



Orient Abrasives Limited

Ref No.: Orient/Stock Exch/Letter/167

5th September, 2019

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

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

Scrip Code: 504879

Scrip Code: ORIENTABRA

Sub: Annual Report for the year 2018-2019

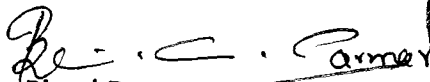
Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of the Annual Report of the Company for the financial year 2018-2019.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Orient Abrasives Limited


Bimal Parmar
Company Secretary



Encl. a/a.

48th
ANNUAL REPORT
2018-19



Orient Abrasives Limited
Associate Company of Ashapura Group



YOUR'S One stop
REFRACTORY Solutions
Provider



Orient Abrasives Limited

Registered Office:

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

Registrar & Share Transfer Agent:

M/s. Skyline Financial Services Pvt. Ltd.
D-153/A, 1st floor, Phase I, Okhla Industrial Area,
New Delhi, Delhi 110020
Tel.: + 011 41044923
Fax: + 91 11 26812682.
E-mail: info@skylinerta.com

Shareholders Information:

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

1. Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.

2. National Stock Exchange of India Limited

"Exchange Plaza", Bandra Kurla Complex,
Bandra (East), Mumbai- 400051.



Orient Abrasives Limited

BOARD OF DIRECTORS

Mr. Pundarik Sanyal
(DIN:- 01773295)

Chairman,
Non- Executive, Independent Director

Mr. Manubhai Rathod
(DIN:- 07618837)

Whole-Time Director & Chief Executive Officer

Mr. Hemul Shah
(DIN:- 00058558)

Non-Executive,
Non-Independent Director

Mr. Harish Motiwalla
(DIN:- 00029835)

Non-Executive,
Independent Director

Mr. Bharatkumar Makhecha
(DIN:- 01351080)

Non-Executive,
Independent Director

Mrs. Sangeeta Bohra
(DIN:- 02036626)

Non-Executive,
Independent (Woman Director)
(Resigned w.e.f. 15th November, 2018)

Mrs. Chaitali Salot
(DIN:- 02036868)

Non-Executive,
Non-Independent (Woman Director)

Company Secretary

Mr. Bimal Parmar

Chief Financial Officer

Mr. V. Shashidharan

Statutory Auditors

M/s. Sanghavi & Co.
Chartered Accountants

Bankers

State Bank of India
Laxmi Vilas Bank



Orient Abrasives Limited

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NOTICE

NOTICE is hereby given that the 48th Annual General Meeting of the Members of **ORIENT ABRASIVES LIMITED** will be held on Friday, 27th September, 2019 at 3.00 p.m. at Hotel Lords Eco Inn, Near Circuit House, Chaupati, Porbandar - 360575, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2019, together with the Directors' and Auditors' Reports thereon.
2. To declare dividend @ 25% i.e. Re. 0.25/- per Equity Shares face value of Rs. 1/- each for the Financial Year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Hemul Shah (DIN: 00058558), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Appointment and Payment of remuneration to Cost Auditors:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time and subject to such guidelines and approval as may be required, appointment of M/s. S. K. Rajani & Co., Cost Accountants as Cost Auditors, for conducting audit of the cost accounting records relating to the Company's Products for the Financial Year 2019-2020 at the remuneration of Rs. 2,00,000/- (Rupees Two Lakhs only) per annum (plus Goods & Service Tax), as approved by the Board of Directors of the Company, be and is hereby ratified."

5. Continuation of Directorship of Mr. Harish Motiwalla:

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, approval of the Members of the Company be and is hereby accorded to Mr. Harish Motiwalla (DIN:- 00029835), who shall attain the age of seventy five (75) years in March, 2020, to continue as the Non-Executive, Independent Director of the Company up to 11th February, 2023 being the date of expiry of his current term of office."

RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard."

By Order of the Board of Directors

Sd/-

**BIMAL PARMAR
COMPANY SECRETARY**

Place: Mumbai

Date: 12th August, 2019

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY (IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. The instrument appointing proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Corporate Members intending to send their Authorised Representative(s) to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorising him/them to attend and vote at the meeting.
5. Members are requested to bring their copies of Annual Report and Attendance Slip for attending the Meeting.
6. Brief details of the directors, who is seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the SEBI ("Listing Regulations"), 2015 and Secretarial Standards on General Meetings (SS-2), are provided as "Annexure I" to this Notice.
7. Members are requested to address all correspondences, including dividend matters, if any, to the Registrar and Share Transfer Agent, M/s. Skyline Financial Services Pvt. Ltd, D-153-A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi, Delhi, 110020.
8. The members are requested to intimate, well in advance, to the Company and to the Depositories, as the case may be, of the changes in their addresses with the postal pin code numbers and also the e-mail ids & particulars of their Bank Account Numbers to minimise the chances of fraudulent encashment of the future dividend warrants/cheques/drafts, if any.
9. Members, holding shares in physical form, may avail of the facility of nomination in terms of Section 72 of the Act and Rules made thereunder, by filing prescribed Form No. SH. 13 (in duplicate) with the Company's Registrar & Share Transfer Agent. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participants (DP).
10. The Company's Transfer Books will remain closed from Saturday, 21st September, 2019 to Friday, 27th September, 2019 (both days inclusive).
11. The dividend, if declared, at the AGM, will be paid on or after Saturday, 28th September, 2019, to those Members whose names appears on the register of Members of the Company on close of business hours on Friday, 20th September, 2019 (Record Date).
12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated time line. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules. For details, please refer to corporate governance report which is a part of this Annual Report.
13. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents Viz. M/s. Skyline Financial Services Pvt. Ltd. for assistance in this regard.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Company's Registrar & Share Transfer Agent in case the shares are held in physical form.

Queries on accounts and operations of the Company, if any, may please be sent to the Company ten days in advance of the Meeting so that the answers may be made available at the Meeting.
15. The Ministry of Corporate Affairs (MCA) has adopted/implemented "Green Initiative" in Corporate Governance allowing paperless compliances by Companies through electronic mode. The Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered email addresses of the shareholders.
16. To support this Green Initiative the members who have not registered their email address are requested to register the same with Company's Registrar & Share Transfer Agent / Depository Participant (DP).
17. The route map showing directions to reach the venue of the 48th AGM is annexed.

18. The Notice of the Meeting along with the Annual Report 2018-2019 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
19. Members are requested to address all correspondence, including dividend matters, to the Company's R & T Agent.
20. At the 46th AGM held on 16th September, 2017 the members approved appointment of M/s. Sanghavi & Co., Chartered Accountants (FRN: 109099W) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 51st AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7th May, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the 48th AGM.
21. E-Voting Facility:
- i. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 47th Annual General Meeting (AGM), by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
 - ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - iv. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on Tuesday, 24th September, 2019 and ends on Thursday 26th September, 2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 20th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- v. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, 20th September, 2019
- vi. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, 20th September, 2019 may obtain the login ID and password by sending a request at evoting@cdslindia.com or investor@oalmail.co.in
- vii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- viii. Ms. Dipti Gohil, Practicing Company Secretary (Membership No. 14736) has been appointed as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
- ix. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- x. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- xi. The Results of voting will be declared within 48 hours from the conclusion of AGM and the Resolutions will be deemed to be passed on the date of AGM, subject to receipt of requisite number of votes. The declared Results along with the report of the Scrutinizer shall be placed on the website of the Company www.orientabrasives.com and on the website of CDSL at www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Bombay Stock Exchange Limited & the National Stock Exchange of India Limited.

By Order of the Board of Directors

Sd/-

**BIMAL PARMAR
COMPANY SECRETARY**

Registered Office:

GIDC Industrial Area, Porbandar,
Gujarat – 360577.

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

-E & OE regretted

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:**Item No. 4: Appointment and Payment of remuneration of Cost Auditors:**

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records for applicable products of the Company.

On the recommendation of the Audit Committee, the Board of Directors at its meeting held on 12th August, 2019 considered and approved the appointment of M/s. S. K. Rajani & Co., Cost Accountants as Cost Auditors for the fiscal year 2019-2020 at a remuneration of Rs. 2,00,000/- (Rupees Two Lakhs only) per annum (plus Goods & Service Tax).

The Board of Directors recommend the Ordinary Resolution as set out in Item No. 4 of the Notice for the approval of the shareholders.

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

Item No. 5: Continuation of Directorship of Mr. Harish Motiwalla:

The Members of the Company at the 47th Annual General Meeting held on 26th September, 2018 had appointed Mr. Harish Motiwalla as the Non-Executive, Independent Director of the Company for a term of five (5) consecutive years commencing from 12th February, 2018 and expiring on 11th February, 2023.

Pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect.

Mr. Harish Motiwalla shall complete the age of seventy five (75) years in March, 2020. Pursuant to the said Regulation 17(1A) of the Listing Regulations, the Special Resolution for continuation of his directorship up to 11th February, 2023 is required to be passed.

The Board of Directors, at its meeting held on 12th August, 2019, on the recommendation of Nomination & Remuneration Committee, and considering Mr. Harish Motiwalla's specialised knowledge in the field of Accounts, Finance and Corporate Governance; his participation in the Board/Committee deliberations, decided to propose to continue the directorship of Mr. Harish Motiwalla up to 11th February, 2023 as set out at Item No. 5 of this Notice for approval of Members as a Special Resolution.

Except Mr. Motiwalla, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM

By Order of the Board of Directors

Sd/-

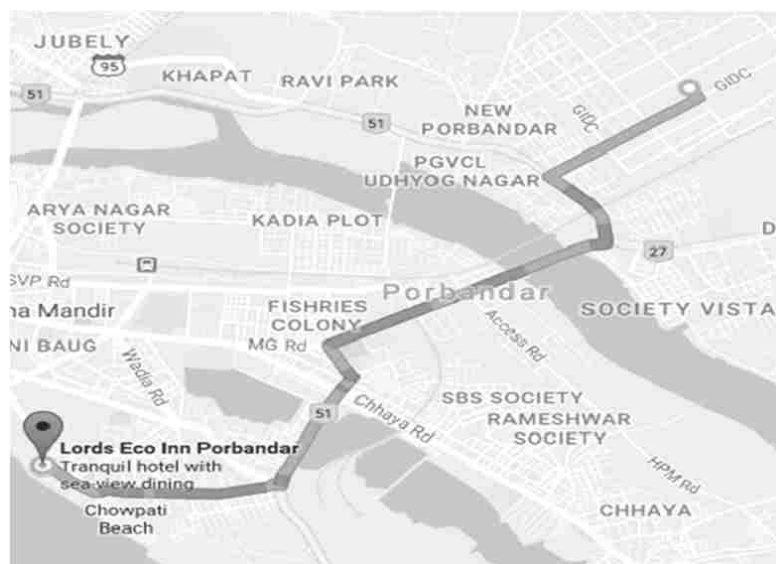
**BIMAL PARMAR
COMPANY SECRETARY**

Mumbai, 12th August, 2019

Details of Director seeking re-appointment at the forthcoming Annual General Meeting
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015
and Secretarial Standard-2 on General Meetings)

| | |
|---|---|
| Name of Director | Mr. Hemul Shah |
| DIN | 00058558 |
| Date of Birth | 04/01/1961 |
| Qualification | Commerce Graduate |
| Brief Profile & Expertise in specific functional areas | Mr. Hemul Shah has been supervising the accounts, marketing and operation functions of the Company and serving as an Executive Director of M/s. Bombay Minerals Limited. |
| Directorship in other Public Companies | Ambica Maritime Ltd. Prashansa Ceramics Ltd. Bombay Minerals Ltd. Ashapura Aluminium Ltd. Ashapura Industrial Finance Ltd. Ashapura Claytech Ltd. Ashapura International Ltd. |
| Chairmanship / Membership of the Committees of the Board* | Chairman: Bombay Minerals Limited- AC Ashapura International Limited- AC Membership: Orient Abrasives Limited- AC |
| No. of shares held in the Company as on 31.03.2019 | 38,256 Equity Shares of Rs. 1/- each. |
| Relationship with other Directors & KMP | None |

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

Route Map:


Hotel Lords Eco Inn, Near Circuit House, Chaupati, Porbandar - 360575, Gujarat.

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the Forty Eight Annual Report of the Company together with the Annual Statements of Accounts for the year ended 31st March, 2019.

FINANCIAL PERFORMANCE:

(₹ in Lakhs)

| PARTICULARS | 2018-2019 | 2017-2018 |
|---|-----------|-----------|
| Profit/(Loss) before Interest, Depreciation and Tax | 4091.43 | 3,499.21 |
| Interest | 924.48 | 612.64 |
| Depreciation | 1094.85 | 953.56 |
| Profit / (Loss) before Tax | 2072.10 | 1,933.01 |
| Provision for Taxation: | | |
| Current | 509.00 | 233.78 |
| Earlier years' Tax | 11.83 | - |
| Deferred Tax | (30.21) | - |
| Profit / (Loss) after Tax | 1,581.48 | 1,699.23 |
| Prior Period Adjustments | (36.00) | - |
| Items not be reclassified to profit and loss | (10.06) | (3.26) |
| Total Comprehensive Income After Tax | 1,627.54 | 1,695.98 |
| Balance brought forward from the previous year | 9,462.63 | 8,123.39 |
| Balance Carried to Balance Sheet | 10,719.53 | 9,462.63 |

COMPANY PERFORMANCE AND OPERATIONS:

Financial Year 2018-2019 witnessed challenges in the capacity utilization, majorly on account of labour strike, blast at the tilting furnace facility, weak domestic demand and volatile exchange rates in Indian Economy. Your Company supplies products to refractory and abrasive industry. Though there was upward trend in the steel industry, the challenges faced by your Company was mainly on account of non-completion of orders to the long associated customers due to unforeseen circumstances during the Financial Year 2018-2019.

In spite of that, the Company's revenue from operations for the year ended 31st March, 2019, marginally reduced by approx. 5% and stood at Rs. 31,296.80 Lakhs as against Rs. 32,818.54 Lakhs in the previous year, the decrease in turnover was mainly attributable to non-utilization of production capacity to the fullest extent due to afore mentioned factors. Further, the Company reported robust growth in export sales during the year under review and stood at Rs. 8,573.31 Lakhs as against Rs. 4,553.96 Lakhs for the previous year ended 31st March, 2018. The Company reported slight downside in the Net Profit after Tax Rs. 1,627.54 Lakhs as against Rs.1,695.97 lakhs for the previous year ended 31st March, 2018.

Your Company also runs wind power plants of 11.1 Mega Watt (M.W.) in Rajasthan and Karnataka. Both the plants in Karnataka and Rajasthan are operating satisfactorily. Due to installation of quick sensors, the generation of power increased to a great extent as compared to that of the previous year. During the year under review, the gross revenue from the sale of power to respective state power distribution companies stood at Rs. 795.44 Lakhs as compared to Rs. 754.60 Lakhs for the previous year ended 31st March, 2018. Moreover, your Company is also deliberating on measures required to be taken for way forward improvement.

Your Company has a power plant capacity of 18 M.W. out of which 9.6 M.W. is coal based whereas 9.0 M.W. is on furnace oil. Due to unaffordable price of furnace oil, the furnace oil based power plant is operated on need based.

The management has accustomed to the state of affairs of your Company completely and is in better control of the situations, hence in time to come your management is of the view that the performance of the Company shall improve gradually. For the Financial year 2019-2020, the Management envisages for better performance considering the positive changes in the economy at the domestic and global levels. In view of the increase in potential demand, your Company has invested in expansion for increased capacity and modernisation/atomization of the plant resulting in better operational efficiency in order to reduce the cost at various levels substantially for better yield.

DIVIDEND:

Based on the Company's performance and considering the dividend history of the Company, your Directors are pleased to recommend dividend @ 25 % per share, on the face value of Rs.1/- each viz. Re. 0.25/- per Equity Share for the financial year ended 31st March, 2019. Payment of dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Dividend if declared will involve total outflow of Rs. 360.58 Lakhs wherein Rs. 299.10 Lakhs will be towards dividend and Rs. 61.48 Lakhs towards dividend tax.

The Company has not proposed to transfer any amount to General Reserve.

SHARE CAPITAL:

During the financial year 2018-2019, there is no change in the authorized, issued, subscribed and paid-up share capital of the Company. As on 31st March, 2019, the Company is having authorized share capital of Rs.18,00,00,000/- (Rupees Eighteen Crores only) [consisting of 14,00,00,000 (Fourteen Crores Only) Equity Shares of Rs. 1/- each and 4,00,000 (Four Lakhs) 6% Redeemable Cumulative Preference Shares of Rs. 100/- each].

The issued, subscribed and paid-up equity share capital of the Company as on 31st March, 2019 is Rs. 11,96,39,200/- comprising of 11,96,39,200 equity shares of Rs. 1/- each.

During the year under review, the Company has not issued shares with differential rights as to dividend, voting or otherwise or bought back any of its securities. The Company has not issued any sweat equity/bonus shares/employee stock option plan, under any scheme.

PREFERENTIAL ALLOTMENT OF WARRANTS:

Pursuant to the resolution passed by the shareholders of the Company through Postal Ballot process on 19th January, 2018, the Committee of Directors on 2nd February, 2018, allotted 62,96,800 convertible warrants at a price of at a price of Rs. 51.31 to Mr. Manan Chetan Shah (Promoter & Promoter Group member) ("Warrant Holder"). The said Convertible Warrants were convertible into Equity Shares in to one or more tranches within a period of 18 months from the date of allotment i.e. on or before 1st August, 2019.

Further, as required under the Listing Regulations, the Warrant Holder had deposited with the Company upfront 25% of total issue size i.e. Rs. 807,72,202 and the balance 75% of issue size i.e. Rs. 2423,16,606 was payable as an when the option to convert is exercised by the Warrant Holder.

However, the Company received a letter from the Warrant Holder for not to exercise the option of convertibility. Hence, as required under SEBI (Issue of Capital Disclosure Requirement) Regulations, 2015, the upfront amount deposited by the Warrant Holder with the Company stands forfeited.

TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In compliance with Section 124 of the Companies Act, 2013, dividend pertaining to the Financial Year 2010-2011 which was lying unclaimed with the Company was transferred to the Investor Education and Protection Fund (IEPF) during the financial year 2018-2019. The details of unclaimed dividend transferred to the IEPF has been detailed in the Corporate Governance Report forming part of the Annual Report.

Further, as required under Section 124 of the Companies Act, 2013 27,067 equity shares, in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more, have been transferred by the Company to IEPF during the financial year under review. Details of shares transferred have been uploaded on the website of IEPF as well as Company at www.orientabrasives.com.

DEPOSITS:

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

SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANY:

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31st MARCH, 2019 AND 12th AUGUST, 2019 (DATE OF THE REPORT):

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

SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATIONS:

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A report on 'Corporate Governance' along with the Certificate from M/s. Sanghavi & Co., Chartered Accountants regarding its compliance and 'Management Discussion and Analysis Report' as stipulated by Regulation 34 of the Listing Regulations are set out separately which form part of this Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- (a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the **PROFIT** of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The following persons are the Key Managerial Personnel of the Company as per the provisions of Section 203 of the Companies Act, 2013.

- Mr. Manubhai Rathod, Whole-time director & CEO
- Mr. Bimal Parmar, Company Secretary

The Board of Directors on the recommendation of the Nomination & Remuneration Committee recognized Mr. Manan Shah, President of the Company as Key Managerial Personnel of the Company.

The Board of Directors at their meeting held on 13th August, 2018, on the recommendation of the Nomination & Remuneration Committee appointed Mr. V. Shashidharan as a Chief Financial Officer (CFO) of the Company as required under Section 203 of the Companies Act, 2013.

Pursuant to Section 134(3) (q) read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Remuneration and other details of Key Managerial Personnel and other employees for the year ended 31st March, 2019 are annexed to this report.

Director retiring by rotation:

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

The brief particulars and expertise of the aforesaid Director appointed/re-appointed and regularisation as required under Regulation 36 of Listing Regulations and Secretarial Standard - 2 forms part of the notice convening the ensuing Annual General Meeting.

Continuation of Directorship:

- II. In accordance with the provisions of Regulation 17 of Listing Regulations, Mr. Harish Motiwala, Non-Executive, Independent

Director, who shall attend the age of seventy five (75) years in March, 2020. The consent of the Members by way of Special Resolution is being accorded by the Company for continuance of Independent Directorship upto 11th February, 2023, on account of his attending the age of 75 years.

Cessation:

During the year under review, Mrs. Sangeeta Bohra resigned as an Independent Woman Director of the Company w.e.f 15th November, 2018, due to personal difficulty.

Your Board of Directors take this opportunity to express their appreciation for the valuable services rendered by Mrs. Sangeeta Bohra during her tenure as an Independent Director of the Company.

Declaration by Independent Directors:

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

PERFORMANCE EVALUATION:

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

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

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

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

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

NOMINATION & REMUNERATION POLICY:

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

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

MEETINGS OF THE BOARD:

During the year under review, the Board of Directors met Four (4) times. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations. The dates of the meetings alongwith the attendance of the Directors therein have been disclosed in the Corporate Governance Report.

AUDIT COMMITTEE:

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

AUDITORS AND AUDITORS' REPORT:

Statutory Auditors:

M/s. Sanghavi & Co., Chartered Accountants (FRN: 109099W) were appointed as statutory auditors of the Company at the 46th AGM held on 16th September, 2017 for a period of five years from the conclusion of the 46th AGM until the conclusion of the 51st AGM to be held in the year 2022, subject to ratification by members of the Company at every AGM to be held thereafter. However, pursuant to notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending Section 139 of the Companies Act, 2013 and the rules framed thereunder, the mandatory requirement for ratification of appointment of auditors by the members at every AGM has been omitted and accordingly, the Company is not proposing ratification of appointment of auditors at this AGM.

