transactions have taken place during the year**

### a Key management personnel

| | Name | Relationship |
|---|---|---|
| 1. | Mr. Mihir Devani | Whole Time Director (till June 15, 2017) |
| 2. | Mr. S. G. Rajgarhia | Managing Director (till July 15, 2015) |
| 3. | Mr. P. P. Khanna | Executive Director (till July 15, 2015) |
| 4. | Mr. R. K. Khanna | Whole Time Director (till July 15, 2015) |
| 5. | Mrs. Anisha Mittal | Director (till June 09, 2015) |
| 6. | Mr. Bimal Parmar | Company Secretary |

### b. Relatives of Key management personnel (till July 15, 2015)

| | Name | Relationship |
|---|---|---|
| 1. | Mrs. Usha Rajgarhia | Wife of Managing Director |
| 2. | Ms. Bhavna Rajgarhia | Daughter of Managing Director |

### c. The Enterprises controlled, owned or significantly influenced by key managerial personnel or their relatives (upto July 15, 2015)

1. Pyramid Abrasives Private Limited.
2. Rovo Marketing Private Limited.
3. Madhushree Properties Private Limited.

### d. Enterprises having significant influence over the company and entities owned / controlled by such enterprise (w.e.f July 15, 2015)

1. Bombay Minerals Limited
2. Ashapura Minechem Limited
3. Ashapura International Limited
4. Ashapura Perfoclay Limited
5. Ashapura Arcadia Logistics Pvt. Ltd.
6. Ambica Logistics Pvt. Ltd.
7. Ashapura Overseas Pvt. Ltd.
8. Ashapura Foundation

## (b) Transaction with related parties during the year during the year ended March 31, 2017

(₹ in Lakhs)

