

*44<sup>th</sup>*  
*Annual Report*  
*2014-15*



**ORIENT ABRASIVES LIMITED**

## MANAGEMENT

### BOARD OF DIRECTORS

(As on 6 August 2015)

Mr. Pundarik Sanyal, Chairman, Non Executive Independent Director  
 Mr. S G Rajgarhia, Director  
 Mr. Hemul Shah, Director  
 Mrs. Anisha Mittal, Director  
 Mr. R S Bajoria, Non Executive Independent Director  
 Mr. Mihir H Devani, Whole Time Director

### CHIEF FINANCIAL OFFICER

Mr. Amar Singh Sihag

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Kamlesh Kumar Mundra

### BANKERS

State Bank of India  
 HDFC Bank  
 Standard Chartered Bank

### STATUTORY AUDITORS

S.R. Batliboi & Co. LLP

### REGISTERED OFFICE

1307, Chiranjiv Tower  
 43, Nehru Place  
 New Delhi - 110 019  
 Tel. : 011 - 2642 5446 / 7 Fax : 011 - 2644 3859  
 e-mail : ho@oalindia.com & investor@oalmail.co.in  
 web site : www.orientabrasives.com  
 CIN : L24299DL1971PLC005854

### REGISTRAR & TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.  
 D-153/A, 1st Floor  
 Okhla Industrial Area, Phase - I  
 New Delhi – 110 020

### WORKS

#### ABRASIVES GRAINS & POWER DIVISION

GIDC Industrial Area,  
 Porbandar  
 Gujarat-360 577

## CONTENTS

Notice of Annual General Meeting	1
Directors' Report	11
Management Discussion & Analysis Report	28
Corporate Governance Report	30
Auditors' Report	41
Balance Sheet	44
Profit & Loss Account	45
Cash Flow Statement	46
Notes to Financial Statements	48

## NOTICE

Notice is hereby given that the FORTY FORTH Annual General Meeting of the members of Orient Abrasives Limited will be held at Sun Village Inn, A-14, Ring Road, Lajpat Nagar-IV, New Delhi - 110 024 on Tuesday, 29 September, 2015 at 12.30 P.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited annual accounts of the Company for the year ended 31 March, 2015 and the report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. S G Rajgarhia (DIN-00002245), who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare final dividend on equity shares.
4. To appoint M/s SRBC & Co. LLP, Chartered Accountants (having registration no. 324982E), as Auditors from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

### SPECIAL BUSINESS

5. **To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as an Ordinary Resolution for Regularisation of Additional Director, Mrs. Anisha Mittal (DIN-00002252):-**

“RESOLVED THAT Mrs. Anisha Mittal, who was appointed as an Additional Director with effect from 30 March 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article 80 of Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of a Director, be and is hereby appointed as a Director of the company.”

6. **To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as an Ordinary Resolution for Regularisation of Additional Director, Mr. Pundarik Sanyal (DIN-01773295):-**

“RESOLVED THAT Mr. Pundarik Sanyal, who was appointed as an Additional Director with effect from 15 July 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article 80 of Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the company.”

7. **To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as an Ordinary Resolution for Regularisation of Additional Director, Mr. Hemul Shah (DIN-00058558):-**

“RESOLVED THAT Mr. Hemul Shah, who was appointed as an Additional Director with effect from 15 July 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article 80 of Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the company.”

8. **To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as an Ordinary Resolution for Regularisation of Additional Director, Mr. Mihir H Devani (DIN-07238089):-**

“RESOLVED THAT Mr. Mihir H Devani, who was appointed as an Additional Director with effect from 06 August 2015 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and Article 80 of Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the company.”

9. **To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as an Ordinary Resolution for Appointment of Mr. Pundarik Sanyal (DIN-01773295) as an Independent Director:-**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV to the Companies Act, 2013, for the time being in force, Mr. Pundarik Sanyal, Director of the Company, in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office as such for a period of 3 (three) consecutive years, with effect from 15 July 2015 to 14 July 2018 AND THAT he shall not be liable to retire by rotation.”

10. **To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as Special Resolution for appointment of Mr. Mihir H Devani (DIN-07238089) as a Whole Time Director:-**

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company consent of members of the company be and are hereby accorded to the appointment of Mr Mihir H Devani as a Whole-Time Director of the Company by the Board of Directors, designated as Whole Time Director, for a period of 3 years w.e.f. 06 August 2015 to 05 August 2018 upon the following terms and conditions:-

**Total Salary**

The Total CTC of Mr. Mihir H Devani will be in the range of ₹ 35 to ₹ 55 Lacs Per Annum. The above CTC will be bifurcated as per the standard salary structure of the company. The First increment will be effective from 1 April 2015, that shall fixed by the Board of Directors, within the above ceiling. Over and above the above-mentioned CTC, he will also entitle the perquisites as per Company policies, as amended time to time.

**Company’s contribution to Provident Fund** to the extent not taxable under the Income-tax Act, Gratuity according to the Company’s rules and Encashment of Leave at the end of the tenure shall not be included in the limits for the remuneration or perquisites.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year of the Company during the term of office of Mr Mihir H Devani as a Whole Time Director, the remuneration payable to him shall be paid to him as minimum remuneration provided that the total remuneration by way of salary, ex-gratia, perquisites and other allowances shall not exceed the limits prescribed from time to time of Schedule V of the Companies Act, 2013.”

11. **To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as an Ordinary Resolution for approval of Cost Audit fees for the Financial Year 2015-16:-**

“RESOLVED THAT consent of the members of the company be and are hereby accorded to appoint M/s. K G Goyal & Associates, Cost Accountants for conducting audit of Cost Accounts and Records for the Financial Year 2015-2016 of:-

Abrasives Grains and Power Division of the Company, pursuant to rule 3 & 4 of Companies (Cost Records and Audit) Rules, 2014 and further amendment if any, issued by Ministry of Corporate Affairs, at a fee of ₹ 50,000/- plus Service Tax and reimbursement of out of pocket expenses.”

12. **To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as Special Resolution replacement of Articles of Association as per Companies Act, 2013:-**

“RESOLVED THAT pursuant to the provisions of sections 14 and other applicable provisions, if any, of the Companies Act, 2013, read with relevant Rules framed thereunder, the existing Articles of Association of the Company be and is hereby replaced by adoption of new set of Articles of Association of the Company after incorporating all the applicable clauses in conformity with the provisions of Companies Act, 2013 and the Rules made thereunder.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and Mr. Kamlesh Kumar Mundra, Company Secretary of the Company be and are hereby severally authorized to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard.”

- 13. To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as Special Resolution for ratification and approval of material related party transactions entered with Orient Refractories Ltd.:-**

“**RESOLVED THAT** pursuant to the provisions of section 188 and other applicable sections of the Companies Act, 2013 and clause 49(VII) of the Equity Listing Agreement, and any modification, amendment therein, consent of the members of the company be and is hereby accorded for approval and ratification of material related party transactions for sale of finished goods and any other transactions that has been entered through a contract and / or otherwise, by the company with Orient Refractories Limited during the period commencing from 01 April 2014 to 09 April 2015 (till the date of cessation of Orient Refractories Limited as related party) of an approximate aggregate amount of ₹ 70 Crores.”

- 14. To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as Special Resolution for ratification and approval of material related party transactions entered / to be entered with Bombay Minerals Ltd.:-**

“**RESOLVED THAT** pursuant to the provisions of section 188 and other applicable sections of the Companies Act, 2013 and clause 49(VII) of the Equity Listing Agreement, and any modification, amendment therein, consent of the members of the company be and is hereby accorded for approval of material related party transaction for sale / purchase of goods / finished goods, guarantee, service contract or any kind of transaction that has been entered through a contract or otherwise / to be entered by the company with Bombay Minerals Ltd., of an approximate aggregate amount of ₹ 100 Crore, during each Financial Year.”

- 15. To consider and, if thought fit, to give your assent or dissent to the following resolution proposed to be passed as Special Resolution for ratification, confirmation and approval of remuneration paid to Mr. P P Khanna, (DIN-00570059) Executive Director of the company during the period commenced from 02 May 2015 to 15 July 2015, who has resigned w.e.f 15 July 2015:-**

“**RESOLVED THAT** pursuant to the provisions of section 196 and schedule V of the Companies Act, 2013, consent of members of the company be and is hereby accorded for ratification and approval of remuneration of ₹ 39.08 Lacs, paid to Mr. P P Khanna, Executive Director, during his tenure commencing from 02 May 2015 to 15 July 2015, the date of his resignation.”

For **Orient Abrasives Limited**

Sd/-

Kamlesh Kumar Mundra  
Company Secretary  
(M. No. 23119)

**Mumbai**  
**6 August 2015**

**NOTES**

1. The relevant details as required by clause 49 of the listing agreements entered into with the stock exchanges, of persons seeking re-appointment as directors under item nos. 2 and 5 to 8 of the notice are annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.**

**PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/ AUTHORITY, AS APPLICABLE.**
3. **THE REGISTER OF MEMBERS AND SHARES TRANSFER BOOKS OF THE COMPANY WILL BE CLOSED FROM WEDNESDAY, 23 SEPTEMBER 2015 TO TUESDAY, 29 SEPTEMBER 2015, BOTH DAYS INCLUSIVE.**
4. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their depository participant. Changes intimated to the depository participant will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agent.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or the Company's Registrar and Transfer Agent for assistance in this regard.
6. Members holding physical shares in identical order of names in more than one folio are requested to send to the Company or the Company's Registrar and Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
7. Members desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
8. For security reasons and for proper conduct of the Meeting, entry to the place of the Meeting will be regulated by the Attendance Slip, which is annexed to the Proxy Form. Members/ Proxies are requested to bring their Attendance Slip complete in all respects and signed at the place provided there at and hand it over at the entrance of the venue.
9. Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividends, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.
10. Members, who have not yet encashed their dividend warrant for the financial years 2007-08 and onwards, are requested to make their claims without any delay to the Company. Members' attention is particularly drawn to the "Corporate Governance" section of the annual report in respect of unclaimed dividend.
11. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial year 2014-15 are being sent by e-mail to those Members who have registered their e-mail address with the Company (in respect of shares held in physical form) or with their DP (in respect of shares held in electronic form) and made available to the Company by the Depositories. The Company requests those Members who have not yet registered their e-mail address, to register the same directly with their DP, in case shares are held in electronic form or with the Company, in case shares are held in physical form.
12. Members can avail nomination facility in respect of their shareholdings by applying in Form 2 B of Companies (Central Government's) General Rules & Forms, 1956, as amended from time to time. The said form can be obtained from the Company's Registrar and Transfer Agent.

13. Hard copy of the Annual Report is being sent to the members, who have not resisted their e-mail ID with their depositories. Any member who has registered their e-mail ID, who is also interested in obtaining a physical copy of the Annual Report, may write to the company or to the Registrar and Share Transfer Agent of the Company.
14. The Notice of the 44th Annual General Meeting and instructions for e-voting, along with the Attendance Slip, Ballot Form, Proxy Form and the Annual Report 2014-15, is being sent by electronic mode to all members whose email addresses are registered with the Registrar and Share Transfer Agent of the Company / Depository Participant(s) unless a member has requested for a hard copy of the same.
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar and Share Transfer Agent of the Company / Depository Participant(s) of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent of the Company.
17. Relevant documents referred to in the Notice, statutory registers and the Statement pursuant to Section 102(1) of the Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company during normal business hours on working days up to the date of the Annual General Meeting.
18. Members may also note that the Notice of the 44th Annual General Meeting and the Annual Report for the year 2014-15 will also be available on the Company's website [www.orientabrasives.com] for their download. The physical copies of the aforesaid documents and documents referred to in the notice will be available at the Company's Registered Office for inspection during 11:00 A.M. to 1:00 P.M. on all working days up to the date of the Annual General Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investor@oalmail.co.in].

#### **E-voting**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Company (Management & Administration) Amendment Rules, 2015, the Company is pleased to provide e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 44th Annual General Meeting of the company to be held on Tuesday, 29th September, 2015, at 12.30 P.M. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility. E-voting facility is available at the link [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

#### **The Detailed procedure for e-voting is as follows:-**

- a) **For Members whose email addresses are registered with the Company/Depository Participant(s)**

The members who receive e-mail from NSDL should open the PDF file attached with the e-mail. The said PDF file contains his/her user ID/ Password for e-voting. Please note that the password is an initial password.
- b) **For Members whose email addresses are not registered with the Company/Depository Participant (s)**

The members who receives AGM Notice in physical form, the "USER-ID" and initial "PASSWORD" for remote e-voting is provided with Annual Report.
- c) In case, any member does not receive 'User-ID' and 'Password' as mentioned in Sr. No. (a) and (b), then, they shall contact the NSDL on toll free no. 1800-222-990.
- d) The following steps should be followed for casting the vote through remote e-voting (In both the cases mentioned at Sr. No. (a) and (b) above:
  - (i) Open internet browser and type the following URL: <http://www.evoting.nsdl.com>
  - (ii) Click on Shareholder – Login.
  - (iii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
  - (iv) If you are logging in for the first time, please enter the user ID and password provided through e-mail (as per Sr. No (a) above) or in a letter enclosed with Annual Report (as per Sr. No (b) above), as the case may be.
  - (v) Password change menu will appear on your screen. Change to a new password of your choice; ensure that it contains a minimum of 8 digit or characters or a combination of both. Please keep your password confidential.

- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active voting cycle.
  - (vii) Select “EVEN” (E-Voting Event Number) of “**Orient Abrasives Limited**”.
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) The voting rights of the shareholders shall be reckoned in proportion to their shares held in the total paid up equity share capital of the Company as on cut - off date i.e., **22<sup>nd</sup> September 2015**.
  - (x) Cast your vote by selecting appropriate option and click on “Submit” and “Confirm” when prompted.
  - (xi) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xiii) Corporate/Institutional members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF format) of the Board Resolution/Authority letter, etc. together with attested specimen signature(s) of duly authorized representative (s), to the Scrutinizer through e-mail at shesdev@gmail.com with a copy marked to evoting@nsdl.co.in and a copy to investor@oalmail.co.in Company Secretary of the company.
- e) The members who have casted their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote.
  - f) The remote e-voting period shall commence on **Friday, 25th September, 2015 (9:00 A.M.)** and ends on **Monday, 28th September, 2015 (5:00 P.M.)**. Thereafter, the remote e-voting facility will be blocked.
  - g) Any person who have acquired shares and became members of the Company after the dispatch of the notice of AGM but before the cut-off date of **22nd September, 2015**, may obtain their user ID and password for e-voting from the Company’s Registrar & Share Transfer Agent or NSDL.
  - h) In case of any queries, you may refer the Frequently Asked Question (FAQs) – Shareholders and remote e-voting user manual—Shareholders, available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - i) You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication.
  - j) Any person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories/Share transfer agent as on cut-off date only shall be entitled to avail the facility of remote e-voting / voting at the Annual General Meeting through Ballot Paper.
  - k) The Company has appointed Mr. Shes Dev Bhera, S P J & Co., Company Secretaries, Practicing Company Secretary, Membership No 17536 as ‘Scrutinizer’ for conducting and scrutinizing the voting process (Ballot Paper as well as Remote E voting) in a fair and transparent manner.

In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is annexed. A member desiring to exercise votes by Ballot shall complete the annexed Ballot Form with assent (for) or dissent (against) and send it to Mr. Shes Dev Bhera, S P J & Co., Company Secretaries, Practicing Company Secretary, Membership No 17536, ‘Scrutinizer’ at 03, Building No. 10159, Padam Singh Road, Opposite Shastri Car Parking, Karol Bagh, New Delhi-110005 Ph: 011-28755214, so as to reach them on or before September 28, 2015 by 5.00 P.M. Any Ballot Form received after the said date shall be treated as if the reply from the member has not been received. The members, who have cast their vote prior to the meeting by e-voting / physical ballot, shall not be entitled to vote again at the Annual General Meeting. Once a vote is cast by a member, he shall not be allowed to alter it subsequently.
  - l) The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the AGM by Ballot Papers and thereafter unlock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall make, within a period not exceeding two days from the conclusion of the AGM; a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman of meeting or a person authorized by him in writing.
  - m) The Results of voting along with the report of the Scrutinizer shall be placed on the website of the Company [www.orientabrasives.com](http://www.orientabrasives.com) and on the website of NSDL, immediately after the declaration of result by the Chairman of the meeting or a person authorized by him. The results shall also be forwarded to Stock Exchanges, where the company’s equity shares are listed.

**For Orient Abrasives Limited**

Sd/-

Kamlesh Kumar Mundra  
Company Secretary  
(M. No. 23119)

**Mumbai**  
**6 August 2015**



**BRIEF PROFILE OF DIRECTORS BEING APPOINTED/RE-APPOINTED AS SET OUT IN THIS NOTICE, IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENTS RELATING TO CORPORATE GOVERNANCE.**

<b>Particulars</b>	<b>Mr. S G Rajgarhia</b>	<b>Mrs. Anisha Mittal</b>	<b>Mr. Pundarik Sanyal</b>	<b>Mr. Hemul Shah</b>	<b>Mr. Mihir H Devani</b>
Date of Birth	21/08/1946	26/04/1974	28/01/1950	04/01/1961	21/07/1960
Date of Appointment	31/08/1989	30/03/2015	15/07/2015	15/07/2015	06/08/2015
Qualifications	B.Tec. (Hons.), S.M.(MIT)	Commerce Graduate & MBA from USA	B.Sc.Tech. (Textile Technology)	Commerce Graduate	B.Tech (Mechanical) and MBA in operations
Expertise in specific functional areas	Overall Management	Corporate Finance & Legal	Finance & Legal	Finance, Accounts, Marketing and Operations	Cement/Calcination Plants & Projects
<b>Directorships held in other public companies</b>	1. APM Industries Ltd. 2. Autometres Alliance Ltd.	NIL	1. ASIT C Mehta Financial Services Ltd. 2. CorpBank Securities Ltd. 3. ASIT C Mehta Investment Intermediates Ltd.	1. Ambica Maritime Ltd. 2. Prashansha Ceramics Ltd. 3. Bombay Minerals Ltd. 4. Ashapura Aluminium Ltd. 5. Ashapura Industrial Finance Ltd. 6. Ashapura Claytech Ltd. 7. Ashapura International Ltd.	NIL
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)	Member of Audit Committee in APM Industries Ltd.	NIL	Chairman & Member of CorpBank Securities Ltd.	NIL	NIL
Number of shares held in the Company	NIL	31,25,522	NIL	57,256	NIL

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 5 to 8**

In accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 80 of Articles of Association of the Company, the following directors were appointed as additional director:-

- I Mrs. Anisha Mittal (DIN-00002252), w.e.f 30 March 2015.
- II Mr. Pundarik Sanyal (DIN-01773295), w.e.f 15 July 2015.
- III Mr. Hemul Shah (DIN-00058558), w.e.f 15 July 2015.
- IV Mr. Mihir H Devani (DIN-07238089), w.e.f 06 August 2015.

Pursuant to Section 161 of the Companies Act, 2013 the above directors hold office up to the date this Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing all above candidatures for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of these four directors on the Board is desirable and would be beneficial to the company and hence recommend resolutions No. 5 to 8 for adoption.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions. In resolution no. 5 Mr. S. G. Rajgarhia is also interested.

The Board recommends resolutions under Item No. 5 to 8 to be passed as ordinary resolutions.

**ITEM NO. 9**

As per the provisions of Section 149(4) of the Companies Act, 2013, every listed company shall have at least 1/3rd of its total number of directors as independent directors. Section 149(6) of the said Act, lays down the criteria for independence. Mr. Pundarik Sanyal (DIN-01773295), non-executive director of the Company has furnished declarations to the Company under Section 149(7) of the Companies Act, 2013, confirming that he meets the criteria prescribed for independent director under Section 149(6) of the said Act.

In the opinion of the Board Mr. Pundarik Sanyal, person of integrity, possesses the relevant expertise and experience, fulfill the conditions specified in the said Act and the rules made there under and is independent of the management of the Company.

Accordingly, the Board proposes to appoint Mr. Pundarik Sanyal as Independent Director of the Company for a period of 3 years with effect from 15 July 2015 to 14 July 2018, as set out at Item No. 9 of this Notice. Notice as required under Section 160 of the Companies Act, 2013 has been received from a member proposing the candidature of the said Independent Director of the Company. The appointment has also been formalised by the issue of a letter of appointment by the Company to the said Independent Director. Further, in terms of Section 149(13) of the said Act, independent director is not liable to retire by rotation.

Brief profile of the said Independent Director, in terms of Clause 49 of the Listing Agreements is provided after this Notice.