The Auditor's Report for the Financial Year ended 31st March, 2019 does not contain any qualification, reservation or adverse remark.

Cost Auditors:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors has, on recommendation of the Audit Committee, appointed M/s. S. K. Rajani & Co., Cost Accountants as the Cost Auditors of the Company to conduct audit of the Company's Cost Accounting Records in respect of the products of the Company for the financial year 2019-2020 at the remuneration of Rs. 2,00,000/- (Rupees Two Lakhs Only) per annum (Plus Goods & Service Tax).

Your Company has received consent from M/s. S. K. Rajani & Co., Cost Accountants, to act as the Cost Auditors of your Company for the financial year 2019-2020 along with a certificate confirming their independence. As per the provisions of the Companies Act, 2013, a resolution seeking approval of the Members for the remuneration payable to the Cost Auditors forms part of the Notice convening Annual General Meeting.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014, the Company has appointed Ms. Dipti Gohil, Practising Company Secretary to undertake the Secretarial Audit of the Company for the Financial Year ended 31st March, 2019.

The Secretarial Audit Report in Form MR-3 is annexed herewith as “**Annexure B**”.

Secretarial Auditors observations:

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

1. The Company has appointed Chief Financial Officer (CFO) as required under Section 203 (1) of the Companies Act, 2013 w.e.f 13th August, 2018.
2. The composition of the Audit Committee of the Company was not in accordance with the provisions of Regulation 18 (1) of the Listing Regulations.

Board explanation/ comments on above remarks:

1. The Company was looking for a suitable person for appointment as Chief Financial Officer (CFO) of the Company. However, in order to comply with requirement of Section 203 of the Companies Act, 2013 the Board of Directors, on the recommendation of Nomination and Remuneration Committee and considering the financial and accounting expertise of Mr. V. Shashidharan, appointed him as the Chief Financial Officer of the Company w.e.f. 13th August, 2018.
2. Consequent to resignation of Mrs. Sangeeta Bohra and appointment of Mrs. Chaitali Salot as an Audit Committee Member, the composition of the Audit committee was disturbed as the number of Independent Directors fell below the requirement of Regulation 18 (1) of Listing Regulations i.e. 2/3rd of the committee members shall be Independent.

The Board Members considered the provisions of Listing Regulations and were of the opinion that since the Audit Committee is comprising of 2 (Two) Independent Directors both with immense financial/accounting expertise & having a good grip over the

decision making process, the Company has principally complied with the spirit of the provisions of the Regulation 18 (1) of Listing Regulations.

Subsequently, Mrs. Chaitali Salot Non-Executive Woman Director, understanding the framework of the Regulations & considering her other professional commitments offered to renounce her position and step down as a Member of Audit Committee.

The Board members appreciated the gesture and place on record their deep regret while stating that just to technically adhere to the requisitions a willing & able member of the Board and its Audit Committee, some time has to compromise on her ability to participate & contribute at the Audit Committee and share her expertise and wisdom in the best interest of the Company.

The Board Members acknowledged the kind gesture of Mrs. Salot and decided to re-constitute the Audit Committee to technically fit into framework as prescribed under Regulation 18 (1) of Listing Regulations.

INTERNAL CONTROL SYSTEM & THIER ADEQUACY:

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

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

CORPORATE SOCIAL RESPONSIBILITY:

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

VIGIL MECHANISM-WHISTLE BLOWER POLICY:

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

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

RISK MANAGEMENT POLICY:

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

RELATED PARTY TRANSACTIONS:

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

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

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

Your Directors draw attention of the members to Note no. 31 to the financial statements which sets out related party disclosures.

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

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

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

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

EXTRACT OF ANNUAL RETURN:

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

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

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

ACKNOWLEDGEMENT:

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

For and on Behalf of the Board of Directors

Sd/-

Sd/-

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

**HEMUL SHAH
DIRECTOR
(DIN: 00058558)**

**Place : Mumbai
Date : 12th August, 2019**

- E & OE are regretted

DISCLOSURE ON THE REMUNERATION OF THE MANAGERIAL PERSONNEL

- a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; 12.11 times*

NOTE: i) "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one
ii) If there is an even number of observations, the median shall be the average of the two middle values

- b) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; 11.60 % (Company Secretary)
- c) the percentage increase in the median remuneration of employees in the financial year : 6.39 %
- d) the number of permanent employees on the rolls of company :251 (Previous year 241)
- e) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

| | |
|--|----------|
| Overall Increased in salary | : 7.42%% |
| Increased in salary for Managerial person | : 49.63% |
| Increased in salary for other than Managerial person | : 4.73%% |

- Increase in salary for Key managerial Personnel (KMP) as on 31.03.2019 is due to increase in number of KMP to 4 in March 2019 from 3 in March 2018 & Annual increment
- f) affirmation that the remuneration is as per the remuneration policy of the company. It is affirmed that the remuneration paid to the Directors, KMP and other employees is as per the remuneration policy of the company
- (2) Considering the provision of Section 136 of the Companies Act, 2013, the annual report, excluding the remuneration paid to top ten employee is being sent to shareholders of the company. The said details of remuneration paid to top ten employees is available for inspection of members at the registered office of the company during working hours up to the date of Annual General Meeting and shall be made available to any shareholder on request.

FORM NO. MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2019
[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members,
Orient Abrasives Limited (The Company)
CIN : L24299GJ1971PLC093248
GIDC Industrial Area Porbandar,
Gujarat - 360577.

I have conducted the Secretarial Audit of compliance of applicable statutory provisions and adherence to corporate practices by Orient Abrasives Limited (hereinafter referred to as 'the Company'). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, Statutory Registers, Records, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company during the audit period covering the financial year ended on March 31, 2019 has prima facie complied with the statutory provisions listed hereunder:

- i. The Companies Act, 2013 (hereinafter referred as 'Act') and Rules made there under and various allied acts warranting compliance; as also Secretarial Standards 1 & 2 Issued by the Institute of Company Secretaries of India.
- 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. Foreign Exchange Management Act, 1999 & the Rules & Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings, as may be applicable;
- 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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

Though the following laws are prescribed in the format of Secretarial Audit Report by the Authority(ies) , the same were not applicable to the Company for the financial year ended 31st March, 2019:-

- a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - b) The Securities & Exchange Board of India (Issue & listing of Debt Securities) Regulations, 2008 (Not applicable during the audit period);
 - c) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period);
 - d) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (v) Further based on the discussion had with and Reports obtained from the Management, the concerned Departmental Heads and the Management Representation Letter furnished, the Company has inter-alia complied with the following laws:
- (a) Industrial Disputes Act, 1947
 - (b) The Payment of Wages Act, 1936
 - (c) The Minimum Wages Act, 1948
 - (d) The Employees Provident Fund & Miscellaneous Provisions Act, 1952
 - (e) The Payment Of Bonus Act, 1965
 - (f) The Payment of Gratuity Act, 1972

- (g) The Contract Labour (Regulations & Abolition) Act, 1970
- (h) Mines Act, 1952
- (i) Metalliferous Mines Regulations, 1961
- (j) Water (Prevention & Control) of Pollution Act, 1974
- (k) Air (Prevention & Control) of Pollution Act, 1981
- (l) Customs Act, 1962
- (m) Hazardous Wastes (M&H) Rules
- (n) Environment Protection Rules, 1986
- (o) Mineral Conservation & Development Rules, 1988

(vi) I have also examined compliance with the applicable clauses of the following:

- a. The Listing Agreements entered into by the Company with Stock Exchange read with Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 [Hereinafter referred to as 'LODR']
- b. Secretarial Standards 1 & 2 Issued by the Institute of Company Secretaries of India.

I report the following observations made by me during the Audit:

- (1) The Company appointed a Chief Financial Officer as required under Section 203 (1) of the Companies Act, 2013 midway during the year under review w.e.f. 13th August, 2018.***
- (2) The composition of the Audit Committee of the Company was not in accordance with the provisions of Regulation 18 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Quarters December, 2018 & March, 2019.***

The number of Independent Directors fell below the requirement of said Regulation i.e. 2/3rd of the committee member shall be Independent. The ratio of Independent and Non Independent Director was 2 : 2. The Company w.e.f. 14th May, 2019 has taken the requisite steps in order to comply with the Requirement of aforesaid Regulations'; wherein a Non-Independent Director stepped down as a Member of the Audit Committee.

As a result of the said lapse, the Company was levied penalty by the Bombay Stock Exchange and the National Stock Exchange of India which was duly paid by the Company "Under Protest".

Hence my Report is qualified to the extent.

I further report that I have relied on the Statutory Auditor's Reports in relation to the financial statements and accuracy of financial figures for, Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under financial statements, Accounting Standard 18 & note on foreign currency transactions during the audit period and I have not verified the correctness and appropriateness of the books of accounts of the Company.

I further report that:

- i. the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities;
- ii. the Company has obtained all necessary approvals under various provisions of the Act where necessary;
- iii. there was no prosecution initiated against or show cause notice received by the Company during the year under review under the Companies Act and rules, regulations and guidelines under these Acts.

I further report that there are prima facie adequate systems & processes in the Company commensurate with the size & operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines.

Further, the Management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/records required by the concerned authorities and internal control of the concerned department.

I further report that during the previous year the Company had issued and allotted 62,96,800 Convertible Warrants on Preferential basis to one of the Promoter Group Member and obtained all the necessary permissions / approvals for the same. The said Warrants are convertible into Equity Shares within 18 months of the date of allotment as prescribed under SEBI (Issue of Capital Disclosure Requirements) Regulations, 2009.i.e. on or before 1st August, 2019.

No other specific events like Public/Right issue of shares/debentures/sweat equity, etc. took place.

I further report that during the year:

The status of the Company has been a widely held listed Company (listed on BSE and NSE) and I am informed that Company is regular in

complying with applicable provisions. The Compliance to that effect has been made, this fact has been examined from the perusal of various records maintained by the Company and for which a representation certificate too has been issued to me.

- (i) The Board of Directors of the Company and the various Committees thereof as required under the Companies Act, 2013, and the LODR are duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and various Committees that took place during the period under review are carried out in compliance with the provisions of the said Act / Regulations. *Except in the case of Composition of Audit Committee for the 31st December, 2018 and 31st March, 2019 Quarters as stated herein above.*
- (ii) Adequate notices are given to all Directors in respect of the Board Meetings and/ or Committee Meetings alongwith the agenda and detailed notes. The said documents are 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.

I further report that:-

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. Where ever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of compliances / processes on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-

Dipti Gohil
Practicing Company Secretary

CP No.: 11029
ACS No.: 14736

Place: Mumbai
Date: 31st July, 2019

DETAILS OF CSR ACTIVITIES FOR THE FY 2018-2019

| | | |
|----|---|--|
| 1. | A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs | The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. During the year under review, your Company undertook CSR activities for promotion of education and establishment of museum for protection of national heritage, art & culture as set out below. |
| 2. | The Composition of the CSR Committee | 1. Mr. Pundarik Sanyal - Chairman 2. Mr. Hemul Shah - Member 3. Mr. Manubhai Rathod - Member 4. Mr. Harish Motiwalla - Member |
| 3. | Average net profit of the company for last 3 financial years | Rs. 2,300.50 Lakhs |
| 4. | Prescribed CSR Expenditure (2% of the amount as in item 3 above) | Rs. 46.01 Lakhs |
| 5. | Details of CSR spent during the financial year: (1) Total amount to be spent for the F.Y. (2) Amount unspent, if any (3) Manner in which the amount spent during the financial year | Rs. 49.42 Lakhs NA The manner in which the amount is spent is detailed below |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---------|--|--|---|---|--|---|---|
| Sr. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs 1) Direct Expenditure on projects or programs 2) Overhead | Cumulative Expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
| 1. | Promoting Education | promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; | Porbandar-Gujarat | Rs. 8.01 Lakhs | Rs. 8.01 Lakhs | Rs. 8.01 Lakhs | Direct |
| 2. | Establishment of Museum for protection of national heritage, art and culture and expenses towards protection of culture. | Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries, promotion and development of traditional arts and handicrafts; | Bhuj –Kutch | Rs. 39 Lakhs | Rs. 39 Lakhs | Rs. 39 Lakhs | Implementing Agency |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---------|--|--|---|---|--|---|---|
| Sr. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs 1) Direct Expenditure on projects or programs 2) Overhead | Cumulative Expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
| 3 | Donation to Govt's Sujalam Sufalam Jal Abhiyan | Ensuring Environmental Sustainability | Porbandar-Gujarat | Rs. 1 Lakh | Rs. 1 Lakh | Rs. 1 Lakh | Direct |
| 4 | Donation to Govt's Sujalam Sufalam Jal Abhiyan | Ensuring Environmental Sustainability | Khambhaliya -Gujarat | Rs. 1.13 Lakhs | Rs. 1.13 Lakhs | Rs. 1.13 Lakhs | Direct |
| 5 | Promoting health care including preventive health care | Eradicating hunger, poverty and malnutrition and sanitation, promoting health care including preventive health care and making available safe drinking water | Khambhaliya -Gujarat | Rs. 0.28 Lakhs | Rs. 0.28 Lakhs | Rs. 0.28 Lakhs | Direct |
| | | Total | | Rs. 49.42Lakhs | Rs. 49.42Lakhs | Rs. 49.42Lakhs | |

Details of implementing agency:

Kutch Navnirman Trust

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.– NA
7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

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

For and on Behalf of the Board of Directors

Sd/-

Sd/-

MANUBHAI RATHOD
WHOLE TIME DIRECTOR & CEO
(DIN: 07618837)

HEMUL SHAH
DIRECTOR
(DIN: 00058558)

Place : Mumbai
Date : 12th August, 2019

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

A. CONSERVATION OF ENERGY:

In its endeavour to promote 'green living', your Company initiated several energy conservation measures coupled with concentrated efforts to prevent water and air pollution at all locations and department of the Plant. The Company is making continuous efforts on ongoing basis for energy conservation by adopting innovative measures to reduce wastage and optimise consumption. To fulfil its statutory RPO obligations, the Company has also given advance to buy wind farms for captive consumption thereby resulting promotion of green energy. The particulars as required under the provisions of Section 134(3)(m) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 in respect of conservation of energy technology absorption foreign exchange earnings and outgo forms an integral part of this report.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Your Company focused its R&D efforts on process improvement of its existing products, recovery of products from pollutants and process development of new products and formulations. The R&D departments also helped in troubleshooting in manufacturing departments.

Efforts in brief, made towards technology absorption, adaptation and innovation:

- a) The Company upgraded many of its processes and operations by imbibing new technology, using more efficient equipment and incorporating automation.
- b) Benefits derived as a result of the above efforts, for example, product improvement, cost reduction, product development and import substitution:

The above efforts have resulted in improvement in quality, increase in yields, increase in throughput and decrease in manpower. The Company did not import any technology

During the year, your Company has incurred expenditure of Rs 25 Lakhs on research and development as against Nil expenses in the previous year. However, your Company would carry out research and development activities in the future based on the radical business outlook.

C. EXPENDITURE ON RESEARCH & DEVELOPMENT
(Rs. In Lakhs)

| Particulars | 2018-2019 | 2017-2018 |
|--|-----------|-----------|
| a) Capital | — | — |
| b) Recurring | 25.00 | — |
| c) Total | 25.00 | — |
| d) Total R & D Expenditure as a Percentage of total turnover | 0.00 % | 0.00 % |

D. FOREIGN EXCHANGE EARNING OUTGO:
(Rs. In Lakhs)

| Particulars | 2018-2019 | 2017-2018 |
|---|-----------|-----------|
| Foreign Exchange earned in terms of actual inflows during the year (F.O.B.) | 8,706.39 | 5,462.03 |
| Foreign Exchange outgo during the year in terms of actual outflows | 1,596.85 | 1,007.56 |

For and on Behalf of the Board of Directors

Sd/-

Sd/-

MANUBHAI RATHOD
WHOLE TIME DIRECTOR & CEO
(DIN: 07618837)

HEMUL SHAH
DIRECTOR
(DIN: 00058558)

Place : Mumbai
Date : 12th August, 2019

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

| Sr. No. | Name and Description of main products/services | NIC Code of the Product/Services | % to total turnover of the Company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Fused Grains | 2391 | 35.56 % |
| 2 | Monolithics | 2391 | 8.89 % |
| 3 | Calcined Products | 2391 | 48.33 % |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:- N.A
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

| S.No. | Category of Shareholders | Shares Held at the End of the Year 31/03/2018 | | | | Shares Held at the End of the Year 31/03/2019 | | | | % Change During The Year |
|----------|---|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A | Promoters | | | | | | | | | |
| 1 | Indian | | | | | | | | | |
| a) | Individual Huf | 710067 | 0 | 710067 | 0.59 | 4451120 | 0 | 4451120 | 3.72 | 3.13 |
| b) | Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) | State Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) | Bodies Corporate | 46782953 | 0 | 46782953 | 39.10 | 43074953 | 0 | 43074953 | 36.00 | -3.10 |
| e) | Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) | Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total (A)(1) | 47493020 | 0 | 47493020 | 39.70 | 47526073 | 0 | 47526073 | 39.72 | 0.02 |
| 2 | Foreign | | | | | | | | | |
| a) | NRI Individuals | 165315 | 0 | 165315 | 0.14 | 165315 | 0 | 165315 | 0.14 | 0.00 |
| b) | Other Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) | Banks /FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) | Any Other | 28389494 | 0 | 28389494 | 23.73 | 28389494 | 0 | 28389494 | 23.73 | 0.00 |
| | Sub-Total (A)(2) | 28554809 | 0 | 28554809 | 23.87 | 28554809 | 0 | 28554809 | 23.87 | 0.00 |
| | Total Shareholding of Promoters(A) | 76047829 | 0 | 76047829 | 63.56 | 76080882 | 0 | 76080882 | 63.59 | 0.03 |

| B Public Shareholding | | | | | | | | | | |
|------------------------------|---|------------------|----------------|------------------|---------------|------------------|----------------|------------------|---------------|--------------|
| 1 | Institutions | | | | | | | | | |
| a) | Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) | Banks/FI | 49225 | 5000 | 54225 | 0.05 | 2150 | 5000 | 7150 | 0.01 | -0.04 |
| c) | Central Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) | State Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) | Venture Capital Fund | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) | Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) | FII's | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) | Foreign Venture Capital Fund | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) | Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) | Any Other Foreign | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub-Total (B)(1) | 49225 | 5000 | 54225 | 0.05 | 2150 | 5000 | 7150 | 0.01 | -0.04 |
| 2 | Non-Institutions | | | | | | | | | |
| a) | Bodies Corporate | | | | | | | | | |
| 1) | Indian | 4630014 | 46240 | 4676254 | 3.91 | 3716838 | 16240 | 3733078 | 3.12 | -0.79 |
| 2) | Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) | Individuals | | | | | | | | | |
| 1) | Individual shares holders having nominal share capital upto Rs. | 15106644 | 1978800 | 17085444 | 14.28 | 15567967 | 1568425 | 17136392 | 14.32 | 0.04 |
| 2) | Individual shares holders having nominal share capital Excess of Rs, 1,00,000 | 3855771 | 0 | 3855771 | 3.22 | 4454996 | 0 | 4454996 | 3.72 | 0.50 |
| c) | Others | | | | | | | | | |
| a) | HUF | 1195372 | 0 | 1195372 | 1.00 | 1413555 | 0 | 1413555 | 1.18 | 0.18 |
| b) | Non Resident Indian | 455259 | 2500 | 457759 | 0.38 | 572214 | 2000 | 574214 | 0.48 | 0.10 |
| c) | Foreign National | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) | Clearing Members | 419155 | 0 | 419155 | 0.35 | 412011 | 0 | 412011 | 0.34 | -0.01 |
| e) | Trust | 8150 | 2000 | 10150 | 0.01 | 0 | 0 | 0 | 0.00 | -0.01 |
| e) | Foreing Bodies-DR | 15824034 | 0 | 15824034 | 13.23 | 15824034 | 0 | 15824034 | 13.23 | 0.00 |
| f) | NBFC Registered With RBI | 13207 | 0 | 13207 | 0.01 | 2888 | 0 | 2888 | 0.00 | -0.01 |
| | Sub-Total (B)(2) | 41507606 | 2029540 | 43537146 | 36.39 | 41964503 | 1586665 | 43551168 | 36.40 | 0.01 |
| | Total Public Shareholding (B) | 41556831 | 2034540 | 43591371 | 36.44 | 41966653 | 1591665 | 43558318 | 36.41 | -0.03 |
| C) | Shares Held By Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Grand Total | 117604660 | 2034540 | 119639200 | 100.00 | 118047535 | 1591665 | 119639200 | 100.00 | 0.00 |

ii) Shareholding of Promoter

| S.No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % Change During The Year |
|-------|------------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|---|--------------------------|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1 | Bombay Minerals Limited | 46782953 | 39.10 | 0.00 | 43074953 | 36.00 | 0.00 | -3.10 |
| 2 | Cura Global Holdings Limited | 28389494 | 23.73 | 0.00 | 28389494 | 23.73 | 0.00 | 0.00 |
| 3 | Chetan Navnitlal Shah | 78860 | 0.07 | 0.00 | 78860 | 0.07 | 0.00 | 0.00 |
| 4 | Himani Chetan Shah | 165315 | 0.14 | 0.00 | 165315 | 0.14 | 0.00 | 0.00 |
| 5 | Chaitali Chetan Shah | 111000 | 0.09 | 0.00 | 111000 | 0.09 | 0.00 | 0.00 |
| 6 | Manan Chetan Shah | 520207 | 0.43 | 0.00 | 4261260 | 3.56 | 0.00 | 3.13 |

