



ORIENT ABRASIVES LIMITED

CIN L24299GJ1971PLC093248

Regd. Office: GIDC Industrial Area, Porbandar, Gujarat - 360577

Tel No. : 0286-2221788 Fax: 0286-2222719

Website: www.orientabrasives.com Investors Relations E-mail : investor@oalmail.co.in

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the members of Orient Abrasives Limited (hereinafter referred to as 'the Company') to seek their approval for the Ordinary/Special resolutions appended below, is proposed to be passed by way of Postal Ballot.

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 pertaining to the resolutions stating the material facts of the proposals are annexed hereto along with the Postal Ballot for your consideration.

The Board of Directors of the Company has appointed Ms. Dipti Gohil (CP No.11029), Practicing Company Secretary, as Scrutinizer at their meeting held on 12th December 2017, for conducting the postal ballot (physical & e-voting) process in accordance with the law in a fair and transparent manner.

The Company in compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, is pleased to provide the members with the facility to exercise their right to vote on the matter included in the postal ballot by electronic means i.e. through e-voting services provided by National Securities Depository Limited (NSDL). The e-voting will commence on Thursday, 21st December, 2017 (9.00 a.m.) and end on Friday, 19th January, 2018 (5.00 p.m.). Please read carefully and follow the instructions as printed in the Postal Ballot Form.

However, those members, who do not have access to e-voting facility can send their assent or dissent in writing on the postal ballot form attached herewith.

Members are requested to carefully read the instructions printed on the postal ballot form and return the form duly completed and signed in the attached self-addressed, business reply envelope, so as to reach the Scrutinizer before the close of working hours (5.00 p.m.) on Friday, 19th January, 2018. Please note that any postal ballot form(s) received after the said date will be treated as not received.

The Scrutinizer will submit her report to the Chairman or in his absence, to any other person authorised by him, after the completion of the scrutiny of the postal ballots (physical and e-voting). The results of the Voting by Postal Ballot will be announced by the Chairman of the Company or in his absence, by any other person authorized by him, on Thursday, 25th January, 2018 at 5.00 p.m. at Corporate Office of the Company at Jeevan Udyog Building, 3rd Floor, 278, D. N. Road, Fort, Mumbai-400001. The results of the Postal Ballot will be posted on the Company's website viz. **www.orientabrasives.com** besides communicating to the Stock Exchanges where the Company's shares are listed. The resolution(s), if approved, will be taken as passed effectively on the date of declaration of results.



SPECIAL BUSINESS:

Item No. 1: Payment of Commission to Key Managerial Personnel (KMP) / Director(s) and / or other designated employees of the Company:

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

"RESOLVED THAT pursuant to the provisions of Section 188 (f) of the Companies Act, 2013 ('Act') read with Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act and the rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to pay Commission up to 7.5% p.a on the net profits of the Company to Key Managerial Personnel (KMP) and/or such other Directors and designated employees as may be thought fit by the Nomination & Remuneration Committee at the end of each the financial year based on the Audited Annual Accounts for that financial year starting from 2017-2018, as a performance incentive over and above the present remuneration and on such terms and conditions as may be agreed.

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

Item No.2: Increase in Authorised Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association:

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

"RESOLVED THAT in accordance with the provisions of Sections 13 and 61 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, approval of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 16,00,00,000/- (Rupees Sixteen Crores only) consisting of 12,00,00,000 (Twelve Crores) Equity Shares of Re. 1/- each and 4,00,000 (Four Lakhs) 6% Redeemable Cumulative Preference Shares of Rs. 100/- each to Rs. 18,00,00,000/- (Rupees Eighteen Crores) by creation of additional 2,00,00,000 (Two Crores) Equity Shares of Re. 1/- (Rupees One only) each and consequently, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following as new Clause V:

"V. The Authorised Share Capital of the Company is Rs. 18,00,00,000/- (Rupees Eighteen Crores) consisting of Rs. 14,00,00,000/- (Fourteen Crores) Equity Shares of Re. 1/- (Rupees One only) and 4,00,000 (Four Lakhs) 6% Redeemable Cumulative Preference Shares of Rs. 100/- each, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company."

RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of



the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto, including delegation of any of the powers herein conferred to on any Director(s), Company Secretary or any other officer of the Company.