The Board accordingly recommends the resolution at Item No. 9 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. 10**

Pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles

of Association of the Company, the Board of Directors of the company has appointed Mr. Mihir H Devani (DIN-07238089) as an Additional Director and also as a Whole Time Director, for a period of three years commencing from 06 August 2015 to 05 August 2018, subject to confirmation of members of the company.

Mr. Mihir H Devani, is B. Tech. (Mechanical) and MBA in operations. Mr. Devani has vast experience of 32 years in diversified fields especially in cement / calcinations plants and projects. He possesses good business acumen, good administration, decision making and leadership skills etc. The Board of Directors is quite hopeful to utilize his expertise in our organization.

The said appointment is subject to confirmation of members of the company therefore consent of member is accorded for the said appointment, for a period of three years *w.e.f.* 06 August 2015 to 05 August 2018.

The Board proposes the Special Resolution for approval by the Shareholders. 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. 11**

As per recommendation given by the audit committee and further considered by the Board of Directors Company has appointed the Cost Auditor for the financial year 2015-16. However as per provisions of section 148 of the Companies Act, 2013 and rule 3 & 4 of Companies (Cost Records and Audit) Rules, 2014, it is required to approve the professional fees, which has been decided by the Board of Directors for Cost Audit for the financial year 2015-16. During the year the Board has approved the professional fee of ₹ 50,000/- plus Service Tax plus out of pocket expenses for cost audit of cost accounts and records maintained by the company.

Accordingly your company proposes to approve the said professional fees of ₹ 50,000/- plus Service Tax plus out of pocket expenses for cost audit by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

#### **ITEM NO. 12**

The Companies Act, 2013 has made major changes over the provisions of Companies Act, 1956. It has therefore become necessary to adopt a new set of Articles of Association in place of old one to accommodate required clauses in conformity with the provisions of Companies Act, 2013.

The draft copy of the new set of Articles of Association is available for inspection at the Registered Office of the Company during business hours on any working day.

The Board proposes the Special Resolution for approval by the Shareholders. None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

#### **ITEM NO. 13**

Pursuant to the provisions of Equity Listing Agreement, that material related party transactions entered with any related party should be approved from shareholders of the company.

During the FY 2014-15 and from 01 April 2015 till 9 April 2015, Orient Refractories Limited was related party and the transactions entered for sale of finished goods or other transactions, was falling under the category of material transactions, therefore transactions entered during that period should be ratified and approved in the Annual General Meeting.

During this period company has entered into transactions of ₹ 70 crores, approximately with Orient Refractories Limited, through a contract and/or otherwise that needs shareholders approval, therefore company seeks confirmation of shareholders for ratification and approval of the said transactions.

The Board proposes the Special Resolution for approval by the Shareholders. Except Mr. S G Rajgarhia, and Mrs. Anisha Mittal, Directors of the Company none of the other Directors or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution. No Key Managerial Personnel is interested through himself or herself or through their relatives.

**ITEM NO. 14**

Pursuant to the provisions of Equity Listing Agreement that material related party transactions that has been entered with any related party should be approved from shareholders of the company.

Bombay Minerals Ltd. became a related party w.e.f. 15 July 2015, and the transactions that has been entered, through a contract and/or otherwise/ will be entered, falls under the category of material transactions, that requires the ratification and approval of shareholders in this Annual General Meeting.

The Board has expected that the value of the transactions i.e. sale / purchase of goods / finished goods, guarantee, service contract or any kind of transaction, may be approximately ₹ 100 crores, with Bombay Minerals Ltd., that needs shareholders approval, and therefore company seeks confirmation of shareholders for ratification and approval of the said transactions.

The Board proposes the Special Resolution for approval by the Shareholders. Except Mr. Hemul Shah, Director of the Company, none of the other Directors or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution. No Key Managerial Personnel is interested through himself or herself or through their relatives.

**ITEM NO. 15**

Tenure of Mr. P P Khanna (DIN-00570059), Executive Director had expired on 01 May 2015. Nomination and Remuneration committee was recommended to continue his services at the same terms and conditions till this Annual General Meeting.

Pursuant to the provisions of section 196 and schedule V of the companies Act, 2013, the re-appointment can be made subject to approval of shareholders in case the a person has attended the age of 70 years. Mr. Khanna has already attended the age of 70 years. It was not viable to hold a general meeting at that time, and Board of Directors decided to take the said approval in this Annual General Meeting.

Therefore he was not re-appointed at that time and, continued his service at the same remuneration till the confirmation of shareholders in the Annual General Meeting.

Further w.e.f. 15 July 2015 Mr. P P Khanna had resigned from the position of Executive Director of the company, consequently the Board has accepted his resignation from the desired date. Since his re appointment was to be considered in the AGM and before his re appointment could be considered by shareholders he has resigned, therefore company could not take the said approval.

Therefore in compliance of section 196 and schedule V of the Companies Act, 2013, company should ratify and take the approval for the remuneration of ₹ 39.08 Lacs, that has been paid to Mr. P P Khanna, during 2 May 2015 to 15 July 2015, the date of his resignation.

The Board proposes the Special Resolution for approval by the Shareholders. None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

For **Orient Abrasives Limited**

Sd/-

Kamlesh Kumar Mundra

Company Secretary

(M. No. 23119)

**Mumbai**  
**6 August 2015**

## DIRECTORS' REPORT

*Dear Members*

Your directors have pleasure in presenting the FORTY FORTH annual report of the Company along with the audited financial statements for the financial year ended March 31, 2015.

### FINANCIAL RESULTS

(₹ In Lacs)

PARTICULARS	2014-2015	2013-2014
Revenue from Operations (Gross)	20,427.24	19,367.16
Less: Excise Duty	2,136.48	1,938.61
<b>Revenue from Operations (Net)</b>	<b>18,290.76</b>	<b>17,428.55</b>
Add:- Other Income	90.27	77.65
<b>Total Revenue</b>	<b>18,381.03</b>	<b>17,506.20</b>
Profit before depreciation, interest and tax	3,048.68	2,594.62
<b>Less:</b> Depreciation	<b>1,059.07</b>	<b>1,270.06</b>
Interest	275.71	266.71
Profit before Income Tax	1,713.90	1,057.85
<b>Less :</b> Income Tax	<b>482.98</b>	<b>351.75</b>
Net Profit for the year	1,230.92	706.10
<b>Add:</b> Balance brought forward from the previous year	<b>5,300.79</b>	<b>4,974.64</b>
Amount available for appropriation	6,531.71	5,680.74
<b>Appropriation:</b>		
General Reserve	400.00	100.00
Dividend on Equity Shares	299.10	239.28
Corporate dividend tax	60.89	40.67
CSR Expenses	14.96	-
Balance carried forward to balance sheet	5,756.76	5,300.79

### OPERATIONS REVIEW AND FUTURE OUTLOOK

The gross turnover of the company increased to ₹ 20,427.24 Lacs during the year under review from ₹ 19,367.16 Lacs in the previous year. Accordingly Profit Before Tax (PBT) and Net Profit were ₹ 1,713.90 Lacs and ₹ 1,230.92 Lacs respectively as compared to ₹ 1,057.85 Lacs and ₹ 706.10 Lacs respectively in the previous year.

During the year under review the company could sell non-plant grade bauxite amounting to ₹ 69.27 Lacs, as compared to ₹ 840.18 Lacs, in the previous year, due to non receipt of permission from the Gujarat Government. Recently the company has received the permission from the state Government for sale of non plant grade bauxite.

The Market for abrasive grains is showing improvement in the current year.

Your Company has also installed an additional tilting furnace which will increase the productivity and reduce the cost of production of white fused grains.

Your Company has installed wind power plants of 11.1 M.W. in Rajasthan & Karnataka. The plants in Karnataka are operating satisfactorily but the plants in Rajasthan faced several local problem like theft of cables etc. Therefore the generation of power was lower compared to pervious year. During the year the gross revenue from sale of power to respective state power distribution companies was ₹ 626.96 Lacs as compared to ₹ 698.77 Lacs in the previous year.

Your Company has a total thermal power plant capacity of 18 Mega Watt (MW) out of which 9 MW is based on coal and 9 MW on furnace oil. Due to unaffordable price of furnace oil, the furnace oil based power plant is used as and when required and found viable.

Your directors are hopeful that the company's performance will improve significantly in the current year.

### DIVIDEND

Based on the Company's performance, your directors are pleased to recommend a final dividend of ₹ 0.25 per share (i.e. 25%) for the financial year 2014-15 on the capital of 11,96,39,200 equity shares of ₹1.00 each, in previous year it was ₹ 0.20 per share (i.e. 20%).

The final dividend and dividend distributed tax involve the cash out flow of ₹ 359.99 Lacs (Previous Year ₹ 279.95 Lacs), the dividend is subject to approval of members of the Company in the Annual General Meeting.

**SHARE CAPITAL**

The paid up Share Capital of the Company as on 31st March, 2015 was ₹ 11.96 Crores. During the year under review the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31st March, 2015, none of the Directors of the Company hold convertible instruments.

**RESERVES**

The Company proposes to transfer ₹ 4 Crores to Reserves.

**PROMOTER CHANGE**

During the current year, the existing promoters have entered into a share purchase agreement with Bombay Minerals Ltd. and Cura Global Holdings Ltd. on 08 June 2015, for sale of their share 25.52% shareholding in the Company. The said agreement was acted upon on 15 July 2015 and Bombay Minerals Ltd. has acquired the 20.36% shareholding as per the said Share Purchase Agreement. Accordingly, total shareholding of the Bombay Minerals Ltd. stood at 38.36%, therefore Bombay Minerals Ltd. triggered the takeover code and made the public offer for acquisition of 26% shareholding from the public shareholders. The takeover process is going on and expected to complete by September 2015.

Accordingly Bombay Minerals Limited has become the promoter of the company w.e.f. 15 July 2015.

**HOLDING SUBSIDIARY AND ASSOCIATE COMPANY**

During the current year, w.e.f. 15 July 2015 Bombay Minerals Limited, became the holding company of the Company.

**FIXED DEPOSIT**

Accepted during the year: NIL.

Remained unpaid or unclaimed as at the end of the year: NIL.

Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved: (i) at the beginning of the year: NIL (ii) maximum during the year: NIL (iii) at the end of the year: NIL.

Non Complied Deposits: NIL.

**GOING CONCERN**

During the year there is no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**INTERNAL FINANCIAL CONTROLS**

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and balances are in place to ensure that transactions are adequately authorized and reported correctly. The Internal Auditors of the Company conduct Audits of various departments to ensure that the necessary controls are in place. The Audit Committee of the Board reviews these and the Company, when needed, takes corrective actions.

**STATUTORY AUDITORS**

The Company's Statutory Auditors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 301003E) retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment, but have expressed their unwillingness to be re-appointed.

Therefore the Board of Directors have recommended M/s SRBC & Co LLP. (ICAI Firm Registration No. 324982E) as Statutory Auditors of the company. Your company has also received a certificate from the proposed auditors to the effect that they are eligible for appointment under the applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended, time to time.

Members are requested to appoint the proposed auditors in ensuing AGM from conclusion of this 44th AGM to the 45th AGM for a period of one year.

**AUDITORS' REPORT**

The Auditors' Report read with notes to the financial statements is self-explanatory and does not call for any further explanation. There is no adverse remark in the audit report for the year.

**SECRETARIAL AUDITOR**

The Board has appointed Mr. Jain Gupta, Company Secretary in Whole time Practice, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2015 is annexed herewith marked as **Annexure A**.

**COST AUDITORS**

M/s K G Goyal & Associates was appointed as Cost Auditors u/s 233(1B) of Companies Act 1956 for the year 2013-14. The Cost Audit Report had been filed in XBRL format in requisite form on 25 September 2014 for the FY 2013-14. The cost audit report for the F Y 2014-15 will be filed in due course of time.

M/s. K G Goyal & Associates, Cost Accountants have been appointed as Cost Auditor u/s 148 of Companies Act 2013 and rule 3 & 4 of Companies (Cost Records and Audit) Rules, 2014 of the Company for the financial year 2015-16 for the products manufactured by the Company at a fee of ₹ 50,000/- plus Service Tax and reimbursement of out of pocket expenses. The Fees is subject to confirmation of the members in ensuing AGM.

**DIRECTORS**

Mr. S G Rajgarhia, Director having been longer in the office, retires by rotation at the ensuing annual general meeting and being eligible offers himself for re-appointment. Mr. S G Rajgarhia is a director of the Company. A brief resume of the appointee is given in the notice to the Annual General Meeting. Your directors recommend his re-appointment at the ensuing annual general meeting in the overall interest of the Company.

During the year Mrs. Anisha Mittal was appointed as additional director w.e.f. 30 March 2015. In the current year, w.e.f. 15 July 2015, Mr. Hemul Shah and Mr. Pundarik Sanyal and w.e.f. 06 August 2015 Mr. Mihir H Devani were appointed as additional directors of the company. Mr. Mihir H Devani was also appointed as Whole Time Director of the Company subject to confirmation of members in ensuing AGM.

In the current year w.e.f. 15 July 2015 Mr. Umesh Kumar Khaitan, Independent Director, Mr. Prem Prakash Khanna, Executive Director and Mr. Rajesh Kumar Khanna, Whole Time Director, and w.e.f. 06 August 2015 Mr. Manoj C Ganatra, Independent Director were resigned from the company.

During the current year, w.e.f 15 July 2015 Mr. S G Rajgarhia has ceased as Key Managerial Personnel of the company and w.e.f. 06 August 2015 Mr. Mihir H Devani, Whole Time Director has been appointed as Key managerial Personnel of the company.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 (3)(c) of the Companies Act, 2013, your Directors hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and of the Profit of the Company for the year ended as on that date;
- (iii) the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts of the Company on a "going concern" basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and the such internal financial controls are considered adequate and are operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that systems are considered adequate and operating effectively.

**CREDIT RATING OF BANK BORROWINGS**

For Long Term Bank Facilities A (Single A) rating has been assigned by Credit Analysis & Research Ltd. (CARE). This rating indicates adequate safety and carries low credit risk.

For short term borrowings A1+ (A One Plus) has been assigned by CARE. This rating indicates very strong degree of safety and carries lowest credit risk.

CRISIL has also given assigned us "CRISIL A/Stable" rating for cash Credit, term loan and proposed term loan. "CRISIL A1" rating for letter of credit and bank guarantee.

**CODE OF CONDUCT**

The Company has laid down a code of conduct for the directors and senior management personnel. It is available on the website of the Company [www.orientabrasives.com](http://www.orientabrasives.com). A declaration by the Managing Director regarding annual affirmation of compliance of the code by all concerned is annexed to the report on Corporate Governance. With a view to regulate trading in securities by Directors, KMP, & Designated Employees, the company adopted a code of conduct to Regulate, Monitor and Report Trading by Insiders.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which is approved by the Board. During the year, the Company has spent ₹ 14.96 Lakhs out of ₹ 29.02 Lakhs (2% of the average net profits of last three years) on CSR activities. The Annual Report on CSR activities is annexed herewith as **Annexure B**.

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All contracts /arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and on an arm's length basis.

During the year, the Company had entered into a contract with Orient Refractories Ltd. related party that is considered material contract in accordance with the policy of the Company on materiality of related party transactions. The Policy on materiality of related party transactions and dealing with related party transactions are approved by the Board may be accessed on the Company's website at the link <http://www.orientabrasives.com/OAL%20policies/Related%20Party%20Transactions%20Policy.pdf>. Members can refer Note no. 26 to the financial statement which sets out related party disclosures.

The Annual Report on related party contract is annexed herewith as **Annexure C**.

### **EXTRACT OF ANNUAL RETURN**

Extract of annual return of the Company is annexed herewith as **Annexure D** to this report.

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

Information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, required to be made pursuant to section 134 of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014 is given in **Annexure-E** and forms part of this report.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

Notes on Management Discussion and Analysis of the company have been given in **Annexure-F** and forms part of this report.

### **RISK MANAGEMENT**

The Company has framed a Risk Management Policy to identify to study and mitigate the various risks and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out to study and mitigate the various risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

### **CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS**

The Independent Directors shall be of high integrity with relevant expertise and experience so as to have as diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, Law, governance and general management.

### **CRITERIA FOR APPOINTMENT OF MANAGING DIRECTOR / WHOLE TIME DIRECTORS**

The Nomination and Remuneration Committee shall identify persons of integrity who possess relevant expertise, leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

### **REMUNERATION POLICY**

The Company follows a policy on remuneration of Directors and Senior Management employees. The policy can be accessed from the company website at [www.orientabrasives.com](http://www.orientabrasives.com)

### **PERFORMANCE EVALUATION**

In accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement the Nomination and Remuneration Committee has laid down the criteria for evaluation of individual Directors, the Board as a whole. Based on the criteria the exercise of evaluation was carried out as structured process covering various aspects of the Board functioning such as composition of Board and Committees, experience and expertise, performance of specific duties and obligation, governance and compliance issues attendance, contribution at meeting etc.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at a separately convened meeting in which the performance of the Board as a whole was evaluated and reviewed. The performance of the Independent Directors was carried out by the entire Board (Excluding the Director being evaluated).

The Directors expressed their satisfaction with the evaluation.



### **FAMILIARISATION PROGRAMME FOR BOARD MEMBERS**

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Director on the Company's manufacturing, marketing, finance and other important aspects.

The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Director include interactive sessions with Executive Directors, Business and Functional Heads, visit to the manufacturing site etc.

The details of such familiarisation programme have been displayed on the company's website link: [http://www.orientabrasives.com/investor\\_relations.htm](http://www.orientabrasives.com/investor_relations.htm)

### **INDUSTRIAL RELATIONS**

The industrial relations with staff and workers during the year under review continue to be cordial.

### **HUMAN RESOURCES**

The Company's human resources continue to be its most valuable asset. The team has remained as committed as ever and produced results that are considered significant. Quality, quick delivery and focus on resolving customer issues are the hallmark of the team performance.

There is a strong focus on team spirit, during the year, many events/training programs were conducted to develop personality and outlook of its employees. Employee relations continue to be cordial.

### **CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT**

A separate section on Corporate Governance is attached to this report as **Annexure-G**.

A certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated under clause 49 of the listing agreements with stock exchanges is enclosed as **Annexure-H**.

A certificate from the Managing Director that all board members and senior management personnel have affirmed compliance with the code of conduct for the year ended March 31, 2015 is attached as **Annexure-I**. CEO/CFO certificate is enclosed as **Annexure-J**.

### **DISCLOSURES:**

#### **1. Vigil Mechanism**

The Vigil Mechanism of the Company, which also incorporate a whistle blower policy in the terms of Listing Agreements deals with instances of fraud and mismanagement, if any. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at [www.orientabrasives.com](http://www.orientabrasives.com)

#### **2. Audit Committee**

The Audit Committee was reconstituted w.e.f. 06 August 2015 comprised of Mr. Pundarik Sanyal (Chairman), Independent Director, Mr. R S Bajoria, Independent Director and Mr. Hemul Shah, Non Independent Director. All the recommendations made by the Audit Committee were accepted by the Board.

#### **3. Number of Board Meeting**

The Board of Directors of the Company met six times in the year, the details of which are provided in the Corporate Governance Report.

#### **4. Particulars of loans given, investment made, guarantees given and securities provided**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement. Please refer the Standalone Financial Statement.

#### **5. Particulars of Employees and related disclosures**

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in terms of provisions of the Section 136 (1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at Corporate Office of the Company during the working hours and any member interested in obtaining such information may write to the Company Secretary.

#### **6. Your Directors further state that during the year under review, there were no cases filed, pursuant to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.**

**No disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review:**

1. Details of relating to deposit and unclaimed deposits or interest thereon.

2. Issue of equity shares with differential rights as to dividend or voting.
3. Issue of shares (including sweat equity shares) and Employee Stock Option Scheme of the Company under any scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern and Company's operation in future.

**ACKNOWLEDGEMENTS**

Your directors sincerely appreciate the dedication and efforts of the employees at all levels of the organisation in contributing to the success of the Company. The directors are also thankful to the Investors of the Company for their confidence in the Company. They also gratefully acknowledge the continued support and guidance received from the Auditors, Customers, Business Associates, various Government Authorities, Financial Institutions and the Banks.

For and on behalf of the Board

Sd/-

**Mumbai**  
**06 August 2015**

Pundarik Sanyal  
Chairman  
(DIN-01773295)

**ANNEXURE TO DIRECTORS' REPORT**  
**ANNEXURE-A**  
**SECRETARIAL AUDIT REPORT**

**For the Year ended on 31.03.2015**

**To,**

The Members

**Orient Abrasives Limited (The Company)**

**New Delhi**

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. Based on our verification of books, papers, minutes books, forms and returns filed and other records maintained by M/s Orient Abrasives Limited (**hereinafter referred as '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 31.03.2015 complied with various Statutory provisions listed hereunder 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.