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

| S.No. | Name of the Shareholders | Shareholding at the beginning of the year | | | | | Cumulative Shareholding during the year | % Share holding at the end of the year |
|-------|--|---|-------------------|------------------|-------------------|----------|---|--|
| | | No. of shares | % of total shares | Transaction Date | Increase/Decrease | Reason | | |
| 1 | Bombay Minerals Limited | 46782953 | 39.10 | 01-02-2019 | -1800000 | Sale | 44982953 | 37.60 |
| | | | | 01-03-2019 | -900000 | Sale | 44082953 | 36.85 |
| | | | | 22-03-2019 | -1008000 | Sale | 43074953 | 36.00 |
| | At the end of the year (31.03.2019) | | | | | | 43074953 | 36.00 |
| 2 | Manan Chetan Shah | 520207 | 0.43 | 22-06-2018 | 3700 | Purchase | 523907 | 0.44 |
| | | | | 09-11-2018 | 12353 | Purchase | 536260 | 0.45 |
| | | | | 16-11-2018 | 25000 | Purchase | 561260 | 0.47 |
| | | | | 01-02-2019 | -3700 | Sale | 557560 | 0.47 |
| | | | | 08-02-2019 | 1803700 | Purchase | 2361260 | 1.97 |
| | | | | 01-03-2019 | 900000 | Purchase | 3261260 | 2.73 |
| | | | | 29-03-2019 | 1000000 | Purchase | 4261260 | 3.56 |
| | At the end of the year (31.03.2019) | | | | | | 4261260 | 3.56 |

**iv) Shareholding Pattern of top ten Shareholders:
Other than Directors, Promoters and Holder of GDR and ADRs)**

| Sr.No. | Name of Shareholder | No. of shares at the beginning of the year | % of Total Shares | Changes during the year | | | Cumulative Share Holding during the year | |
|--------|---|--|-------------------|-------------------------|---------------|----------|--|-------------------|
| | | | | Date | No. of Shares | Reason | No. of Shares | % of total Shares |
| 1 | The Great International Tusker Fund | 5558146 | 4.65 | - | - | - | 5558146 | 4.65 |
| | At the end of the year (31.03.2019) | | | | | | 5558146 | 4.65 |
| 2 | New Leaina Investments Limited | 4333158 | 3.62 | - | - | - | 4333158 | 3.62 |
| | At the end of the year (31.03.2019) | | | | | | 4333158 | 3.62 |
| 3 | LTS Investment Fund Ltd | 3264273 | 2.73 | - | - | - | 3264273 | 2.73 |
| | At the end of the year (31.03.2019) | | | | | | 3264273 | 2.73 |
| 4 | LGOF Global Opportunities Limited | 2639852 | 2.21 | - | - | - | 2639852 | 2.21 |
| | At the end of the year (31.03.2019) | | | | | | 2639852 | 2.21 |
| 5 | Orient Abrasives Ltd- Unclaimed Shares Demat Suspense Account | 2912680 | 2.43 | 18-05-2018 | -8000 | Transfer | 2904680 | 2.43 |
| | | | | 22-06-2018 | -2600 | Transfer | 2902080 | 2.43 |
| | | | | 29-06-2018 | -5000 | Transfer | 2897080 | 2.42 |
| | | | | 20-07-2018 | -2000 | Transfer | 2895080 | 2.42 |
| | | | | 27-07-2018 | -4000 | Transfer | 2891080 | 2.42 |
| | | | | 03-08-2018 | -4000 | Transfer | 2887080 | 2.41 |
| | | | | 26-10-2018 | -2000 | Transfer | 2885080 | 2.41 |
| | | | | 30-11-2018 | -1000 | Transfer | 2884080 | 2.41 |
| | | | | 04-01-2019 | -2220 | Transfer | 2881860 | 2.41 |
| | | | | 18-01-2019 | -12000 | Transfer | 2869860 | 2.40 |
| | | | | 25-01-2019 | -1170 | Transfer | 2868690 | 2.40 |
| | | | | 01-03-2019 | -2000 | Transfer | 2866690 | 2.40 |
| | | | | 08-03-2019 | -3480 | Transfer | 2863210 | 2.39 |
| | | | | 15-03-2019 | -2960 | Transfer | 2860250 | 2.39 |
| | At the end of the year (31.03.2019) | | | | | | 2860250 | 2.39 |

| | | | | | | | | |
|---|----------------------------|---------|------|--|---------|----------|----------------|-------------|
| 6 | Alok Kumar Rajgarhia | 1105086 | 0.92 | | 595 | Purchase | 1105681 | 0.92 |
| | | | | 01-06-2018 | -595 | Sale | 1105086 | 0.92 |
| | | | | 22-06-2018 | 426358 | Purchase | 1531444 | 1.28 |
| | | | | 13-07-2018 | 8480 | Purchase | 1539924 | 1.29 |
| | | | | 03-08-2018 | -8480 | Sale | 1531444 | 1.28 |
| | | | | 02-11-2018 | 16105 | Purchase | 1547549 | 1.29 |
| | | | | 09-11-2018 | -16105 | Sale | 1531444 | 1.28 |
| | | | | 30-11-2018 | 1200 | Purchase | 1532644 | 1.28 |
| | | | | 07-12-2018 | 6680 | Purchase | 1539324 | 1.29 |
| | | | | 14-12-2018 | 15965 | Purchase | 1555289 | 1.30 |
| | | | | 21-12-2018 | 17415 | Purchase | 1572704 | 1.31 |
| | | | | 04-01-2019 | 201 | Purchase | 1572905 | 1.31 |
| | | | | 18-01-2019 | 3425 | Purchase | 1576330 | 1.32 |
| | | | | 25-01-2019 | -18722 | Sale | 1557608 | 1.30 |
| | | | | 08-02-2019 | 19242 | Purchase | 1576850 | 1.32 |
| | | | | 15-02-2019 | -1542 | Sale | 1575308 | 1.32 |
| | | | | 22-03-2019 | -17760 | Sale | 1557548 | 1.30 |
| | | | | 29-03-2019 | -5 | Sale | 1557543 | 1.30 |
| | | | | At the end of the year (31.03.2019) | | | 1557543 | 1.30 |
| 7 | JM Financial Services Ltd. | 444257 | 0.37 | 06-04-2018 | 8770 | Purchase | 453027 | 0.38 |
| | | | | 13-04-2018 | -28215 | Sale | 424812 | 0.36 |
| | | | | 20-04-2018 | -2135 | Sale | 422677 | 0.35 |
| | | | | 27-04-2018 | 185 | Purchase | 422862 | 0.35 |
| | | | | 04-05-2018 | 3496 | Purchase | 426358 | 0.36 |
| | | | | 18-05-2018 | 20000 | Purchase | 446358 | 0.37 |
| | | | | 25-05-2018 | -9949 | Sale | 436409 | 0.36 |
| | | | | 01-06-2018 | 2049 | Purchase | 438458 | 0.37 |
| | | | | 08-06-2018 | -2000 | Sale | 436458 | 0.36 |
| | | | | 15-06-2018 | -100 | Sale | 436358 | 0.36 |
| | | | | 22-06-2018 | -426358 | Sale | 10000 | 0.01 |
| | | | | 29-06-2018 | 1000 | Purchase | 11000 | 0.01 |
| | | | | 06-07-2018 | 6774 | Purchase | 17774 | 0.01 |
| | | | | 13-07-2018 | -6156 | Sale | 11618 | 0.01 |
| | | | | 20-07-2018 | -1618 | Sale | 10000 | 0.01 |
| | | | | 27-07-2018 | 400 | Purchase | 10400 | 0.01 |
| | | | | 03-08-2018 | 1800 | Purchase | 12200 | 0.01 |
| | | | | 10-08-2018 | 410 | Purchase | 12610 | 0.01 |
| | | | | 17-08-2018 | -2510 | Sale | 10100 | 0.01 |
| | | | | 24-08-2018 | -100 | Sale | 10000 | 0.01 |
| | | | | 31-08-2018 | 26 | Purchase | 10026 | 0.01 |
| | | | | 07-09-2018 | -26 | Sale | 10000 | 0.01 |
| | | | | 19-10-2018 | 500 | Purchase | 10500 | 0.01 |
| | | | | 26-10-2018 | -500 | Sale | 10000 | 0.01 |
| | | | | 02-11-2018 | 15531 | Purchase | 25531 | 0.02 |
| | | | | 09-11-2018 | 3971 | Purchase | 29502 | 0.02 |
| | | | | 16-11-2018 | -19502 | Sale | 10000 | 0.01 |
| | | | | 23-11-2018 | 5176 | Purchase | 15176 | 0.01 |
| | | | | 30-11-2018 | -5166 | Sale | 10010 | 0.01 |
| | | | | 07-12-2018 | 7624 | Purchase | 17634 | 0.01 |
| | | | | 14-12-2018 | -5434 | Sale | 12200 | 0.01 |
| | | | | 21-12-2018 | -2200 | Sale | 10000 | 0.01 |
| | | | | 28-12-2018 | 201 | Purchase | 10201 | 0.01 |
| | | | | 04-01-2019 | -201 | Sale | 10000 | 0.01 |
| | | | | 11-01-2019 | 85 | Purchase | 10085 | 0.01 |

| | | | | | | | | |
|----|--|---------|------|------------|---------|----------|----------------|-------------|
| | | | | 18-01-2019 | 3773 | Purchase | 13858 | 0.01 |
| | | | | 25-01-2019 | 8632 | Purchase | 22490 | 0.02 |
| | | | | 01-02-2019 | -12490 | Sale | 10000 | 0.01 |
| | | | | 08-02-2019 | 220 | Purchase | 10220 | 0.01 |
| | | | | 15-02-2019 | -220 | Sale | 10000 | 0.01 |
| | | | | 22-02-2019 | 10 | Purchase | 10010 | 0.01 |
| | | | | 01-03-2019 | -10 | Sale | 10000 | 0.01 |
| | | | | 15-03-2019 | 100 | Purchase | 10100 | 0.01 |
| | | | | 22-03-2019 | -90 | Sale | 10010 | 0.01 |
| | | | | 29-03-2019 | 821 | Purchase | 10831 | 0.01 |
| | | | | 30-03-2019 | -731 | Sale | 10100 | 0.01 |
| | | | | | | | 10100 | 0.01 |
| | At the end of the year (31.03.2019) | | | | | | | |
| 8 | Vishnu Vithaldas Gujarathi | 310221 | 0.26 | - | - | - | 310221 | 0.26 |
| | | | | | | | 310221 | 0.26 |
| | At the end of the year (31.03.2019) | | | | | | | |
| 9 | Narpatkumar Kewalchand Chopra- HUF. | 100610 | 0.08 | 29-06-2018 | 162249 | Purchase | 262859 | 0.22 |
| | | | | 06-07-2018 | -262850 | Sale | 9 | 0.00 |
| | | | | 02-11-2018 | 295114 | Purchase | 295123 | 0.25 |
| | | | | 14-12-2018 | 12600 | Purchase | 307723 | 0.26 |
| | | | | | | | 307723 | 0.26 |
| | At the end of the year (31.03.2019) | | | | | | | |
| 10 | Ashok Kumar Rajgarhia | 1237470 | 1.03 | - | - | - | 1237470 | 1.03 |
| | | | | | | | 1237470 | 1.03 |
| | At the end of the year (31.03.2019) | | | | | | | |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of Shareholder | No. of shares at the beginning of the year | % of Total Shares | Changes during the year | | | Cummulative Share Holding during the year | |
|---------|--|--|-------------------|-------------------------|---------------|----------|---|-------------------|
| | | | | Date | No. of Shares | Reason | No. of Shares | % of total Shares |
| 1 | Rathod Manubhai Somabhai | 30000 | 0.03 | - | - | - | - | - |
| | | | | | | | 30000 | 0.03 |
| | At the end of the year (31.03.2019) | | | | | | | |
| 2 | Hemul Shah | 38256 | 0.03 | - | - | - | - | - |
| | | | | | | | 38256 | 0.03 |
| | At the end of the year (31.03.2019) | | | | | | | |
| 3 | Bharatkumar Prabhudas Makhecha | 2500 | 0.00 | - | - | - | - | - |
| | | | | | | | 2500 | 0.00 |
| | At the end of the year (31.03.2019) | | | | | | | |
| 4 | Manan Chetan Shah | 520207 | 0.43 | 22-06-2018 | 3700 | Purchase | 523907 | 0.44 |
| | | | | 09-11-2018 | 12353 | Purchase | 536260 | 0.45 |
| | | | | 16-11-2018 | 25000 | Purchase | 561260 | 0.47 |
| | | | | 01-02-2019 | -3700 | Sale | 557560 | 0.47 |
| | | | | 08-02-2019 | 1803700 | Purchase | 2361260 | 1.97 |
| | | | | 01-03-2019 | 900000 | Purchase | 3261260 | 2.73 |
| | | | | 29-03-2019 | 1000000 | Purchase | 4261260 | 3.56 |
| | | | | | | | 4261260 | 3.56 |
| | At the end of the year (31.03.2019) | | | | | | | |
| 5 | Chaitali Chetan Shah | 111000 | 0.09 | - | - | - | - | - |
| | | | | | | | 111000 | 0.09 |
| | At the end of the year (31.03.2019) | | | | | | | |
| 6 | Shashidharan Velayudhan | 1000 | 0.00 | - | - | - | - | - |
| | | | | | | | 1000 | 0.00 |
| | At the end of the year (31.03.2019) | | | | | | | |

VI. INDEBTEDNESS:- Indebtness of the Company including interest outstanding, accrued but not due for payment
(Rs. in Lakhs)

| Particulars | Secured Loans Excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-------------------|----------|--------------------|
| Indebtedness at the beginning of the Financial Year | | | | |
| i. Principal amount | 4,595.58 | 1,500.00 | - | 6,095.58 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | 23.37 | - | - | 23.37 |
| Total (i + ii + iii) | 4,618.95 | 1,500.00 | - | 6,118.95 |
| Changes in Indebtedness during the financial year | | | | |
| • Addition | 2,766.76 | 8.51 | - | 2,775.27 |
| • Reduction | (175.47) | (1,075.00) | - | (1,250.47) |
| Net Change | 2,591.29 | (1,066.49) | - | 1,524.80 |
| Indebtedness at the end of the Financial Year | | | | |
| i. Principal amount | 7,182.63 | 433.51 | - | 7,616.14 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | 27.61 | - | - | 27.61 |
| Total (i + ii + iii) | 7,210.24 | 433.51 | - | 7,643.75 |

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

During the year under review, Mr. Manubhai Rathod, Whole Time Director & Chief Executive Officer was paid remuneration of Rupees Rs. 38,84,427/- only. (TDS as applicable was deducted).

B. Remuneration to other directors:

During the year under review, the Non-Executive Independent Directors were paid sitting fees Rs. 15,000/- and Rs. 25,000/- respectively, for attending the every meeting of the Board of Directors and Audit Committee.

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

During the year under review, Remuneration paid to the Company Secretary and other Whole Time Key Managerial Personnel (as recognized by the Board of Directors) aggregates to approximately Rupees Rs. 65,63,917/-.

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

During the year under review, your company had received a letter from Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with regards to non-compliance with the requirement of Regulation 18 of the Listing Regulations for composition of Audit Committee as the number of Independent Directors fell below the requirement of Listing Regulations, thereby levied the fine of Rs. 3,61,080/ by NSE & BSE each. In this regard, Company had submitted its clarifications to the stock exchanges and paid the requisite fine. "Under Protest"

For and on behalf of the Board of Directors
Sd/-
**MANUBHAI RATHOD
WHOLE TIME DIRECTOR & CEO
(DIN:- 07618837)**
Sd/-
**HEMUL SHAH
DIRECTOR
(DIN:- 00058558)**

Place Mumbai
Date 12th August, 2019

REPORT ON CORPORATE GOVERNANCE

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

Orient Abrasives Limited ("The Company") governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons and the Charter– Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

2. BOARD OF DIRECTORS:

A. Composition and category of Board of Directors:

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

The composition of the Board is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015 ("Listing Regulations"), as on 31st March, 2019, the Board of Directors of the Company comprised of Seven (7) Directors, including One (1) Executive Director, Four (4) Non-Executive Independent Directors (including One Woman Director) and Two (2) Non-Executive Directors.

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

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

| Name of Directors | Category | No. of Board Meetings Attended | Attendance at last AGM Held on 26 th September, 2018 | No. of Directorships in other companies as on 31 st March, 2019 ² | No. of Committee Positions held including Orient Abrasives Ltd. as on 31 st March, 2019 ³ | | Directorship in other listed entity (Category of Directorship) |
|---|---|--------------------------------|---|---|---|----------|--|
| | | | | | Member | Chairman | |
| Mr. Manubhai Rathod (DIN : 07618837) | Whole Time Director & Chief Executive Officer (CEO) | 2 | Present | 1 | - | - | NIL |
| Mr. Hemul Shah (DIN : 00058558) | Non - Executive Director | 4 | Present | 7 | 1 | 2 | NIL |

| Name of Directors | Category | No. of Board Meetings Attended | Attendance at last AGM Held on 26 th September, 2018 | No. of Directorships in other companies as on 31 st March, 2019 ² | No. of Committee Positions held including Orient Abrasives Ltd. as on 31st March, 2019 ³ | | Directorship in other listed entity (Category of Directorship) |
|--|---------------------------------------|--------------------------------|---|---|---|----------|---|
| | | | | | Member | Chairman | |
| Mr. Pundarik Sanyal (DIN : 01773295) | Non-Executive, Independent Director | 4 | Present | 3 | 3 | 1 | 1. Ashapura Minechem Limited- (Non - Executive, Independent Director) 2. Asit C Mehta Financial Services Limited- (Non - Executive, Independent Director) |
| Mr. Bharatkumar Makhecha (DIN : 01351080) | Non - Executive, Independent Director | 4 | Present | - | - | - | NIL |
| Mrs. Sangeeta Bohra ¹ (DIN : 02036626) | Non - Executive, Independent Director | 3 | Present | - | 1 | - | NIL |
| Mr. Harish Motiwalla (DIN : 00029835) | Non - Executive, Independent Director | 4 | Present | 8 | 4 | 5 | 1. Excel Industries Ltd. (Non - Executive Independent Director) 2. Hitech Corporation Ltd. (Non - Executive Independent Director) 3. Ashapura Minechem Ltd. (Non - Executive Independent Director) 4. Multibase India Ltd. (Non - Executive Independent Director) 5. Siyaram Silks Mills Ltd. (Non - Executive Independent Director) 6. Balkrishna Paper Mills Ltd. (Non - Executive Independent Director) |
| Mrs. Chaitali Salot (DIN : 02036868) | Non - Executive Director | 4 | N.A | - | - | 1 | NIL |

1. The Board of Directors at its meeting held on 11th February, 2019, took on record the resignation of Mrs. Sangeeta Bohra as an Independent Director of the Company w.e.f 15th November, 2018, due to personal difficulty.
2. Exclude directorships in Private Limited Companies, Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and Alternate Directorships.
3. Represents only Membership/Chairmanship of the Audit Committee and the Stakeholders' Relationship Committee of Indian Public Companies.

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

The details of number of shares held by the Non-Executive Directors as on 31st March, 2019 is given below:

| Name of Director | Designation | Number of Shares Held |
|--------------------------|---------------------------------|-----------------------|
| Mr. Pundarik Sanyal | Non-Executive, Independent | - |
| Mr. Hemul Shah | Non-Executive, Non- Independent | 38256 |
| Mr. Harish Motiwalla | Non-Executive, Independent | - |
| Mr. Bharatkumar Makhecha | Non-Executive, Independent | 2500 |
| Mrs. Sangeeta Bohra* | Non-Executive, Independent | - |
| Mrs. Chaitali Salot | Non-Executive, Non- Independent | 111000 |

* Board of Directors at its meeting held on 11th February, 2019, took on record the resignation of Mrs. Sangeeta Bohra as an Independent Director of the Company w.e.f 15th November, 2018, due to personal difficulty.

C. Number of Meetings held during Financial Year 2018-2019:

During the Financial Year 2018-2019, the Board of Directors of the Company met Four (4) times on 22nd May, 2018, 13th August, 2018, 30th October, 2018 and 11th February, 2019 and that the time elapsed between any two consecutive meetings never exceeded 120 days. The necessary quorum was present for all the meetings.

D. Independent Directors:

- a. A formal Letter of Appointment is issued to Independent Directors upon their appointment at the General Meeting of the Company. A model letter of appointment is available at the website of the Company at www.orientabrasives.com.
- b. The Company has received necessary declarations from the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed.
- c. During the Financial Year 2018-2019, following events were held as regard to Independent Directors:
 - A separate meeting of Independent Directors was held on 27th March, 2019 to review the performance of Non-Independent Directors, Chairman of the Board and the Board as a whole, which was attended by all the Independent Directors. The process for evaluation of Board performance, Non- Independent Non-Executive Directors and the Board Chairman is detailed in the Board's Report.
 - The Company has an appropriate induction programme for new Directors and an ongoing Familiarisation Programme, with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of the Familiarisation Programme are disclosed on the Company's website of the Company at www.orientabrasives.com.

E. Code of Conduct:

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

A declaration from the Whole-Time Director & CEO that all Board Members and senior management personnel have affirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2019 forms part of the Annual Report.

The Company is in due compliance of all the provisions of Regulation 17 of the Listing Regulations for the Financial Year 2018-2019.