Item No.3: Issue of Convertible Warrants on preferential basis to Promoter/Promoter Group Members:

To consider and if thought fit, to pass the following resolution, as a Special Resolution:

“RESOLVED THAT pursuant to Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue of securities as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended (“SEBI ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution), consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to 62,96,800 (Sixty Two Lakhs Ninety Six Thousand Eight Hundred) convertible warrants on preferential basis to Promoters/Promoters Group Members in one or more tranches, entitling the Warrant Holder to apply for and get allotted one equity share of the face value of Re. 1/- each fully paid-up against every Warrant held (hereinafter referred to as the “Warrants”), within a period of 18 (eighteen) months from the date of allotment of Warrants, in such manner, at such price not being less than the price as may be arrived at in accordance with SEBI (ICDR) Regulations, 2009 and upon such terms and conditions as may be deemed appropriate by the Board in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009 or other applicable laws in this respect.

RESOLVED FURTHER THAT the “Relevant Date” in relation to the issue of warrants in accordance with the SEBI (ICDR) Regulation, 2009 would be Wednesday 20th December, 2017 being the date 30 days prior to the last date of Voting of Postal Ballot i.e. Friday 19th January 2018.

RESOLVED FURTHER THAT the resultant equity shares to be allotted on conversion of warrants in terms of this resolution shall rank pari-pasu in all respect with the then equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, at its discretion deem necessary, desirable or expedient to effect the issue/allotment of the aforesaid Warrants and subsequent allotment of equity share pursuant to exercise of the Warrants and listing of the equity shares to be allotted pursuant to exercise of Warrants with the Stock Exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of any of the said Warrants and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the



members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

NOTES:

- a) The Explanatory Statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013 (Act) setting out material facts in respect of all the businesses specified above is annexed hereto.
- b) The Postal Ballot Notice is being sent to all the Members whose names appear in the Register of Members / List of beneficial Owners as received from National Securities Depository Limited (NSDL) as at the close of business hours on Friday, 15th December, 2017. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with the Depository Participants (in case of electronic shareholding)/ the Company's registrar and share transfer agent (in case of physical shareholding). For Members whose email ID are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with the postage-prepaid self-addressed Business Reply Envelope.
- c) The Members holding shares in physical form are requested to notify change in their address, if any, to the Company at the Registered Office. The Members holding shares in electronic form may update such details with their respective Depository Participant(s).
- d) Kindly note that the Members can opt for only one mode of voting i.e. either by post or by e-voting. If the Members opt for e-voting, then they should not vote by post and vice versa. However, in case Members cast their vote by post and e-voting, then voting done through e-voting shall prevail and voting done by post will be treated as invalid.
- e) In case a Member is desirous of obtaining Postal Ballot notice or form in printed form or a duplicate one, the Member may write to the Company or send an e-mail to investor@oalmail.co.in
- f) The Postal Ballot Notice has been uploaded on the Company's website viz., www.orientabrasives.com and also at www.evoting.nsdl.com.

By Order of the Board of Directors

Sd/-

Place: Mumbai
Date: 12th December, 2017

Bimal Parmar
Company Secretary



**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013
(hereinafter referred to as the “Act”):**

Item No. 1:

The Board of Directors apart from having appointed Key Managerial Personnel (KMP) as specified pursuant to provisions of Section 203 of the Companies Act, 2013 have on the recommendation of Nomination & Remuneration Committee designated Mr. Manan Shah-President as KMP of the Company. Mr. Manan Shah was appointed as President of the Company w.e.f 14th August, 2015 and has since then played a pivotal role in chalking the Company’s strategy and streamlining its operations. The operational and financial performance of the Refractory Materials division has shown a marked improvement under his vigil. The Company continues to exhibit improvements under his guidance.