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the Year ended 31.03.2015 according to the provisions of:-

- (i) The Companies Act, 1956 and Companies Act, 2013 (to the extent applicable) and Rules made there under and various allied acts warranting compliance primarily originating on account of action taken/initiated under Companies Act itself and not otherwise;
- (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 to the extent of same having any bearing on Companies Act.
- (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
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 : not applicable

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 : not applicable  
Mining Act and Gujarat Pollution and Control Board Regulations being special act/rules/regulations governing the Company.

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

- (i) Voluntary Secretarial Standards issued by the Institute of Company Secretaries of India (non statutory)
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange(s).

During the period under review the Company is regular in complying with various applicable provisions of the Act, rules, regulations, Guidelines and Standards etc. which are subject matter of present Audit Report, stated hereinabove.

*Note : specific non compliances / observations / audit qualification, reservation or adverse remarks in respect of the above para-wise are stated elsewhere*

<b>THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013 (TO THE EXTENT APPLICABLE) AND SECRETARIAL STANDARDS ISSUED BY THE ICSI</b>
--

On the basis of examination and verification of the registers, records and documents produced to us and according to the information and explanations given to us by the Company and its officers, the Company has, in our opinion, proper Board processes and Compliance mechanism and has complied with applicable statutory provisions, Act, Rules, Regulations, Guidelines, standards etc., mentioned above as stipulated under the provisions of the Companies Act, 1956 and The Companies Act, 2013 (to the extent applicable) (**hereinafter referred as "Act"**) and the Rules made under the Act, and the Memorandum and Articles of Association of the Company including maintenance of, subject to observations, if any, with regard to (with specific report on non compliances / observations / audit qualification, reservation or adverse remarks in respect of the above para wise) :

1. All the Statutory Registers, Documents and making in them necessary entries;
2. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
3. Minutes of proceedings of Board Meetings;
4. The meeting of proceedings of shareholders meetings;
5. Approval of competent authority i.e shareholders / the Board of Directors, wherever required including investment of funds of the Company;

The following documents and register(s) were also produced during the audit:

- ✓ Attendance and dispatch register for Board of directors meeting ;
- ✓ Register of Mortgage and Charge
- ✓ Register of Contracts
- ✓ Register of Investment
- ✓ Register of Director's Shareholdings
- ✓ Registers of Directors
- ✓ Register of Common Seal

During the course of audit the below mentioned files, containing the detail of transactions carried out were also produced and perused:-

- ✓ Minutes book of Board meeting;
- ✓ Minutes book of Annual General Meeting and Extra Ordinary General Meeting
- ✓ Minutes Book of Audit Committee Meeting.
- ✓ Minutes Book of Stake Holder Relationship Committee.
- ✓ Minutes Book of Remuneration Committee Meeting.
- ✓ Minutes Book of Corporate Social Responsibility (CSR) Committee Meeting.
- ✓ Minutes Book of Share Transfer Committee.
- ✓ Correspondence with Stock Exchanges
- ✓ Correspondence with RTA and Members of the Company, as the case may be

**It is further reported that ;**

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.

Adequate notice was 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.

**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.

*Note : Reporting in context with specific observations / qualification, reservation or adverse remarks in respect of the Board Structures/system and processes relating to the Audit Period are stated accordingly, wheresoever exists.*

**We further report that** during the audit period the company has not carried out any major strategic action warranting compliance of specific/special nature, except transactions (originating either on Company's action or otherwise) as hereunder :

- a. Declaration of Final Dividend.
- b. Appointment of Mr. Manoj C Ganatra, Mr. Umesh Kumar Khaitan and Mr. Rama Shanker Bajoria as Non Executive Independent Directors of the Company and Regularisation thereof by members in their 43<sup>rd</sup> AGM held on 24.09.2014.
- c. Taken approval under provisions of Section 180 (1)(a) and (1)(c) of the Companies Act, 2013 for borrowings not exceeding ₹ 300 crores and consequential powers to create charge/mortgage etc. in 43<sup>rd</sup> AGM.
- d. Reconstituting of audit committee due to resignation of Mr. Dillip Gandhi from the Board.
- e. Mr. S G Rajgarhia resigned from the Chairmanship and Mr. R S Bajoria was appointed as Chairman of the Board during the period.
- f. A risk management Committee was constituted pursuant to Listing Agreement(s) comprising of Managing Director, one Independent Director, one Director, Chief Financial Officer and Company Secretary during the period under review.
- g. On 6<sup>th</sup> August, 2014 ; Nomination of Mr. S G Rajgarhia as Managing Director cum Key Managerial Personnel, Appointment of Mr. Kamlesh Kumar Mundra as Company Secretary cum Key Managerial Personnel and Compliance Officer on 6<sup>th</sup> day of August, 2014 ; Nomination of Mr. Amarsingh Sihag as Chief Financial Officer and Key Managerial Personnel of the Company as required under Section 203 of the Companies Act, 2013, Appointment of Internal Auditors for FY 2014-15, Appointment of Secretarial Auditor, take note of resignation of persons i.e Mr. N G Bhayani, Mr. O S Sahadevan and Mr. Pankaj C Thaker having one level below Key Managerial Personnel
- h. Take note of appointment of Mr. Mihir Devani as Vice President of the Company pursuant to Section 179 of the Companies Act, 2013 by Board on 11.11.2014.
- i. Approval of quarterly financial results for quarter ended

Quarter ended	date of approval of results
30.06.2014	06.08.2014
30.09.2014	11.11.2014
31.12.2014	09.02.2015

and we are of the view that prescribed procedure was duly followed.

The events / transactions / business carried out during the period of audit, predominantly comes under the domain of Companies Act and Listing Agreement itself and not otherwise and partakes the character of being operative in nature only. The sufficiency of compliance, if required, has been ensured by the Company and we are of the view that compliance to the effect has been generally made.

Further we are to state that During the period under review the Company did transacted below stated matters **(matters/transaction/item carried out warranting compliance etc. of special/specific nature is stated against date of board meeting):**

- a) Meeting of Board of Directors have taken place on 27.05.2014 (approval of Audited Annual Accounts for FY 31.03.2014 and quarter ended 31.03.2014, Take note of Directors Disclosure of Interest, Take note of resignation of Mr. B L Gupta, Sr. VP Finance of the Company i.e. one level below KMP w.e.f. 30.04.2014, Approval of CSR Committee – reporting duly made to office of ROC, Delhi and Haryana), 06.08.2014, 11.11.2014, 07.01.2015 and 30.03.2015 after duly complying with the provisions of Companies Act, 1956 and Companies Act, 2013 (to the extent applicable):
  - ✓ Board meeting provisions have been Complied by the Company
- b) following meeting of Shareholders have taken place after duly complying with the provisions of Companies Act, 1956 and Companies Act, 2013 (to the extent applicable) :

AGM	Business effected
24.09.2014 (AGM)	<ol style="list-style-type: none"> <li>1. Adoption of Audited Financial Statement</li> <li>2. Reappointment of Retiring Director</li> <li>3. Declaration of Dividend on Equity Shares</li> <li>4. Appointment of Auditors and Fixing their Remuneration</li> <li>5. Regularisation of Additional Director, Mr. Manoj C Ganatra as Director of the Company.</li> <li>6. Appointment of Mr. Manoj C Ganatra as an Independent Director.</li> <li>7. Appointment of Mr. Umesh Kumar Khaitan as an Independent Director</li> <li>8. Appointment of Mr. Rama Shanker Bajoria as an Independent Director</li> <li>9. Approval of Cost Audit Fees for the Financial Year 2014-15</li> <li>10. Approval of the Borrowing Limit</li> <li>11. Approval of Mortgage of the assets of the Company</li> </ol>

- ✓ Annual General Meeting Provisions have been Complied by the Company.
- ✓ No Extra Ordinary Meeting was held during the period under review.

**We further report that, also on the basis of Compliance Certificate dt. 30.04.2015 duly signed by Sh. R K Khanna, Whole-Time Director, Sh. A S Sihag, Chief Financial Officer and Sh. K K Mundra, Company Secretary certifying that the Company has been regularly complying with various statues/regulations/orders and legal provisions in this regard, during the period under review :-**

1. The status of the Company has been a widely held listed Company and we are informed that Company is generally 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.
2. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the financial year.
3. The Company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
4. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
5. The Company has not altered the provisions of the Memorandum with respect to the capital clause of the Company during the period under scrutiny.
6. The Company has not altered the provisions of the Articles of Association during the period under scrutiny.
7. The Board of Directors of the Company is duly constituted and the appointment and resignation of Directors has been made in accordance with the provisions of the Companies Act, 2013 and Listing Agreement(s) during the period under review.
8. During the period under review all, the directors have complied with the requirements as to disclosure of interests and concerns in the contracts and arrangements shareholding/debenture holding and directorship in other companies and interests in other entities in Form 24AA in Companies Act 1956 and MBP-1 in Companies Act 2013, as the case may be, and further with advent of Companies Act, 2013 The Company did complied with applicable provisions and reported same to office of Registrar of Companies in Form MGT-14 for the purpose as stated in Section 179 of the Companies Act, 2013 read with applicable rules and entries in the Register stands made.
9. During the period under review the Company has not advanced loans, nor given any guarantees and provided securities to directors and/or persons or firms or companies in which directors were interested, which fall within the ambit of provisions of the Companies Act, 1956 and applicable provisions of The Companies Act, 2013 (to the extent applicable). The Company had availed of Loan from Rovo Marketing Private Limited a related entity and we are informed that terms and conditions are not prejudicial to the interest of the Company.
10. The Company has not made any loans and investments; or given guarantees or provided securities to other business entities wherein directors are interested or otherwise during the period under review. There has been few related parties transactions for which necessary compliance i.e approval of Audit Committee stands taken, we are informed that the transactions are at prevailing price and are at arms length.
11. Mr. Prem Prakash Khanna, Director of the Company has given unsecured loan to the Company of ₹ 2,00,00,000/- (₹ Two Crores).
12. Shareholders have accorded their approval, pursuant to the provisions of Section 180 (1)(a) and (1)(c) of the Companies Act, 2013, for the Company to borrow monies and to create security on the borrowings.

**For Jatin Gupta & Associates  
Company Secretaries**

Jatin Gupta  
Proprietor

**Place: New Delhi  
Date: 30 June 2015**

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

**ANNEXURE – B**
**Annual Report on Corporate Social Responsibility (CSR) activities for the F Y 2014-15**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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. CSR Policy is stated herein below: [http://www.orientabrasives.com/OAL%20policies/CORPORATE%20SOCIAL%20RESPONSIBILITY%20\(CSR\)%20POLICY.pdf](http://www.orientabrasives.com/OAL%20policies/CORPORATE%20SOCIAL%20RESPONSIBILITY%20(CSR)%20POLICY.pdf)
2. The Composition of CSR Committee
  1. Mr. Pundarik Sanyal, Independent Director
  2. Mr. Hemul Shah, Director
  3. Mr. Mihir H Devani, Whole Time Director.
3. 2% of Average net profit of the Company for last three financial years : ₹ 29.02 Lakhs.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 29.02 Lakhs
5. Details of CSR spent during the financial year :
  - (a) Total amount to be spent for the financial year : ₹ 29.02 Lakhs
  - (b) Amount unspent, if any : ₹ 14.06 Lakhs
  - (c) Manner in which the amount spent during the financial year is detailed below:

(₹ In Lacs)

Sr. No.	Projects / Activities	Sector	Amount Outlay Locations (Budget) Project or Programs wise Districts (State)	Amount Outlay (Budget) Project of Programs wise	Amount Spent on the project or program	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency*
1	Preparation of 66 Toilets Nearby Factory at Porbandar in Khapat Village through Active Rural Development Foundation-Junagadh	Sanitation	Porbandar	7.96	7.96	7.96	7.96
2	Contribution in "Mukhyamantri Shri Swachchhta Nidhi Gujarat" through Office of the Collector & District Magistrate, Devbhumi Dwarka, where our mines are located.	Mukhya-mantri Shri Swachchhta Nidhi Gujarat	Mines Area, Devbhumi Dwarka	2.00	2.00	2.00	2.00
3	Contribution in Arunodaya Charitable Trust	Healthcare	New Delhi	5.00	5.00	5.00	5.00
	<b>Total</b>			<b>14.96</b>	<b>14.96</b>	<b>14.96</b>	<b>14.96</b>

\*Details of the implementing agencies-

- (1) Mukhyamantri Shri Swachchhta Nidhi Gujarat (2) Arunodaya Charitable Trust.

6. The Company was required to spend ₹ 29.02 Lakhs during the year and spent ₹ 14.96 Lakhs on various CSR activities. The entire CSR funds could not be spent due to non identification of good projects, more time taken by other projects etc. But the CSR committee will ensure that the unspent money for the last year will also be spent in the current year, along with this year's CSR funds.
7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR vision of the Company is "Promotion of Education, Health, Rural Development and help society in difficult times like natural calamities".

The Company commits itself to creating a more equitable and inclusive society by supporting processes that lead to sustainable transformation and rural development. Orient Abrasives Limited, either by itself or through vibrant and innovative partnerships with the Government,

NGO's and Other Organizations, will promote education and healthcare for all vulnerable sections of society and will undertake rural development initiatives as well as initiative to help nation to face aftermath of natural calamities.

The CSR committee will pursue these objectives;

- 1) We will continue to provide medical assistance to needy and poor people directly as well as through NGO's and also by providing medical equipment's to hospitals.
- 2) We will provide assistance to needy and poor students to impart good education through NGO's and other educational institutions and also by way of providing stationeries including computer etc to schools / educational institutions.
- 3) In terms of rural development, we will work with NGO's or other similar kind of organization to install and maintain water management facility to provide good and hygienic drinking water in the rural areas.
- 4) We will pro-actively support the Government, NGO's and other similar kind of organization to help the society to tackle the aftermath of natural disaster or calamities like floods, earthquake etc.

**ANNEXURE – C**

**Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not entered at arm's length basis							
NIL							
2. Details of contracts or arrangements or transactions at arm's length basis							
Name(s) of the related party and nature of relationship	Nature of contracts /arrangements/ transactions	Duration of the contracts/ /arrangements transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advance, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Orient Refractories Ltd. Related Party Through the Managing Director, Mr. S G Rajgarhia	Sale Agreement	13 Months	To sell its goods to Orient Refractories Ltd., accordingly company has signed an agreement, having an approximate value of ₹ 70 Crores.	A series of sales transaction with related party should govern through the contract.	27 May 2014	NIL	The Contracts are entered at Arm's length basis, therefore no shareholders approval is required.  However the transactions entered with Orient Refractories Ltd. is material related transaction therefor company is seeking the shareholders approval in ensuing AGM.
Orient Coated Private Private Limited Related Party Through the Executive Director, Mr. P P Khanna	Sale Agreement	13 Months	To sell its goods to Orient Coated Pvt. Ltd., accordingly company has signed an agreement, having an approximate value of ₹ 0.54 Crores.	A series of sales transaction with related party should govern through the contract.	27 May 2014	NIL	The Contracts are entered at Arm's length basis, therefore no shareholders approval is required.  However the transactions entered with Orient Refractories Ltd. is material related transaction therefor company is seeking the shareholders approval in ensuing AGM.
Pyramid Abrasives Private Limited Related Party Through the Executive Director, Mr. P P Khanna	Sale Agreement	13 Months	To sell its goods to Pyramid Abrasives Pvt. Ltd., accordingly company has signed an agreement, having an approximate value of ₹ 2.07 Crores.	A series of sales transaction with related party should govern through the contract.	27 May 2014	NIL	The Contracts are entered at Arm's length basis, therefore no shareholders approval is required.
Rovo Marketing Private Limited Related Party Through the Managing Director, Mr. S G Rajgarhia	Unsecured Loan Agreement	The Agreement was silent for duration of contract	To borrow the funds from Rovo Marketing Pvt. Ltd. upto a maximum limit of ₹ 10 Crores.	A series of transaction with related party should govern through the contract.	09 February 2014	NIL	The Contracts are entered at Arm's length basis; therefore no shareholders approval is required.
Mr. P P Khanna Related Party Through himself	Unsecured Loan Agreement	The Agreement was silent for duration of contract	To borrow the funds from Mr. P P Khanna, Executive Director upto a maximum limit of ₹ 2 Crores.	A series of transaction with related party should govern through the contract.	09 February 2014	NIL	The Contracts are entered at Arm's length basis; therefore no shareholders approval is required.
Madhushree Properties (P) Ltd Related Party Through the Managing Director, Mr. S G Rajgarhia	Lease Agreement	11 Months	To take on lease the. Managing Director's office at a monthly rent of ₹ 15,000/-	Company needs the Managing Director office separately.	27 May 2014 & 30 March 2015	NIL	The Contracts are entered at Arm's length basis; therefore no shareholders approval is required.
Usha Rajgarhia Related Party Through the Managing Director, Mr. S G Rajgarhia	Lease Agreement	11 Months	To take on lease the office space near by the Registered Office of the Company at a monthly rent of ₹ 57,545/-	The contract is for office space near by the Registered Office of the Company.	27 May 2014 & 30 March 2015	NIL	The Contracts are entered at Arm's length basis; therefore no shareholders approval is required.
Bhavna Rajgarhia Related Party Through the Managing Director, Mr. S G Rajgarhia	Lease Agreement	11 Months	To take on lease the Registered Office of the Company at a monthly rent of ₹ 1,28,520/-	The contract is for Registered Office of the Company.	27 May 2014 & 30 March 2015	NIL	The Contracts are entered at Arm's length basis; therefore no shareholders approval is required.