F. Criteria setting out the skills/expertise/competence identified by the Board of Directors:

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

| Name of Director | Expertise in specific functional area |
|--------------------------|---|
| Mr. Pundarik Sanyal | Financial, Business strategy, Operational expertise, Understanding Company's business, policies, culture. |
| Mr. Manubhai Rathod | Leadership, Financial, Business strategy, Operational expertise, Understanding Company's business, policies, culture, Behavioral & HR skills. |
| Mr. Hemul Shah | Financial skills, Understanding Company's business, policies, culture, Commercial experience, Business strategy, Sales & Marketing. |
| Mrs. Chaitali Salot | Business strategy, Sales & Marketing, Operational expertise. |
| Mr. Bharatkumar Makhecha | Sales & Marketing, Operational expertise. |
| Mr. Harish Motiwalla | Legal expertise, corporate law, Governance, Financial, Mergers & acquisitions. |

3. COMMITTEES OF BOARD OF DIRECTORS:

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

A. AUDIT COMMITTEE:

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

a. Terms of Reference:

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

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

b. Composition:

As on 31st March, 2019, the Audit Committee comprised of Four (4) Directors. The composition of the Audit Committee and the details of meetings attended by its members are given below:

| Name | Category | Number of meetings during the F.Y. 2018-2019 | |
|----------------------------------|--------------------------------|--|----------|
| | | Held | Attended |
| Mr. Pundarik Sanyal (Chairman) | Independent, Non-Executive | 4 | 4 |
| Mr. Harish Motiwalla | Independent, Non-Executive | 4 | 4 |
| Mr. Hemul Shah | Non-Independent, Non-Executive | 4 | 4 |
| Mrs. Sangeeta Bohra [#] | Independent, Non-Executive | 4 | 3 |
| Mrs. Chaitali Salot [@] | Non-Independent, Non-Executive | 4 | 1 |

The Board of Directors at its meeting held on 11th February, 2019, took on record the resignation of Mrs. Sangeeta Bohra as an Independent Director of the Company w.e.f 15th November, 2018, due to personal difficulty.

@ Co-opted as a Member w.e.f 30th October, 2018, however the Board of Directors at its Meeting held on 14th May, 2019 took on record the resignation of Mrs. Chaitali Salot as a Member of the Audit Committee, due to other professional commitments.

Mr. Pundarik Sanyal, Chairman of the Audit Committee was present at the 47th Annual General Meeting of the Company held on 26th September, 2018.

The representative of Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings.

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

c. Meetings:

During the Financial Year 2018-2019, the members of the Audit Committee met Four (4) times on 22nd May, 2018, 13th August, 2018, 30th October, 2018 and 11th February, 2019 and that time elapsed between any two consecutive meetings never exceeded 120 days. The necessary quorum was present for all the meetings.

B. NOMINATION AND REMUNERATION COMMITTEE:

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

a. Terms of Reference:

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

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

b. Composition:

As on 31st March, 2019, the Nomination & Remuneration Committee comprised of Three (3) Directors. The composition of Nomination & Remuneration Committee and the details of meetings attended by its members are given below:

| Name | Category | Number of meetings during the F.Y. 2018-2019 | |
|----------------------------------|---------------------------------|--|----------|
| | | Held | Attended |
| Mr. Harish Motiwalla (Chairman) | Independent, Non-Executive | 3 | 3 |
| Mr. Pundarik Sanyal | Independent, Non-Executive | 3 | 3 |
| Mrs. Sangeeta Bohra [#] | Independent, Non-Executive | 3 | 2 |
| Mr. Hemul Shah | Non- Independent, Non-Executive | 3 | 3 |

The Board of Directors at its meeting held on 11th February, 2019, took on record the resignation of Mrs. Sangeeta Bohra as an Independent Director of the Company w.e.f 15th November, 2018, due to personal difficulty.

c. Meetings:

During the Financial Year 2018-2019, the members of the Nomination & Remuneration Committee met Three (3) times on 22nd May, 2018, 13th August, 2018 and 27th March, 2019.

d. Remuneration of Directors:

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

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

The details of sitting fees paid to Non-Executive Directors for the year ended 31st March, 2019 are as under:

| Name of the Directors | Sitting fees paid for Board Meetings (Rs.) | Sitting Fees paid for Audit Committee Meetings (Rs.) |
|----------------------------------|--|--|
| Mr. Hemul Shah | 1,00,000/- | 60,000/- |
| Mr. Pundarik Sanyal | 1,00,000/- | 60,000/- |
| Mr. Harish Motiwalla | 1,50,000/- | 80,000/- |
| Mrs. Sangeeta Bohra [#] | 75,000/- | 45,000/- |
| Mr. Bharatkumar Makhecha | 1,00,000/- | N.A |
| Mrs. Chaitali Salot [@] | 1,00,000/- | 15,000/- |

[#] The Board of Directors at its meeting held on 11th February, 2019, took on record resignation of Mrs. Sangeeta Bohra as an Independent Director of the Company w.e.f 15th November, 2018, due to personal difficulty.

[@] Co-opted as a Member w.e.f 30th October, 2018, however the Board of Directors at its Meeting held on 14th May, 2019 took on record resignation of Mrs. Chaitali Salot as a Member of the Audit Committee, due to other professional commitments.

The details of Remuneration paid to Executive Director for the year ended 31st March, 2019 are as under:

| Name of the Directors | Salaries & Perquisites including allowance | Tenure as per agreement upto |
|-----------------------|--|---|
| Mr. Manubhai Rathod | Rs. 38,84,427/- [^] | 14 th June, 2020 (3 years w.e.f 15 th June, 2017) |

[^] The remuneration paid to Mr. Manubhai Rathod, Whole Time Director & CEO, was approved by the Board and shareholders are within the overall limit fixed under the law and in compliance with Schedule V of the Companies Act, 2013.

e. Performance Evaluation:

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

As a part of the said policy, a structured questionnaire covering various aspects has been framed depending on the category of Director, Board & Committee, whose performance is to be evaluated. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2018-2019 by Independent Directors at their separate Meeting as also by the Nomination & Remuneration Committee and the same was analyzed & confirmed by the Board of Directors.

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

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

a. Terms of Reference:

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

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

b. Composition:

As on 31st March, 2019, the Stakeholders' Relationship Committee comprised of Four (4) Directors. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

| Name | Category | Number of meetings during the F.Y. 2018-2019 | |
|------------------------------|---------------------------------|--|----------|
| | | Held | Attended |
| Mr. Hemul Shah (Chairman) | Non- Independent- Non-Executive | 9 | 9 |
| Mr. Pundarik Sanyal | Independent, Non Executive | 9 | 9 |
| Mr. Manubhai Rathod | Whole time Director & CEO | 9 | 9 |
| Mrs. Chaitali Salot | Non-Independent, Non-Executive | 9 | 9 |

c. Meetings:

During the Financial Year 2018-2019, the members of the Stakeholders' Relationship Committee met Nine (9) times on 27th April, 2018, 30th July, 2018, 28th September, 2018, 20th October, 2018, 29th November, 2018, 26th December, 2018, 25th January, 2019, 7th February, 2019 and 29th March, 2019.

d. Compliance Officer:

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

Compliance officer may be reached at the following address;

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

e. Stakeholder's Grievance Redressal

The Secretarial Department and the Registrar & Share Transfer Agents attend to all grievances received from the shareholders either directly or through SEBI and Stock Exchanges. Efforts are made to ensure that all the grievances of the shareholders are redressed expeditiously and satisfactory. The details of the complaints received from the shareholders and redressed upto their satisfaction during the Financial Year 2018-2019 are as follows:

| | |
|---|-----|
| No. of complaints pending at the beginning of the financial year i.e. April 1, 2018 | NIL |
| No. of complaints received during the financial year | 6 |
| No. of complaints resolved during the financial year | 6 |
| Complaints pending at the end of the financial year i.e. March 31, 2019 | NIL |

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

D. EXECUTIVE COMMITTEE OF DIRECTORS:
a. Terms of Reference:
The terms of reference of the Committee of Directors are as follows:

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

b. Composition and Meetings:

During the year under review, Six (6) meetings of the Executive Committee of Directors were held on the dates mentioned below:

6th April, 2018, 4th June, 2018, 16th July, 2018, 12th October, 2018, 22nd November, 2018 and 14th December, 2018.

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

| Name of Directors | Category | No. of Meetings during the F.Y. 2018 - 2019 | |
|------------------------------------|---------------------------------|---|----------|
| | | Held | Attended |
| Mr. Hemul Shah (Chairman) | Non-Independent, Non-Executive | 6 | 6 |
| Mr. Bharatkumar Makhecha | Non-Independent, Non-Executive | 6 | 6 |
| Mr. Manubhai Rathod | Executive, Whole time Director | 6 | 6 |
| Mrs. Chaitali Salot | Non-Independent, Non-Executive, | 6 | 4 |

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

The terms and reference of CSR Committee is as follows:

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

During the year under review, Two (2) meetings of the CSR Committee were held on 26th September, 2018, and 27th March, 2019.

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

| Name of Directors | Category | No. of Meetings during the FY 2018-2019 | |
|---|--------------------------------------|---|----------|
| | | Held | Attended |
| Mr. Pundarik Sanyal (Chairman) | Non-Executive, Independent | 2 | 2 |
| Mr. Hemul Shah | Non-Executive, Non-Independent | 2 | 2 |
| Mr. Manubhai Rathod | Executive, Whole Time Director & CEO | 2 | 2 |
| Mr. Harish Motiwalla | Non-Executive, Independent | 2 | 2 |

4. GENERAL BODY MEETINGS:

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

| Financial Year | Date | Time | Location | Special resolution Passed |
|----------------|----------------------------------|------------|--|---|
| 2015-2016 | 28 th September, 2016 | 10.00 a.m. | Hotel Lords Eco Inn), Near Circuit House, Chaupati, Porbandar-360575 | No |
| 2016-2017 | 16 th September, 2017 | 10.30 a.m. | | No |
| 2017-2018 | 26 th September, 2018 | 3.30 p.m. | | <ol style="list-style-type: none"> 1. Re-appointment of Mr. Pundarik Sanyal as a Non-Executive, Independent Director of the Company for second term. 2. Re-appointment of Mrs. Sangeeta Bohra as a Non-Executive, Independent Director of the Company for second term |

Postal Ballot

During the year under Financial Year 2018-2019 the Company has not passed any Special Resolution through Postal Ballot. However, the during the Financial year 2017-2018, the Company has passed one Special Resolution through Postal Ballot for Issue of Convertible Warrants on preferential basis to Promoter/Promoter Group Members through Postal Ballot pursuant to the provision of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. The details are as under:

Date of Postal Ballot Notice:- 12th December, 2017

Voting Period:- Thursday, 21st December, 2017 to Friday, 19th January, 2018

Date of Declaration of results:- 25th January, 2018

| Name of Resolution | Type of Resolution | No. votes polled | Votes cast in favour | Votes casts against |
|--|--------------------|------------------|----------------------|---------------------|
| Issue of Convertible Warrants on preferential basis to Promoter/Promoter Group Members | Special Resolution | 281191 | 96.19% | 3.81% |

Ms. Dipti Gohil, Practicing Company Secretary was appointed as the scrutinizer for carrying out Postal Ballot process in fair and transparent manner.

Procedure for Postal Ballot:

Pursuant to the Provisions of Section 108, 110 and other applicable provisions of the Companies Act, 2013 read with applicable Rules, the Company has provided electronic voting (e-voting) facility to its members in addition to the physical ballot, to all its members. For this purpose, the Company availed the services provided by National Securities Depository Limited (NSDL).

The Postal Ballot notice and forms were dispatched along with postage-prepaid business reply envelop to registered address of the members/beneficiaries. The Company also published the newspaper advertisement providing details and requirement as mandated as per the Companies Act, 2013 and Rules made thereunder.

Voting rights were reckoned on the paid-up capital value of shares registered in the name of member as on the cut-of date. Members who intended to exercise vote by postal ballot were requested to turn the complete form to scrutinizer on or before the close of voting period. Those who were voting through e-voting were requested to vote before the close of business hours on the last day of e-voting.

All the Postal Ballot forms and voting done through e-voting were scrutinized and a report was submitted to Chairman. The result of the Postal Ballot is uploaded on the website of the Company and published in newspapers.

5. MEANS OF COMMUNICATION:

Pursuant to Listing Regulations, 2015 the announcement of Quarterly, Half-Yearly and Yearly Financial Results will be made within the statutory period as per the regulations. The Company from time to time has provided information as required under Listing Regulations to Stock Exchanges and the same has been updated on the website of the Company at www.orientabrasives.com.

The Quarterly, Half-Yearly and Yearly Financial Results are published in Business Standard (English) and Pulchab (Gujarati) newspaper.

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

The Company has also separate email id- investor@oalmail.co.in for investor grievance.

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

Annual Reports and any other communication will be sent to email ids of members whose emails are available with the Company. For other a copy of Annual Report would be dispatched at the registered address of the shareholder with the Company.

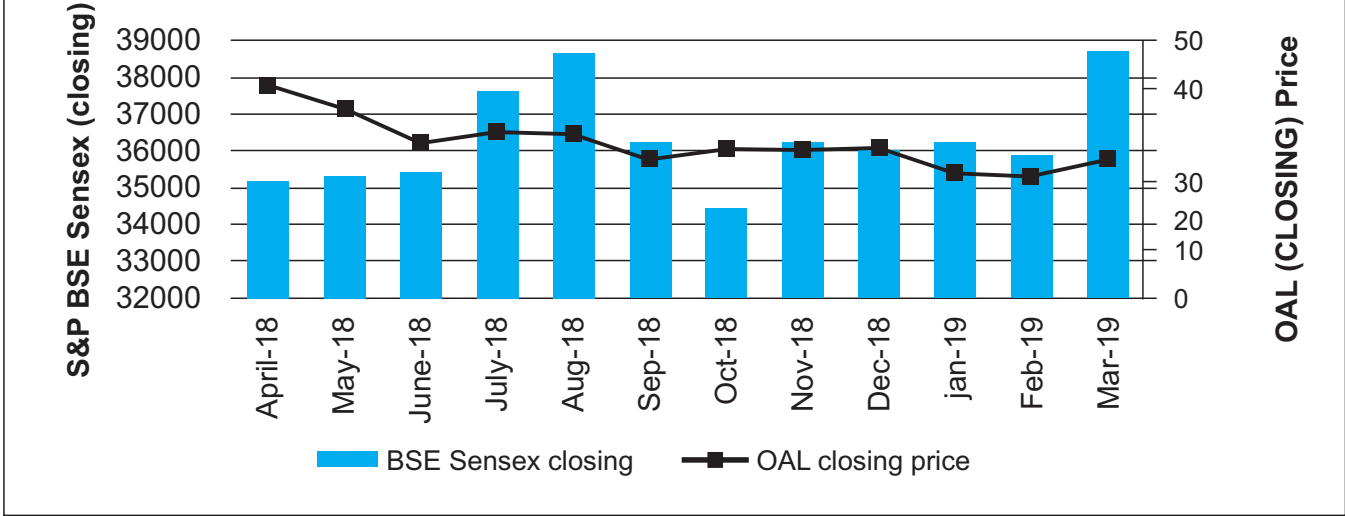
6. GENERAL SHAREHOLDER INFORMATION:

| | |
|---|---|
| Annual General Meeting: | Day & Date : Friday, 27 th Sepyember, 2019 Time : 3.30 pm Venue : Hotel Lord Eco Inn, Near Circuit House, Chaupati, Porbandar-360575 |
| Tentative Financial Calendar: | Financial reporting for the quarter ending 30 th June, 2018: On or before 14 th August, 2019 Financial reporting for the quarter ending 30 th September, 2019: On or before 14 th November, 2019 Financial reporting for the quarter ending 31 st December, 2019 : On or before 14 th February, 2020 Financial reporting for the quarter year ended 31 st March, 2020 On or before 30 th May, 2020 |
| Date of Book Closure: | Saturday, 21 st September, 2019 to Friday, 27 th September, 2019 (Both days inclusive) |
| Dividend Payment Date: | Credit/Dispatch of dividend warrants on or after 28 th September 2019 |
| Listing Details: | Equity Shares are listed on the following Stock Exchanges: 1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. 2. National Stock Exchange of India Limited, “Exchange Plaza”, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. The Annual Listing Fees for the year 2018-2019 have been paid to the said Stock Exchanges. |
| Stock Code: | Bombay Stock Exchange Ltd. 504879 National Stock Exchange of India Ltd. ORIENTABRA |
| ISIN Number: | INE569C01020 |
| Corporate Identification Number (CIN): | L24299GJ1971PLC093248 |

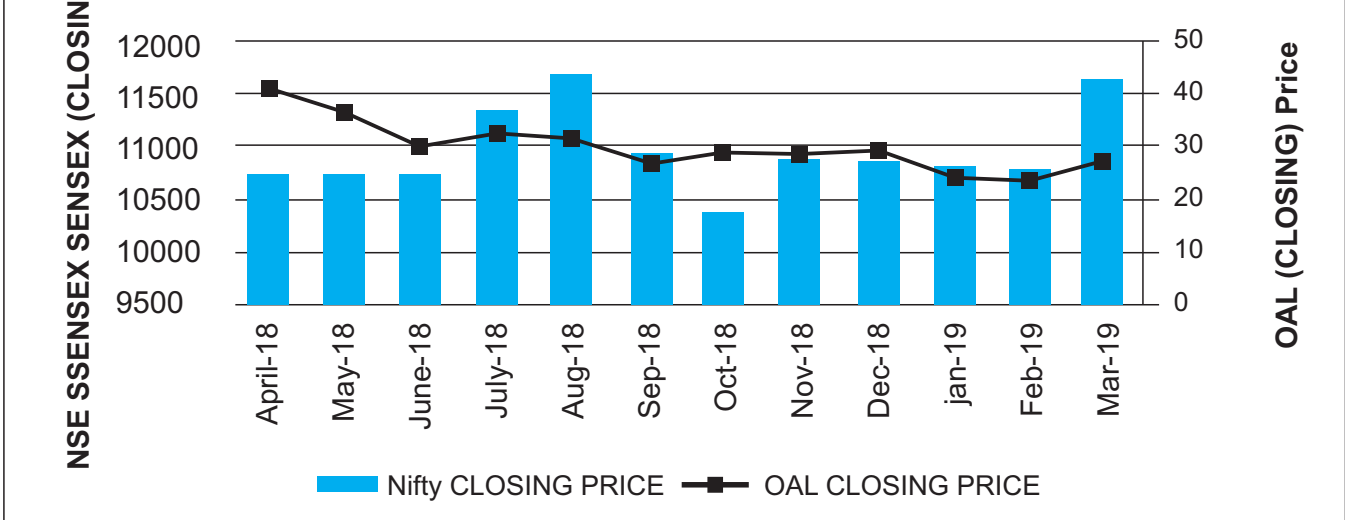
Market Price Data:

| Period | Bombay Stock Exchange Limited | | | | National Stock Exchange Limited | | | |
|--------|-------------------------------|----------|-----------------------|-------|---------------------------------|----------|-----------------------|-------|
| | Sensex (Rs.) | | OAL Share price (Rs.) | | Nifty (Rs.) | | OAL Share price (Rs.) | |
| | High | Low | High | Low | High | Low | High | Low |
| Apr-18 | 35213.30 | 32972.56 | 45.00 | 35.85 | 10759.00 | 10111.30 | 45.95 | 36.10 |
| May-18 | 35993.53 | 34302.89 | 41.55 | 34.00 | 10929.2 | 10417.80 | 41.50 | 33.85 |
| Jun-18 | 35877.41 | 34784.68 | 37.45 | 29.30 | 10893.25 | 10550.90 | 37.90 | 28.50 |
| Jul-18 | 37644.59 | 35106.57 | 32.85 | 27.05 | 11366.00 | 10604.65 | 33.00 | 28.15 |
| Aug-18 | 38989.65 | 37128.99 | 36.80 | 30.20 | 11760.20 | 11234.95 | 37.15 | 29.95 |
| Sep-18 | 38934.35 | 35985.63 | 36.50 | 26.20 | 11751.80 | 10850.30 | 38.00 | 26.00 |
| Oct-18 | 36616.64 | 33291.58 | 29.60 | 23.00 | 11035.65 | 10004.55 | 29.80 | 24.10 |
| Nov-18 | 36389.22 | 34303.38 | 40.00 | 28.00 | 10922.45 | 10341.90 | 39.50 | 27.90 |
| Dec-18 | 36554.99 | 34426.29 | 31.50 | 27.00 | 10985.15 | 10333.85 | 31.50 | 26.50 |
| Jan-19 | 36701.03 | 35375.51 | 29.70 | 23.50 | 10987.45 | 10583.65 | 30.60 | 23.50 |
| Feb-19 | 37172.18 | 35287.16 | 25.20 | 21.60 | 11118.10 | 10585.65 | 25.35 | 21.10 |
| Mar-19 | 38748.54 | 35926.94 | 30.30 | 23.30 | 11630.35 | 10817.00 | 30.80 | 23.00 |

Share Performance of the Company in Comparison to BSE Sensex:



Share Performance of the Company in Comparison to NSE Nifty:



| Registrar and Share Transfer Agent: | M/s. Skyline Financial Services Pvt. Ltd. D-153/A, 1st floor, Phase I, Okhla Industrial Area, New Delhi - 110020. | | | | | | | | | | | | | | | | | | |
|---|--|------------------------------|----------------------|------------------------------|----------|---------|-------|-------------|--|--|----------|-----------|--------|----------|---------|-------|--------------|------------------|----------------|
| Share Transfer System: | <p>The Company's shares are traded on the Stock Exchanges in Demat Mode as well as in Physical Mode.</p> <p>In Demat Mode, the transfers are effected through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Majority of the share transfers take place in this mode.</p> <p>In Physical Mode, the share transfer are normally processed within the stipulated time i.e. within 15 days as mentioned in the Listing Regulations, from the date of receipt, subject to documents being valid and complete in all respects. The Company also need to obtain half yearly certificate from Company Secretary in Practice to the effect that all certificates have been issued within 30 days of the date of lodgment of the transfer, sub division, consolidation and renewal as required under Regulation 40 (9) of the Listing Regulations and filed copy of the said certificate with the Stock Exchanges.</p> | | | | | | | | | | | | | | | | | | |
| Distribution of Shareholding & Category-wise distribution: | Refer Table A & B | | | | | | | | | | | | | | | | | | |
| Dematerialization of shares and liquidity: | <p>As on 31st March, 2019, 98.30% of the paid up share capital (face value of Equity Shares of Rs. 1 each) is held in Demat form with NSDL and CDSL.</p> <table border="1" data-bbox="656 1012 1329 1212"> <thead> <tr> <th>Mode</th> <th>No. of equity shares</th> <th>% to the Total Share Capital</th> </tr> </thead> <tbody> <tr> <td>Physical</td> <td>1591665</td> <td>1.33%</td> </tr> <tr> <td>Electronic:</td> <td></td> <td></td> </tr> <tr> <td>(A) NSDL</td> <td>110107678</td> <td>92.03%</td> </tr> <tr> <td>(B) CDSL</td> <td>7939857</td> <td>6.64%</td> </tr> <tr> <td>TOTAL</td> <td>119639200</td> <td>100.00%</td> </tr> </tbody> </table> | Mode | No. of equity shares | % to the Total Share Capital | Physical | 1591665 | 1.33% | Electronic: | | | (A) NSDL | 110107678 | 92.03% | (B) CDSL | 7939857 | 6.64% | TOTAL | 119639200 | 100.00% |
| Mode | No. of equity shares | % to the Total Share Capital | | | | | | | | | | | | | | | | | |
| Physical | 1591665 | 1.33% | | | | | | | | | | | | | | | | | |
| Electronic: | | | | | | | | | | | | | | | | | | | |
| (A) NSDL | 110107678 | 92.03% | | | | | | | | | | | | | | | | | |
| (B) CDSL | 7939857 | 6.64% | | | | | | | | | | | | | | | | | |
| TOTAL | 119639200 | 100.00% | | | | | | | | | | | | | | | | | |
| Outstanding GDR / ADR / Warrants or any Convertible Instruments and their likely impact on Equity: | The total outstanding convertible warrants as on 31 st March, 2019 is 62,96,800 and the said warrants can be convertible into equity shares of the company within the period of 18 months from the date of allotment i.e. 2 nd February, 2018. However, the Warrant Holder chose not to exercise the convertibility. Hence there is no impact on Equity Capital of the Company. | | | | | | | | | | | | | | | | | | |
| Plant Locations: | GIDC Industrial Area, Porbandar, Gujarat – 360 577. | | | | | | | | | | | | | | | | | | |
| Address for Correspondence: | <p>The Company's Registrar and Share Transfer Agent viz. M/s Skyline Financial Services Pvt. Ltd. provides all shareholder related services.</p> <p>Any query relating to shares and requests for transactions such as transfers, transmissions and nomination facilities, duplicate share certificates, change of address and also dematerialization of shares may please be taken up with:</p> <p>M/s. Skyline Financial Services Pvt. Ltd. D-153/A, 1st floor, Phase I, Okhla Industrial Area, New Delhi - 110020 Tel.: +011 3085 7575 Fax: +91 11 26812682 E-mail: info@skylinerta.com</p> | | | | | | | | | | | | | | | | | | |

7. OTHER DISCLOSURES:

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

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

- b. The Company has in place a policy (uploaded and available on the Company's website - www.orientabrasives.com) on Related Party Transactions approved by the Board of Directors to deal with the related party transactions entered into by the Company. The Board of Directors has entrusted responsibility on the Audit Committee to grant omnibus approval for the transactions which are repetitive in nature and to confirm that they meet the criteria of having entered into ordinary course of business and at arm's length basis. Related party transactions have been disclosed under Note 31 to the Accounts for the year under review. A Statement in summary form of transactions with related parties in the ordinary course of business are placed periodically before the Audit Committee/Board for review and approval.
- c. During the year under review, the Company paid penalty to Stock Exchanges for Non-Compliance of Regulation 18 of the Listing Regulations, for composition of Audit Committee as the number of Independent Directors fell below the requirement of Listing Regulations. However, Company had submitted its clarifications to the stock exchanges and paid the requisite fine "Under Protest".

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

- d. A Vigil Mechanism/Whistle Blower Policy has been established for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguard against victimization of Director(s)/employee(s) who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee. The Policy is available on the Company's website www.orientabrasives.com.
- e. The Company has formulated a Code of Fair Disclosure and Conduct (For Regulating, Monitoring and Reporting of Trading by Insiders) ('Code') in accordance with provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and Designated Employees of the Company.

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

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

- f. The Company does not have any material subsidiary whose income or net worth exceeds 10% of the consolidated income and net worth respectively of the holding company in immediately preceding accounting year. A policy on material subsidiaries has been formulated by the Company and posted on website of the Company at the link <http://www.orientabrasives.com/startpage/Company-Policy.aspx>

8. UNCLAIMED SUSPENSE DEMAT ACCOUNT:

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

| Particulars | No. of Shareholders | No. of Shares |
|--|---------------------|---------------|
| Aggregate number of Shareholders and the outstanding Shares credited to Unclaimed Suspense Demat Account during the Financial Year | 0 | 0 |
| Number of Shareholders who approached issuer for transfer of Shares from Suspense Account during the Financial Year | 25 | 52430 |
| Number of Shareholders to whom Shares were transferred from Suspense Account during the Financial Year | 25 | 52430 |
| Aggregate number of Shareholders and the outstanding Shares in the Suspense Account lying at the end of the Financial year | 1435 | 2860250 |

9. TRANSFER OF UNCLAIMED/UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (“IEPF”).

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website at www.orientabrasives.com.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years, of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during 2018-2019 are as follows:

| Financial Year | Amount of unclaimed dividend amount transferred to IEPF | Number of shares transferred to IEPF |
|----------------|---|--------------------------------------|
| 2010-11 | 30,06,886 | 27607 |

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov. in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

The Due dates for transferring unclaimed and unpaid dividends declared by the Company are as under:

| Financial Year ended | Date of Declaration of Dividend | Due date of transfer of unclaimed & unpaid Dividend |
|----------------------|---------------------------------|---|
| 31.03.2012 | 24.09.2012 | 31.10.2019 |
| 31.03.2013 | 18.07.2013 | 22.08.2020 |
| 31.03.2014 | 24.09.2014 | 27.10.2021 |
| 31.03.2015 | 29.09.2015 | 05.11.2022 |
| 31.03.2016 | 28.09.2016 | 03.10.2023 |
| 31.03.2017 | 16.09.2017 | 21.10.2024 |
| 31.03.2018 | 26.09.2018 | 31.10.2025 |

"TABLE A"
DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | Shares | | | Total Shares | % age |
|---------------------------|---------------------|-------------------|----------------|------------------|-------------------|------------------|---------------|
| | | | Physical | NSDL | CDSL | | |
| 1-500 | 9413 | 62.43 | 40415 | 956690 | 765354 | 1762459 | 1.47 |
| 501-1000 | 2213 | 14.68 | 230140 | 1024562 | 694559 | 1949261 | 1.63 |
| 1001-2000 | 1701 | 11.28 | 465980 | 1646271 | 847042 | 2959293 | 2.47 |
| 2001-3000 | 399 | 2.65 | 76300 | 619376 | 369377 | 1065053 | 0.89 |
| 3001-4000 | 431 | 2.86 | 279100 | 1038335 | 335353 | 1652788 | 1.38 |
| 4001-5000 | 203 | 1.35 | 14920 | 600860 | 35900 | 974782 | 0.81 |
| 5001-10000 | 424 | 2.81 | 281040 | 1884637 | 1005030 | 3170707 | 2.65 |
| 10001 & above | 294 | 1.95 | 146500 | 102424845 | 3533512 | 106104857 | 88.69 |
| Total | 15078 | 100.00 | 1534395 | 110195576 | 7909229.00 | 119639200 | 100.00 |

"TABLE B"
CATEGORY-WISE DISTRIBUTION AS ON 31ST MARCH, 2019

| Categories | Total No. of Shares | % of Holdings |
|--|---------------------|---------------|
| A) Promoters Holding | | |
| Individuals | 4616435 | 3.86 |
| Bodies Corporate | 71464447 | 59.73 |
| Total (A) .. | 76080882 | 63.59 |
| B) Public Holding | | |
| i) Institutions | | |
| Foreign Portfolio Investor | 15824034 | 13.23 |
| Foreign Institutions/Bank | 7150 | 0.01 |
| Total (B)(i) | 15831184 | 13.23 |
| ii) Non-Institutions | | |
| Individual Shareholders holding Nominal Share Capital Up to 2 Lacs | 18274704 | 15.27 |
| Individual Shareholders holding Nominal Share Capital Above 2 Lacs | 3315884 | 2.77 |
| NBFC | 2888 | 0.00 |
| Any others | | |
| Bodies Corporate | 2860250 | 2.39 |
| Non Resident Indian | 575014 | 0.48 |
| Resident Indian Huf | 1140861 | 0.95 |
| Clearing Members/House | 412011 | 0.34 |
| Others | 274494 | 0.23 |
| Total (B)(ii) | 27727134 | 23.18 |
| Total (B) (i) + (ii) | 43558318 | 36.41 |
| Grand Total (A) + (B) | 119639200 | 100.00 |

For and on behalf of the Board of Directors

Sd/-

MANUBHAI RATHOD
WHOLE TIME DIRECTOR & CEO
(DIN: 07618837)

Sd/-

HEMUL SHAH
DIRECTOR
(DIN: 00058558)

Date: 12th August, 2019
Place: Mumbai

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To,
The Members of
ORIENT ABRASIVES LIMITED**

We have examined the compliance of conditions of corporate governance by Orient Abrasives Limited ("the Company") for the year ended 31st March, 2019, as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46 (2) and para C and D of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. This responsibility include design, implementation and maintenance of internal control and procedure to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have carried out an examination of the relevant records of the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirement by the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered accountants of India.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance for the year ended 31st March, 2019 except that the Company has appointed Chief Financial Officer w.e.f 13th August, 2018 and the Composition of Audit Committee of the Company was not in accordance with the provisions of Regulation 18 (1) of the Listing Regulations for the quarters ended 31st December, 2018 and 31st March, 2019 Quarters.

We further 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 SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W**

Sd/-

**MANOJ GANATRA
Partner
Membership No. 043485**

Place : Mumbai :
Date : 12th August, 2019

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

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

I further confirm that the Company has in respect of the financial year ended on 31st March, 2019, received from all the Board Members and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board,

Sd/-

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

Date: 12th August, 2019
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Cautionary Statement:

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

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

Overview of the Company's Business:

Abrasives Grains&Refractories Monolithic:

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. The Raw bauxite and calcined alumina are the basic raw materials used for the manufacture of abrasive grains. The Raw Bauxite is procured from the mines owned by the Company and others and calcined alumina is purchased from global aluminium majors including 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. Your Company, has also positioned itself well in the road surfacing segment. It caters mainly the US market and achieved a substantial share in the same. Overall the exports of calcined products has coupled up in this Financial Year and promises to remains consistent.

Industry structure and developments:

Organisations are undergoing change across the Globe along with transformation in their business led by forces such competition from new-age companies, global policies, increasing consumerisation. There also has been a profound change in how technology is developed and delivered. In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6%. However, during the second half of 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets.

Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However, it's important to note that India's economy expanded at 7.1% in 2018 vis-à-vis 6.7% in 2017, whereas China's growth deteriorated from 6.9% in 2017 to 6.6% in 2018.

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15 years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3%. Sustained real GDP growth of over 6% since F.Y. 1991 has led to a fundamental transformation of India's economy. Today, India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income. In PPP terms, the economy is expected to be among the top five global economies by 2020. If this growth translates into a sustainable increase in demand at the grassroots for housing, infrastructure and consumer durables etc. India's manufacturing sector shall finally witness the uptick that it has been patiently awaiting.

Opportunity:

Orient Abrasives Ltd. continues to be India's leading manufacturer of quality refractory materials. Over the last three years, your company has via modernisation and process re-engineering managed to deliver quality material at competitive rates in a reasonably price-centric market. A nascent yet heartening realisation in the refractory industry in using quality refractory materials to achieve efficiencies bodes well for your company. Access to copious reserves of Bauxite at its captive resource base at Porbandar accords the company a head start both in cost & quality.

Your company has constantly endeavoured to create blue oceans by developing new products, the introduction of Brown Tubular Alumina ('BTA') in the product mix is one such example. The Company's Research & Development successfully developed BTA through an in-house process, BTA was flagged by the Company's strategic marketing division as the vital missing link in the refractory materials value chain.

Threats:

The Company's revenues largely depend on the steel and grinding wheel industry. A continuing focus on infrastructure and housing in India is expected to accelerate steel consumption. The National Steel Policy envisages India's steel capacity and the concomitant consumption to increase at a Compound Annual Growth Rate (CAGR) of over 6% to 300 million tons from the current 138 million tons, in the next 10 years. Your company is well placed to garner this growth.

The Bad debts in banking system and non-performing assets led to low investments and low capitalization in Indian Industry, there were no Greenfield projects in 2018 for steel manufacturing. While steel output prices turned soft, inputs continue to be costlier for domestic

production. There are likely to be pressure on the margins in future. Capacity cut across the industries to safeguard the environment, especially China, has created scarcity of raw material. There is slowdown in demand due to trade tension between major steel producing countries, currency volatility and normalization of monetary policy in EU & US.

Outlook, Risks and Concerns:

Prevalent uncertainties on account of trade disputes amongst the two largest economies in the world have been further exacerbated by tensions in the Persian Gulf and possibilities of a "hard" Brexit. Globally, companies and entire economies have begun to re-calibrate their Gordian supply chains, this brings in both risks and opportunities. India's manufacturing sector has been relatively insular, but the ripple effects of currency levels and waning risk appetites could eventually weigh-in. Authorities may have to be far more vigilant and pro-active towards Asian economies dumping their excess production in India especially as it goes unabsorbed in the west.

Concerns and Future Outlook:

While the long-term demand for steel and thereby its ancillary industries in India remains on a firm footing, macroeconomic factors could cause undulations in growth in the short-term. Currently both the construction and the infrastructure industry in India have seen below par growth on account of liquidity constrains; steel being a capex intensive metal will eventually mirror the fortunes of the two industries. Efforts to revive the investment cycle in any economy generally include a push towards spending on infrastructure and housing which would stand the steel & ancillary industries in good stead.

On its part your Company continues to explore new niches in the refractory value chain both in India and overseas.

The fallout of the US-China trade skirmishes may embolden other countries to unilaterally reconsider their duty structures by generally raising duties on imports and lowering them on exports; this along with an interplay of the currency markets will go a long way in determining the fortunes of several industries across the globe. In such a scenario, globally competitive refractory materials manufacturers such as your Company would stand to benefit by the unshackling of export duties on calcined bauxite on one hand and fending off the dumping of fused products from China with higher import duties. Notwithstanding any such upheavals in the duty structure, your Company would strive to improve margins by higher capacity utilisation and by introducing & marketing new products (such as Brown Tubular Alumina) that deepen the value chain.

Internal Controls systems and their adequacy:

Your company's accounting and management information systems run the S4 Hana platform of SAP which has been customised to provide adequate checks and balances as a part of the Internal Control System. In the information systems within the Company are further augmented by integrating PLC based machine controls to the management information system to allow a wholistic control environment. The Company's internal Auditors operate under the aegis of the Audit Committee; internal audit reports along with the action taken reports are periodically reviewed by the Audit Committee. Capital and revenue expenditures are monitored and controlled with reference to approved budgets.

The Company's internal control system covers the following aspects

- Financial propriety of business transactions.
- Safeguarding the assets of the Company.
- Compliance with prevalent statutes, regulations, policies and procedures, environmental safety standards

Certain statements in this annual report concerning our future growth prospects are forward-Looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in our earnings, revenue and profits, our ability to generate and manage growth, intense competition.

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

Segment:

The chief operational decision maker monitors the operating results of its business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventories and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter segment transfer:

Inter segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

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

Financial Highlights & Accounting Treatment:

Revenue is aggregate revenue for the purpose of segment reporting including the impact of exchange rate fluctuations. Market price of shares is based on closing price in NSE as on March 31, 2019. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

During the year, there were no changes in internal control over financial reporting that have materially affected or are likely to have any financial reporting lapse. The Company's endeavour to rationalise its work force has gone a long way to enhance its cost competitiveness, notwithstanding a 62 day labour disruption during the year. However, because of the persistent efforts of the Management the issue with the workers/labourer have been settled and resolved amicably and that the operations of the Company have been resumed and normalised.

During the year under review the gross turnover of the Company was Rs. 31,296.90 Lakhs and gross profit & net profit were Rs. 2,072.10 Lakhs & Rs. 1,627.54 lakhs respectively. In comparison to previous financial year, the profit before tax increased marginally vis-a-vis compared to previous financial year, reasons being the continuous efforts in cost efficiency and supply of superior quality products in the existing market through technical expertise.

During the year, the Company has sold/exported non plant grade bauxite amounting to Rs.2,449.26 Lakhs. Going forward the Company expects to focus on the manufacturing facility and value added products vis-à-vis minimal focus on mining business. During the year under review gross revenue for sale of power (wind energy) was Rs. 770.63 Lakhs.

Dividend:

The Board has recommended dividend of Rs.0.25/- per equity share for the Financial Year ended on 31st March, 2019, payable subject to approval at the ensuing Annual General Meeting. This will result in a total payout for the year 2019-20 (including dividend distribution tax) of Rs. 359.99 Lakhs (Rs. 359.99 Lakhs in 2016-17) translating into a dividend payout of 25% (compared to 25% in the previous year) on net profit. The Company believes in maintaining a fair balance between dividend distribution and cash retention. Cash retention is required for future growth, probable acquisitions and to meet any unforeseen contingencies.

Financial Performance
(₹ in Lakhs)

| Particulars | For year ended March 31, 2019 | For the year ended March 31, 2018 |
|--|----------------------------------|--------------------------------------|
| Income | | |
| Revenue from operations | 31,296.80 | 32,818.54 |
| Other income | 162.36 | 384.94 |
| Total income (I) | 31,459.16 | 33,203.48 |
| Expenses | | |
| Cost of materials consumed | 8,297.63 | 9,084.58 |
| Purchase of traded goods | 5,225.81 | 4,054.71 |
| Changes in inventories | (1,370.32) | 749.61 |
| Employee benefits expense | 2,621.37 | 2,635.55 |
| Finance costs | 924.48 | 612.64 |
| Depreciation and amortisation expense | 1,094.85 | 953.56 |
| Other expenses | 12,663.99 | 13,163.57 |
| Foreign exchange (gain)/loss (net) | (70.74) | 16.25 |
| Total expenses (II) | 29,387.06 | 31,270.46 |
| Profit before tax (III) = (I-II) | 2,072.10 | 1,933.01 |
| Tax expense | | |
| Current tax | 509.00 | 439.00 |
| Adjustment of tax relating to earlier periods | 11.84 | 76.27 |
| Deferred tax, Charge / (Credit) | (30.21) | 418.45 |
| Less: Tax (Credit) under Minimum Alternate Tax (MAT) | (36.00) | (699.94) |
| Total tax expense (IV) | 454.63 | 233.78 |
| Profit for the year (V) = (III-IV) | 1,617.47 | 1,699.23 |

Considering the nature of business or industry in which it operates, the Company deals with various customers including multiple geographies. The Company has entered into various contracts with the top 20 companies during the year ended March 31, 2019, resulting in allocation to its business segments. Segment results of previous periods are not comparable to this extent although, the impact on net profit of the Group is insignificant.

Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies. Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

SIGNIFICANT CHANGES RELATED TO FINANCIAL RATIOS

| Particulars | | For the year 2018 - 19 | For the year 2017 - 18 |
|-------------------------|-------|---------------------------|---------------------------|
| Debtors Turnover | Ratio | 3.78 | 4.20 |
| Inventory Turnover | Ratio | 2.17 | 2.34 |
| Current Ratio | Ratio | 1.83 | 1.66 |
| Debt Equity Ratio | Ratio | 0.33 | 0.26 |
| Operating Profit Margin | Ratio | 13% | 11% |
| Net Profit Margin | Ratio | 5% | 5% |

The average Debtors ratio has marginally escalated downwards owing to the market synergies. The Company envisages to endeavour its initiatives to improve the ratio from the inventory perspective. The Management has taken aggressive steps to liquidate the inventory without affecting the margins. The liquidity ratio has slightly moved upwards owing to the built of its inventory and Debtors visavis compared to previous year. The ratio from the perspective of operating has improved owing to the continuous efforts in cost reduction.

HUMAN RESOURCE/INDUSTRIAL RELATION DEVELOPMENT:

Your Company believed, success cannot be eminent without a team of highly calibre professionals on all fronts namely production, marketing, projects, finance and accounts. Your company has engaged the expertise of Mr Manubhai Rathod who has 25 years of rich experience for sourcing of Bauxite the prime raw material for its manufacturing facility. In addition to the sourcing of bauxite, your company has appointed Mr. M M Rao, who has 15 years of rich experience in operations and placement of end products in the niche as well established market. The entire operations and marketing team has achieved the milestone of enhances productivity across its product portfolio. Moreover your company's accounting compliance and its strategic finance planning of its working capital and CAPEX requirements is diligently taken care by its CFO, Mr. V. Shashidharan. The Finance not only plays a role of managing the funds but also involves it strategic placement of its funding resources for achieving financial goals in as disciplined manner through continuous and consistent efforts. In the Global segment, the exports team lead Ms Charmain D'Souza has eminently played a pivotal role in increasing the share of your Company in the overseas segment. The Exports has substantially grown by almost 80% vis-a-vis compared to previous financial year.