| Particulars | Enterprises having significant influence over the company & entities owned / controlled by such enterprises | | Key Management personnel and their relatives | | Enterprises owned or significantly influenced by key management personnel or their relatives | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **March 31, 2017** | March 31, 2016 | **March 31, 2017** | March 31, 2016 | **March 31, 2017** | March 31, 2016 | **March 31, 2017** | March 31, 2016 |
| **Sales** | | | | | | | | |
| Pyramid Abrasives Private Limited | — | — | — | — | — | 51.13 | — | 51.13 |
| Ashapura Minechem Ltd. | **1,862.68** | 418.05 | — | — | — | — | **1,862.68** | 418.05 |
| Ashapura Perfoclay Ltd. | **7.66** | 6.45 | — | — | — | — | **7.66** | 6.45 |
| Ashapura Internationa Ltd. | **217.68** | — | — | — | — | — | **217.68** | — |
| Bombay Minerals Ltd. | **157.96** | 311.56 | — | — | — | — | **157.96** | 311.56 |
| **Total** | **2,245.98** | 736.06 | — | — | — | 51.13 | **2,245.98** | 787.19 |
| **Purchases** | | | | | | | | |
| Ashapura International Ltd. | **0.24** | 6.16 | — | — | — | — | **0.24** | 6.16 |
| Ashapura Minechem Ltd. | **59.50** | 29.08 | — | — | — | — | **59.50** | 29.08 |
| Bombay Minerals Ltd. | **1,577.76** | 1,120.92 | — | — | — | — | **1,577.76** | 1,120.92 |
| **Total** | **1,637.50** | 1,156.16 | — | — | — | — | **1,637.50** | 1,156.16 |
| **Rent Paid** | | | | | | | | |
| Bhavna Rajgarhia | — | — | — | 5.14 | — | — | — | 5.14 |
| Usha Rajgarhia | — | — | — | 2.30 | — | — | — | 2.30 |
| Bombay Minerals Ltd. | **3.15** | 2.00 | — | — | — | — | **3.15** | 2.00 |
| Madhushree Properties Private Limited | — | — | — | — | — | 0.53 | — | 0.53 |
| **Total** | **3.15** | 2.00 | — | 7.44 | — | 0.53 | **3.15** | 9.97 |
| **Interest Expenses** | | | | | | | | |
| Rovo Marketing Private Limited | — | — | — | — | — | 3.77 | — | 3.77 |
| P.P.Khanna | — | — | — | 0.33 | — | — | — | 0.33 |
| Ashapura Overseas Pvt. Ltd. | **19.48** | — | — | — | — | — | **19.48** | - |
| **Total** | **19.48** | — | — | 0.33 | — | 3.77 | **19.48** | 4.10 |
| **Managerial Remuneration *** | | | | | | | | |
| S.G.Rajgarhia | — | — | — | 13.31 | — | — | — | 13.31 |
| P.P.Khanna | — | — | — | 47.54 | — | — | — | 47.54 |
| R.K. Khanna | — | — | — | 42.13 | — | — | — | 42.13 |
| Mihir Devani | — | — | **40.74** | 20.11 | — | — | **40.74** | 20.11 |
| **Total** | — | — | **40.74** | 123.09 | — | — | **40.74** | 123.09 |
| **Salaries, Wages And Bonus *** | | | | | | | | |
| Usha Rajgarhia | — | — | — | 1.89 | — | — | — | 1.89 |
| **Total** | — | — | — | 1.89 | — | — | — | 1.89 |
| **Reimbursement of expenses (received)** | | | | | | | | |
| Ashapura Minechem Ltd. | — | 7.73 | — | — | — | — | — | 7.73 |
| **Total** | — | 7.73 | — | — | — | — | — | 7.73 |
| **Donation Paid** | | | | | | | | |
| Ashapura Foundation | **36.00** | 20.00 | — | — | — | — | **36.00** | 20.00 |
| **Total** | **36.00** | 20.00 | — | — | — | — | **36.00** | 20.00 |
| **Capital Purchases** | | | | | | | | |
| Bombay Minerals Ltd. | — | 411.82 | — | — | — | — | — | 411.82 |
| **Total** | — | 411.82 | — | — | — | — | — | 411.82 |
| **Purchase Of Services** | | | | | | | | |
| Bombay Minerals Ltd. | **7.69** | 190.89 | — | — | — | — | **7.69** | 190.89 |
| Ashapura Minechem Ltd. | — | 399.29 | — | — | — | — | — | 399.29 |
| Ambica Logistic Pvt Ltd. | **99.59** | — | — | — | — | — | **99.59** | — |
| **Total** | **107.28** | 590.18 | — | — | — | — | **107.28** | 590.18 |
| **Other income** | | | | | | | | |
| Bombay Minerals Ltd. | — | 0.25 | — | — | — | — | — | 0.25 |
| **Total** | — | 0.25 | — | — | — | — | — | 0.25 |
| **Unsecured Loan Taken** | | | | | | | | |
| Rovo Marketing Private Limited | — | — | — | — | — | 307.93 | — | 307.93 |
| Ashapura Overseas Pvt. Ltd. | **600.00** | — | — | — | — | — | **600.00** | — |
| **Total** | **600.00** | — | — | — | — | 307.93 | **600.00** | 307.93 |
| **Unsecured Loan Repaid (including interest repaid)** | | | | | | | | |
| Rovo Marketing Private Limited | — | — | — | — | — | 368.04 | — | 368.04 |
| P.P.Khanna | — | — | — | 200.33 | — | — | — | 200.33 |
| **Total** | — | — | — | 200.33 | — | 368.04 | — | 568.37 |

## (c) Closing balance of related parties as at March 31, 2017

(₹ in Lakhs)