Accordingly, the Board of Directors considering the vital role played by such KMP and other designated employees in discharging their responsibilities and recognizing their contribution in the overall performance and progress made by the Company, proposes to ably compensate their performance in the best interest of the organization. In view of the above, the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee has decided to pay commission of up to 7.5% p.a on the net profits of the Company to Key Managerial Personnel (KMP) including Mr. Manan Shah-President and/or such other designated employees as may be considered fit for such compensation by the Nomination and Remuneration Committee at the end of each the financial year based on the Audited Annual Accounts for that financial year starting from 2017-2018, as a performance incentive over and above the existing remuneration, if any paid to them, and on such other terms and conditions as may be agreed upon. Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3)(i) of Companies (Meetings of Board and its Powers) Rules, 2014 as amended, provides that related party’s appointment to any office or place of profit in the Company at a remuneration exceeding the limits specified therein shall be subject to approval by the Members of the Company.

Hence, approval of Member is sought for the Ordinary Resolution as set at Resolution No. 1.

Except the Key Managerial Personnel and designated employees and their relatives who may be deemed to be concerned or interested, financially or otherwise in the above resolution, none of the Directors or any of their relatives are, in any way, concerned or interested, financially or otherwise in the said resolution.

Item No. 2:

The existing Authorised Share Capital of the Company is Rs. 16,00,00,000/- (Rupees Sixteen Crores only) divided into 12,00,00,000 (Twelve Crores) Equity Shares of Re. 1/- each and 4,00,000 (Four Lakhs) 6% Redeemable Cumulative Preference Shares of Rs. 100/- each. In view of the proposed preferential allotments of convertible warrants to the Promoters and Promoters group members of the Company, it is considered necessary to increase the Authorised Share Capital of the Company from Rs. 16,00,00,000/- (Rupees Sixteen Crores only) consisting of 12,00,00,000 (Twelve Crores) Equity Shares of Re. 1/- each and 4,00,000 (Four Lakhs) 6% Redeemable Cumulative Preference shares of Rs. 100/- each, to Rs. 18,00,00,000/- (Rupees Eighteen Crores only) consisting of 14,00,00,000 (Fourteen Crores Only) Equity Shares of Re. 1/- each and 4,00,000 (Four Lakhs) 6% Redeemable Cumulative Preference Shares of Rs. 100/- each.

As a consequence of the above, it is necessary to alter the Capital Clause of the Memorandum of Association of the Company. As per the provisions of Section 61 of the Companies Act, 2013, the increase in the Authorised Share Capital and alteration of the Memorandum of Association of the Company requires the consent of the Shareholders by way of an Ordinary Resolution.

The Board of Directors recommends the resolution for your approval as an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are directly or indirectly concerned or interested in this Resolution. The new set of Memorandum of Association is available for inspection at the Registered Office of the Company on any working day, during business hours.

Item No. 3:

It is proposed to raise funds by issue of shares/securities by way of and through issuance of share warrants as may be permitted under applicable laws and regulations and as may be deemed necessary and beneficial to the Company in the due course of time. The proceeds of the issue are proposed to be utilized towards Company's long term working capital requirements, capital expenditure for expansion & modernization activities and widening the capital base.

In terms of the Regulation 73 of the SEBI (ICDR) Regulations 2009, the relevant disclosures/details are given below:

A. OBJECTS OF THE PREFERENTIAL ISSUE:

To mobilize funds for funding current/future expansion/modernization plans and widening the capital base of the Company, the Company proposes to raise additional funds through issue of convertible warrants on preferential basis.

B. PROPOSAL OF THE PROMOTERS / DIRECTORS / KEY MANAGEMENT PERSONNEL TO SUBSCRIBE TO THE OFFER:

The said allotment is made to Promoter/ Promoter group members only.

C. SHAREHOLDING PATTERN BEFORE AND AFTER THE PROPOSED PREFERENTIAL ISSUE:

The Shareholding pattern of the Company giving the position as on 30th September, 2017 and after considering the proposed issue of Equity Shares is provided hereunder:

Name of Shareholders	Pre issue Shareholding Structure		Post issue Shareholding Structure (Assuming full conversion of Warrants)#	
	Total No. of Shares	% of Holdings	Total No. of Shares	% of Holdings
A) Promoters Holding				
Individuals	875382	0.73	7172182	5.70
Bodies Corporate	75172447	62.83	75172447	59.69
Total (A)	76047829	63.56	82344629	65.39
B) Public Holding				
i) Institutions				
Foreign Portfolio Investor	15824034	13.23	15824034	12.56
Foreign Institutions/Bank	24052	0.02	24052	0.02