Your Company has diligently succeeded in implementing various Sops, Policies related to HR, Industrial Relations, Production, Marketing, etc in a subtle manner. Moreover the Company relates the success of the same to its entire Managerial Staff and its workforce.

During the year the Company emerged successful in maintained a harmonious environment across the Departments thereby strengthening the relations between the Management and the labour force. Through its continuous efforts it has managed to rationalise contract based manpower.

Overall the Management has eventually succeeded in absorbing adequate talent with all the technical expertise for development and research of value added products.

Environment:

Environment sustainability is one of the key elements in our Corporate Sustainability Model. Conservation of energy, greening of product and environment, reduction and reuse of industrial waste are key focus areas under environment initiatives. Climate change has been identified as one of the greatest challenges facing nations, governments, businesses and citizens in the coming decades. Your Company has laid down the systems going beyond regulations, by continuously working on different technologies in effluent management to upgrade waste water treatment in its Units and also efforts have been taken to enhance the pollution control measure as laid down by Gujarat Pollution Control Board (GPCB).

Statutory Compliance:

The Whole-time Director makes a declaration at each Board Meeting in quarterly basis, regarding the compliance with provisions of various statutes after obtaining confirmation from all the unit heads of the company. The Company Secretary also ensures compliance with the provisions of Companies Act, 2013 and SEBI Listing Regulations.

INDEPENDENT AUDITORS' REPORT

To
The Members of
ORIENT ABRASIVES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Orient Abrasives Limited ("the Company") which comprise the Balance Sheet as at 31st March 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, of its profit and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in our forming our opinion thereon, and we do not provide a separate opinion on these matters. We have the matters described below to be the key audit matters to be communicated in our report:

| Key audit matters | How our audit addressed the key audit matter |
|--|---|
| Advance given to mining contractors pending adjustment | |
| <p>The Company extracts raw bauxite from the mines taken on lease from the regulatory authorities. The Company gives the contracts to various sub-contractors which include extraction, sizing, sorting, truck loading activities, etc. at various mines.</p> <p>The Company accounts for the inventories of raw bauxite in the books when all the activities to be performed by the sub-contractors are complete.</p> <p>Against the contracted activities which are currently in progress, the Company has outstanding advance of Rs.699.75 lacs as at reporting date paid to sub-contractors towards excavation, sizing, sorting, truck loading, etc. at various mines.</p> <p>Treatment of amount paid to sub-contractor as an advance was determined to be key matter in our audit of the financial statements.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We have verified the transaction movement occurred during the year. • We have obtained the confirmation received from the sub-contractor for the balance outstanding as at March 31, 2019 which also mentions mining activities are in progress. • Per contractors confirmation and management representation, at the reporting year end, as mining activities are in progress, the amount paid to the contractors are treated as advances since the mining services obligations are not yet completed. |

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance Report, Shareholder's Information, but does not include the financial statements and auditor's report thereon. The Board's Report and other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the aforesaid reports and information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

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 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 Ind AS and accounting principles generally accepted in India. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concerns and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in clause 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on 31st March 2019, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms section 164(2) of the Act;
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, our separate report in annexure - B may be referred;
 - g) In our opinion and to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditors' 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 explanation given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For SANGHAVI & CO.
Chartered Accountants
FRN: 109099W

Mumbai
May 14, 2019

MANOJ GANATRA
Partner
Membership No. 043485

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- 1 In respect of fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. All fixed assets were not physically verified by the management during the year. However, there is a regular programme of verification in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature its assets. No material discrepancies were noticed on such verification.
 - c. The title deeds of immovable properties are held in the name of the Company.
- 2 The inventories were physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification carried out by the Company.
- 3 The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- 4 There are no loans, investments, guarantees and securities in respect of which provisions of section 185 and 186 of the Act are applicable.
- 5 The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- 6 We have broadly reviewed the cost records maintained by the Company pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7 In respect of statutory and other dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Cess, Goods & Service Tax and other material statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
 - b. There are no statutory dues, which have not been deposited on account of dispute except for the followings:

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

- 8 The Company has not defaulted in repayment of loans or borrowing to banks. The Company has not obtained any borrowings from any financial institutions or government or by way of debentures.
- 9 Terms loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money, during the year, by way of public offer (including debt instruments).
- 10 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.
- 11 Managerial remuneration paid or provided by the Company during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12 Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13 All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15 The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For SANGHAVI & CO.
Chartered Accountants
FRN: 109099W

Mumbai
May 14, 2019

MANOJ GANATRA
Partner
Membership No. 043485

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of Orient Abrasives Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For SANGHAVI & CO.
Chartered Accountants
FRN: 109099W

Mumbai
May 14, 2019

MANOJ GANATRA
Partner
Membership No. 043485

BALANCE SHEET AS AT MARCH 31, 2019

(₹ in Lakhs)

| Particulars | Notes | As at March 31, 2019 | As at March 31, 2018 |
|--|-------|-------------------------|-------------------------|
| ASSETS | | | |
| I. Non-current assets | | | |
| (a) Property, plant and equipment | 3 | 12,498.31 | 13,278.90 |
| (b) Capital work-in-progress | 3 | 269.18 | 91.48 |
| (c) Intangible assets | 4 | 108.26 | 135.31 |
| (d) Financial assets | | | |
| (i) Other financial assets | 8 | 155.77 | 91.74 |
| (e) Other non-current assets | 9 | 457.83 | 407.72 |
| Total non-current assets | | 13,489.35 | 14,005.15 |
| II. Current assets | | | |
| (a) Inventories | 10 | 11,167.90 | 10,455.03 |
| (b) Financial assets | | | |
| (i) Trade receivables | 5 | 8,190.98 | 8,382.53 |
| (ii) Cash and cash equivalents | 6 | 505.94 | 108.03 |
| (iii) Other bank balances | 7 | 732.37 | 508.26 |
| (iv) Others financial assets | 8 | 235.45 | 70.20 |
| (c) Other current assets | 9 | 1,755.17 | 2,406.47 |
| Total current assets | | 22,587.81 | 21,930.52 |
| Total Assets | | 36,077.16 | 35,935.67 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 11 | 1,196.52 | 1,196.52 |
| Other equity | 12 | 20,423.99 | 19,157.03 |
| Total equity | | 21,620.51 | 20,353.55 |
| LIABILITIES | | | |
| I. Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 | 1,136.06 | 1,311.53 |
| (ii) Other financial liabilities | 15 | 15.17 | 3.05 |
| (b) Provisions | 16 | 131.67 | 133.50 |
| (c) Deferred tax liabilities (net) | 27 | 833.25 | 895.32 |
| Total non-current liabilities | | 2,116.15 | 2,343.40 |
| II. Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 | 6,087.20 | 4,391.18 |
| (ii) Trade payables | | | |
| - Total outstanding dues of micro and small enterprises | 14 | 91.97 | - |
| - Total outstanding dues of creditors other than micro and small enterprises | 14 | 3,865.18 | 6,839.44 |
| (iii) Other financial liabilities | 15 | 512.58 | 694.10 |
| (b) Other current liabilities | 17 | 1,408.25 | 1,201.78 |
| (c) Provisions | 16 | 66.29 | 59.85 |
| (d) Current tax liabilities (net) | 18 | 309.02 | 52.36 |
| Total current liabilities | | 12,340.50 | 13,238.71 |
| Total equity and liabilities | | 36,077.16 | 35,935.67 |

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

As per our report of even date
For Sanghavi & Co.
Chartered Accountants

Manoj Ganatra
Partner

 Place : Mumbai
Date : May 14, 2019

**For and on behalf of the Board of Directors of
Orient Abrasives Limited**
Manubhai Rathod
Whole-Time Director & CEO
DIN: 07618837

Bimal Parmar
Company Secretary

Hemul Shah
Director
DIN: 00058558

V. Shashidharan
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ In Lakhs)

| Particulars | Notes | For Year ended March 31, 2019 | For Year ended March 31, 2018 |
|---|-------|----------------------------------|----------------------------------|
| Income | | | |
| Revenue from operations | 19 | 31,296.80 | 32,720.97 |
| Other income | 20 | 162.36 | 384.94 |
| Total income (I) | | 31,459.16 | 33,105.91 |
| Expenses | | | |
| Cost of materials consumed | 21 | 8,297.63 | 9,084.58 |
| Purchase of traded goods | | 5,225.81 | 4,054.71 |
| Changes in inventories | 22 | (1,370.33) | 749.61 |
| Employee benefits expense | 23 | 2,621.37 | 2,635.55 |
| Finance costs | 24 | 924.48 | 612.64 |
| Depreciation and amortisation expense | 25 | 1,094.85 | 953.56 |
| Other expenses | 26 | 12,663.99 | 13,066.00 |
| Foreign exchange (gain)/loss (net) | | (70.74) | 16.25 |
| Total expenses (II) | | 29,387.06 | 31,172.90 |
| Profit before tax (III) = (I-II) | | 2,072.10 | 1,933.01 |
| Tax expense | | | |
| Tax expense | 27 | | |
| Current tax | | 509.00 | 439.00 |
| Earlier year's tax | | 11.84 | 76.27 |
| Deferred tax (credit) / charge | | (30.21) | 418.45 |
| Less: MAT Credit entitlement | | (36.00) | (699.94) |
| Total tax expense (IV) | | 454.63 | 233.78 |
| Profit for the year (V) = (III-IV) | | 1,617.47 | 1,699.23 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit & loss | | | |
| Re-measurement of the defined benefit plans | | 14.20 | (4.99) |
| Income tax effect | | (4.14) | 1.73 |
| Total other comprehensive income (net of tax) (VI) | | 10.07 | (3.26) |
| Total comprehensive income for the year (V+VI) | | 1,627.54 | 1,695.97 |
| Basic earning per share (₹) | 32 | 1.35 | 1.42 |
| Diluted earning per share (₹) | 32 | 1.33 | 1.42 |
| Face value per share (₹) | | 1.00 | 1.00 |

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

As per our report of even date
For Sanghavi & Co.
Chartered Accountants

Manoj Ganatra
Partner

 Place : Mumbai
Date : May 14, 2019

**For and on behalf of the Board of Directors of
Orient Abrasives Limited**
Manubhai Rathod
Whole-Time Director & CEO
DIN: 07618837

Bimal Parmar
Company Secretary

Hemul Shah
Director
DIN: 00058558

V. Shashidharan
Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019
(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|---|-----------------|-------------------|
| A Cash Flow from Operating Activities | | |
| Profit before tax as per statement of profit and loss | 2,072.10 | 1,933.01 |
| Adjustments for: | | |
| Depreciation and Amortization expenses | 1,094.85 | 953.56 |
| Loss on sale of property, plant and equipment | 68.57 | 3.87 |
| Unrealised foreign exchange loss / (gain) (net) | 16.25 | (11.17) |
| Government grant income | (5.28) | (159.64) |
| Interest expenses | 770.24 | 532.49 |
| Interest income | (34.40) | (27.69) |
| Liabilities/provisions no longer required, written back | (50.65) | - |
| Bad debts and miscellaneous balances written off | 149.83 | 38.43 |
| Provision for doubtful debts (ECL) | 275.48 | 111.67 |
| Operating Profit before Working Capital Changes | 4,356.99 | 3,374.53 |
| Working Capital Changes: | | |
| (Decrease) in trade payables, provisions and other liabilities | (2,636.56) | (229.44) |
| (Increase) in trade receivables | (251.40) | (1,277.85) |
| (Increase) / Decrease in inventories | (712.86) | 624.12 |
| Decrease / (Increase) in other assets | 538.28 | (671.28) |
| Cash Generated from Operations | 1,154.89 | 1,763.79 |
| Direct Taxes paid (Net of Income Tax refund) | (330.66) | (387.76) |
| Net Cash from Operating Activities | 824.23 | 1,376.03 |
| B Cash Flow from Investing Activities | | |
| Purchase of property, plant and equipment (including CWIP and capital advances) | (963.80) | (2,028.95) |
| Proceeds from sale of property, plant and equipment | 260.41 | 12.89 |
| Deposits made with Bank | (1,868.04) | (574.75) |
| Deposits redeemed with Bank | 1,579.59 | 409.35 |
| Interest received | 32.00 | 19.05 |
| Net cash flow (used in) Investing Activities | (959.84) | (2,162.42) |
| C Cash Flow from Financing Activities | | |
| Proceeds received against issue of share warrants | - | 807.72 |
| Proceeds from long term borrowings | 176.80 | 1,402.51 |
| Repayment of long term borrowings | (352.28) | (328.23) |
| Changes in working capital loans (net) | 2,762.52 | (1,177.74) |
| Proceeds from bill discounting | 8.51 | - |
| Proceeds from loan from body corporate | - | 1,500.00 |
| Repayment of loan from body corporate | (1,075.00) | (600.00) |
| Dividend paid (including dividend distribution tax) | (360.58) | (359.99) |
| Interest paid | (766.00) | (520.19) |
| Net Cash flow from Financing Activities | 393.88 | 724.08 |
| Net Increase/(Decrease) in cash & cash equivalents | 397.91 | (6.03) |
| Cash & Cash equivalent at the beginning of the period | 108.03 | 114.05 |
| Cash & Cash equivalent at the end of the period | 505.94 | 108.03 |
| | 397.91 | (6.03) |

| | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Component of Cash and Cash Equivalents (Also Refer Note 6) | | |
| Particulars | | |
| Cash and cash equivalents comprise of: | 5.11 | 11.12 |
| Cash on Hand | 500.83 | 96.91 |
| Balances with Banks | 505.94 | 108.03 |
| Cash and cash equivalents at the end of the year | | |

Notes:

- The Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 on Cash flow statement notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
- Ind AS 7 requires to provide disclosure of changes in liabilities arising from financing activities, including both changes arising from cashflows and non-cash changes. During the year, there has been no other change in liabilities arising from financing activities apart from changes arising from cash flow statement as mentioned.

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

As per our report of even date

For Sanghavi & Co.
Chartered Accountants

Manoj Ganatra
Partner

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

Manubhai Rathod
Whole-Time Director & CEO
DIN: 07618837

Bimal Parmar
Company Secretary

Hemul Shah
Director
DIN: 00058558

V. Shashidharan
Chief Financial Officer

Place : Mumbai
Date : May 14, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019
A. Equity share capital

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Balance at the beginning of the reporting year | 1,196.52 | 1,196.52 |
| Changes in Equity share capital during the year | - | - |
| Balance at the end of the reporting year | 1,196.52 | 1,196.52 |

B. Other equity

(₹ in Lakhs)

| Particulars | Reserves and Surplus | | Other Comprehensive Income Remeasurements of defined benefits plans | Share warrants | Total Equity |
|--|----------------------|-------------------|---|----------------|------------------|
| | General Reserve | Retained Earnings | | | |
| | Note 12 | Note 12 | Note 12 | Note 12 | |
| Balance as at April 1, 2017 | 8,979.44 | 8,123.99 | (89.50) | - | 17,013.33 |
| Profit for the year | - | 1,699.23 | - | - | 1,699.23 |
| Other comprehensive (loss) for the year | - | - | (3.26) | - | (3.26) |
| Total Comprehensive income for the year | - | 1,699.23 | (3.26) | - | 1,695.97 |
| Share warrants issued, pending allotment | - | - | - | 807.72 | 807.72 |
| Dividend and distribution tax thereon | - | (359.99) | - | - | (359.99) |
| Balance as at March 31, 2018 | 8,979.44 | 9,462.63 | (92.76) | 807.72 | 19,157.03 |
| Profit for the year | - | 1,617.47 | - | - | 1,617.47 |
| Other comprehensive income for the year | - | - | 10.07 | - | 10.07 |
| Total Comprehensive income for the year | - | 1,617.47 | 10.07 | - | 1,627.54 |
| Dividend and distribution tax thereon | - | (360.58) | - | - | (360.58) |
| Balance as at March 31, 2019 | 8,979.44 | 10,719.53 | (82.69) | | 20,423.99 |

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

As per our report of even date

 For Sanghavi & Co.
Chartered Accountants

 Manoj Ganatra
Partner

 Place : Mumbai
Date : May 14, 2019

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

 Manubhai Rathod
Whole-Time Director & CEO
DIN: 07618837

 Bimal Parmar
Company Secretary

 Hemul Shah
Director
DIN: 00058558

 V. Shashidharan
Chief Financial Officer

Notes to the Financial Statements for the year ended March 31, 2019

1. Corporate Information:

Orient Abrasives Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) as well as Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at GIDC Industrial Area, Porbandar 360577, Gujarat, India.

The Company is principally engaged in the business of production and trading of aluminum refractories and monolithics products, mining of bauxite ores and generation of power (including windmill facilities). The Company's manufacturing facilities are located at Porbandar (Gujarat) alongwith thermal power generation, bauxite mines located at various sites in Gujarat and windmill facilities in the state of Rajasthan and Karnataka.

The financial statements were authorised for issue in accordance with a resolution of the directors on 14th May 2019.

2. Significant accounting policies:

2.1 Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirement of Division II of schedule III to the Companies Act, 2013.

The financial statements have been prepared and presented under the historical cost convention, except for certain financial assets and liabilities measured at fair value at the end of each reporting period, as explained in the accounting policies below. The accounting policies adopted in the preparation of financial statements are consistent for all the period presented. These financial statements are presented in INR and all values are rounded to the nearest lacs, except when otherwise indicated.

2.2 Summary of significant accounting policies:

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current /non-current classification.

An asset is treated as current when it is:-

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:-

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Property, plant and equipment

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

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

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized. The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Capital work in progress includes the cost of property, plant and equipment that are not ready for intended use at the balance sheet date. The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

c) Depreciation on property, plant and equipment

Depreciation on property plant and equipment is provided on a straight-line basis using useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for the assets mentioned below for which useful lives estimated by the management based on technical assessment made by technical expert:

- Leasehold land is amortized on a straight line basis over the period of lease.
- Building - 15 / 30 / 60 years
- Plant and equipment - 5 / 15 / 25 years
- Thermal power plant and windmill - 25 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The identified components are depreciated over their useful lives. The remaining components are depreciated over the life of the principal assets.

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

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets comprise of computer software which is amortised over a period of 6 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

The company has elected to continue with the carrying value for all of its intangible asset as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

e. Foreign currencies

The Company's financial statements are presented in INR which is also the Company's functional currency. The Company determines the functional currency and items included in the financial statements are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

f. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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 recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

g. Inventories

Inventories are valued as follows:

- Raw materials, stores and spares: At 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 includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: At lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on weighted average basis.
- Bauxite Ore: At lower of cost and net realizable value. Cost includes excavation cost and other direct costs to bring the inventories to their present location and condition. Cost is determined on weighted average basis.
- Waste: At net realizable value

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

Obsolete, slow moving and defective inventories are written off/valued at net realisable value during the year as per policy consistently followed by the Company.

h. Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The Company collected sales taxes and value added taxes (VAT) {till June 30, 2017} and Goods and Services Tax (GST) {with effect from July 1, 2017} on behalf of the government and, therefore, these are not economic consideration to which the Company is entitled to. Hence, they are excluded from revenue.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.2 (v).

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The normal credit term is 60 to 150 days upon the delivery.

The Company considers whether there are other promises in the sale of goods that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Power generation income

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

Contract balances**• Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (s) Financial instruments – initial recognition and subsequent measurement.

• Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

i. Other Operating Income / Other Income**I. Interest**

Interest income from debt instruments is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

ii. Export incentives

Income from Material Exports from India Scheme ('MEIS') incentives under Government's Foreign Trade Policy 2015-20 under Government's Foreign Trade Policy 2009-14 on the sales of goods income are classified as 'Other Operating Revenue' and is recognised based on effective rate of incentive under the scheme, provided no significant uncertainty exists for the measurability, realisation and utilisation of the credit under the scheme. The receivables related to MEIS licenses are classified as 'Other Financial Assets'.

iii. Duty drawback

Income on duty draw-back is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

j. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

k. Taxes

The tax expenses comprise of current income tax and deferred tax:

Current income tax

Current income tax (including Minimum Alternative Tax (MAT)) is measured at the amount expected to be paid to the taxation authorities in accordance with Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible

temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The Company is entitled to a tax holiday under section 80-IA the Income-tax Act, 1961 in respect of certain income, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., 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, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

I. Retirement and other employee benefits

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 expense, 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.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The Company has taken an insurance policy under the Group Gratuity Scheme with the Life Insurance Corporation of India (LIC).

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefits. The Company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term 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. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

m. Financial instruments

A financial instrument is any contract which give rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets: Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through profit or loss and fair value through other comprehensive income (OCI) .

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (h) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in the below categories:

- i. Debt. Instruments at amortized cost
- ii. Debt. Instruments at fair value through profit or loss (FVTPL)
- I. Debt. Instruments at amortized cost

A Debt instrument is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This Category is most relevant to the Company.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

ii. Debt Instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for Debt Instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt Instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit & loss. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the

transferred asset to the extent of the Company's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of derecognition and consideration received is recognised in the statement of profit and loss.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The company's financial liabilities include trade and other payables, loans and borrowings. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, which is described below.

ii. Financial liabilities at amortized cost

Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

The Company does not restate any previously recognized gains, losses (including impairment Gains or losses) or interest.