| Particulars | Enterprises having significant influence over the company & entities owned / controlled by such enterprises | | Key Management personnel and their relatives | | Enterprises owned or significantly influenced by key management personnel or their relatives | | Total | |
|---|---|---|---|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| **Trade receivables:** | | | | | | | | |
| Ashapura International Ltd. | 167.68 | – | – | – | – | – | 167.68 | – |
| Ashapura Perfoclay Ltd. | – | 3.38 | – | – | – | – | – | 3.38 |
| Ashapura Minechem Ltd. | 166.50 | – | – | – | – | – | 166.50 | – |
| Bombay Minerals Ltd. | – | – | – | – | – | – | – | – |
| **Total** | 334.18 | 3.38 | – | – | – | – | 334.18 | **3.38** |
| **Trade Payables:** | | | | | | | | |
| Ashapura Perfoclay Ltd. | 0.08 | – | – | – | – | – | 0.08 | – |
| Ashapura International Ltd. | 0.65 | 0.22 | – | – | – | – | 0.65 | 0.22 |
| Ashapura Minechem Ltd. | 599.43 | 242.82 | – | – | – | – | 599.43 | 242.82 |
| Bombay Minerals Ltd. | 1,332.98 | 543.88 | – | – | – | – | 1,332.98 | 543.88 |
| Ambica Logistic Pvt Ltd | 8.00 | – | – | – | – | – | 8.00 | – |
| Mihir Devani | – | – | 4.66 | 1.79 | – | – | 4.66 | 1.79 |
| **Total** | 1,941.15 | 786.92 | 4.66 | 1.79 | – | – | 1,945.81 | 788.71 |
| **Short term borrowings:** | | | | | | | | |
| Ashapura Overseas Pvt. Ltd. | 600.00 | – | – | – | – | – | 600.00 | – |
| **Total** | 600.00 | – | – | – | – | – | 600.00 | – |
| **Other Liabilities (Interest Accrued and Due on borrowing)** | | | | | | | | |
| Ashapura Overseas Pvt. Ltd. | 6.92 | – | – | – | – | – | 6.92 | – |
| **Total** | 6.92 | – | – | – | – | – | 6.92 | – |
| **Other Liabilites Advance from Customer** | | | | | | | | |
| Bombay Minerals Ltd. | 68.13 | – | – | – | – | – | 68.13 | – |
| Ashapura Perfoclay Ltd. | 5.47 | – | – | – | – | – | 5.47 | – |
| **Total** | 73.60 | – | – | – | – | – | 73.60 | – |
| **Other Payables** | | | | | | | | |
| Ashapura Arcadia Logistics Pvt. Ltd. | 250.00 | – | – | – | – | – | 250.00 | – |
| **Total** | 250.00 | – | – | – | – | – | 250.00 | – |

## 27. Contingent liabilities

(₹ in Lakhs)

| | | March 31, 2017 | March 31, 2016 |
|---|---|---|---|
| i) | Power claim matters decided in favour of the Company by the District Court (Civil Court, Senior Division, Porbandar) but Paschim Gujarat Vidyut Company Limited has gone into further appeal before Hon'ble High Court of Gujarat. [Refer Note A below] | 338.02 | 338.02 |
| ii) | Sales tax and interest demand raised by Rajkot Sales tax authorities for non-submission of Declaration Forms for the year 2011-12 | — | 22.01 |
| iii) | Demand raised by the Income Tax Authorities, being disputed by the Company [Refer Note B below] | 439.05 | 417.53 |
| iv) | Demand from Joint Commissioner Customs for payment of differential customs duty | 18.42 | 18.42 |
| v) | Cases pending with Labour Courts [Refer Note C below] | (Amount unascertainable) | |

**Note A**

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

**Note B**

Demands raised by Income tax authorities substantially pertains to dispute on determination of inter segment price for claiming tax holiday benefits which are disallowed / disputed by such authorities. The management believes that its position is likely to be upheld in the appellate process.

**Note C**

In view of large number of cases, it is not practicable to disclose individual details of all the cases. On the basis of current status of individual case and as per legal advice obtained by the Company, wherever applicable, the Company is of view that no provision is required in respect of these cases.

**28 Capital Commitments**

Estimated amount of contracts remaining to be executed as on capital account and not provided for (net of capital advance and capital work in progress) Rs. 923.05 Lakhs (Previous Year: Rs. 519.77 Lakhs).

29 The Chief Financial Officer (CFO) has resigned with effect from 13th November, 2015. The management is in the process of appointing a CFO. Hence, the financial statements are not signed by such authority as required under section 134 of the Companies Act 2013.

**30 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" (Act) till 31st March, 2017. Accordingly, no disclosures are required to be made under said Act.

**31 Gratuity and other post-employment benefit plans**

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the Gratuity.