For and on behalf of the Board

Sd/-  
Pundarik Sanyal  
Chairman (DIN-01773295)



**ANNEXURE – D**
**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**As on financial year ended on 31.03.2015**
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.**
**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L24299DL1971PLC005854
2.	Registration Date	12/11/1971
3.	Name of the Company	ORIENT ABRASIVES LIMITED
4.	Category/Sub-category of the Company	Company limited by shares
5.	Address of the Registered office & contact details	1307 CHIRANJIV TOWER, 43 NEHRU PLACE, NEW DELHI -110019
6.	Whether listed company Yes/No	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase - I New Delhi-110 020 Tel.: 011 Direct No-011-41044923 Fax: +91 11 26812682, 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)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Fused Grains	2391	69.72
2	Monolithics	2391	11.22
3	Calcined Products	2391	12.87

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/Associate	% of shares held	Applicable Section
1	NIL				
2					
3					

**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-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	3,05,34,857	—	3,05,34,857	25.52	3,05,34,857	—	3,05,34,857	25.52	—
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Sub-total (A) (1)									
(2) <b>Foreign</b>									
a) NRIs-Individuals									
b) Others-Individuals									
c) Bodies Corp.									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bank /FI									
e) Any Other									
Sub-total (A) (2)									
<b>Total shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	<b>3,05,34,857</b>	<b>—</b>	<b>3,05,34,857</b>	<b>25.52</b>	<b>3,05,34,857</b>	<b>—</b>	<b>3,05,34,857</b>	<b>25.52</b>	<b>—</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI	35,500	5,000	40,500	0.03	1,07,631	5,000	1,12,631	0.09	0.06
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs	32,64,273	—	32,64,273	2.73	75,63,766	—	75,63,766	6.32	3.59
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>32,99,773</b>	<b>5,000</b>	<b>33,04,773</b>	<b>2.76</b>	<b>76,71,397</b>	<b>5,000</b>	<b>76,76,397</b>	<b>6.42</b>	<b>3.66</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	3,83,26,930	26,240	3,83,53,170	32.06	3,70,05,265	26,240	3,70,31,505	30.95	-1.11
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,88,11,866	30,40,461	2,18,52,327	18.27	1,73,81,297	27,10,318	2,00,91,615	16.79	-1.48
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,31,16,046	0	2,31,16,046	19.31	2,10,71,541	—	2,10,71,541	17.61	-1.70
c) Others (specify)									
Non Resident Indians	4,32,731	5,000	4,37,721	0.37	16,25,789	2,500	16,28,289	1.36	0.99
Overseas Corporate Bodies									
HUF	19,25,491	0	19,25,491	1.61	15,86,798	—	15,86,798	1.33	-0.28
Foreign Nationals									
Clearing Members	1,14,815		1,14,815	0.10	18,198	—	18,198	0.02	-0.08
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	<b>8,27,27,869</b>	<b>30,71,701</b>	<b>8,57,99,570</b>	<b>71.72</b>	<b>7,86,88,888</b>	<b>27,39,058</b>	<b>8,14,27,946</b>	<b>68.06</b>	<b>-3.66</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8,60,27,642	30,76,701	8,91,04,343	74.48	8,63,60,285	27,44,058	8,91,04,343	74.48	—
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>11,65,62,499</b>	<b>30,76,701</b>	<b>11,96,39,200</b>	<b>100</b>	<b>11,68,95,142</b>	<b>27,44,058</b>	<b>11,96,39,200</b>	<b>100</b>	<b>—</b>

**ii) Shareholding of Promoters-**

S N	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	S G Rajgarhia	2,35,80,330	19.71	—	2,35,80,330	19.71	—	—
2	Usha Rajgarhia	7,81,882	0.65	—	7,81,882	0.65	—	—
3	Anisha Mittal	31,25,522	2.61	—	31,25,522	2.61	—	—
4	Bhavna Rajgarhia	30,47,123	2.55	—	30,47,123	2.55	—	—
Total		<b>3,05,34,857</b>	25.52	—	<b>3,05,34,857</b>	25.52	—	—

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	3,05,34,857	25.52	3,05,34,857	25.52
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	—	—	—	—
3	At the end of the year	3,05,34,857	25.52	3,05,34,857	25.52

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

S. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
		No of Shares at Beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company				No of Shares at Beginning (01-04-14)/ end of the year (31-03-15)	% of total shares of the Company
1	BOMBAY MINERALS LIMITED	21535056	18.00	31/03/2014				
					0	No Movement		
		21535056	18.00	31/03/2015			21535056	18.00
2	TRINCASS VYAPAAR PVT. LTD.	5865000	4.90	31/03/2014				
					0	No Movement		
		5865000	4.90	31/03/2015			5865000	4.90
3	SHAKUNTALA DEVI RAJGARHIA	5761699	4.82	31/03/2014				
				04/04/2014	-6000	Sale	5755699	4.81
				11/04/2014	-5000	Sale	5750699	4.81
				31/12/2014	-10000	Sale	5740699	4.80
				09/01/2015	10000	Purchase	5750699	4.81
				16/01/2015	-10000	Sale	5740699	4.80
				20/02/2015	-600000	Sale	5140699	4.30
				27/03/2015	-2200	Sale	5138499	4.29
		5138499	4.29	31/03/2015			5138499	4.29
4	NEW LEAINA INVESTMENTS LIMITED	0	0.00	31/03/2014				
				06/03/2015	2750000	Purchase	2750000	2.30
				13/03/2015	1549493	Purchase	4299493	3.59
		4299493	3.59	31/03/2015			4299493	3.59
5	LTS INVESTMENT FUND LTD.	3264273	2.73	31/03/2014				
					0	No Movement		
		3264273	2.73	31/03/2015			3264273	2.73
6	AJAY RAJGARHIA	3080000	2.57	31/03/2014				
				13/06/2014	-150000	Sale	2930000	2.45
				13/03/2015	-255000	Sale	2675000	2.24
		2675000	2.24	31/03/2015			2675000	2.24
7	ANJALI HARLALKA	2080000	1.74	31/03/2014				
					0	No Movement		
		2080000	1.74	31/03/2015			2080000	1.74
8	LGOF GLOBAL OPPORTUNITIES LIMITED	0	0.00	31/03/2014				
				20/03/2015	550000	Purchase	550000	0.46
				27/03/2015	600000	Purchase	1150000	0.96
		1150000	0.96	31/03/2015			1150000	0.96
9	SNK INVESTMENTS PRIVATE LTD	1134512	0.95	31/03/2014				
					0	No Movement		
		1134512	0.95	31/03/2015			1134512	0.95
10	PURSHOTTAM KUMAR RAJGARHIA	1176213	0.98	31/03/2014				
				13/06/2014	-600000	Sale	576213	0.48
				15/08/2014	532775	Purchase	1108988	0.93
		1108988	0.93	31/03/2015			1108988	0.93

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

SN	Shareholding of each Directors each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. S G Rajgarhia Managing Director</b>				
	At the beginning of the year	2,35,80,330	19.71	2,35,80,330	19.71
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year	2,35,80,330	19.71	2,35,80,330	19.71
2	<b>Mr. Amarsingh Sihag, Chief Financial Officer</b>				
	At the beginning of the year	8,000	0.01	8,000	0.01
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year	8,000	0.01	8,000	0.01
3	<b>Mr. Kamlesh Kumar Mundra, Company Secretary</b>				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year	0	0	0	0

( ₹ In Lacs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	907.35	474.53	—	1381.88
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	10.94	5.29	—	16.23
<b>Total (i+ii+iii)</b>	918.29	479.82	—	1398.11
<b>Change in Indebtedness during the financial year</b>				
* Addition	—	—	—	—
* Reduction	594.40	219.88	—	814.28
<b>Net Change</b>	594.40	219.88	—	814.28
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	312.95	254.65	—	567.60
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	3.65	2.06	—	5.71
<b>Total (i+ii+iii)</b>	316.60	256.71	—	573.31

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. S G. Rajgarhia	Mr. P. P. Khanna	Mr. R. K. Khanna	—	
1	Gross salary	MD	WTD / ED	WTD		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	28,55,000	84,66,200	49,76,081		1,62,97,281
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,20,662	4,12,466	2,98,842		8,31,970
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—	—
2	Stock Option	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—
4	Commission- as % of profit-others, specify...	—	—	—	—	—
5	Others, please specify	—	—	—	—	—
	Total (A)	29,75,662	88,78,666	52,74,923		1,71,29,251
	Ceiling as per the Act	35,00,000	95,31,477	60,31,477		1,90,62,954

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. U. K. Khaitan	Mr. R. S. Bajoria	Mr. Manoj C Ganatra	—	
1	Independent Directors					
	Fee for attending board committee meetings	70,000	70,000	15,000	—	1,55,000
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (1)	70,000	70,000	15,000	—	1,55,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	—	—	—	—	—
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (2)	—	—	—	—	—
	Total (B)=(1+2)	—	—	—	—	—
	Total Managerial Remuneration	—	—	—	—	—
	Overall Ceiling as per the Act	6,35,431	6,35,431	6,35,432		19,06,295

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	7,27,519	6,75,302	14,02,821
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	—	61,045	61,045
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission	—	—	—	—
	- as % of profit	—	—	—	—
	others, specify...	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	NIL	7,27,519	7,36,347	14,63,866

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. DIRECTORS</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

**ANNEXURE-E**
**DISCLOSURE UNDER SECTION 134 OF THE COMPANIES ACT 2013, READ WITH (COMPANIES (ACCOUNTS) RULES, 2014)**
**CONSERVATION OF ENERGY**

The Company has made all efforts to optimize the use of energy and to minimise its wastage. To ensure minimum consumption of energy for a given level of production, operating parameters of production have been standardized. Insulation materials are also being used to avoid energy loss. The Capital investment on energy conservation equipments is ₹ 3.60 Lacs.

**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 ₹ NIL on research and development.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**
**( ₹ In Lacs)**

Particulars	2014-2015	2013-2014
<b>Earned</b>	470.32	130.65
<b>Outgo</b>	765.29	557.57

**ANNEXURE-F**
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**
**GENERAL REVIEW**

The Company was incorporated in the year 1971 in New Delhi. The Company has three business divisions namely 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.

The Abrasives Grains Division, the first of Company's all divisions, was established in the year 1974.

The Company also has a Power Division that generates electricity for captive consumption which was set up in 1998 and expanded in 2007 with the addition of a 9 MW coal based thermal power plant. In 2010, the Company ventured into green energy projects by setting up wind turbines. At present the total commissioned capacity of the wind farms is 11.1 MW. The power generated from the windmills is sold to the state electricity board with which there are power purchase agreements in place.

**BUSINESS DIVISIONS/SEGMENTS**

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 MW out of which 9 MW is based on coal and 9 MW 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**

During the year under review the gross turnover of the company was ₹ 20,427.24 Lacs and gross profit & net profit were ₹ 1,713.90 Lacs & ₹ 1,230.92 Lacs respectively. The turnover of the abrasives grains was ₹ 14242.55 Lacs. During the year, the Company has sold/ export non plant grade bauxite amounting to ₹ 69.27 Lacs. 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 ₹ 626.96 Lacs.

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

### **HUMAN RESOURCES**

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

There are cordial relations between the management and the employees.

### **CONCERNS AND FUTURE OUTLOOK**

The Company is optimistic about increasing profitability on the back of increasing revenue and margins in the near term. Despite the recent downturn in Refractory market, and increasing competition from Chinese suppliers, company is positioned to leverage its competent resource strength and large production capacity. Further the recent trend of declining fuel prices globally will mitigate the margin risks we face as a result of drop in refractory and raw material prices & help sustain market share.

To meet increasing domestic & global demand and more stringent quality and environmental requirements we are planning to modernise and expand our production facility using latest available technology. These projects will help us launch some new products and grades as well and potentially increase margins in existing products.

A new and dedicated team is being developed to explore export opportunities for the company, and we are expecting significant growth in revenue over a medium term timeframe.

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.

### **CAUTIONARY STATEMENT**

***The Management Discussion and Analysis Report contains some forward looking statements based upon the information and data available with the Company, assumptions with regard to global economic conditions, the government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Hence it is cautioned that the actual results may differ from those expressed or implied in this report.***

**CORPORATE GOVERNANCE REPORT**
**1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

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

**2. BOARD OF DIRECTORS**

The Company has a non-executive chairman. The number of non-executive directors are 5 out of total board strength. The total board strength is Six out of which two are independent directors. The chairman is non executive and not related to the promoter. As required, independent directors constitute 1/3 of the board strength.

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

The names and categories of the directors on the board, their attendance at board meetings held during the year & at the last annual general meeting and the number of directorships and committee chairmanships/memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies and companies incorporated outside India. Chairmanships/memberships of board committees include only audit and stakeholders relationship committees.

Name of the Director	Category	Number of Board Meetings during the year 2014-15		Whether Attended last AGM held on 24 September	Number of Directorships in other Public Companies		Number of Committee positions held in other public Companies	
		Held	Attended	2014	Chairman	Member	Chairman	Member
Mr. R S Bajoria <sup>1</sup>	Non-Executive, Independent	6	5	Yes	0	2	0	1
Mr. S G Rajgarhia <sup>2</sup>	Non-Executive, Promoter	6	6	Yes	0	2	0	1
Mr. P P Khanna <sup>3</sup>	Executive	6	3	No	0	0	0	0
Mr. U K Khaitan <sup>3</sup>	Non-Executive, Independent	6	5	No	0	9	0	2
Mr. R K Khanna <sup>3</sup>	Executive	6	1	No	0	0	0	0
Mr. Manoj C Ganatra <sup>4</sup>	Non-Executive, Independent	6	1	No	0	1	1	1
Mrs. Anisha Mittal <sup>5</sup>	Director	6	0	Yes	0	0	0	0
Mr. Hemul Shah <sup>6</sup>	Non-Executive, Promoter	N.A.			0	7	0	0
Mr. Pundarik Sanyal <sup>6</sup> (Chairman)	Non-Executive, Independent				0	3	1	1
Mr. Mihir H Devani <sup>7</sup>	Whole Time Director				0	0	0	0

1. Mr. R S Bajoria has been ceased as Chairman of the Company w.e.f 6 August 2015.

2. Mr. S G Rajgarhia has been ceased as Managing Director and Key Managerial Personnel of the company w.e.f 15 July 2015.

3. Mr. P P Khanna, Mr. U K Khaitan and Mr. R K Khanna have been ceased as Directors of the company w.e.f 15 July 2015.

4. Mr. Manoj C Ganatra has been ceased as Director of the company w.e.f 06 August 2015.

5. Mrs. Anisha Mittal has been appointed as additional director of the company w.e.f. 30 March 2015.

6. Mr. Hemul Shah and Mr. Pundarik Sanyal have been appointed as additional directors of the company w.e.f. 15 July 2015.

7. Mr. Mihir H Devani has been appointed as additional director and Whole Time Director of the company w.e.f. 06 August 2015.

Six board meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows: May 27, 2014; August 06, 2014; November 11, 2014; January 7, 2015; February 09, 2015 and March 30, 2015. The necessary quorum was present at all the meetings. The information as required under Annexure 1 of clause 49 of the listing agreement is regularly placed before the board meetings.

As on this report none of the non-executive directors have any direct material pecuniary relationship with the Company except sitting fees.

The Company has not issued any convertible instruments.

The code of conduct adopted w.e.f . 6 August 2014 is being followed by all concerned. The code has been put on the Company's website.



### 3. AUDIT COMMITTEE

The Company had re-constituted an audit committee pursuant to Section 177 of the Companies Act, 2013 on 06 August 2015 which comprises of two non-executive independent directors and one Non Executive Director. The broad terms of reference of audit committee are

- a. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- b. review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c. examination of the financial statement and the auditors' report thereon;
- d. approval or any subsequent modification of transactions of the company with related parties;
- e. scrutiny of inter-corporate loans and investments;
- f. valuation of undertakings or assets of the company, wherever it is necessary;
- g. evaluation of internal financial controls and risk management systems;
- h. monitoring the end use of funds raised through public offers and related matters
- i. oversee the vigil mechanism
- j. other matters as provided in the clause 49 of the listing agreement.
- k. Any other matter specifically prescribed by the Act, Rules and Board of Directors.

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

Mr. Pundarik Sanyal is the Chairman, who is having good financial and legal knowledge. The previous annual general meeting of the Company was held on September 24, 2014 and that was attended by Mr. Rama Shanker Bajoria, member of the Audit Committee. The other members also have adequate financial and accounting knowledge. The company secretary acts as the secretary to the audit committee.

Details of meetings attended by the committee members are given below:

Name	Category	Number of Meeting during the year 2014-2015	
		Held	Attended
Mr. U K Khaitan <sup>1</sup>	Independent, Non-Executive	4	4
Mr. R S Bajoria	Independent, Non-Executive	4	4
Mr. Manoj C Ganatra <sup>2</sup>	Independent, Non-Executive	4	1
Mr. Pundarik Sanyal <sup>3</sup> (Chairman)	Independent, Non-Executive	N.A.	
Mr. Hemul Shah <sup>3</sup>	Non-Executive		

1. Mr. U K Khaitan has been ceased as Director of the company w.e.f 15 July 2015.

2. Mr. Manoj C Ganatra has been ceased as Director of the company w.e.f 06 August 2015.

3. Mr. Pundarik Sanyal and Mr. Hemul Shah have been appointed as additional directors of the company w.e.f. 15 July 2015.

Four audit committee meetings were held during the year and not more than 4 months did elapse between successive meetings. The dates on which the said meetings were held are as follows: May 27, 2014, August 6, 2014, November 11, 2014 and February 9, 2015. The necessary quorum was present at all the meetings.

#### Vigil Mechanism

Pursuant to the Section 177 (9) of the Companies Act 2013, every listed company shall establish a vigil mechanism for their directors and employees to report their genuine concerns. Apart from the Vigil Mechanism listed company has to establish / update its whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

Accordingly company has established VIGIL MECHANISM / WHISTLE BLOWER POLICY that has approved by the Board of Directors wide their meeting held on 06 August 2014.

A vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism via Vigilance Office and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The detailed process is described in the policy it self that is hosted and available at the company website as well as at the registered office of the company.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of the companies Act, 2013 company has renamed it's remuneration Committee vide meeting of the Board of Directors of the company held on 27 May 2014. The name has changed to **Nomination and Remuneration Committee from Remuneration Committee**.

The remuneration committee was re-constituted on 06 August 2015 comprising of Mr Pundarik Sanyal, Mr R S Bajoria and Mr. Hemul Shah all being non-executive directors. Two meetings of the remuneration committee were held during the year on 06 August 2014 and 30 March 2015.

Details of meetings attended by the committee members are given below:

Name	Category	Number of Meeting during the year 2014-2015	
		Held	Attended
Mr. U K Khaitan <sup>1</sup>	Independent, Non-Executive	2	2
Mr. R S Bajoria	Independent, Non-Executive	2	2
Mr. Manoj C Ganatra <sup>2</sup>	Independent, Non-Executive	2	0
Mr. Pundarik Sanyal <sup>3</sup>	Independent, Non-Executive	NA	NA
Mr. Hemul Shah <sup>3</sup>	Non-Executive	NA	NA

1. Mr. U K Khaitan has been ceased as Director of the company w.e.f 15 July 2015.
2. Mr. Manoj C Ganatra has been ceased as Director of the company w.e.f 06 August 2015.
3. Mr. Pundarik Sanyal and Mr. Hemul Shah have been appointed as additional director of the company w.e.f. 15 July 2015.

The non-executive directors are paid sitting fees for the board and committee meetings attended by them. The sitting fees being paid is ₹ 10,000/- per board meeting and ₹ 5,000/- per committee meeting. The non-executive directors are not paid remuneration in any other form.

The Company has not issued any stock option scheme to its employees or directors.

Details of the remuneration/sitting fees to directors for the year ended March 31, 2015:

##### (a) Non-Executive Directors

(Amount in ₹)

Name	Sitting Fees
Mr. R S Bajoria	70,000
Mr. U K Khaitan	70,000
Mr. Manoj C Ganatra	15,000

##### (b) Managing Director and Executive Directors

(Amount in ₹)

Name	Salary	Benefits Perquisites and Allowances	Contribution to PF	Total Remuneration
Mr. S G Rajgarhia (Managing Director)	15,00,000	12,95,662	1,80,000	29,75,662
Mr. P P Khanna (Executive Director)	36,60,000	47,79,466	4,39,200	88,78,666
Mr. R K Khanna (Whole Time Director)	30,86,100	18,19,031	3,69,792	52,74,923

## 5. SHAREHOLDERS /INVESTORS GRIEVANCE COMMITTEE

Pursuant to the provisions of the Companies Act, 2013 company has renamed it's **SHAREHOLDERS /INVESTORS GRIEVANCE COMMITTEE** vide meeting of the Board of Directors of the company held on 27 May 2014. The name has changed to **Stakeholders Relationship Committee**.

The Committee will look into the redressal of investor complaints regarding transfer of shares, non-receipt of annual reports, bonus, dividend etc. During the year 2014-2015, 4 meeting of the Stakeholders Relationship Committee were held.

The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meeting during the year 2014-15	
		Held	Attended
Mr U K Khaitan <sup>1</sup>	Non Executive Director	4	1
Mr S G Rajgarhia <sup>1</sup>	Non Executive Promoter Director	4	4
Mr P P Khanna <sup>1</sup>	Executive Director	4	3
Mr. Hemul Shah <sup>2</sup>	Non Executive Promoter Director	N.A.	
Mr. Pundarik Sanyal <sup>2</sup>	Non Executive Director		
Mr. Mihir H Devani <sup>3</sup>	Whole Time Director		

1. Mr. U K Khaitan, Mr. S G Rajgarhia and Mr. P P Khanna have been ceased as Committee members w.e.f. 15 July 2015.

2. Mr. Hemul Shah and Mr. Pundarik Sanyal have been appointed committee members of the company w.e.f. 15 July 2015.

3. Mr. Mihir H Devani has been appointed as committee member w.e.f. 06 August 2015.

Details of investor complaints received and redressed during the year 2014-15 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	3	3	0

### Name, designation and address of the Compliance Officer :

Mr. Kamlesh Kumar Mundra  
Company Secretary

Orient Abrasives Limited  
1307, Chiranjiv Tower  
43, Nehru Place  
New Delhi-110019

Telephone : +91 11 26425446 / 7

Fax : +91 11 26443859

e-mail : investor@oalmail.co.in

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

Pursuant to clause 47 (f) of the listing agreement, the Company has designated an exclusive e-mail Id for redressal of investor grievances. The said e-mail id is **investor@oalmail.co.in**

## 6. GENERAL BODY MEETING

### (i) Annual General Meeting

Details	Date	Time	Venue	Special Resolution
41 <sup>st</sup> Annual General Meeting	September 24, 2012	11.00 A.M.	Hindi Bhawan 11, Vishnu Digambar Marg (Near Bal Bhawan) New Delhi - 110 002	1. Appointment of Mr. P P Khanna as a whole time director for a period of 3 years w.e.f. May 2, 2012. 2. Appointment of Mr. R K Khanna as a whole time director for a period of 3 years w.e.f. August 11, 2012.
42 <sup>nd</sup> Annual General Meeting	July 18, 2013			None
43 <sup>rd</sup> Annual General Meeting	September 24, 2014		Sun Village Inn, A-14, Ring Road, Lajpat Nagar-IV, New Delhi- 110 024	1. Approving the borrowing limit of ₹ 300 crores. 2. Approval of mortgage of the assets of the company.