This category generally applies to borrowings. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics, and risks of the assets or liabilities and the level of the fair value hierarchy as explained above. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The method used to determine fair value includes discounted cash flow, available quoted market prices and quotes. All method of assessing fair value results from general approximation of value and the same may differ from the actual realised value.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines changes in the business model as a result of external or internal changes which are significant to the company's operations such changes are evident to external parties. If

the company reclassifies financial assets, it applies the reclassification prospectively, from the reclassification date. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n. Impairment

Financial assets

The company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. In accordance with Ind-AS 109 Financial instruments, the Company applies expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured using simplified approach, where impairment loss allowance is recognised based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, ECL is measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument, The 12 month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss and presented in the balance sheet as an allowance that reduces the gross carrying amount.

The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Non financial assets

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) fair value less costs of disposal and its value in use. 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. When 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

o. Borrowing costs

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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

p. Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the financial statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after April 1, 2017. The nature and the impact of each amendment is described in the statement of cash flows.

r. Cash dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s. Segment reporting

Identification of segments

Business Segment

The chief operational decision maker (CODM) monitors the operating results of its business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Intersegment Transfers

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

Allocation of common costs

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

Segment Policies

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

t. 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.

u. Changes in accounting policies and disclosures**New and amended standards**

The following standards and amendments became applicable for the first time for the annual reporting period commencing 1 April 2018:

Ind AS 115, Revenue from Contracts with Customer

Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance

Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effect of Changes in Foreign Exchange Rates

Amendment to Ind AS 12, Income Taxes

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The adoption of the standard did not have any material impact on the financial statement of the Company.

Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

v. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Evaluation of arrangements containing a lease

The Company has assessed applicability of Appendix C of Ind AS – 17 “Lease” with respect to its power purchase agreement (PPA) for its power generation plants. In assessing the applicability, the Company has exercised judgement in relation to the provisions of the Electricity Act, 2003, terms of its Power Purchase Agreement, etc. Based on such assessment, it has concluded that Appendix C of Ind AS 17 is not applicable.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Based on the assessment by the management, it is not probable that the Company will have sufficient taxable profit in future against which, the Company will be able to set off the MAT. Accordingly, the Company has not recognised deferred tax assets in the form of MAT credit entitlement. Refer note 25.

Provision for cost of mines restoration

In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost of mines restoration and the expected timing of those costs. Refer note 14 for the carrying amount of the provision.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. Based on management's assessment, there has been no indication of impairment in non-financial assets.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 30.

Insurance Claim Receivables

On September 25, 2018, untoward incident happened, a blast in the tilting furnace section, at the Company's plant located at Porbandar. Pursuant to such event, tilting furnace section has been damaged extensively which lead to a temporary stoppage in the production of certain products from the date of incidents till March 31, 2019.

The Company has assessed and estimated, with help of experts, total loss / damage to its Plant and Equipment and business operations of **418 Lakhs** on account of such incident. Hence, the Company has decapitalised the net WDV of the tilting furnace from the fixed assets register amounting to 229.91 lakhs and recognise insurance claim receivables against the same.

As at year end, the Company has received `100 lacs against the insurance claim and for the balance amount of `129.91 lacs the management of the Company is confident about its recovery. Hence, there is no financial impact on statement of profit and loss on account of aforesaid incident.

Notes to the Financial Statements for the year ended March 31, 2019
(Amount in INR lacs, unless stated otherwise)

| Particulars | (₹ in Lakhs) | | | | | | | | |
|------------------------------|---------------|-----------------|----------|-------------------|----------------------|-------------------|----------|------------|------------|
| | Freehold Land | Lease hold Land | Building | Plant & Equipment | Furniture & Fixtures | Office Equipments | Vehicles | Total | CWIP |
| I. Cost | | | | | | | | | |
| Balance as at April 1, 2017 | 29.15 | 48.49 | 2,009.24 | 18,320.60 | 33.83 | 148.65 | 315.59 | 20,905.56 | 3,361.83 |
| Additions | - | - | 1,073.11 | 4,215.35 | 25.86 | 26.69 | 20.43 | 5,361.46 | 2,060.55 |
| Disposals / Transfers | - | - | - | - | - | - | (38.96) | (38.96) | (5,330.89) |
| Balance as at March 31, 2018 | 29.15 | 48.49 | 3,082.35 | 22,535.95 | 59.70 | 175.35 | 297.06 | 26,228.05 | 91.48 |
| Additions | - | 59.30 | 42.25 | 436.90 | 5.50 | 15.10 | 53.91 | 612.95 | 464.27 |
| Disposals / Transfers | - | - | - | (2,038.53) | - | - | (16.54) | (2,055.07) | (286.57) |
| Balance as at March 31, 2019 | 29.15 | 107.79 | 3,124.60 | 20,934.32 | 65.19 | 190.45 | 334.44 | 24,785.94 | 269.18 |
| II. Depreciation | | | | | | | | | |
| Balance as at April 1, 2017 | - | 16.65 | 676.07 | 11,066.03 | 14.95 | 110.64 | 158.96 | 12,043.30 | |
| Depreciation for the year | - | 1.79 | 95.68 | 780.92 | 2.85 | 17.86 | 28.97 | 928.06 | |
| Disposals / Transfers | - | - | - | - | - | - | (22.20) | (22.20) | |
| Balance as at March 31, 2018 | - | 18.44 | 771.74 | 11,846.95 | 17.80 | 128.51 | 165.72 | 12,949.15 | |
| Depreciation for the year | - | 2.65 | 104.55 | 906.67 | 5.64 | 17.53 | 27.51 | 1,064.56 | |
| Disposals / Transfers | - | - | - | (1,715.19) | - | - | (10.90) | (1,726.09) | |
| Balance as at March 31, 2019 | - | 21.09 | 876.30 | 11,038.43 | 23.44 | 146.04 | 182.33 | 12,287.63 | |
| Net block | | | | | | | | | |
| As at March 31, 2018 | 29.15 | 30.05 | 2,310.61 | 10,689.01 | 41.90 | 46.84 | 131.34 | 13,278.90 | 91.48 |
| As at March 31, 2019 | 29.15 | 86.70 | 2,248.30 | 9,895.89 | 41.75 | 44.41 | 152.11 | 12,498.31 | 269.18 |

Notes:

- The Company has elected to consider the carrying value of all its Property, Plant and Equipment as recognised in its previous GAAP financials, as deemed cost at the transition date i.e; April 1, 2016 as per option permitted under Ind AS 101 for the first time adoption of Ind AS.
- For assets given on security to the lender for borrowings availed by the Company, refer note 13.

Note 4
Intangible Assets

(₹ in Lakhs)

| | Computer Software | Total |
|-------------------------------------|-------------------|---------------|
| I. Cost | | |
| Balance as at April 1, 2017 | 174.03 | 174.03 |
| Additions | - | - |
| Disposals / Transfers | - | - |
| Balance as at March 31, 2018 | 174.03 | 174.03 |
| Additions | 3.25 | 3.25 |
| Disposals / Transfers | - | - |
| Balance as at March 31, 2019 | 177.28 | 177.28 |
| II. Amortisation | | |
| Balance as at April 1, 2017 | 13.22 | 13.22 |
| Amortisation for the period | 25.51 | 25.51 |
| Disposals / Transfers | - | - |
| Balance as at March 31, 2018 | 38.73 | 38.73 |
| Amortisation for the period | 30.29 | 30.29 |
| Disposals / Transfers | - | - |
| Balance as at March 31, 2019 | 69.02 | 69.02 |
| Net block | | |
| As at March 31, 2018 | 135.31 | 135.31 |
| As at March 31, 2019 | 108.26 | 108.26 |

Note 5
Trade receivables

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Current | | |
| Trade receivables considered good - secured | - | - |
| Trade receivables considered good - unsecured | 7,764.19 | 7,955.79 |
| Trade receivables which have significant increase in credit risk | 426.79 | 426.74 |
| Trade receivables - credit Impaired | 650.42 | 374.94 |
| Less: Allowances for trade receivables - credit impaired (refer note 38) | (650.42) | (374.94) |
| Total trade receivables | 8,190.98 | 8,382.53 |

Note:

- (a) No trade receivables are due from directors or other officers of the company either severally or jointly with any other person."
- (b) For terms and conditions relating to related party receivables and trade receivables due from other related parties, refer note 31.
- (c) Trade receivables are non-interest bearing and are generally on terms of 60 to 150 days.
- (d) Significant increase in credit risk identified based on ageing of Trade Receivable
- (e) For Company's risk management processes, refer Note 38.
- (f) Movement in the expected credit loss allowances:

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Impairment allowance measured as per simplified approach: | | |
| Loss allowance at the beginning of the reporting year | 374.94 | 263.27 |
| Changes in loss allowance | 275.48 | 111.67 |
| Loss allowance at the end of the reporting year | 650.42 | 374.94 |

Note 6

Cash and cash equivalents

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Balances with banks: | | |
| Current accounts | 500.83 | 96.91 |
| Cash on hand | 5.11 | 11.12 |
| Total cash and cash equivalents | 505.94 | 108.03 |

Note 7

Other Bank balances

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Deposits with original maturity of more than 3 months but less than 12 months | 200.00 | 49.50 |
| Unpaid dividend accounts | 68.73 | 89.92 |
| Margin money deposits with Banks (Refer Note (b) below) | 463.64 | 368.84 |
| Total other bank balances | 732.37 | 508.26 |

Note:

(a) The carrying value of other financial assets as at the reporting date approximate fair value.

(b) Margin money deposits are given as lien against the bank guarantees given to government authorities, lenders and customers.

Note 8

Other financial assets

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Non-current | | |
| Security deposits | 30.43 | 26.77 |
| Margin money deposits with Banks (Refer Note (b) below) | 70.43 | 27.29 |
| Subsidy receivable | 54.91 | 37.68 |
| | 155.77 | 91.74 |
| Current | | |
| Security deposits | 87.72 | 54.76 |
| Interest accrued on bank deposits and security deposits | 17.83 | 15.43 |
| Insurance claim receivable | 129.91 | - |
| | 235.45 | 70.20 |
| Total other financial assets | 391.22 | 161.94 |

Note:

(a) The carrying value of other financial assets as at the reporting date approximate fair value.

(b) Margin money deposits are given as lien against the bank guarantees given to government authorities, lenders and customers. Also, refer note 38 for information about credit risk and market risk.

Note 9
Other assets

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Non-current | | |
| Capital advances | | |
| Unsecured, considered good | 137.70 | 134.00 |
| Unsecured, considered doubtful | - | 50.65 |
| Less: Provision for doubtful capital advances | - | (50.65) |
| | <u>137.70</u> | <u>134.00</u> |
| Prepaid expenses | 40.32 | 43.74 |
| Material Exports from India Scheme (MEIS) receivable (considered good) | - | 13.99 |
| Electricity duty receivable | - | 2.66 |
| Tax paid in advance (net of provision) | 279.81 | 213.33 |
| | <u>457.83</u> | <u>407.72</u> |
| Current | | |
| Balance with government authorities | 54.04 | 700.18 |
| Prepaid expenses | 65.13 | 87.06 |
| Custom duty recoverable | 87.50 | 87.50 |
| Material Exports from India Scheme (MEIS) receivable (considered good) | 21.25 | - |
| Advances recoverable in cash or kind | | |
| Unsecured, considered good | 1,527.25 | 1,531.72 |
| Unsecured, considered doubtful | - | 11.07 |
| Less: Provision for doubtful advances | - | (11.07) |
| | <u>1,755.17</u> | <u>2,406.47</u> |
| Total other asset | 2,213.00 | 2,814.19 |

Note:

- (a) No advance or deposit are due from directors or other officers of the Company either severally or jointly with any other person.
 (b) For terms and conditions relating to related party advances and advances due from other related parties, refer note 31.
 (c) Movement in expected credit loss

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Impairment allowance measured as per simplified approach: | | |
| Loss allowance at the beginning of the reporting year | 61.73 | 61.73 |
| Changes in loss allowance | (61.73) | - |
| Loss allowance at the end of the reporting year | <u>-</u> | <u>61.73</u> |

Note 10
Inventories (Lower of Cost or Net realisable value)

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------|----------------------|----------------------|
| Raw materials | 2,992.03 | 3,668.71 |
| Work-in-progress | 2,338.62 | 1,837.03 |
| Finished goods | 3,522.08 | 2,450.16 |
| Bauxite Ore for Trading | 4.43 | 4.43 |
| By Product/Waste | 109.75 | 312.94 |
| Stores and spares | 2,200.98 | 2,181.77 |
| Total inventories | 11,167.90 | 10,455.03 |

Note 11
Equity share capital

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Authorised share capital | | | | |
| Equity shares of Rs.1 each | 14,00,00,000 | 1,400.00 | 14,00,00,000 | 1,400.00 |
| 6% Redeemable cumulative preference shares of Rs. 100/- each | 4,00,000 | 400.00 | 4,00,000 | 400.00 |
| Issued and subscribed share capital | | | | |
| Equity shares of Rs.1 each | 11,96,59,200 | 1,196.59 | 11,96,59,200 | 1,196.59 |
| Subscribed and fully paid up | | | | |
| Equity shares of Rs.1 each | 11,96,39,200 | 1,196.39 | 11,96,39,200 | 1,196.39 |
| Add: Shares forfeited (amount paid up) | 13,044 | 0.13 | 13,044 | 0.13 |
| Total share capital | 11,96,52,244 | 1,196.52 | 11,96,52,244 | 1,196.52 |

11.1. Terms/Rights attached to the equity shares

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

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

11.2. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Shares outstanding at the beginning of the year | 11,96,39,200 | 1,196.39 | 11,96,39,200 | 1,196.39 |
| Issued during the year | - | - | - | - |
| Forfeiture of shares | - | - | - | - |
| Shares outstanding at the end of the year | 11,96,39,200 | 1,196.39 | 11,96,39,200 | 1,196.39 |

11.3. Number of Shares held by each shareholder holding more than 5% Shares in the company

| Name of the Shareholder | As at March 31, 2019 | | As at March 31, 2018 | |
|------------------------------|----------------------|-------------------|----------------------|-------------------|
| | No. of Shares | % of shareholding | No. of Shares | % of shareholding |
| Bombay Minerals Limited | 4,30,74,953 | 36.00% | 4,67,82,953 | 39.10% |
| Cura Global holdings Limited | 2,83,89,494 | 23.73% | 2,83,89,494 | 23.73% |

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

Note 12
Other Equity

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| General reserve | | |
| Balance at the beginning of the year | 8,979.44 | 8,979.44 |
| Balance at the end of the year | 8,979.44 | 8,979.44 |
| Money received against share warrants (refer note 41) | 807.72 | 807.72 |
| Retained earnings | | |
| Balance at the beginning of the year | 9,462.63 | 8,123.39 |
| Profit for the year | 1,617.47 | 1,699.23 |
| Appropriations | | |
| Dividend on equity shares (refer note (a) below) | (299.10) | (299.10) |
| Tax on dividend | (61.48) | (60.89) |
| Balance at the end of the year | 10,719.53 | 9,462.63 |
| Other component of equity | | |
| Remeasurement of defined benefits plans (net of tax) | (82.69) | (92.76) |
| Total Other equity | 20,423.99 | 19,157.03 |

(a) Dividends on equity shares:

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Final cash dividend paid during the year ended on March 31, 2019 : ₹ 0.25 per share (March 31, 2018: ₹ 0.25 per share) | (299.10) | (299.10) |
| Dividend distribution tax | (61.48) | (60.89) |
| Total | (360.58) | (359.99) |

Proposed dividends for the year ended March 31, 2019 : ₹ 0.25 per share (March 31, 2018 : ₹ 0.25 per share) including Dividend Distribution Tax of Rs. 61.48 lakhs (March 31, 2018 Rs. 61.48 lakhs) on equity shares are subject to approval at the ensuing annual general meeting and are not recognised as a liability (including Dividend Distribution Tax) as at March 31, 2019.

Note 13
Borrowings

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Long-term Borrowings (Secured) | | |
| Non-current portion | | |
| Term loan from banks | 1,528.94 | 1,704.41 |
| | 1,528.94 | 1,704.41 |
| Less: Current maturities | | |
| Term loan from banks | (392.88) | (392.88) |
| Total Long-term Borrowings | 1,136.06 | 1,311.53 |
| Short-term Borrowings | | |
| Working capital loans from banks (Secured) | 5,653.69 | 2,891.18 |
| Bill Discounting | 8.51 | - |
| Loan from body corporate (Unsecured) | 425.00 | 1,500.00 |
| Total Short-term Borrowings | 6,087.20 | 4,391.18 |
| Total Borrowings | 7,616.14 | 6,095.59 |
| Aggregate secured loans | 7,191.14 | 4,595.58 |
| Aggregate unsecured loans | 425.00 | 1,500.00 |

Terms and repayment of the loans:
(a) Term loans from banks:

The loan is secured by first charge on all Property, Plant & Equipment, (Fixed Assets) and Current assets of company, both present & future. The facilities are secured by equitable mortgage of the following properties: - (i) City Survey ward No. 03, Old survey no. 3480/2 Opp. Collector Bungalow, Lal Palace, Main Road, Porbandar (ii) City Survey ward No. 03, Old survey no. 3481 Lal Palace area, B/h Jadav Pan off. Juri Baug, Main Road, Porbandar. (iii) City Survey ward No. 03, Survey No. 1662 Paiki East Part & West Part Opp. Chopati Cricket Ground, S.T. Depot, New Foundation road Porbandar. (iv) GIDC Plot No. 400. GIDC Main Road GIDC Area Dharampur, Porbandar. These facilities further secured by entire current assets of the company including hypothecation of raw material, semi finished goods and finished goods including goods in transit, books debts and other current assets of the company.

Term loan amounting to Rs. 1352.13 lacs is repayable in remaining 41 monthly equal instalment of Rs. 32.74 lacs along with future interest and term loan amounting to Rs. 176.81 lacs is In 16 quarterly installments after initial holiday period of 12 months.

The term carries interest @ 1 year MCLR + 1.15% - 3.75% which is presently ranging between 10.95% to 11.70% p.a.

(b) Working capital loans from bank:

The loan is secured by first charge on all current and Property, Plant & Equipment, (Fixed Assets) of company, both present & future, including stocks of raw materials, stores, spares, stocks in process & finished goods etc. lying in company premises, godowns, elsewhere including those in transit and all present and future book-debts / receivables of the company. These facilities are further secured by equitable mortgage of the following properties:- (i) City Survey ward No. 03, Old survey no. 3480/2 Opp. Collector Bungalow, Lal Palace, Main Road, Porbandar (ii) City Survey ward No. 03, Old survey no. 3481 Lal Palace area, B/h Jadav Pan off. Juri Baug, Main Road, Porbandar. (iii) City Survey ward No. 03, Survey No. 1662 Paiki East Part & West Part Opp. Chopati Cricket Ground, S.T. Depot, New Foundation road Porbandar. (iv) GIDC Plot No. 400. GIDC Main Road GIDC Area Dharampur, Porbandar.

The working capital loan is repayable on demand and carries interest @ 1 year MCLR + 1.25% - 1.55% which is presently ranging between 9.20% to 11.35% p.a.

(c) Loan from body corporate:

The loan is repayable on demand and carries interest @ 12% p.a.

Note 14
Trade payables
(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Current | | |
| Total outstanding dues of micro enterprises and small enterprises (refer note 42) | 91.97 | - |
| Total outstanding dues of creditors other than Micro enterprises and small enterprises (refer note (a) below) | 3,865.18 | 6,839.44 |
| Total | 3,957.15 | 6,839.44 |

Note:

(a) Trade payables are non-interest bearing and are normally settled on 30-90 days terms.

(b) The carrying amount of trade payables as at the reporting date approximates fair value. Also, refer note 38 for information about credit risk and market risk.

(c) Dues to related parties included in above (refer note 31).

Note 15
Other financial liabilities
(₹ in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|--|----------------------|----------------------|
| Non- Current | | |
| Interest free deposits from staff (refer note (a) below) | 0.17 | 3.06 |
| Interest free deposits from Customers | 15.00 | - |
| | 15.17 | 3.06 |
| Current | | |
| Current maturities of long term borrowings (refer note 13) | 392.88 | 392.88 |
| Interest accrued but not due on borrowings | 27.61 | 23.37 |
| Interest free deposits from staff (refer note (a) below) | 2.65 | 1.03 |
| Capital creditors | 20.67 | 186.89 |
| Unpaid dividend | 68.76 | 89.92 |
| | 512.58 | 694.10 |
| Total other financial liabilities | 527.75 | 697.16 |

Note:

(a) Interest free deposits are security from staff against vehicles provided by the Company.

(b) The carrying amount of other financial liabilities as at the reporting date approximates fair value. Also, refer note 38 for information about credit risk and market risk.

(c) Dues to related parties included in above (refer note 31).

Note 16
Provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Long-term | | |
| Provision for employee benefits | | |
| Provision for leave encashment | 77.54 | 79.37 |
| Other provisions | | |
| Provision for litigation (refer note (a) below) | 37.68 | 37.68 |
| Provision for cost of mines restoration (refer note (b) below) | 16.45 | 16.45 |
| | 131.67 | 133.50 |
| Short-term | | |
| Provision for employee benefits | | |
| Provision for leave encashment | 6.44 | 6.71 |
| Provision for gratuity | 59.85 | 53.14 |
| | 66.29 | 59.85 |
| Total provisions | 197.96 | 193.35 |

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

(₹ in Lakhs)

| Particulars | Provision for litigation | Provision for mines |
|-------------------------------------|--------------------------|---------------------|
| Balance as at April 1, 2017 | 37.68 | 16.45 |
| Movement during the period | - | - |
| Balance as at March 31, 2018 | 37.68 | 16.45 |
| Movement during the period | - | - |
| Balance as at March 31, 2019 | 37.68 | 16.45 |

Note:

- (a) The Company has received certain demand towards custom duty on account of mis-classification on import of coal, although the Company has availed the benefit of exemption notification and paid custom duty at a lower rate. Matter is in appeal but the Company has decided to make provision for the same of Rs.37.68 Lakhs.
- (b) The Company has made provision towards mines closure obligations based on estimated outflow of resources based on past experience.