**Statement of profit and loss**

**Net employee benefit expense recognized in the employee cost** **( ₹ in Lakhs)**

| Particulars | Gratuity | |
|---|---|---|
| | March 31, 2017 | March 31, 2016 |
| Current service cost | 46.96 | 40.75 |
| Interest cost on benefit obligation | 32.22 | 35.02 |
| Expected return on plan assets | (24.81) | (39.26) |
| Net actuarial loss recognized in the year | 5.46 | 131.42 |
| **Net benefit expense** | 59.83 | 167.93 |

**Balance sheet**

**Details of provision for Gratuity**

| Particulars | Gratuity | |
|---|---|---|
| | March 31, 2017 | March 31, 2016 |
| Present value of defined benefit obligation | (442.10) | (398.79) |
| Fair value of plan assets | 373.54 | 307.07 |
| **Plan liability** | (68.56) | (91.72) |

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

| Particulars | Gratuity | |
|---|---|---|
| | March 31, 2017 | March 31, 2016 |
| Opening defined benefit obligation | 398.79 | 448.96 |
| Current service cost | 46.96 | 40.75 |
| Interest cost | 32.22 | 35.02 |
| Benefits paid | (40.24) | (250.43) |
| Actuarial (gains) / losses on obligation | 4.37 | 124.50 |
| **Closing defined benefit obligation** | 442.10 | 398.80 |

**Changes in the fair value of plan assets for gratuity are as follows:**

| Particulars | Gratuity | |
|---|---|---|
| | March 31, 2017 | March 31, 2016 |
| Fair value of plan assets at beginning of the year | 307.07 | 503.33 |
| Expected return on plan assets | 24.81 | 39.26 |
| Contributions by employer | 82.99 | 21.83 |
| Benefits paid | (40.24) | (250.43) |
| Actuarial losses | (1.09) | (6.92) |
| **Fair value of plan assets at end of the year** | 373.54 | 307.07 |

**Note :** The present value of the plan assets represents the balance available with LIC as at the end of the period. The total value of plan assets amounting to Rs. 373.54 lacs (previous year Rs. 307.07 lacs) is as certified by the LIC.

The Company expects to contribute Rs. 86.06 lacs to gratuity in the next year (previous year Rs. 95 lacs).

(₹ in Lakhs)

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

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Investments with insurer - Insurance policy with Life Insurance Corporation of India | 100% | 100% |

The overall expected rate of return on asset is determined based on market price prevailing on that date, applicable to the period over which the obligation has to be settled.

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

| Particulars | Gratuity | |
|---|---|---|
| | March 31, 2017 | March 31, 2016 |
| Discount rate | 7.34% | 8.08% |
| Expected rate of return on assets | 7.34% | 8.08% |
| Increase in compensation cost | 8.00% | 8.00% |
| Employee turnover: Age group | | |
| upto 30 years | 2% | 2% |
| 31-44 years | 2% | 2% |
| Above 44 years | 2% | 2% |

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

**Amounts for the current and previous four periods are as follows:**

| Particulars | March 31, 2017 | March 31, 2016 | March 31, 2015 | March 31, 2014 | March 31, 2013 |
|---|---|---|---|---|---|
| **Gratuity** | | | | | |
| Defined benefit obligation | 442.10 | 398.79 | 448.96 | 386.80 | 401.97 |
| Plan assets | 373.54 | 307.07 | 503.33 | 465.62 | 415.17 |
| Surplus / (Deficit) | (68.56) | (91.72) | 54.37 | 78.82 | 13.20 |
| Experience adjustments on plan liabilities (loss)/gain | (30.58) | 136.56 | (28.59) | 21.81 | (41.18) |
| Experience adjustments on plan assets (loss)/gain | (1.09) | (6.92) | 11.76 | (10.82) | 2.33 |

**Contribution to Defined Contribution plans:**

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Provident Fund | 116.98 | 112.93 |

32 The Company has taken various residential, office and warehouse premises and plant and machinery under operating lease agreements. These are cancellable and are renewable by mutual consent on mutually agreed terms. The lease payment recognized in the statement of profit and loss for the year is ₹ 16.95 lakhs (Previous year ₹ 36.71 lakhs).

33 **Derivative instruments and unhedged foreign currency exposure**

**Particulars of Unhedged Foreign Currency Exposure at the Balance Sheet Date :**

| Particulars | Currency | March 31, 2017 | | | March 31, 2016 | | |
|---|---|---|---|---|---|---|---|
| | | Foreign Currency | Rate | Amount (₹ lakhs) | Foreign Currency | Rate | Amount (₹ lakhs) |
| Trade receivables | USD | 1,657,875 | 64.84 | 1,074.94 | 2,472,438 | 66.34 | 1640.04 |
| Trade payables | USD | 293,638 | 64.84 | 190.39 | – | – | – |