### (ii) Postal Ballot

No postal ballot was conducted during the year 2014-15.

### (iii) At the ensuing 44<sup>th</sup> annual general meeting to be held on 29 September 2015, no resolutions are proposed to be passed by postal ballot.

## 7. DISCLOSURES

- Disclosure on related party transactions i.e. transactions of the Company with its promoters, directors or the management, relatives, bodies corporate in which the directors are interested etc. is appearing under note no. 26 (Notes to the Financial Statements) of the annual accounts. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- Details of non-compliance by the Company, penalties, restrictions/strictures imposed by the stock exchanges and the SEBI and any other statutory authority on any matter related to the capital markets, during the last three years is **NIL**.
- The Company has at present not adopted the non mandatory requirements of corporate governance except for certain clauses regarding remuneration committee. However in line with its policy to ever improve the good corporate governance practices it is proposed to adopt all such practices in due course of time.

## 8. MEANS OF COMMUNICATION OF FINANCIAL STATEMENTS ETC., NEWSPAPERS WHERE PUBLISHED.

- Quarterly Financial statements are normally published in the Business Standard.
- The results are made available to the individual members through e-mail/courier/fax on specific requests.
- The results are also sent to the institutional investors/financial analysts on request.
- The financial results from the quarter ended December 31, 2004 onwards are also available on the Company's website – [www.orientabrasives.com](http://www.orientabrasives.com)
- The Company does not send half year financial reports to the members individually.
- Management Discussion and Analysis Report forms an integral part of the Directors' Report.

## 9. CEO/CFO

Mr S G Rajgarhia, Director and Mr. Amar Singh Sihag, Chief Financial Officer have given the certificate pertaining to financial year 2014-15 to the board of directors which was taken note of at the board meeting held on May 16, 2015.

**10. GENERAL SHAREHOLDER INFORMATION**
**Annual General Meeting**

Date	:	29 September 2015
Time	:	12:30 P.M.
Venue	:	Sun Village Inn, A-14, Ring Road, Lajpat Nagar-IV, New Delhi – 110 024

**Financial Calendar**

Financial Year	:	March 31
AGM in	:	September

**Quarterly Results**

1 <sup>st</sup> quarter ended on June 30, 2015	:	on or before August 15, 2015
2 <sup>nd</sup> quarter ended on September 30, 2015	:	on or before November 15, 2015
3 <sup>rd</sup> quarter ended on December 31, 2015	:	on or before February 15, 2016
4 <sup>th</sup> quarter ended on March 31, 2016	:	on or before May 15, 2016

<b>Date of Book Closure/Record Date</b>	:	from Wednesday, 23 September 2015 to Tuesday, 29 September 2015 (both days inclusive)
---	---	---

<b>Dividend Payment Date</b>	:	The final dividend, if declared, shall be paid/ credited by 28 October 2015.
------------------------------	---	--

<b>Listing on Stock Exchanges</b>	:	<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai 400 051
	:	<b>Bombay Stock Exchange Limited (BSE)</b> 25 <sup>th</sup> Floor, P. J. Towers, Dalal Street, Mumbai 400 001

**Stock Codes/Symbol**

National Stock Exchange of India Limited	:	ORIENTABRA
Bombay Stock Exchange Limited	:	504879

Listing Fees as applicable have been paid.

<b>Corporate Identification Number (CIN) of the Company</b>	:	L24299DL1971PLC005854
---	---	-----------------------

**Market Price Data:**

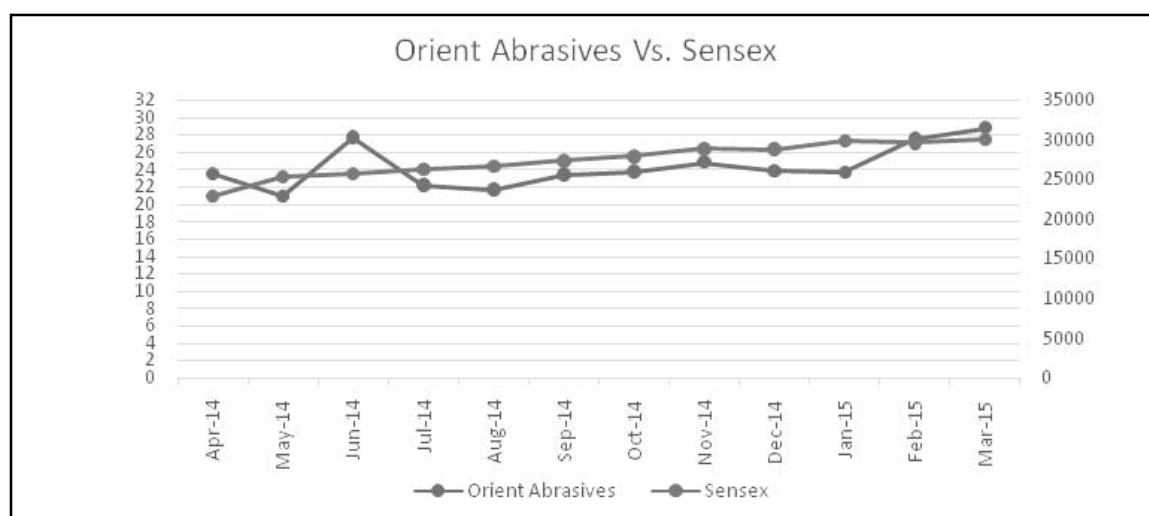
Monthly High, Low, volume and turnover during each month of the last financial year 2014-15.

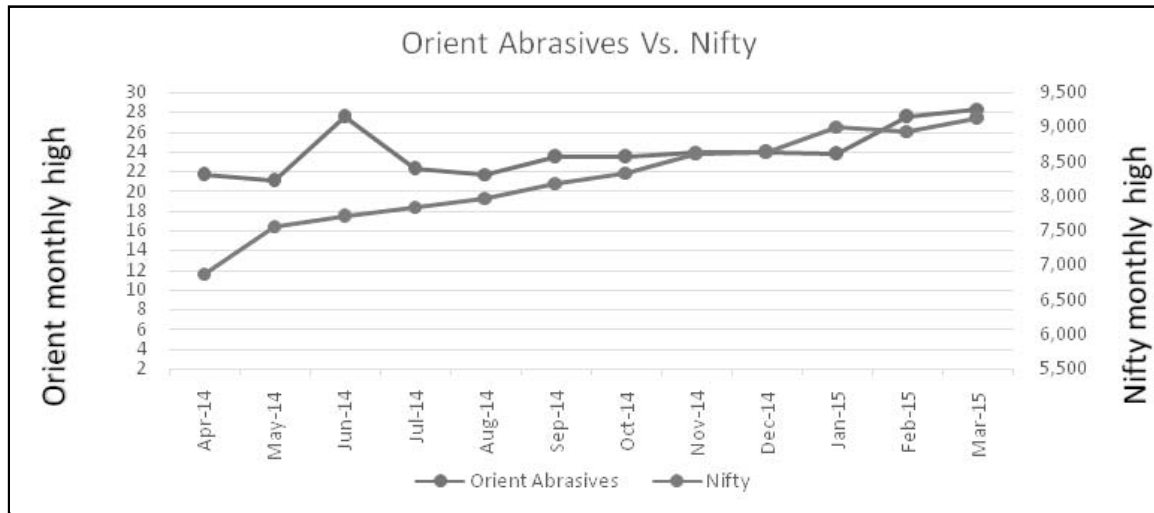
**Bombay Stock Exchange (data from www.bseindia.com)**

Month	High (₹)	Low (₹)	Volume	Trunover (₹ in Lacs)
April, 2014	23.55	18.35	4,07,099	81.29
May, 2014	21.00	17.70	7,13,518	139.19
June, 2014	27.65	18.55	28,55,889	659.56
July, 2014	22.25	19.30	6,33,192	137.71
August, 2014	21.70	19.65	318,859	65.64
September, 2014	23.40	20.90	6,23,062	138.66
October, 2014	23.75	21.10	2,27,527	50.12
November, 2014	24.85	21.00	4,51,518	103.16
December, 2014	23.90	21.40	4,80,628	109.69
January, 2015	23.70	22.00	3,25,056	73.89
February, 2015	27.50	22.15	17,54,848	460.13
March, 2015	28.75	22.50	20,58,137	545.85

**National Stock Exchange (data from www.nseindia.com)**

Month	High (₹)	Low (₹)	Volume	Turnover (₹ in Lacs)
April, 2014	21.60	18.90	9,31,498	186.43
May, 2014	21.00	17.30	12,55,647	245.38
June, 2014	27.50	19.00	62,50,113	1449.98
July, 2014	22.20	19.55	14,56,661	302.83
August, 2014	21.70	19.50	6,41,261	131.93
September, 2014	23.40	20.55	15,21,728	338.95
October, 2014	23.40	21.05	5,82,391	128.32
November, 2014	23.90	21.60	10,36,148	235.80
December, 2014	23.85	21.30	8,25,230	188.49
January, 2015	23.70	21.75	7,05,983	160.44
February, 2015	27.50	22.00	42,48,371	1112.33
March, 2015	28.30	22.55	62,15,070	1653.06

**Performance of the share price of the Company in comparison to the BSE Sensex:**


**Performance of the share price of the Company in comparison to the NSE Nifty**

**Registrar & Share Transfer Agents**

Name and Address	:	Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020
Telephone	:	+91 11-26812682,83, 30857575 (10 Lines)
Fax	:	+91 11-30857562
E-mail	:	admin@skylinerta.com, grievances@skylinerta.com
Website	:	www.skylinerta.com

**Share Transfer System**

Transfer of these shares is done through the depositories with no involvement of the Company. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The senior executives and the company secretary are severally empowered to approve transfers.

**Shareholding as on March 31, 2015:**

Distribution of equity shareholding as on March 31, 2015

Number of shares	Shareholders number	% age of total number	Shares			Total Shares	% age
			Physical	NSDL	CDSL		
1-5,000	9544	91.27	18,83,578	52,39,273	17,26,183	88,49,034	7.40
5,001-10,000	444	4.25	4,29,480	21,43,934	7,85,637	33,59,051	2.81
10,001-20,000	204	1.95	2,63,000	21,59,118	5,96,742	30,18,860	2.52
20,001-30,000	68	0.65	24,000	12,63,327	4,10,517	16,97,844	1.42
30,001-40,000	44	0.42	36,000	11,12,862	3,97,868	15,46,730	1.29
40,001-50,000	16	0.15	0	5,58,605	1,94,760	7,53,365	0.63
50,001-100,000	63	0.60	1,08,000	35,84,051	6,12,330	43,04,381	3.60
100,001-above	74	0.71	0	8,80,02,587	81,07,348	9,61,09,935	80.33
<b>GRAND TOTAL</b>	<b>10,457</b>	<b>100.00</b>	<b>27,44,058</b>	<b>10,40,63,757</b>	<b>1,28,31,385</b>	<b>11,96,39,200</b>	<b>100.00</b>

Categories of equity shareholders as on March 31, 2015

	Category	Number of shares held	Percentage of holding
<b>A.</b>	<b>Promoter and Promoter Group</b>		
	- Individual/HUF	3,05,34,857	25.52
	- Bodies Corporate	0	0.00
	<b>Total (A)</b>	<b>3,05,34,857</b>	<b>25.52</b>
<b>B.</b>	<b>Public Shareholding</b>		
	- Mutual Funds/UTI	0	0.00
	- Financial Institutions/Banks	1,12,631	0.09
	- FIIs	75,63,766	6.32
	- Bodies Corporate	3,70,31,505	30.95
	- Individuals		
	(a) Nominal share capital up to ₹ 1 Lakh	2,00,91,615	16.79
	(b) Nominal share capital in excess of ₹ 1 Lakh	2,10,71,541	17.61
	- Any Other		
	(a) NRI	16,28,289	1.36
	(b) HUF/AOPs	15,86,798	1.33
	(c) Clearing Members	18,198	0.02
	<b>Total (B)</b>	<b>8,91,04,343</b>	<b>74.48</b>
	<b>GRAND TOTAL (A + B)</b>	<b>11,96,39,200</b>	<b>100.00</b>

#### Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 97.71% of the Company's equity share capital are dematerialized as on March 31, 2015.

The Company's equity shares are regularly traded on the National Stock Exchange of India Limited and BSE Limited, in dematerialized form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE569C01020**.

#### Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2015, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

#### Transfer of Unpaid/Unclaimed amounts to Investor Education and Protection Fund

Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend pertaining to the Company remaining unpaid or unclaimed for period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claims. Members who have not yet encashed their dividend warrant(s) for the financial years 2007-08 and onwards, are requested to make their claims without any delay to the Company's Registrar and Transfer Agent, Skyline Financial Services Private Limited.

The following table gives information relating to outstanding dividend accounts and the dates by which they can be claimed by the shareholders:

Financial Year	Date of Declaration	Due Date of Transfer to IEPF
2007-08	September 05, 2008	October 12, 2015
2008-09	August 03, 2009	September 09, 2016
2009-10	August 05, 2010	September 10, 2017
2010-11	March 09, 2011	April 14, 2018
2011-12	September 24, 2012	October 31, 2019
2012-13	July 18, 2013	August 24, 2020
2013-14	September 24, 2014	October 31, 2021



**Unclaimed Suspense Demat Account**

In accordance with Clause 5A of the Listing Agreement, an Unclaimed Suspense Demat Account has been opened with Stock Holding Corporation of India Limited and all equity shares in physical form lying unclaimed pursuant to Public/Rights/Bonus issued of the Company have been dematerialized and credited to said Demat Account. Whenever any request for said unclaimed shares is 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	1522	30,81,410
Number of Shareholders who approached issuer for transfer of Shares from Suspense Account during the financial year	17	16,750
Number of Shareholders to whom Shares were transferred from Suspense Account during the financial year	17	16,750
Aggregate number of Shareholders and the outstanding Shares in the Suspense Account lying at the end of the financial year	1505	30,64,660

**Plant Location:**

Abrasive Grains & Power Division : GIDC Industrial Area  
Porbandar  
Gujarat – 360 577

**Address for correspondence:**

Orient Abrasives Limited  
1307, Chiranjiv Tower  
43, Nehru Place  
New Delhi-110019  
Telephone : +91 11 26425446 / 7  
Fax : +91 11 26443859  
e-mail : investor@oalmail.co.in  
website : www.orientabrasives.com

**ANNEXURE-H**
**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

TO THE MEMBERS

**ORIENT ABRASIVES LIMITED**

We have examined the compliance of conditions of corporate governance by ORIENT ABRASIVES LIMITED (“the Company”), for the year ended March 31, 2015, as stipulated in Clause 49 of the listing agreements of the Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreements.

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

For **Jatin Gupta & Associates**  
Company Secretaries

**New Delhi**  
**May 16, 2015**

Sd/-  
Jatin Gupta  
FCS 5651, CP 5236

**ANNEXURE-I**

**DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT**

This is to confirm that all the Board members and the senior managerial personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2015.

for **Orient Abrasives Limited**

**New Delhi**  
**May 16, 2015**

Sd/-  
S G Rajgarhia  
**Managing Director**

---

**ANNEXURE-J**

**CERTIFICATION OF CEO/CFO**

This is to certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2014-15 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, *if any*, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of 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 **Orient Abrasives Limited**

Sd/-  
New Delhi      S G Rajgarhia  
May 16, 2015      Managing Director

Porbandar  
May 12, 2015

Sd/-  
Amar Singh Sihag  
CFO

## 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 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year 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 the Companies 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 the 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. 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 design, implementation and maintenance of adequate internal financial controls, 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 free from 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 in accordance with the Standards on Auditing 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 the 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 the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 our audit 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 give a 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, 2015, its profit and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's report) Order, 2015 ("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. 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 appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid stand alone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 and 28 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 to the Investor Education and Protection Fund by the Company.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

Sd/-

**per Vikas Mehra**

Partner

Membership No.: 94421

Place of Signature : New Delhi

Date : May 16, 2015

**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.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business except that instructions for physical verification of inventory were issued orally and not documented.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (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 and calcined products, 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) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, professional tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, 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, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

<b>Name of the Statute</b>	<b>Nature of dues</b>	<b>Amount (Rs. in lacs)</b>	<b>Forum where dispute is pending</b>
West Bengal Sales Tax Act, 1994	Sales tax and Interest demand for non- submission of sales tax declaration forms for the year 1993-94	3.75	Sales Tax Commissioner (Appeal)
Sales Tax Act, 1944	Entry tax demand for entry of goods in Rajasthan for the year 2006-07	36.06	Hon'ble High Court of Rajasthan
Service Tax Act, 1994	Service tax demand for input tax credit availed on foreign business auxiliary services and other consulting services	85.48	Joint Commissioner Excise, Jaipur
Income Tax Act, 1961	Disallowance of various expenses / deductions (under section 80IA) claimed by the Company for the year 2007-08	55.42	ITAT

Name of the Statute	Nature of dues	Amount (Rs. in lacs)	Forum where dispute is pending
Income Tax Act, 1961	Penalty proceedings for error made in the return filed by the Company for the assessment year 2009-10	159.79	Assessing Officer
Income Tax Act, 1961	Disallowance of depreciation u/s 32 for the assessment year 2010-11	40.24	Commissioner of Income Tax (Appeal)
Customs Act, 1962	Differential custom duty on account of misclassification on import of coal.	37.68	Commissioner of Customs (Appeal)

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the 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 has not issued any debentures and has not borrowed funds from financial institutions
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

Sd/-

**per Vikas Mehra**

Partner

Membership No.: 94421

Place of Signature : New Delhi

Date : May 16, 2015

**BALANCE SHEET  
AS AT MARCH 31, 2015**
**(Amount in ₹ Lacs)**

	Notes	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	1,196.52	1,196.52
Reserves and Surplus	4	14,336.20	13,507.36
		<u>15,532.72</u>	<u>14,703.88</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	5	–	302.45
Deferred tax liability (net)	6	922.20	972.23
Other long-term liabilities	7	22.67	20.87
		<u>944.87</u>	<u>1,295.55</u>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	2,557.67	1,755.45
Trade payables	9	2,438.64	1,444.48
Other current liabilities	9	602.31	881.58
Short-term provisions	10	527.07	372.44
		<u>6,125.69</u>	<u>4,453.95</u>
<b>Total</b>		<u><u>22,603.28</u></u>	<u><u>20,453.38</u></u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Tangible assets	11	10,097.68	10,202.39
Capital work-in-progress		123.51	121.70
Loans and advances	12	1,241.81	1,084.91
Other non current assets	13	54.60	61.78
		<u>11,517.60</u>	<u>11,470.78</u>
<b>CURRENT ASSETS</b>			
Inventories	14	6,673.07	5,081.06
Trade receivables	15	3,516.14	2,815.41
Cash and bank balances	16	233.37	166.90
Loans and advances	12	539.57	673.59
Other current assets	13	123.53	245.64
		<u>11,085.68</u>	<u>8,982.60</u>
<b>Total</b>		<u><u>22,603.28</u></u>	<u><u>20,453.38</u></u>

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

**For S.R.BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E

Sd/-

**per Vikas Mehra**

**Partner**

Membership No.94421

Sd/-

**S G Rajgarhia**

(Managing Director)

DIN: 00002245

Sd/-

**K Mundra**

(Company Secretary)

Sd/-

**P P Khanna**

(Executive Director)

DIN: 00570059

Sd/-

**A Sihag**

(Chief Financial Officer)

**STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED MARCH 31, 2015**
**(Amount in ₹ Lacs)**

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>INCOME</b>			
Revenue from operations (gross)	17	20,427.24	19,367.16
Less : Excise duty		2,136.48	1,938.61
<b>Revenue from operations (net)</b>		<b>18,290.76</b>	<b>17,428.55</b>
Other Income	18	90.27	77.65
<b>Total (I)</b>		<b>18,381.03</b>	<b>17,506.20</b>
<b>EXPENSES</b>			
Cost of raw material and components consumed	19	5,659.77	5,048.73
Increase in inventories	20	(893.55)	(91.21)
Employee benefits expenses	21	1,897.46	1,588.45
Depreciation and amortization expense	11	1,059.07	1,270.06
Other expenses	22	8,668.67	8,365.61
Finance cost	23	275.71	266.71
<b>Total (II)</b>		<b>16,667.13</b>	<b>16,448.35</b>
<b>PROFIT BEFORE TAX</b>		<b>1,713.90</b>	<b>1,057.85</b>
<b>TAX EXPENSE</b>			
Current tax			
Pertaining to profit for the current year		577.45	313.00
Adjustment of tax relating to earlier years		(44.45)	26.78
Deferred tax (credit)/ charge		(50.02)	11.97
Total tax expense		482.98	351.75
<b>PROFIT FOR THE YEAR AFTER TAX</b>		<b>1,230.92</b>	<b>706.10</b>
<b>EARNINGS PER EQUITY SHARE (nominal value of share ₹ 1)</b>			
Previous year ₹ 1)			
Basic and diluted (₹)	24	1.03	0.59