Total (B)(i)	15848086	13.25	15848086	12.58
ii) Non-Institutions				
Individual Shareholders holding Nominal Share Capital Up to 2 Lacs	18224526	15.23	18224526	14.47
Individual Shareholders holding Nominal Share Capital Above 2 Lacs	3873578	3.24	3873578	3.08
NBFC	5200	0.00	5200	0.00
Any others Bodies Corporate	4246907	3.55	4246907	3.37
Non Resident Indian	487925	0.41	487925	0.39
Resident Indian HUF	843955	0.71	843955	0.67
Trusts	11900	0.01	11900	0.01
Clearing Members/House	49294	0.4	49294	0.4
Total (B)(ii)	27743285	23.19	27743285	23.19
Total (B)(i) + (B)(ii)	43591371	36.44	43591371	36.61
Grand Total (A) + (B)(i) + (B)(ii)	119639200	100.00	125936000	100.00

*the figures in the shareholding pattern are on the assumption that all the warrants will be subscribed, pursuant to the shareholders resolution and all said warrants will be exercised/ converted into equity shares. However, if any warrants are not issued /allotted and the warrants are not exercised, the figures will change accordingly.

D. PROPOSED TIME WITHIN WHICH ALLOTMENT SHALL BE COMPLETED

The allotment of Warrants shall be completed within a period of 15 days from the date of passing of the Resolution by the Shareholders provided where the allotment is pending on account of any approval from any Regulatory Authority/Body, the allotment shall be completed by the Company within a period of 15 days from the date of receipt of such approval.

E. IDENTITY OF THE PROPOSED ALLOTTEE AND THE PERCENTAGE OF POST PREFERENTIAL ISSUE THAT MAY BE HELD BY THEM:

Name of the Proposed Allottee	Category	Pre issue Shareholding Structure and % of shares	No. of Warrants to be allotted	Post issue Shareholding Structure % of shares*
Mr. Manan Shah	Promoter Group Member	520207 0.43%	6296800	6817007 5.41%

*Assuming full exercise of Warrants by the Proposed Allottee.

F. THE COMPANY HEREBY UNDERTAKES THAT:

- i. It would re-compute the price of the securities specified above in terms of the provisions of SEBI (ICDR) Regulations, 2009 where it is so required.



- ii. If the amount payable, if any, on account of the re-computation of price is not paid within the time stipulated in SEBI (ICDR) Regulations, 2009 the above warrants/shares shall continue to be locked-in till the time such amount is paid by the allottee.

G. AUDITORS' CERTIFICATE:

A copy of the certificate from M/s. Sanghavi & Co., Chartered Accountants of the Company, certifying that the proposed preferential issue of Warrants is being made in accordance with the requirements contained in Chapter VII of the SEBI (ICDR) Regulations, 2009 shall be available for inspection at the Registered Office of the Company during office hours on all working days, except Saturday/ Sunday and other holidays, between 10.00 a.m. and 1.00 p.m. up to the date of declaration of results of Postal Ballot i.e. Thursday, 25th January, 2018.

H. RELEVANT DATE

The "Relevant Date" in terms of Regulation 71 of the SEBI (ICDR) Regulations, 2009 for determination of minimum price is Wednesday 20th December, 2017 being the date which is 30 (Thirty) days prior to the last date of Voting of Postal Ballot i.e. Friday 19th January 2018.

I. PRICING:

The pricing of the Equity Shares to be allotted as a result of conversion of warrants on preferential basis shall not be lower than the price determined in accordance with the Regulation 76 Chapter VII of SEBI (ICDR) Regulations, 2009.

J. LOCK-IN PERIOD OF SHARES:

The Equity shares to be allotted to the promoter/promoter group member of the company on preferential basis shall be locked-in for a period as per requirements of SEBI (ICDR) Regulations, 2009.

K. CHANGE IN CONTROL:

The present allotment is being made to promoters and will not result in any change in the control of the company.

Except Mr. Manan Shah designated KMP, none of the Directors or Key Managerial Personnel of the Company including their relatives are in anyway, concerned or interested in the resolution.

By Order of the Board of Directors

Sd/-

Place: Mumbai
Date: 12th December, 2017

Bimal Parmar
Company Secretary

Registered Office:
GIDC Industrial Area,
Porbandar, Gujarat-360577