**34** The breakup of expenses relating to raising of Raw Bauxite at Company's own mines is as under : **( ₹ in Lakhs)**

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| **Personnel Expenses** | | |
| Salaries, Wages and Bonus | 28.95 | 38.18 |
| Contribution to Provident and other funds | 1.71 | 2.94 |
| Manpower expenses | 1,771.12 | 1,981.56 |
| **Operating and Other Expenses** | | |
| Consumption of Stores and Spares | — | 0.39 |
| Rates & Taxes | — | 12.08 |
| Insurance | 0.01 | 0.92 |
| Legal and Professional Fees | 11.41 | 18.83 |
| Vehicle Running & Maintenance | — | 2.10 |
| Repairs and Maintenance : | | |
| - Plant & Machinery (excluding Stores & Spares Consumed) | 0.94 | 0.38 |
| - Buildings | — | - |
| - Others | — | 0.35 |
| Traveling & Conveyance | 1.99 | 7.92 |
| Communication cost | 0.71 | 2.35 |
| Miscellaneous Expenses | 28.32 | 18.79 |
| **Total** | 1,845.16 | 2,086.79 |

## 35 Supplementary Statutory Information

### 35.1 Earnings in foreign currency (on accrual basis)

**( ₹ in Lakhs)**

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Exports at F.O.B. Value | 2,417.75 | 8,012.61 |

### 35.2 Expenditure in foreign currency (on accrual basis)

**( ₹ in Lakhs)**

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Travelling | 3.23 | Nil |
| Interest | — | 8.20 |
| **Total** | 3.23 | 8.20 |

### 35.3 Value of imports calculated on CIF basis (on accrual basis)

**( ₹ in Lakhs)**

| Particulars | March 31, 2017 | March 31, 2016 |
|---|---|---|
| Raw materials | 1,068.55 | — |
| Stores and spares | 330.32 | 283.72 |
| Capital goods | 412.51 | 5.69 |
| **Total** | 1,811.38 | 289.41 |

## 36 Imported and indigenous raw materials and components and stores and spares consumed

| Particulars | % of total consumption For the year ended | | Value (₹ in lakhs) For the year ended | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| **Raw Materials and components** | | | | |
| Indigenous* | 87.80 | 99.94 | 6,869.53 | 7,199.71 |
| Imported | 12.20 | 0.06 | 954.88 | 4.25 |
| **Total** | 100.00 | 100.00 | 7,824.40 | 7,203.96 |
| **Stores and Spares** | | | | |
| Indigenous | 65.50 | 80.83 | 1,006.84 | 1,192.93 |
| Imported | 34.50 | 19.17 | 530.30 | 390.30 |
| **Total** | 100.00 | 100.00 | 1,537.15 | 1,583.23 |

* Includes direct expenses as stated in Note 34

**37** The management believes that the net realizable value of stocks of non plant grade bauxite, at various mines in Bhuj district (Gujarat) weighing 59,090 tonnes, is higher than its cost price. The management has filed an application for approval to sale of such stock with the state government and it is confident that the required approvals will be obtained shortly and accordingly the stock of ₹ 259.20 lakhs (previous year ₹ 259.20 lakhs) have been valued at cost.

**38** The Company is liable to pay Minimum Alternate Tax (MAT) on income for financial year 2016-17 and accordingly the Company has made provision of ₹ 247 lakhs for current year. The company has not recognised MAT credit in the books of ₹247 lakhs as there is no convincing evidence of realisation of the asset in near future.

**39** **Provisions**

The movement in the provision during the year is as under:

(figures in parenthesis represents previous year numbers)

**(₹ in Lakhs)**

| | March 31, 2016 | Prevision during the year | Utilised during the year | Reversal during the year | March 31, 2017 |
|---|---|---|---|---|---|
| Provision for litigation | (37.68)<br>— | —<br>(37.68) | —<br>— | —<br>— | **(37.68)**<br>**(37.68)** |
| Provision for mines restoration | 15.00<br>— | 1.45<br>(15.00) | —<br>— | —<br>— | **16.45**<br>**(15.00)** |

**Note:**

**a.** The Company has received demand from the Joint Commissioner, Customs for payment of differential custom duty on account of mis-classification on import of coal, whereby the Company has availed the benefit of exemption notification and paid custom duty at a lower rate. The Company has gone for further appeal to the Commissioner of Customs (Appeals). The Company on a conservative basis has made provision for the entire amount of ₹ 37.68 lakhs.