**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.BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E

Sd/-

**per Vikas Mehra**  
**Partner**

Membership No.94421

Place : New Delhi

Date : May 16, 2015

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

Sd/-

**S G Rajgarhia**  
(Managing Director)  
DIN: 00002245

Sd/-

**K Mundra**  
(Company Secretary)

Sd/-

**P P Khanna**  
(Executive Director)  
DIN: 00570059

Sd/-

**A Sihag**  
(Chief Financial Officer)

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2015**
**(Amount in ₹ Lacs)**

PARTICULARS	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,713.90	1,057.85
Adjustments for:		
Depreciation and amortisation	1,059.07	1,270.06
Loss on sale of fixed assets	4.39	18.41
Interest income	(14.90)	(5.16)
Interest expense	246.77	223.56
Liabilities/ provisions no longer required, written back	(65.36)	(18.13)
Provision for doubtful debts	7.77	–
Provision for litigation	37.68	–
Bad debt written off	–	29.13
Unrealised foreign exchange loss (net)	0.11	0.33
<b>Operating loss before working capital changes</b>	<b>2,989.43</b>	<b>2,576.05</b>
Movements in working capital :		
Decrease/ (increase) in loans and advances and other current assets	35.25	(77.82)
Increase/ (decrease) in trade payables, other current liabilities and provisions	1,092.62	(238.14)
Increase in inventories	(1,592.01)	(51.06)
Increase in trade receivables	(708.50)	(190.60)
<b>Cash generated from operations</b>	<b>1,816.79</b>	<b>2,018.43</b>
Direct taxes paid (net of refunds)	(670.89)	(476.62)
Amount spent towards Corporate Social Responsibility	(14.96)	–
<b>Net cash generated from operating activities</b>	<b>1,130.94</b>	<b>1,541.81</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(932.38)	(275.75)
Proceed from sale of fixed assets	9.37	28.01
Interest received	15.39	10.96
Deposits made during the year (with maturity more than three months)	(52.87)	(42.51)
<b>Net cash used in investing activities</b>	<b>(960.49)</b>	<b>(279.29)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loans	(462.00)	(1,211.53)
Proceeds of working capital loan (net)	1,025.33	689.15
Proceeds from other short term borrowings	2,245.69	1,851.98
Repayment from other short term borrowings	(2,468.80)	(1,813.00)
Proceeds from issue/renew of deposits	–	3.00
Repayment of deposits	–	(79.50)
Dividends paid (including dividend tax)	(279.96)	(489.90)
Interest paid	(244.50)	(237.34)
<b>Net cash used in financing activities</b>	<b>(184.24)</b>	<b>(1,287.14)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(13.79)</b>	<b>(24.62)</b>
Cash and cash equivalents at the beginning of the year	166.90	191.52
<b>Cash and cash equivalents at the end of the year</b>	<b>153.11</b>	<b>166.90</b>



(Amount in ₹ Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>Component of cash and cash equivalent as at</b>		
Cash in hand	4.27	4.99
With banks		
- In current accounts	29.41	39.10
- In unpaid dividend accounts*	119.43	122.81
<b>Cash and cash equivalents in Cash flow statement : (Note 16)</b>	<b>153.11</b>	<b>166.90</b>

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

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 2.1

##### Notes:

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

As per our report of even date

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

##### For S.R.BATLIBOI & CO. LLP

Chartered Accountants  
ICAI Firm Registration No. 301003E

Sd/-  
**per Vikas Mehra**  
**Partner**  
Membership No.94421

Sd/-  
**S G Rajgarhia**  
(Managing Director)  
DIN: 00002245

Sd/-  
**P P Khanna**  
(Executive Director)  
DIN: 00570059

Place : New Delhi  
Date : May 16, 2015

Sd/-  
**K Mundra**  
(Company Secretary)

Sd/-  
**A Sihag**  
(Chief Financial Officer)

---

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**Significant accounting policies and notes to accounts to the financial statements for the year ended March 31, 2015**

### **1. CORPORATE INFORMATION**

Orient Abrasives Limited ('The Company') is engaged in the production and selling of fused aluminium oxide grains, calcined products, and generation of power. The Company has manufacturing facilities at Porbandar (Gujarat) and Power Generation facilities at 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**

Depreciation on fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV to the Companies Act, 1956 has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. The impact on this change in accounting policy has been described in note 2.1(c) - "Depreciation on tangible fixed assets" below

##### **(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) TANGIBLE FIXED ASSETS**

Fixed assets 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 and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets 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.

##### **(d) DEPRECIATION ON TANGIBLE FIXED ASSETS**

Leasehold land is amortized on a straight line basis over the period of lease, i.e., 20-99 years.

Depreciation on all other fixed assets, except power generating equipments, are calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Depreciation in respect

of power generating equipments are provided on straight line method as per rates which are higher of rates prescribed by Central Electricity Regulatory commission (CERC) vide notification dated January 19, 2009 and rates prescribed by Schedule II to the Companies Act, 2013.

The company has used the following rates to provide depreciation on its fixed assets.

**Useful lives estimated by the management (years) based on Schedule II to the Companies Act, 2013**

Factory buildings	30 years
Plant and machineries (including thermal power plant)	15 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 and 10 years

Due to such change, the depreciation expense for the current year is lower by ₹ 189.19 lacs and ₹ 27.13 lacs has been adjusted from General Reserves. The reasons for considering different life and rates and value with regard to items under schedule II of Companies Act, 2013 are on the basis of technical evaluation done by technical people estimating the life of such assets.

Residual value of assets is considered as 5%.

**(e) IMPAIRMENT**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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.

**(f) 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.

**(g) INVESTMENTS**

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(h) INVENTORIES**

Inventories are valued as follows:

Raw materials, goods purchased for resale, stores and spare parts	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.
Waste	Net realizable value

**(i) 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 is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. 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.

**(j) BORROWING COST**

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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.

**(k) FOREIGN CURRENCY TRANSACTIONS**

(i) **INITIAL RECOGNITION**

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

(ii) **CONVERSION**

Foreign currency monetary items are 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; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rates that existed when the values were determined.

(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.

**(l) DERIVATIVE INSTRUMENTS**

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effect of loss on the underlying hedged item, is ignored.

**(m) RETIREMENT AND OTHER EMPLOYEE BENEFITS**

(i) Retirement benefit 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.
- (iii) Short term compensated absences are measured at the expected cost of such absences that is expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.
- (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.

**(n) 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. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be 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.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, 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. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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.

**(o) 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 cost :**

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

**Allocation of other income :**

Other incomes are allocated to each segment according to the relative contribution of each segment to the other income as per the requirements of Accounting Standard-17 "Segment Reporting".

**Unallocated items :**

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

**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.

**(p) 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.

**(q) 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 Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**(r) CASH AND CASH EQUIVALENT**

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.

**(s) 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.

**(t) 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.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2015**
**(Amount in ₹ Lacs)**

	As At March 31, 2015	As At March 31, 2014
<b>3. SHARE CAPITAL</b>		
<b>Authorised shares (no. in lacs)</b>		
1,200.00 (Previous year 1,200.00) Equity Shares of ₹ 1.00 each	1,200.00	1,200.00
4.00 (Previous year 4.00) - 6% Redeemable Cumulative Preference Shares of ₹ 100.00 each	400.00	400.00
	<u>1,600.00</u>	<u>1,600.00</u>
<b>Issued and subscribed shares (no. in lacs)</b>		
1,196.59 (Previous year 1,196.59) Equity Shares of ₹ 1.00 each	1,196.59	1,196.59
<b>Paid up shares (no. in lacs)</b>		
1,196.39 (Previous year 1,196.39) Equity Shares of ₹ 1.00 each	1,196.39	1,196.39
<b>Add:</b> Shares forfeited (amount paid up)	0.13	0.13
<b>Total issued, subscribed and paid-up share capital</b>	<u>1,196.52</u>	<u>1,196.52</u>

**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)**

1,196.39 (Previous year 1,196.39) Equity Shares of ₹ 1.00 each

1,196.39

**Outstanding at the year end (excluding forfeited shares)**

1,196.39 (previous year 1,196.39) equity shares of ₹ 1.00 each

1,196.39

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

The company has only one class of equity shares having a par value of ₹ 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.

During the year ended March 31, 2015, the amount of per equity share dividend recognized as distributions to equity shareholders is ₹ 0.25 (Previous year ₹ 0.20)

In the event of liquidation of the company, 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. Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

	As at March 31, 2015 No. in Lacs	As at March 31, 2014 No. in Lacs
Equity shares issued as fully paid bonus shares by capitalisation of capital redemption reserve, securities premium and general reserve (relates to the year ended March 31, 2010)	598.20	598.20

**d. Details of shareholders holding more than 5% shares in the Company**

Name	As at March 31, 2015		As At March 31, 2014	
	No. Lacs	% age holding	No. Lacs	% age holding
<b>Equity Shares of Re. 1.00 each fully paid up</b>				
Mr. S G Rajgarhia	235.80	19.71	235.80	19.71
Bombay Minerals Limited	215.35	18.00	215.35	18.00

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.

(Amount in ₹ Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>4. RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Balance as per the last financial statements	8,206.57	8,106.57
Add: amount transferred from surplus balance in the statement of profit and loss	400.00	100.00
Less : Depreciation impact due to life change (refer note 2.1(c) & note 11)	(27.13)	–
<b>General Reserves</b>	<b>A</b>	<b>8,579.44</b>
<b>Surplus Balance in Statement of Profit and Loss</b>		
Balance as per the last financial statements	5,300.79	4,974.64
Profit for the year	1,230.92	706.10
	<b>6,531.71</b>	<b>5,680.74</b>
Less: Appropriations		
Proposed dividend on equity shares ₹ 0.25 (previous year ₹ 0.20)	299.10	239.28
Tax on dividend	60.89	40.67
Transferred to general reserve	400.00	100.00
Amount Spent towards Corporate Social Responsibility (refer note 39)	14.96	–
Total appropriations	<b>774.95</b>	<b>379.95</b>
<b>Surplus in the statement of profit and loss</b>	<b>B</b>	<b>5,756.76</b>
<b>Total reserves and surplus</b>	<b>A+B</b>	<b>13,507.36</b>
<b>5. LONG-TERM BORROWINGS</b>		
<b>Term loans (secured)</b>		
Foreign currency loan from banks*	312.95	907.35
	<b>312.95</b>	<b>907.35</b>
Less: Current maturity of term loans disclosed under other current liabilities (note 9)		
Foreign currency loan from banks	312.95	604.90
	<b>312.95</b>	<b>604.90</b>
	–	302.45
<b>The above amount includes:</b>		
Secured Borrowings	312.95	907.35
Amount disclosed under the head "other current liabilities" (note 9)	(312.95)	(604.90)
	–	302.45

\* Foreign currency loan of ₹ 312.95 lacs (Previous year ₹ 907.35 lacs) carries interest @ LIBOR plus 3% p.a., is repayable in 16 quarterly installments of USD 250,000 each from the date of October 2011. It is exclusively secured on all the wind mills of the company.



(Amount in ₹ Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>6. DEFERRED TAX LIABILITY (NET)</b>		
<b>DEFERRED TAX LIABILITY</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	991.81	1,012.22
<b>Gross deferred tax liability</b>	<b>A</b> <u>991.81</u>	<u>1,012.22</u>
<b>DEFERRED TAX ASSETS</b>		
Provision for doubtful debts, advances and recoverables	8.91	6.26
Effect of expenditure debited to the statement of profit and loss in the current year / earlier years but allowable for tax purposes on payment basis	48.91	33.73
Provision for litigation	11.79	–
<b>Gross deferred tax asset</b>	<b>B</b> <u>69.61</u>	<u>39.99</u>
	<b>A-B</b> <u>922.20</u>	<u>972.23</u>
<b>7. OTHER LONG-TERM LIABILITIES</b>		
Interest free deposits		
From staff *	22.67	20.87
	<u>22.67</u>	<u>20.87</u>
* Interest free deposits have been taken from staff as security against vehicles allotted by the Company		
<b>8. SHORT-TERMS BORROWINGS</b>		
Working capital loan from bank (secured)*	2,300.96	1,275.63
<b>Other borrowings</b>		
10% Loan from body corporates (unsecured) repayable on demand	56.71	225.42
10% Loan from directors (unsecured) repayable on demand	200.00	254.40
	<u>2,557.67</u>	<u>1,755.45</u>
*Working capital loan from banks are secured by first pari passu charge on all current assets of company, both present & future, including stocks of raw materials, stores, spares, stocks in process & finished goods etc lying in their premises, godowns, elsewhere including those in transit and all present and future book-debts / receivables of the company. These facilities are further secured by second pari passu charge on the entire fixed assets of the Company. The managing director has also given a personnel guarantee to the bank for this facility. The working capital loan is repayable on demand and carries interest @ 10.00% - 15.50 % p.a.		
<b>9. OTHER CURRENT LIABILITIES</b>		
<b>Trade payables</b> (note 29 for details of dues to micro and small enterprises)	<u>2,438.64</u>	<u>1,444.48</u>
<b>Other liabilities</b>		
Current maturities of long-term borrowings (note 5)	312.95	604.90
Payable for fixed assets	40.13	28.32
Interest accrued but not due on borrowings	13.22	10.94
Advance from customers	18.79	12.96
Investor education and protection fund (will be credited by following amounts as and when due)		
Unpaid dividend	119.43	122.81
Others		
Interest free deposits from customers	–	20.00
Interest free deposits from staff (refer Note 7 also)	7.09	1.81
PF and ESI payable	12.64	12.02
Professional tax	0.93	0.73
CST/VAT and other payable	47.71	48.14
TDS payable	29.42	18.95
	<u>602.31</u>	<u>881.58</u>
<b>10. PROVISIONS</b>		
<b>CURRENT</b>		
Provision for leave benefits	129.41	92.49
Proposed equity dividend	299.10	239.28
Provision for tax on proposed equity dividend	60.88	40.67
Provision for litigation* (Refer Note 28)	37.68	–
	<u>527.07</u>	<u>372.44</u>

\* Provision for litigation represents probable outflow of resources for matter under litigation.

(Amount in ₹ Lacs)

### 11. TANGIBLE FIXED ASSETS

#### TANGIBLE FIXED ASSETS

	Freehold Land	Leasehold Land	Leasehold Improvement	Building	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total
<b>COST</b>									
<b>At April 1, 2013</b>	13.76	48.49	19.49	1,578.10	17,235.77	12.35	91.14	376.45	19,375.55
Additions	15.40	-	-	25.23	213.37	-	3.79	39.18	296.97
Disposals	-	-	-	-	(19.06)	-	-	(85.87)	(104.93)
<b>At March 31, 2014</b>	<b>29.16</b>	<b>48.49</b>	<b>19.49</b>	<b>1,603.33</b>	<b>17,430.08</b>	<b>12.35</b>	<b>94.93</b>	<b>329.76</b>	<b>19,567.59</b>
<b>Additions</b>	-	-	-	292.32	605.12	0.92	16.14	80.75	995.25
<b>Disposals</b>	-	-	-	-	-	-	(1.14)	(37.98)	(39.12)
<b>At March 31, 2015</b>	<b>29.16</b>	<b>48.49</b>	<b>19.49</b>	<b>1,895.65</b>	<b>18,035.20</b>	<b>13.27</b>	<b>109.93</b>	<b>372.53</b>	<b>20,523.72</b>

#### DEPRECIATION

<b>At April 1, 2013</b>	-	9.07	19.49	383.73	7,567.89	6.18	42.21	125.08	8,153.65
Charge for the year	-	1.93	-	51.08	1,176.43	0.75	12.82	27.05	1,270.06
Disposals	-	-	-	-	(17.56)	-	-	(40.95)	(58.51)
<b>At March 31, 2014</b>	-	11.00	19.49	434.81	8,726.76	6.93	55.03	111.18	9,365.20
Charge for the year	-	1.93	-	47.74	943.60	3.00	19.20	43.60	1,059.07
Disposals	-	-	-	-	-	-	(1.02)	(24.34)	(25.36)
Transfer to general reserve	-	-	-	7.63	6.44	0.19	11.88	0.99	27.13
<b>At March 31, 2015</b>	-	12.93	19.49	490.18	9,676.80	10.12	85.09	131.43	10,426.04

#### NET BLOCKS

At March 31, 2014	29.16	37.49	-	1,168.52	8,703.32	5.42	39.90	218.58	10,202.39
<b>At March 31, 2015</b>	<b>29.16</b>	<b>35.56</b>	-	<b>1,405.47</b>	<b>8,358.40</b>	<b>3.15</b>	<b>24.84</b>	<b>241.10</b>	<b>10,097.68</b>

(Amount in ₹ Lacs)

As at  
March 31, 2015

As at  
March 31, 2014

## 12. LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD UNLESS STATED OTHERWISE)

### Non Current

Capital advances	50.65	103.52
Advances recoverable in cash or kind *	102.90	30.46
Other loans and advances		
MAT credit entitlement	–	104.01
Prepaid expenses	54.58	58.24
Security deposits (interest free)	8.18	9.18
Advance income-tax (net of provision for tax)	1025.50	779.50
	<u>1241.81</u>	<u>1,084.91</u>

### Current

Advances recoverable in cash or kind		
Unsecured, considered good	114.72	250.51
Unsecured, considered doubtful	11.07	11.07
	<u>125.79</u>	<u>261.58</u>
Provision for doubtful advances	(11.07)	(11.07)
	<b>A</b>	<b>250.51</b>
Other loans and advances		
Gratuity fund/ trust (net of provision) (Refer Note 30)	54.37	78.82
Advance to gratuity trust	24.47	–
Prepaid expenses	43.44	50.87
Balance with statutory/government authorities	302.57	293.39
	<b>B</b>	<b>423.08</b>
	<b>A + B</b>	<b>673.59</b>

\* includes royalty paid in advance in relation to raw bauxite mines, to the Government. The Company is in the process of renewing the environmental clearance for some of its mines. Out of the total amount, ₹ 83.47 is considered as current and ₹ 93.85 lacs is considered as non-current.

## 13. OTHER ASSETS

### Non current

#### Unsecured, considered good unless stated otherwise

Non current bank balances (refer note 16)	32.17	59.56
Subsidy receivable on power generated from windmill	21.95	–
Interest accrued on non current bank balances and security deposits	0.48	2.22
	<u>54.60</u>	<u>61.78</u>

### Current

#### Unsecured, considered good unless stated otherwise

Interest accrued on current bank balances and security deposits	1.25	–
Export benefits recoverable (considered doubtful)	7.36	7.36
Unbilled revenue	40.33	31.29
Mark to market value of derivative instrument	81.95	214.35
	<u>130.89</u>	<u>253.00</u>
Less: Provision for doubtful export benefits recoverable	7.36	7.36
	<u>123.53</u>	<u>245.64</u>

(Amount in ₹ Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>14. INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)</b>		
Raw materials [including goods in transit ₹ 53.01 lacs, (Previous year ₹ 22.73 lacs)] (refer note 19)	2,244.65	1,601.90
Work-in-progress (refer note 20)	1,254.28	794.18
Finished goods (refer note 20)	1,920.54	1,607.82
Waste (refer note 20)	179.01	58.28
Stores and spares [including goods in transit ₹ 16.53 lacs, (Previous year ₹ 13.30 lacs)]	1,074.59	1,018.88
	<u>6,673.07</u>	<u>5,081.06</u>
<b>15. TRADE RECEIVABLES (UNSECURED UNLESS OTHERWISE STATED)</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	90.14	173.95
Considered doubtful	7.77	–
	<u>97.91</u>	<u>173.95</u>
Provision for doubtful receivables	7.77	–
	<u>90.14</u>	<u>173.95</u>
<b>Others receivables</b>	<b>A</b>	
Considered good	3,426.00	2,641.46
	<b>B</b>	
	<u>3,426.00</u>	<u>2,641.46</u>
	<b>A + B</b>	
	<u>3,516.14</u>	<u>2,815.41</u>
<b>16. CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
<b>Balances with banks</b>		
- Current accounts	29.41	39.10
- Unpaid dividend accounts	119.43	122.81
Cash in hand	4.27	4.99
	<u>153.11</u>	<u>166.90</u>
<b>Other bank balances</b>		
Deposits with original maturity for more than 3 months but less than 12 months	80.26	–
Deposits with original maturity for more than 12 months	15.97	59.56
Margin money deposits*	16.20	–
	<u>112.43</u>	<u>59.56</u>
Amount disclosed under non-current asset (refer note 13)	(32.17)	(59.56)
	<u>80.26</u>	<u>–</u>
	<u>233.37</u>	<u>166.90</u>

\*Margin money deposits are given against the bank guarantees given to government authorities.