**b.** The Company has made provision towards mines closure obligations based on estimated outflow of resources on past experience.

**40 Disclosure on Specified Bank Notes:**

Schedule III of the Companies Act, 2013 was amended by Ministry of Corporate Affairs vide Notification G.S.R. 308(E) dated 30th March, 2017. The said amendment requires the Company to disclose the details of Specified Bank Notes ("SBNs") held and transacted during the period from November 08, 2016 to December 30, 2016. For the purpose of this clause, the term 'Specific Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.Details of Specified Bank Notes held and transacted during the period from November 08, 2016 to December 30, 2016 are as follows:

| Particulars | SBNs | Other | Total |
|---|---|---|---|
| Closing Cash in Hand as on November 8, 2016 | 4.38 | 0.71 | 5.09 |
| Add: Permitted Receipts (including Others as per note below) | | 6.59 | 6.59 |
| Less: Permitted Payments | | (4.46) | (4.46) |
| Less: Amount Deposited in Banks | (4.38) | | (4.38) |
| Closing Cash in Hand as on December 30, 2016 | | 2.84 | 2.84 |

**41 CSR Expenditure**

Gross amount required to be spent during the year : ₹ 44.33 lakhs

Amount spent during the year (contribution to NPO, promotion of education, sanitation work and others) paid in cash : ₹ 44.52 lakhs (Previous year ₹ 31.66 lakhs)

**42** Previous year figures have been regrouped / reclassified, where necessary, to confirm to this year's classification.

As per our report of even date

**For S R B C & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

Sd/-
**per Arpit K Patel**
**Partner**
Membership No. 34032
Place : Ahmedabad
Date : May 30th, 2017

For and on behalf of the Board of Directors of
**Orient Abrasives Limited**

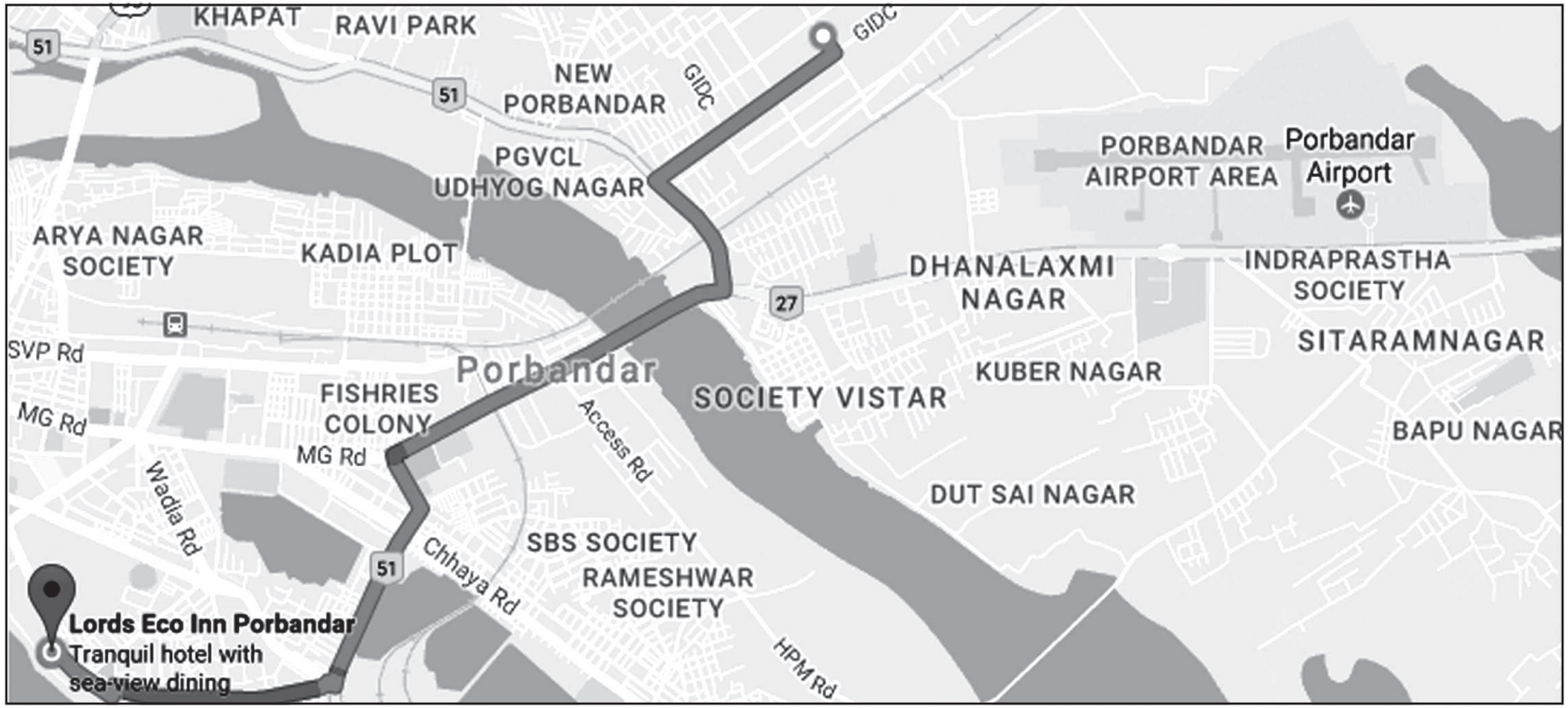
Sd/-
**Mihir Devani**
Whole Time Director
DIN : 07238089