**(Amount in ₹ Lacs)**

	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
<b>17. REVENUE FROM OPERATIONS</b>		
<b>Sales of products</b>		
Finished goods	19,233.18	17,990.27
Sale of power	626.96	698.77
<b>Other operating revenue</b>		
Sale of waste	511.34	622.18
Subsidy on power generated from windmill	16.27	50.37
Others	39.49	5.57
<b>Revenue from operations (gross)</b>	<b>20,427.24</b>	<b>19,367.16</b>
Less: Excise duty*	2,136.48	1,938.61
<b>Revenue from operations (net)</b>	<b>18,290.76</b>	<b>17,428.55</b>
* Excise duty on sales amounting to ₹ 2136.48 lacs (Previous year ₹ 1,938.61 lacs) has been reduced from sales in statement of profit and loss and excise duty on increase in stock amounting to ₹ 63.68 lacs (Previous year increase of ₹ 42.92 lacs) has been considered as expense in note 22 of financial statements.		
<b>Details of finished goods sold</b>		
Grains	14,242.55	12,709.88
Monolithics	2,291.74	2,187.12
Calcined products	2,629.62	2,247.89
Non plant grade bauxite (Refer Note 37)	69.27	840.18
Others	-	5.20
	<b>19,233.18</b>	<b>17,990.27</b>
<b>18. OTHER INCOME</b>		
Interest income		
From banks	6.00	5.16
From others	8.90	38.61
Exchange difference (net)	3.86	-
Liabilities no longer required written back	65.36	18.13
Miscellaneous income	6.15	15.75
	<b>90.27</b>	<b>77.65</b>
<b>19. COST OF RAW MATERIAL AND COMPONENTS CONSUMED</b>		
Inventory at the beginning of the year	1,601.90	1,657.98
Purchases	6,302.52	4,992.65
	<b>7,940.42</b>	<b>6,650.63</b>
Less: Inventory at the end of the year	<b>(2,244.65)</b>	<b>(1,601.90)</b>
Cost of Raw materials and components consumed	<b>5,695.77</b>	<b>5,048.73</b>
<b>Details of raw material and components</b>		
<b>Raw materials and components consumed</b>		
Bauxite	2,201.57	2,271.60
Alumina	3,057.36	2,359.79
Zirconia	232.62	119.47
Others	168.22	297.87
	<b>5,659.77</b>	<b>5,048.73</b>
<b>Details of closing inventory of raw material and components</b>		
Bauxite	1,855.56	1,132.86
Alumina	282.96	404.21
Zirconia	38.15	34.73
Others	67.98	30.10
	<b>2,244.65</b>	<b>1,601.90</b>

	<b>For the year ended March 31, 2015</b>	<b>(Amount in ₹ Lacs) For the year ended March 31, 2014</b>
<b>20. INCREASE IN INVENTORIES</b>		
Inventories at the end of the year		
Finished goods	<b>1,920.54</b>	1,607.82
Work-in-progress	<b>1,254.28</b>	794.18
Waste	<b>179.01</b>	58.28
	<b><u>3,353.83</u></b>	<u>2,460.28</u>
 Inventories at the beginning of the year		
Finished goods	<b>1,607.82</b>	1,189.56
Work-in-progress	<b>794.18</b>	1,051.40
Waste	<b>58.28</b>	128.11
	<b><u>2,460.28</u></b>	<u>2,369.07</u>
 <b>Increase in inventories</b>	<b><u>(893.55)</u></b>	<u>(91.21)</u>
 <b>Finished Goods</b>		
Grains	<b>1,395.64</b>	644.39
Monolithics	<b>192.60</b>	23.79
Calcined products	<b>332.30</b>	939.64
	<b><u>1,920.54</u></b>	<u>1,607.82</u>
 <b>Work in progress</b>		
Grains	<b>985.57</b>	334.72
Monolithics	<b>106.82</b>	92.05
Calcined products	<b>161.89</b>	367.41
	<b><u>1,254.28</u></b>	<u>794.18</u>
 <b>Waste</b>		
Grains	<b>159.90</b>	2.67
Calcined products	<b>19.11</b>	55.61
	<b><u>179.01</u></b>	<u>58.28</u>
 <b>21. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages and bonus	<b>1,543.75</b>	1346.69
Contribution to provident and other fund	<b>153.17</b>	148.96
Gratuity expense (Note 30)	<b>106.16</b>	14.38
Staff welfare expenses	<b>94.38</b>	78.42
	<b><u>1,897.46</u></b>	<u>1,588.45</u>

**(Amount in ₹ Lacs)**

	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
<b>22. OTHER EXPENSES</b>		
Consumption of stores and spare parts	2,009.57	2,007.64
Power and fuel	5,220.71	4,914.32
Freight and forwarding expenses	122.87	307.36
Rent	50.37	57.08
Repairs and maintenance		
Plant and machinery	349.35	274.74
Buildings	56.64	46.39
Others	69.14	54.41
Insurance	41.04	37.07
Packing expenses	249.34	199.97
Rates and taxes	11.50	20.99
Commission on sales	26.19	26.13
Travelling and conveyance	44.71	48.95
Communication expenses	15.29	13.89
Donation expenses	3.24	8.60
Printing and stationery	32.84	9.89
Legal and professional fees	90.76	33.97
Auditor's remuneration (refer details below)	16.99	14.56
Royalty	-	-
Provision for doubtful advances and other advances	7.77	32.11
Less : Bad debts written off	( - )	(15.52)
Bad Debts written off	-	29.13
Provision for litigations (refer note 28)	37.68	-
Exchange difference (net)	-	74.57
Loss on sale of fixed assets	4.39	18.41
Increase in excise duty on closing stock	63.68	42.92
Miscellaneous expenses (includes payment of penalty of ₹ 17.50 lacs, previous year Nil)	144.60	108.03
	<b>8,668.67</b>	<b>8,365.61</b>
<b>Payment to auditor</b>		
<b>As auditor:</b>		
- Audit fee	11.50	8.50
- Limited review	4.50	4.50
<b>In other capacity</b>		
Out of pocket expenses	0.99	1.56
	<b>16.99</b>	<b>14.56</b>
<b>23. FINANCE COSTS</b>		
Interest		
- to Banks	220.45	188.11
- to Others	26.32	35.45
Bank charges	28.94	43.15
	<b>275.71</b>	<b>266.71</b>
<b>24. EARNINGS PER SHARE (EPS)</b>		
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	1,230.92	706.10
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 (₹)	1.03	0.59

## 25. SEGMENT INFORMATION

### **Business Segments :**

The Company operates in primarily two segments i.e. (a) Fused aluminium oxide grains including calcined products, Monolithics and (b) generation of power.

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

Fused Aluminium Oxide Grains manufactures calcined bauxite and fused aluminium oxide abrasive grains. Raw bauxite and calcined alumina are the basic raw materials used for the manufacture of abrasive grains. Raw bauxite is procured from mines owned by the Company and others and Calcined alumina is purchased from aluminium companies. A portion of these products is captively consumed for manufacturing of monolithics and low cement castables which are mainly consumed in steel plants.

Power Generation segment – The Company has a thermal power plant and a furnace oil based power plant with capacity of 9 MW each. The electricity from these power plants is meant for captive consumption by the manufacturing division at Porbandar (Fused aluminium oxide grain).

The Company has also set up windmills of total power generation capacity of 11.1 MW. The power generated by these 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. Its business is accordingly aligned geographically, catering to two markets i.e India and Outside India. The Company has considered domestic and exports markets as geographical segments and accordingly considered them for disclosure based on materiality of transactions.

## SEGMENT INFORMATION

### PRIMARY SEGMENTS REPORTING (BY BUSINESS SEGMENTS)

#### Segment Revenues, Results and Other Information

Particulars	Fused Aluminum Oxide Grains Including Calcined Products and Monolithics		Power Generation		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
	(Amount in ₹ Lacs)					
<b>REVENUE</b>						
External Sales (net of Excise duty)	17,647.53	16,679.41	643.23	698.77	18,290.76	17,378.18
Other Income (net, where applicable)	-	-	-	50.37	-	50.37
Inter Segment Sales	-	-	4,132.28	4,011.75	4,132.28	4,011.75
<b>Total</b>	<b>17,647.53</b>	<b>16,679.41</b>	<b>4,775.51</b>	<b>4,760.89</b>	<b>22,423.04</b>	<b>21,440.30</b>
Less: Inter Segment Sale	-	-	4,132.28	(4,011.75)	4,132.28	(4,011.75)
Add: Unallocated Corporate Income (net, where applicable)	-	-	-	-	-	-
<b>Net Sales / Income from Operations</b>	<b>17,647.53</b>	<b>16,679.41</b>	<b>643.23</b>	<b>749.14</b>	<b>18,290.76</b>	<b>17,428.55</b>



(Amount in ₹ Lacs)

**PRIMARY SEGMENTS REPORTING (BY BUSINESS SEGMENTS)**
**Segment Revenues, Results and Other Information**

Particulars	Fused Aluminum Oxide Grains Including Calcined Products and Monolithics		Power Generation		Total	
	March 31, 2015	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>SEGMENT RESULTS</b>	<b>1,795.38</b>	1,213.90	<b>555.68</b>	384.48	<b>2,351.06</b>	1,598.38
Less: Corporate Expenses - (Unallocated)					<b>(390.38)</b>	(360.74)
<b>Operating Profit</b>					<b>1,960.68</b>	1,237.64
Less: Interest Expenses					<b>246.77</b>	(223.56)
Add: Interest Income						43.77
<b>Profit from Operating Activity</b>					<b>1,713.91</b>	1,057.85
Less: Taxes					<b>(482.98)</b>	(351.75)
<b>Net Profit after tax</b>					<b>1,230.93</b>	706.10

**PRIMARY SEGMENTS REPORTING (BY BUSINESS SEGMENTS)**
**Segment Assets and Liabilities**

Particulars	Fused Aluminum Oxide Grains Including Calcined Products		Power Generation		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Segment Assets</b>	<b>13,949.96</b>	11,252.13	<b>7,194.07</b>	7,879.41	<b>21,144.03</b>	19,131.54
<b>Unallocated Corporate Assets</b>					<b>1,459.29</b>	1,321.84
<b>Total Assets</b>	<b>13,949.96</b>	11,252.13	<b>7,194.07</b>	7,879.41	<b>22,603.32</b>	20,453.38
<b>Segment Liabilities</b>	<b>2,243.30</b>	1,473.49	<b>488.35</b>	271.88	<b>2,731.65</b>	1,745.37
<b>Unallocated Corporate Liabilities</b>					<b>4,338.95</b>	4,004.13
<b>Total Liabilities</b>	<b>2,243.30</b>	1,473.49	<b>488.35</b>	271.88	<b>7,070.60</b>	5,749.50
<b>Capital Expenditure</b>	<b>948.76</b>	291.45	<b>9.64</b>	9.79	<b>958.40</b>	301.24
<b>Unallocated Corporate Capital Expenditure</b>					<b>38.66</b>	117.09
<b>Total Capital Expenditure</b>	<b>948.76</b>	291.45	<b>9.64</b>	9.79	<b>997.06</b>	418.33
<b>Depreciation/Amortisation</b>	<b>394.32</b>	512.23	<b>647.18</b>	700.80	<b>1,041.51</b>	1,213.03
<b>Unallocated Corporate Depreciation</b>					<b>17.57</b>	57.03
<b>Total Depreciation/Amortisation</b>	<b>394.32</b>	512.23	<b>647.18</b>	700.80	<b>1,059.07</b>	1,270.06
<b>Other non-cash expenses</b>	-	-	-	-	-	-

**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 (deemed exports to customers located outside India). Since the export market revenue, results and assets constitute less than 10% of the total revenue, results and assets, the same has not been disclosed.

**26. RELATED PARTY DISCLOSURES**
**(a) Names of related parties and related party relationship**
**(i) Related parties with whom transactions have taken place during the year**
**a. Key management personnel**

	<b>Name</b>	<b>Relationship</b>
1.	Mr. S. G. Rajgarhia	Managing Director
2.	Mr. P. P. Khanna	Executive Director
3.	Mr. R. K. Khanna	Whole Time Director
4.	Mrs. Anisha Mittal	Director
5.	Mr. A. Sihag	Chief Financial Officer (w.e.f. April 1, 2014)
6.	Mr. K. Mundra	Company Secretary (w.e.f. May 7, 2014)

**b. Relatives of Key management personnel**

	<b>Name</b>	<b>Relationship</b>
1.	Mrs. Usha Rajgarhia	Wife of Managing Director
2.	Mr. R. K. Rajgarhia	Brother of Managing Director
3.	Ms. Bhawna Rajgarhia	Daughter of Managing Director

**c. The Enterprises controlled, owned or significantly influenced by key managerial personnel or their relatives.**

1. Pyramid Abrasives Private Limited
2. Hindustan General Industries Limited
3. HGI Finance and Leasing Limited
4. Rovo Marketing Private Limited
5. Madhushree Properties Private Limited
6. Orient Coated Private Limited
7. Zipper Trading Enterprises Limited
8. BAMR Properties LLP

**Transaction with related parties during the year ended March 31, 2015**
**(b)**
**(Amount in ₹ Lacs)**

Particulars	A. Key Management Personnel and Their Relatives		B. Enterprises Owned or Significantly Influenced by Key Management Personnel or Their Relatives		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Sales</b>						
Pyramid Abrasives Private Limited	-	-	192.74	138.03	192.74	138.03
Orient Coated Private Limited	-	-	35.87	12.90	35.87	12.90
Total	-	-	228.61	150.93	228.61	150.93
<b>Rent Paid</b>						
Bhavna Rajgarhia	17.33	17.33	-	-	17.33	17.33
Usha Rajgarhia	6.91	6.91	-	-	6.91	6.91
Madhushree Properties Private Limited	-	-	1.80	1.80	1.80	1.80
Total	24.24	24.24	1.80	1.80	26.04	26.04
<b>Interest Expenses</b>						
Rovo Marketing Private Limited	-	-	6.06	4.52	6.06	4.52
Zipper Trading Enterprises Limited	-	-	-	2.31	-	2.31
P.P.Khanna	20.00	18.66	-	-	20.00	18.66
<b>S.G.Rajgarhia</b>	0.24	2.68	-	-	0.24	2.68
Total	20.24	21.34	6.06	6.83	26.30	28.17
<b>Dividend</b>						
S.G.Rajgarhia	58.95	82.53	-	-	58.95	82.53
Usha Rajgarhia	1.95	2.74	-	-	1.95	2.74
<b>Anisha Mittal</b>	7.81	10.94	-	-	7.81	10.94
Bhavna Rajgarhia	7.62	10.66	-	-	7.62	10.66
HGI Finance and Leasing Limited	-	-	0.27	0.05	0.27	0.05
Hindustan General Industries Limited	-	-	0.06	-	0.06	-
Total	76.33	106.87	0.33	0.05	76.66	106.92
<b>Managerial Remuneration</b>						
S.G.Rajgarhia	29.76	53.68	-	-	29.76	53.68
P.P.Khanna	88.79	65.42	-	-	88.79	65.42
R.K. Khanna	52.75	42.19	-	-	52.75	42.19
A. Sihag	7.36	-	-	-	7.36	-
K. Mundra	7.28	-	-	-	7.28	-
Total	185.94	161.29	-	-	185.94	161.29
<b>Salaries, Wages And Bonus*</b>						
Usha Rajgarhia	4.11	4.02	-	-	4.11	4.02
Anisha Mittal	16.72	17.32	-	-	16.72	17.32
Total	20.83	21.34	-	-	20.83	21.34
<b>Director Fees</b>						
R.K.Rajgarhia	-	0.30	-	-	-	0.30
Total	1.55	1.50	-	-	1.55	1.50

\* Excluding gratuity and leave encashment as the same is provided on an actuarial basis for the Company as a whole.

**Transaction with related parties during the year ended March 31, 2015**

(Amount in ₹ Lacs)

Particulars	A. Key Management Personnel and Their Relatives		B. Enterprises Owned or Significantly Influenced by Key Management Personnel or Their Relatives		Total	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Unsecured Loan Taken</b>						
Rovo Marketing Private Limited	-	-	<b>2,219.40</b>	1,442.00	<b>2,219.40</b>	1,442.00
Zipper Trading Enterprises Limited	-	-	-	10.00	-	10.00
P.P.Khanna	-	75.00	-	-	-	75.00
S.G.Rajgarhia	-	250.00	-	-	-	250.00
Total	-	325.00	<b>2,219.40</b>	1,452.00	<b>2,219.40</b>	1777.00
<b>Unsecured Loan Repaid (including interest repaid)</b>						
Rovo Marketing Private Limited	-	-	<b>2,363.31</b>	1,368.02	<b>2,363.31</b>	1,368.02
Zipper Trading Enterprises Limited	-	-	-	49.89	-	49.89
P.P.Khanna	<b>23.66</b>	129.02	-	-	<b>23.66</b>	129.02
S.G.Rajgarhia	<b>50.98</b>	200.00	-	-	<b>50.98</b>	200.00
Total	<b>74.64</b>	329.02	<b>2,363.31</b>	1,417.91	<b>2,437.95</b>	1,746.93
<b>Reimbursement of expenses (received)</b>						
BAMR Properties LLP	-	-	<b>0.28</b>	-	<b>0.28</b>	-
Rovo Marketing Private Limited.	-	-	<b>30.85</b>	-	<b>30.85</b>	-
Total	-	-	<b>31.13</b>	-	<b>31.13</b>	-

**(c) Closing balance of related parties as at March 31, 2015**

<b>Trade receivables:</b>						
Pyramid Abrasives Private Limited	-	-	<b>54.69</b>	27.37	<b>54.69</b>	27.37
Orient Coated Private Limited	-	-	<b>19.94</b>	9.31	<b>19.94</b>	9.31
Total	-	-	<b>74.36</b>	36.68	<b>74.63</b>	36.68
<b>Trade Payables:</b>						
S.G.Rajgarhia	<b>4.38</b>	29.49	-	-	<b>4.38</b>	29.49
Usha Rajgarhia	<b>0.78</b>	1.02	-	-	<b>0.78</b>	1.02
Anisha Mittal	<b>2.38</b>	2.54	-	-	<b>2.38</b>	2.54
R.K. Khanna	<b>7.01</b>	6.83	-	-	<b>7.01</b>	6.83
P.P.Khanna	<b>9.13</b>	8.38	-	-	<b>9.13</b>	8.38
Total	<b>23.68</b>	48.26	-	-	<b>23.68</b>	48.26
<b>Short term borrowings: (including interest payable)</b>						
Rovo Marketing Private Limited	-	-	<b>56.71</b>	<b>225.42</b>	<b>56.71</b>	225.42
P.P. Khanna	<b>200.00</b>	203.66	-	-	<b>200.00</b>	203.66
S.G.Rajgarhia	-	50.74	-	-	-	50.74
Total	<b>200.00</b>	254.40	<b>56.71</b>	225.42	<b>256.71</b>	479.82
<b>Gurantee given</b>						
S.G.Rajgarhia	<b>3,400.00</b>	3,400.00	-	-	<b>3,400.00</b>	3,400.00
Total	<b>3,400.00</b>	3,400.00	-	-	<b>3,400.00</b>	3,400.00

(Amount in ₹ Lacs)

March 31, 2015      March 31, 2014

## 27. Contingent liabilities

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)	<b>338.02</b>	338.02
ii) Sales tax and interest demand raised by Kolkata Sales tax authorities for non-submission of declarations forms for the year 1993-94.	<b>3.75</b>	3.75
iii) Demand raised by the Income Tax Authorities, being disputed by the Company (Refer Note B below)	<b>255.45</b>	2,187.73
(vi) Entry tax demand for entry of goods in Rajasthan relating to the year 2006-07	<b>36.06</b>	36.06
v) Service Tax demand for input tax credit availed on foreign business auxiliary services and other consulting services	<b>85.48</b>	85.48
vi) Cases pending with Labour Courts (Refer Note C below)	<b>(Amount unascertainable)</b>	

### 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

Demand raised by the Income tax authorities relate to the following matters:

- i. The Company has a thermal power plant at Porbandar to meet the energy needs of its abrasives grains division (AGD) at Porbandar. Under Section 80IA of the Income Tax Act, 1961, the profit of the power plant is not liable to income tax and therefore a deduction of an amount equal to hundred percent of the profit derived from such business is allowable from the total income of the Company for a period of 10 consecutive assessment years. During the financial year 2010-11, the Company had received a demand in respect of the Assessment Year ('A.Y.') 2008-09 against which the Company filed an appeal with CIT(A). and the said appeal was allowed by CIT(A). The department has appealed against that order with ITAT. Tax amount involved for disallowance under section 80IA in various years is ₹ 55.42 lacs (Previous year ₹ 1,715.16 lacs).
- ii. The AO had initiated penalty proceedings against the Company for return filed by the Company for the A.Y. 2009-10 as the Company has erroneously claimed deduction on notional loss on derivative transaction and unrealised exchange loss on capital account. The Company filed an Appeal with CIT(A) but the CIT(A) dismissed the appeal of the Company. Thereafter, the Company went into further appeal with ITAT, New Delhi. ITAT allowed appeal of the Company but department went into further appeal with Hon'ble High Court, Delhi. Hon'ble High Court has dismissed the appeal of the department in its order dated February 6, 2015. Penalty amount involved is ₹ 159.79 lacs (Previous year ₹ 159.79 lacs). Since the Hon'ble High Court (Delhi) has asked the Assessing Officer to reassess the assessment for the A.Y. 2009-10, therefore, in management's view, the penalty imposed by the AO is not sustainable.
- iii. The assessing officer (AO) has made disallowances on account of depreciation on windmills installed by the Company in the A.Y. 2010-11 stating that the windmills were not put-to-use in the said assessment year. Further, the AO has disallowed depreciation claimed by the Company in A.Y. 2010-11 on motor vehicles stating that the non-refundable payment made by the employees for purchase of motor vehicles should be reduced from the cost of the asset. The Company had filed appeal against the same and in the current year, the Commissioner of Income-tax (Appeals) ("CIT(A)") has passed an order (dated February 2, 2015) directing AO to allow depreciation on all windmills except one installed at Gajendra Garh, Karnataka on March 31, 2010 on which depreciation was claimed ₹ 117.60 lacs. Further, depreciation on vehicles were not allowed in the said order and the addition of ₹ 0.78 lac was confirmed by the CIT(A). Tax amount involved is ₹ 40.24 lacs (Previous year ₹ 312.78 lacs). The Company on the basis of current status of the cases and advice obtained from legal counsel is confident that there would not be any probable outflow of resources in these matters.