Sd/-
**Hemul Shah**
Director
DIN : 00058558

Place : Mumbai
Date : May 30th, 2017

Sd/-
**Bimal Parmar**
Company Secretary

## Route Map of 46th Annual General Meeting of the Company



## NOTES

## NOTES

**ORIENT ABRASIVES LIMITED**
CIN:L24299GJ1971PLC093248
Regd.Office: GIDC Industrial Area, Porbandar, Gujarat – 360577
Tel.No.: 0286-2221788 Fax: 0286-2222719
Website: www.orientabrasives.com Email ID: investor@oalmail.co.in

## FORM NO. MGT-11
## PROXY FORM

*(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)*

**46th Annual General Meeting – 16th September, 2017**

| | |
|---|---|
| Name of the Member(s) | |
| Registered address | |
| | |
| E-mail Id | |
| Folio No. / Client Id/ DP ID | |

I / We, being the member(s) of _____ shares of the above mentioned Company, hereby appoint –

1. Name: _____ Address: _____
   E-mail Id: _____ Signature: _____ , or failing him/her
2. Name : _____ Address: _____
   E-mail Id: _____ Signature: _____ , or failing him/her
3. Name: _____ Address: _____
   E-mail Id: _____ Signature: _____

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Saturday, 16th September, 2017 at 10.30 a.m. at Lords Eco Inn hotel, Near Circuit House, Chaupati, Porbandar, Gujarat-360575 and at any adjournment thereof, in respect of such resolution as are indicated below:

| Resolution No. | Ordinary Resolutions | Optional* | |
|---|---|---|---|
| | | For | Against |
| 1. | Adoption of Audited Financial Statements for the year ended 31st March, 2017 and Reports of the Directors and Auditors thereon. | | |
| 2. | Appointment of Mr. Hemul Shah, who retires by rotation. | | |
| 3. | Appointment of M/s. Sanghavi & Co, Chartered Accountants as Statutory Auditors of the Company, to hold office from the conclusion of this AGM till the conclusion of the 51st AGM of the Company to be held in the year 2022, subject to ratification of their appointment at every AGM. | | |
| 4. | Ratification of appointment and remuneration payable to M/s. S. K. Rajani& Co., Cost Accountants, as Cost Auditors for the FY 2017-2018. | | |
| 5. | Appointment of Mr. Bharatkumar Makhecha (DIN 01351080) as a Non-Executive; Independent Director of the Company. **(Ordinary Resolution)** | | |
| 6. | Appointment of Mr. Manubhai Rathod (DIN: 07618837) as an Whole Time Director & Chief Executive Officer (CEO) of the Company. **(Ordinary Resolution)** | | |

Signed this _____ day of _____ , 2017

Signature of Shareholder: _____

Signature of Proxy Holder (s): _____

Affix Revenue Stamp

**Notes:**

1. * It is optional to put a (tick) 'Ö' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

**Orient Abrasives Limited**

**Registered Office :**
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