### 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. 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 lacs.

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

(Amount in ₹ lacs)

	March 31, 2015	March 31, 2014
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	–	–
Interest due on above	–	–
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	–	–

**30. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**

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

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

The following tables 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**

(Amount in ₹ lacs)

Particulars	Gratuity	
	March 31, 2015	March 31, 2014
Current service cost	43.32	29.60
Interest cost on benefit obligation	32.88	34.16
Expected return on plan assets	(38.31)	(28.02)
Net actuarial (gains) / loss recognised in the year	68.27	(21.36)
<b>Net benefit expense</b>	<b>106.16</b>	<b>14.38</b>

**Balance sheet**
**(Amount in ₹ lacs)**
**Details of provision for Gratuity**

Particulars	Gratuity	
	March 31, 2015	March 31, 2014
Present value of defined benefit obligation	448.96	386.80
Fair value of plan assets	503.33	465.62
<b>Plan asset / (liability)</b>	<b>54.37</b>	<b>78.82</b>

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

Particulars	Gratuity	
	March 31, 2015	March 31, 2014
Opening defined benefit obligation	386.80	401.97
Current service cost	43.32	29.60
Interest cost	32.88	34.16
Benefits paid	(84.49)	(57.13)
Actuarial (gains)/losses on obligation	70.45	(21.80)
<b>Closing defined benefit obligation</b>	<b>448.96</b>	<b>386.80</b>

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

Particulars	Gratuity	
	March 31, 2015	March 31, 2014
Fair value of plan assets at beginning of the year	425.62	415.17
Expected return on plan assets	38.31	28.02
Contributions by employer	121.71	80.00
Benefits paid	(84.49)	(57.13)
Actuarial (gains)/losses	2.18	(0.44)
<b>Fair value of plan assets at end of the year</b>	<b>503.33</b>	<b>465.62</b>

The Company expects to contribute ₹ 48.36 lacs to gratuity in the next year (previous year ₹ 34.79 lacs).

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

Particulars	March 31, 2015	March 31, 2014
Investments with insurer - Insurance policy with Life Insurance Corporation of India	100%	100%

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

Particulars	Gratuity	
	March 31, 2015	March 31, 2014
Discount rate	7.80%	8.50%
Expected rate of return on assets	9.00%	6.75%
Increase in compensation cost	8.00%	7.60%
Employee turnover: Age group		
upto 30 years	3	3
31-44 years	2	2
Above 44 years	1	1

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 years are as follows:**

Particulars	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
<b>Gratuity</b>					
Defined benefit obligation	448.96	386.80	401.97	342.99	591.81
Plan assets	503.33	465.62	415.17	293.09	516.38
Surplus / (Deficit)	54.37	78.82	13.20	(49.90)	(75.43)
Experience adjustments on plan liabilities (loss)/gain	(28.59)	21.81	(41.18)	(0.14)	(46.01)
Experience adjustments on plan assets (loss)/gain	11.76	(10.82)	2.33	-	3.39

**Contribution to Defined Contribution Plans**
**(Amount in ₹ lacs)**

Particulars	March 31, 2015	March 31, 2014
Provident Fund	107.33	92.57

31. Provision for Income tax Act has been made after taking into consideration the benefits available under Section 80I A of the Income Tax Act, 1961 in respect of windmills installed at Rajasthan and Karnataka.

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 ₹ 50.37 lacs (Previous year ₹ 57.08 lacs).

**33. DERIVATIVE INSTRUMENT AND UNHEDGED FOREIGN CURRENCY EXPOSURE**
**a) Forward and Derivative Contract Outstanding as at Balance Sheet date**

Particulars		March 31, 2015	March 31, 2014	Purpose
Cross Currency Coupon only swap with call	USD	500,000	1,500,000	To hedge the interest rate and currency risk by switching its floating USD interest rate liability with a fixed INR interest rate liability for a specific period of time and required notional amounts.
Interest accrued but not due	USD	5,824	18,079	This amount represent interest accrued but not due on above foreign currency loans.

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

Particulars	Currency	March 31, 2015			March 31, 2014		
		Foreign currency	Rate	Amount ₹ lacs	Foreign currency	Rate	Amount ₹ lacs
Trade receivables	USD	-	-	-	20.003	60.49	12.09
Payable for Capital Goods	USD	24,454.28	62.59	15.31			

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

Particulars	March 31, 2015	March 31, 2014
<b>Personnel Expenses</b>		
Salaries, Wages and Bonus	62.09	125.17
Contribution to Provident and other funds	6.14	7.81
Manpower expenses	1,755.67	1,509.40
<b>Operating and Other Expenses</b>		
Consumption of Stores and Spares	4.68	1.29
Rates & Taxes	10.96	11.30
Insurance	0.42	0.42
Legal and Professional Fees	46.69	74.85
Vehicle Running & Maintenance	5.21	6.58
Repairs and Maintenance :		
- Plant & Machinery (excluding Stores and Spares Consumed)	2.15	0.86
- Buildings	-	0.26
- Others	0.76	2.40
Travelling & Conveyance	11.75	6.07
Communication cost	5.12	6.16
Miscellaneous Expenses	11.82	21.56
<b>Total</b>	<b>1,923.46</b>	<b>1,774.13</b>



**35. SUPPLEMENTARY STATUTORY INFORMATION**

(Amount in ₹ lacs)

**35.1 EARNINGS IN FOREIGN CURRENCY (ON ACCRUAL BASIS)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Exports at F.O.B. Value	<b>470.32</b>	<b>130.65</b>

(including sales made on deemed export basis amounting to ₹ 470.32 lacs (previous year ₹130.65 lacs))

**35.2 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Travelling	<b>5.43</b>	<b>4.67</b>
Interest	<b>38.85</b>	<b>106.82</b>
Total	<b>44.28</b>	<b>111.49</b>

**35.3 VALUE OF IMPORTS CALCULATED ON CIF BASIS (ON ACCRUAL BASIS)**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Raw Materials	<b>16.50</b>	28.00
Stores and Spares	<b>532.42</b>	418.08
Capital goods	<b>172.09</b>	-
Total	<b>721.01</b>	446.08

**36. IMPORTED AND INDIGENOUS RAW MATERIALS AND COMPONENTS AND STORES AND SPARES CONSUMED**

Particulars	% of total consumption For the year ended		Value For the year ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Raw Materials</b>				
Indigenous*	<b>99.84</b>	<b>99.45</b>	<b>5,650.65</b>	<b>5,020.94</b>
Imported	<b>0.16</b>	<b>0.55</b>	<b>9.12</b>	<b>27.79</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	5,659.77	5,048.73
<b>Stores and Spares</b>				
Indigenous	<b>71.58</b>	<b>80.12</b>	<b>1,438.42</b>	<b>1,608.46</b>
Imported	<b>28.42</b>	<b>19.88</b>	<b>571.15</b>	<b>399.18</b>
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>2,009.57</b>	<b>2,007.64</b>

\* Includes direct expenses as stated in Note 34

37. (a) Sale of non plant grade bauxite requires specific approval from the state government. During the year, the Company has sold such stock amounting to ₹ 69.27 lacs (Previous year ₹ 840.18 lacs) on the basis of approval obtained.
- (b) 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 lacs (previous year ₹ 259.20 lacs) have been valued at cost.

**38. Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance and capital work in progress) ₹ Nil (Previous Year : ₹ 140.57).

**39. Corporate Social Responsibility (CSR) expenditure**

The company is covered under the criteria for applicability of Section 135(1) of Companies Act 2013 under which the company has to follow the requirements of the Companies Act for CSR activities and follow the guidelines issued under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**(Amount in ₹ lacs)**  
**March 31, 2015**

(a) Gross amount required to be spent by the company during the year. **29.02**

<b>(b) Amount spent during the year on</b>	<b>in cash</b>	<b>yet to be paid in cash</b>	<b>Total</b>
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	<b>14.96</b>	-	<b>14.96</b>

(c) Details of related party transactions

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

As per our review report of even date

**For S.R.BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E

Sd/-

**per Vikas Mehra**

**Partner**

Membership No.94421

Place : New Delhi

Date : May 16, 2015

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

Sd/-

**S G Rajgarhia**

(Managing Director)

DIN: 00002245

Sd/-

**K Mundra**

(Company Secretary)

Sd/-

**P P Khanna**

(Executive Director)

DIN: 00570059

Sd/-

**A Sihag**

(Chief Financial Officer)

**BALLOT FORM**

[To be returned to Scrutinizer appointed by Orient Abrasives Ltd.]

Name of the Member(s) : .....

Registered Address : .....

E-mail ID : .....

Folio No./ Client ID : .....

DP ID : .....

No. of shares held : .....

I/We hereby exercise my/our vote in respect of the ordinary / special resolutions as specified in the AGM notice of the company dated 06 August 2015, conveying my/our assent or dissent to the said resolutions in the relevant box below:-

Item No.	Description	Type of Resolution (Ordinary / Special)	I / We assent to the resolution (For)	I / We dissent to the resolution (Against)
1.	Adoption of the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and auditors thereon.	Ordinary		
2.	To appoint a Director in place of Mr. S G Rajgarhia (DIN-00002245) who retires by rotation and being eligible offers himself for re-appointment.	Ordinary		
3.	To declare final dividend on equity shares.	Ordinary		
4.	Appointment of M/s SRBC & Co. LLP, Chartered Accountants, having Registration No. 324982E as the auditors of the Company for a period of one year.	Ordinary		
5.	Regularisation of Additional Director, Mrs. Anisha Mittal (DIN-00002252)	Ordinary		
6.	Regularisation of Additional Director, Mr. Pundarik Sanyal (DIN-01773295)	Ordinary		
7.	Regularisation of Additional Director, Mr. Hemul Shah.(DIN-00058558)	Ordinary		
8.	Regularisation of Additional Director, Mr. Mihir H Devani (DIN-07238089)	Ordinary		
9.	Appointment of Mr. Pundarik Sanyal (DIN-01773295) as an Independent Director.	Ordinary		
10.	Appointment of Mr. Mihir H Devani (DIN-07238089) as a Whole Time Director.	Special		
11.	Approval of Cost Audit fees for the Financial Year 2015-16.	Ordinary		
12.	Replacement of Articles of Association as per Companies Act, 2013.	Special		
13.	Ratification and approval of material related party transactions entered with Orient Refractories Ltd.	Special		
14.	Ratification and approval of material related party transactions entered / to be entered with Bombay Minerals Ltd.	Special		
15.	Rectification, confirmation and approval of remuneration paid to Mr. P P Khanna, (DIN-00570059) Executive Director of the company during the period commenced from 02 May 2015 to 15 July 2015, the date of his resignation.	Special		

Place:

Date :

Signature of Member(s) / Beneficial Owner



**ATTENDANCE SLIP**

(Please hand over at the entrance of the Meeting hall)

**44<sup>th</sup> Annual General Meeting – 29 September 2015**

I hereby record my presence at the FORTY FORTH ANNUAL GENERAL MEETING of the Company held at Sun Village Inn, A-14, Ring Road, Lajpat Nagar-IV, New Delhi– 110 024 on **Tuesday, 29 September 2015 at 12.30 P.M.**

Full name of the Member  
(IN BLOCK LETTERS) .....

Folio No. ....

DP ID .....

Client ID .....

No. of Shares held .....

Full name of Proxy  
(IN BLOCK LETTERS) .....

Member's / Proxy's Signature .....

Note: Your entry to the Meeting will be regulated by this attendance slip.

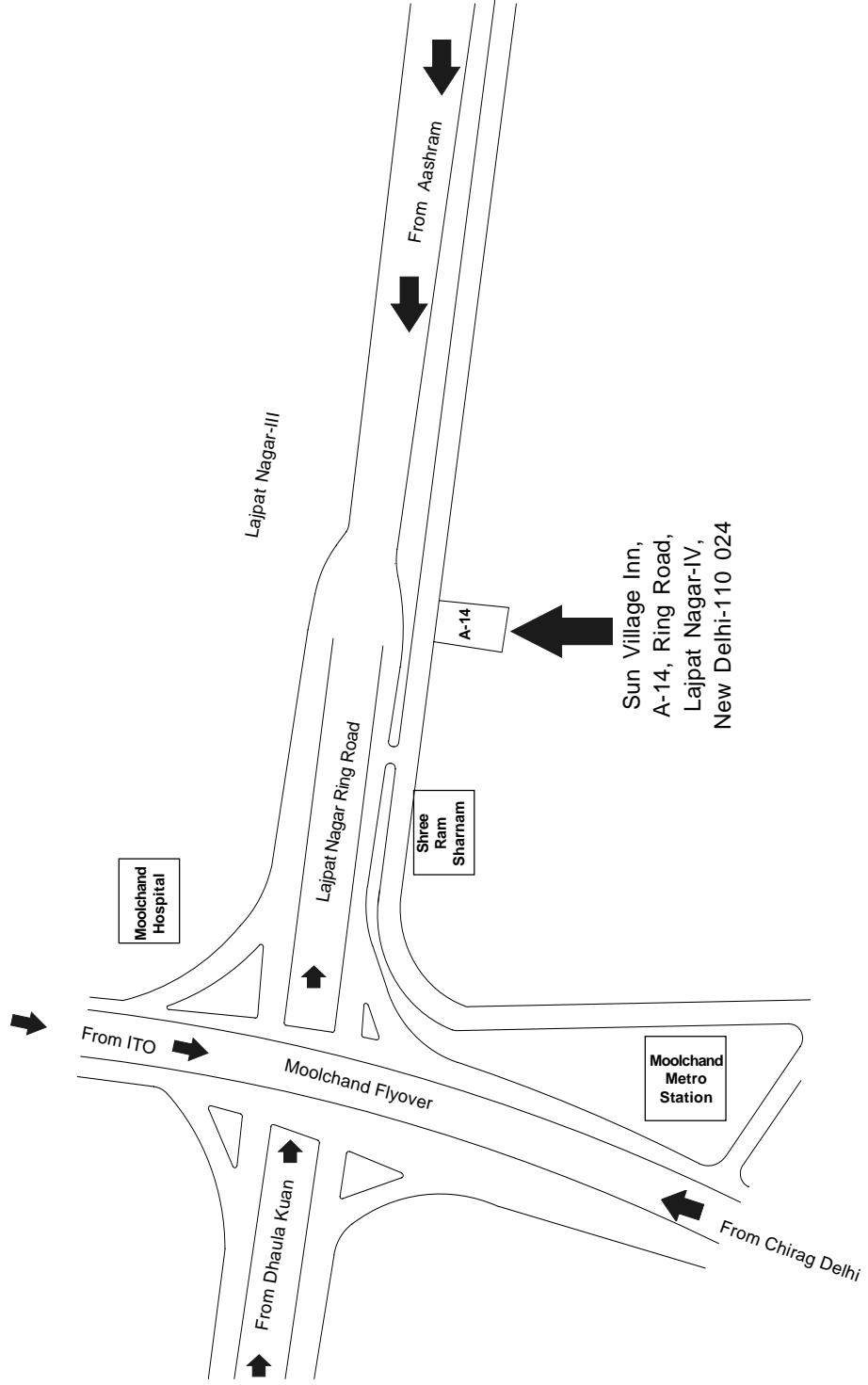
Route Map of FORTY FORTH Annual General Meeting of the members of

**Orient Abrasives Limited**

to be held at Sun Village Inn, A-14, Ring Road,

Lajpat Nagar-IV, New Delhi- 110 024

on Tuesday, 29 September, 2015



**FORM NO. MGT – 11  
PROXY FORM**

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

Name of the Member(s) : .....

Registered Address : .....

E-mail ID : .....

Folio No./ Client ID : .....

DP ID : .....

I/We being the Member(s) of ..... equity shares of ₹ 1 each of Orient Abrasives Limited, hereby appoint:

1. Name: .....

Address: .....

E-mail Id: ..... Signature: ....., or failing him

2. Name: .....

Address: .....

E-mail Id: ..... Signature: ....., or failing him

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 44<sup>th</sup> Annual General Meeting of the Company, to be held on **Tuesday, 29 September 2015 at 12.30 P.M.** at Sun Village Inn, A-14, Ring Road, Lajpat Nagar-IV, New Delhi-110 024 and at any adjournment(s) thereof, in respect of the resolutions, as indicated below:

Resolution Nos. :

1. Adoption of the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and auditors thereon.
2. To appoint a Director in place of Mr. S G Rajgarhia (DIN-00002245) , who retires by rotation and being eligible offers himself for re-appointment.
3. To declare final dividend on equity shares.
4. Appointment of M/s SRBC & Co LLP, Chartered Accountants, having Registration No. 324982E as the auditors of the Company for a period of one year.
5. Regularisation of Additional Director, Mrs. Anisha Mittal (DIN-00002252).
6. Regularisation of Additional Director, Mr. Pundarik Sanyal (DIN-01773295).
7. Regularisation of Additional Director, Mr. Hemul Shah (DIN-00058558).
8. Regularisation of Additional Director, Mr. Mihir H Devani (DIN-07238089).
9. Appointment of Mr. Pundarik Sanyal (DIN-01773295) as an Independent Director.
10. Appointment of Mr. Mihir H Devani (DIN-07238089) as a Whole Time Director.
11. Approval of Cost Audit fees for the Financial Year 2015-16.
12. Replacement of Articles of Association as per the Companies Act, 2013.
13. Ratification and approval of material related party transactions entered with Orient Refractories Ltd.
14. Ratification and approval of material related party transactions entered / to be entered with Bombay Minerals Ltd.
15. Rectification, confirmation and approval of remuneration paid to Mr. P P Khanna (DIN-00570059), Executive Director of the company during the period commenced from 02 May 2015 to 15 July 2015, the date of his resignation.

Signed: this ..... day of .....2015

Signature of Member(s): .....

Note: 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.

## BOOK POST

*If undelivered please return to:*

### **ORIENT ABRASIVES LIMITED**

1307, Chiranjiv Tower

43, Nehru Place

New Delhi - 110 019

Tel.: 011 - 2642 5446 / 7 Fax : 011 - 2644 3859

e-mail : [ho@oalindia.com](mailto:ho@oalindia.com) & [investor@oalmail.co.in](mailto:investor@oalmail.co.in)

web site : [www.orientabrasives.com](http://www.orientabrasives.com)

CIN : L24299DL1971PLC005854