Note 17
Other liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Current | | |
| Deferred income (refer note (a) below) | 9.04 | 14.32 |
| Contract liabilities | 331.81 | 132.73 |
| Statutory dues | 70.21 | 94.15 |
| Other payables | 997.19 | 960.56 |
| | 1,408.25 | 1,201.78 |
| Total other liabilities | 1,408.25 | 1,201.78 |

(a) Movement of deferred income
(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Balance at the beginning of the reporting year | 14.32 | 166.72 |
| Received during the year | - | 7.24 |
| Released to statement of profit and loss | (5.28) | (159.64) |
| Balance at the end of the reporting year | 9.04 | 14.32 |

(b) Dues to related parties included in above (refer note 31).

(c) Contract liabilities includes advances received from customer to deliver goods.

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Revenue recognised out of the contract liability balance | 132.73 | 96.43 |

Note 18
Current tax liabilities
(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|-------------------|----------------------|----------------------|
| Provision for tax | 309.02 | 52.36 |
| Total | 309.02 | 52.36 |

Note 19
Revenue from operations
(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|--------------------------------------|------------------|------------------|
| Sale of products | | |
| Finished goods | 28,421.79 | 29,342.24 |
| Sale of bauxite ore | 781.56 | 2,046.82 |
| Sale of Power | 795.44 | 754.60 |
| Other operating revenue | | |
| Sale of By Products | 708.37 | 454.00 |
| Others | 589.62 | 123.31 |
| Total revenue from operations | 31,296.80 | 32,720.97 |

* Revenue from operations for the period upto June 30, 2017 are inclusive of excise duty. Goods and Service Tax ("GST") has been implemented with effect from July 1, 2017 which replaces excise duty and other input taxes. As per Ind AS 115, the revenue for the nine months ended March 31, 2018 and for the year ended March 31, 2019 is reported net of GST and accordingly, is not comparable to that extent.

Note 20
Other income
(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|--|---------------|---------------|
| Interest income from financial assets measured at amortised cost | | |
| - Bank deposits | 34.40 | 27.69 |
| - Others | 0.48 | 0.40 |
| Amortisation of government grants (refer note 17.a) | 5.28 | 159.64 |
| VAT Refund | - | 137.38 |
| Subsidy on power generated from windmill | 17.23 | 16.03 |
| Liabilities no longer required written back | 50.65 | - |
| Miscellaneous income | 54.32 | 43.80 |
| Total other income | 162.36 | 384.94 |

Note 21
Cost of materials consumed
(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|---|-----------------|-----------------|
| Inventory at the beginning of the year | 3,668.71 | 4,082.20 |
| Purchases* (refer note 40) | 7,620.95 | 8,671.09 |
| Less: Inventory at the end of the year | (2,992.03) | (3,668.71) |
| Total cost of materials consumed | 8,297.63 | 9,084.58 |

*includes royalty paid on bauxite ores excavated for captive consumption amounting to Rs. 52.25 lacs (2017-18: Rs.81.39 lacs)

Note 22
Changes in inventories
(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|---|-------------------|-----------------|
| Inventories at the end of year | | |
| Finished Goods | 3,522.08 | 2,450.16 |
| Bauxite Ore | 4.43 | 4.43 |
| Work-In-Progress | 2,338.62 | 1,837.03 |
| Waste | 109.75 | 312.94 |
| | 5,974.88 | 4,604.56 |
| Inventories at the beginning of year | | |
| Finished Goods | 2,450.16 | 2,336.19 |
| Bauxite Ore | 4.43 | 1,112.97 |
| Work-In-Progress | 1,837.03 | 1,453.13 |
| Waste | 312.94 | 451.88 |
| | 4,604.56 | 5,354.17 |
| Total changes in inventories | (1,370.33) | 749.61 |

Note 23
Employee benefits expenses *
(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|---|-----------------|-----------------|
| Salaries, wages and bonus | 2,243.11 | 2,202.11 |
| Contribution to Provident and Other Funds (refer note 30) | 159.53 | 178.33 |
| Gratuity expense (refer note 30) | 55.14 | 68.61 |
| Staff welfare expenses | 163.60 | 186.50 |
| Total employee benefits expense | 2,621.37 | 2,635.55 |

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

Note 24
Finance costs
(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|----------------------------|---------------|---------------|
| Interest: | | |
| - Banks | 545.71 | 448.27 |
| - Body corporate | 139.55 | 56.28 |
| - Others | 84.98 | 27.94 |
| Other borrowing cost | 154.24 | 80.15 |
| Total finance costs | 924.48 | 612.64 |

Note 25
Depreciation and amortization
(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|--|-----------------|---------------|
| Depreciation on property, plant and equipment (refer note 3) | 1,064.56 | 928.05 |
| Amortization on Intangible assets (refer note 4) | 30.29 | 25.51 |
| Total depreciation and amortization | 1,094.85 | 953.56 |

Note 26
Other expenses
(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|--|------------------|------------------|
| Power and fuel | 5,170.07 | 6,191.53 |
| Consumption of stores and spares | 1,987.32 | 1,889.07 |
| Royalty and tax levies on export | 1,137.75 | 713.05 |
| Excise duty | - | 368.53 |
| Mining charges cost to contractors | 368.75 | 175.73 |
| Repairs and maintenance | | |
| - Plant and machinery | 293.31 | 271.51 |
| - Buildings | 54.41 | 50.01 |
| - Others | 115.65 | 187.42 |
| Rent (refer note 33) | 69.05 | 28.76 |
| Packing expenses | 373.40 | 426.10 |
| Freight and forwarding expenses | 1,948.59 | 1,880.82 |
| Commission on sales | 39.88 | 52.92 |
| Research & development | 25.00 | - |
| Rates and taxes | 24.57 | 85.66 |
| Legal and professional fees | 120.77 | 146.17 |
| Donation expenses | 18.33 | 4.32 |
| Insurance | 60.68 | 84.51 |
| Bad debts written off | 135.51 | 26.67 |
| Allowances for doubtful receivables and other advances | 275.48 | 111.67 |
| Miscellaneous balances written off | 14.32 | 11.76 |
| Expenditure on Corporate Social Responsibility (CSR) (refer note 34) | 49.42 | 44.92 |
| Travelling and conveyance | 127.47 | 139.59 |
| Loss on sale of fixed assets | 68.57 | 3.87 |
| Auditor's remuneration* | 20.46 | 27.24 |
| Communication expenses | 10.32 | 8.37 |
| Printing and stationery | 5.81 | 7.43 |
| Directors' Sitting Fees | 8.85 | 8.40 |
| Miscellaneous expenses | 140.24 | 119.95 |
| Total | 12,663.99 | 13,066.00 |

| Auditors Remuneration | | |
|------------------------------|--------------|--------------|
| Audit fee | 15.00 | 15.00 |
| Limited review | 5.00 | 8.00 |
| Certification fees | 0.12 | 3.62 |
| Out of pocket expenses | 0.34 | 0.62 |
| Total | 20.46 | 27.24 |

Note 27
Income tax
(₹ in Lakhs)

The major components of income tax expense for the period ended March 31, 2019 and March 31, 2018 are :

| Particulars | 2018-19 | 2017-18 |
|--|---------------|---------------|
| Statement of Profit and Loss | | |
| Current tax | | |
| Current tax | 509.00 | 439.00 |
| Earlier year's tax | 11.84 | 76.27 |
| Deferred tax | | |
| Deferred tax | (30.21) | 418.45 |
| Less: Tax (Credit) under Minimum Alternate Tax (MAT) | (36.00) | (699.94) |
| Income tax expense reported in the statement of profit and loss | 454.63 | 233.78 |

OCI Section
(₹ in Lakhs)

| Particulars | 2018-19 | 2017-18 |
|--|-------------|---------------|
| Deferred tax related to items recognised in OCI during the year | | |
| Net loss/(gain) on actuarial gains and losses | 4.14 | (1.73) |
| Income tax effect | 4.14 | (1.73) |

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the period ended March 31, 2019 and March 31, 2018:
A) Current tax
(₹ in Lakhs)

| Particulars | For the year ended 2018-19 | For the year ended 2017-18 |
|--|----------------------------|----------------------------|
| Accounting profit before tax from continuing operations | 2,072.10 | 1,933.01 |
| Tax @ 29.12% (March 31, 2018: 34.608%) | 603.40 | 668.98 |
| Adjustment | | |
| Income charged at different tax rate | - | 342.85 |
| Credit under MAT recognised for earlier years | - | (699.94) |
| Impact of unutilised exemption U/s 80-IA on Windmill | (158.78) | (174.44) |
| Others | 10.01 | 96.34 |
| At the effective income tax rate of 21.94% (March 31, 2018: 12.09%) | 454.63 | 233.78 |

B) Deferred tax
(₹ In Lakhs)

| Particulars | Balance Sheet | | Statement of Profit & Loss | |
|--|----------------------|----------------------|----------------------------|---------------|
| | As at March 31, 2019 | As at March 31, 2018 | 2018-19 | 2017-18 |
| Deferred tax liabilities | | | | |
| Accelerated depreciation for tax purposes | (1,909.47) | (1,811.68) | (97.79) | (478.61) |
| Deferred Tax Asset | | | | |
| Provision for doubtful debts, advances and recoverables | 227.28 | 132.59 | 94.70 | 35.10 |
| Employee benefit expenditure debited to the statement of profit and loss but allowable for tax purposes on payment basis | 117.13 | 79.09 | 38.04 | 22.05 |
| Others | (4.14) | 4.74 | (8.88) | 4.74 |
| MAT credit entitlement | 735.94 | 699.94 | 36.00 | 699.94 |
| Deferred tax (expense)/income | | | | |
| Net deferred tax assets/(liabilities) | (833.25) | (895.32) | 62.07 | 283.22 |

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Reconciliation of deferred tax assets / (liabilities), net | | |
| Balance at the beginning of the reporting year | (895.32) | (1,178.54) |
| Tax income/(expense) during the period recognised in profit or loss | 66.21 | 281.49 |
| Tax income/(expense) during the period recognised in OCI | (4.14) | 1.73 |
| Balance at the end of the reporting year | (833.25) | (895.32) |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company is liable to pay Minimum Alternate Tax (MAT) on income for financial year 2018-19 and accordingly the Company has made provision of INR 509 lakhs (2017-18: INR 439 lakhs). Tax provision in the financial results have been made as per Minimum Alternative Tax (MAT) as per provisions of section 115JB of the Income Tax Act, 1961, after considering Company's eligibility to avail benefit under section 80IA of the Income Tax Act 1961 on profit generated from Wind Mill business activities. The company has recognised MAT credit of INR 36.00 lakhs for the current year (2017-18: INR 699.94 lakhs) and Rs.735.94 lakhs till date.

Note 28

Contingent liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|----------------------|------------------------|
| Claims against the Company not acknowledged as debt | | |
| a) Power claim matters decided in favour of the Company by the District Court (Civil Court, Senior Division, Porbandar) but Paschim Gujarat Vidyut Company Limited has gone into further appeal before Hon'ble High Court of Gujarat (Refer Note A below) | 338.02 | 338.02 |
| b) Demand raised by the Income tax authorities, being disputed by the Company (Refer Note B below) | 362.77 | 362.77 |
| c) Demand from Joint Commissioner Customs for payment of differential customs duty | 18.42 | 18.42 |
| d) Cases pending with Labour Courts (Refer Note C below) | | Amount unascertainable |

Note A

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

Note B

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

Note C

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

II. Provident Fund Note:

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

Note 29
Capital commitment and other commitments

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| 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) | 610.39 | 78.74 |

Note 30
Disclosure pursuant to Employee benefits
(a) Defined contribution plans

Amount recognised as expenses and included in Note No. 23 "Employee benefit expense"

(₹ in Lakhs)

| Particulars | For the Year ended 2018-19 | For the Year ended 2017-18 |
|--------------------------------|----------------------------|----------------------------|
| Contribution to Provident fund | 97.93 | 137.87 |
| | 97.93 | 137.87 |

(b) Defined benefits plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

March 31, 2019 : Changes in defined benefit obligation and plan assets

| | Gratuity cost charged to statement of profit and loss | | | | | Remeasurement gains/(losses) in other comprehensive income | | | | | | | March 31, 2019 |
|--------------------------------|---|----------------------------|--------------|----------------------------------|--|--|--|---|---|------------------------|---------------------------|---------------------------|----------------|
| | April 1, 2018 | Transfer In/Out Obligation | Service cost | "Net interest (expense)/ income" | Sub-total included in statement of profit and loss | Benefit paid | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in demographic assumptions | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI | Contributions by employer | |
| Gratuity | | | | | | | | | | | | | |
| Defined benefit obligation | (478.09) | - | (50.97) | (37.53) | (88.50) | 50.36 | - | - | (3.45) | 20.15 | 16.70 | - | (499.52) |
| Fair value of plan assets | 424.94 | - | - | 33.36 | 33.36 | (50.36) | (2.50) | - | - | - | (2.50) | 34.23 | 439.67 |
| Total benefit liability | (53.15) | - | - | - | (55.14) | - | - | - | - | - | 14.20 | 34.23 | (59.85) |

March 31, 2018 : Changes in defined benefit obligation and plan assets

| | Gratuity cost charged to statement of profit and loss | | | | | Remeasurement gains/(losses) in other comprehensive income | | | | | | | March 31, 2017 |
|--------------------------------|---|----------------------------|--------------|----------------------------------|--|--|--|---|---|------------------------|---------------------------|---------------------------|----------------|
| | April 1, 2016 | Transfer In/Out Obligation | Service cost | "Net interest (expense)/ income" | Sub-total included in statement of profit and loss | Benefit paid | Return on plan assets (excluding amounts included in net interest expense) | Actuarial changes arising from changes in demographic assumptions | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI | Contributions by employer | |
| Gratuity | | | | | | | | | | | | | |
| Defined benefit obligation | (442.10) | - | (63.58) | (32.45) | (96.03) | 54.62 | - | - | (29.51) | (24.08) | 5.43 | - | (478.09) |
| Fair value of plan assets | 373.54 | 7.06 | - | 27.42 | 34.48 | (54.62) | (10.41) | - | - | - | (10.41) | 81.96 | 424.94 |
| Total benefit liability | (68.56) | - | - | - | (61.55) | - | - | - | - | - | (4.98) | 81.96 | (53.15) |

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--------------------------------|--|--|
| Expected return on plan assets | 7.79% | 7.85% |
| Discount rate | 7.79% | 7.85% |
| Future salary increase | 8.00% | 8.00% |
| Employee turnover | 2.00% | 2.00% |
| Mortality rate | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |

A quantitative sensitivity analysis for significant assumption is as shown below:

(₹ in Lakhs)

| Particulars | Sensitivity Level | (increase) / decrease in defined benefit obligation (Impact) | |
|-------------------|-------------------|--|----------------------|
| | | As at March 31, 2019 | As at March 31, 2018 |
| Discount rate | 1% increase | (52.89) | (50.45) |
| | 1% decrease | 63.52 | 60.65 |
| Salary increase | 1% increase | 59.81 | 57.59 |
| | 1% decrease | (51.64) | (49.56) |
| Employee turnover | 1% increase | (1.35) | (1.29) |
| | 1% decrease | 1.48 | 1.40 |

The following are the expected future benefit payments for the defined benefit plan :

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| Within the next 12 months (next annual reporting period) | 24.43 | 24.54 |
| Between 2 and 5 years | 97.96 | 101.08 |
| Beyond 5 years | 1490.91 | 1442.43 |
| Total Expected Payments | 1,613.30 | 1,568.05 |

The average duration of the defined benefit plan obligation at the end of the reporting period is 16 years (March 31, 2018: 17 years).

Note 31

Related Party disclosures

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows :

(i) Name of related parties and their relationship :

(a) Key Managerial Personnel (KMP)

| Name | Relationship |
|-----------------------|--|
| Mr. Pundarik Sanyal | Non-Executive Chairman, Independent Director |
| Mr. Manubhai Rathod | Whole Time Director & CEO |
| Mr. Hemul Shah | Non-Executive Director |
| Mrs. Chaitali Salot | Non-Executive Director |
| Mr. Harish Motiwala | Independent Director |
| Mr. Bharat Makhecha | Independent Director |
| Mrs. Sangeeta Bohra | Independent Director |
| Mr. Manan Chetan Shah | President |
| Mr. V. Shashidharan | Chief Financial Officer |
| Mr. Bimal Parmar | Company Secretary |

(b) Enterprises having significant influence over the company being owned and controlled by principle shareholders and entities owned/controlled by such enterprise.

Ambica Logistics Pvt Ltd.
 Ashapura Arcadia Logistics Pvt. Ltd.
 Ashapura Claytech Ltd.
 Ashapura Industrial Finance Ltd.
 Ashapura Minechem Ltd.
 Ashapura International Ltd. (upto 19th Sep 18)
 Ashapura Perfoclay Ltd. (upto 19th Sep 18)
 Bombay Minerals Ltd.

(ii) Related Party Transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:
(₹ in Lakhs)

| Particulars | Enterprises having Significant influence over the company & entities owned/controlled by such enterprises | | Key Managerial Personnel and their relatives | | Total | |
|---|---|-------------------------------|--|-------------------------------|-------------------------------|-------------------------------|
| | For Year ended March 31, 2019 | For Year ended March 31, 2018 | For Year ended March 31, 2019 | For Year ended March 31, 2018 | For Year ended March 31, 2019 | For Year ended March 31, 2018 |
| Sales | | | | | | |
| Ashapura Minechem Ltd. | 749.85 | 209.27 | - | - | 749.85 | 209.27 |
| Ashapura Perfoclay Ltd. | 4.54 | 36.19 | - | - | 4.54 | 36.19 |
| Bombay Minerals Ltd. | 818.09 | 802.56 | - | - | 818.09 | 802.56 |
| Total | 1,572.48 | 1,048.02 | - | - | 1,572.48 | 1,048.02 |
| Purchases | | | | | | |
| Ashapura Minechem Ltd. | 18.59 | 1,493.21 | - | - | 18.59 | 1,493.21 |
| Ashapura International Ltd. | 31.46 | 0.65 | - | - | 31.46 | 0.65 |
| Ashapura Perfoclay Ltd. | - | 46.73 | - | - | - | 46.73 |
| Bombay Minerals Ltd. | 7,729.98 | 6,075.16 | - | - | 7,729.98 | 6,075.16 |
| Total | 7,780.02 | 7,615.76 | - | - | 7,780.02 | 7,615.76 |
| Rent Paid | | | | | | |
| Ashapura Minechem Ltd. | 9.07 | 2.27 | - | - | 9.07 | 2.27 |
| Ashapura Perfoclay Ltd. | 0.61 | - | - | - | 0.61 | - |
| Bombay Minerals Ltd. | 3.24 | 1.92 | - | - | 3.24 | 1.92 |
| Total | 12.92 | 4.18 | - | - | 12.92 | 4.18 |
| Interest Expenses | | | | | | |
| Ashapura Overseas Pvt. Ltd. | - | 74.01 | - | - | - | 74.01 |
| Ashapura Industrial Finance Ltd. | 42.68 | - | - | - | 42.68 | - |
| Ashapura Perfoclay Ltd. | 26.93 | - | - | - | 26.93 | - |
| Total | 69.61 | 74.01 | - | - | 69.61 | 74.01 |
| Sitting Fees to Directors | - | - | 8.85 | 8.40 | 8.85 | 8.40 |
| Purchase of Services | | | | | | |
| Ambica Logistics Pvt Ltd. | 569.99 | 161.03 | - | - | 569.99 | 161.03 |
| Ashapura Minechem Ltd. | 637.63 | 105.75 | - | - | 637.63 | 105.75 |
| Total | 1,207.63 | 266.78 | - | - | 1,207.63 | 266.78 |
| Unsecured Loan Taken | | | | | | |
| Ashapura Industrial Finance Ltd. | - | 500.00 | - | - | - | 500.00 |
| Ashapura Perfoclay Ltd. | - | 1,000.00 | - | - | - | 1,000.00 |
| Total | - | 1,500.00 | - | - | - | 1,500.00 |
| Repayment of Unsecured Loan taken | | | | | | |
| Ashapura Industrial Finance Ltd. | 425.00 | - | - | - | 425.00 | - |
| Ashapura Perfoclay Ltd. | 650.00 | - | - | - | 650.00 | - |
| Total | 1,075.00 | - | - | - | 1,075.00 | - |
| Share warrants issued, pending allotment | | | | | | |
| Manan Chetan Shah | - | - | - | 807.72 | - | 807.72 |
| Total | - | - | - | 807.72 | - | 807.72 |

(iii) Closing balances of related parties

(₹ in Lakhs)

| Particulars | Enterprises having Significant influence over the company & entities owned/controlled by such enterprises | | Key Managerial Personnel and their relatives | | Total | |
|-------------------------------------|---|----------------------|--|----------------------|----------------------|----------------------|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Trade Receivables | | | | | | |
| Ashapura International Ltd. | - | 1.22 | - | - | - | 1.22 |
| Ashapura Perfoclay Ltd. | - | 30.72 | - | - | - | 30.72 |
| Total | - | 31.94 | - | - | - | 31.94 |
| Trade Payables | | | | | | |
| Ambica logistics Pvt Ltd. | 10.59 | 6.98 | - | - | 10.59 | 6.98 |
| Ashapura Minechem Ltd. | 486.53 | 820.15 | - | - | 486.53 | 820.15 |
| Ashapura International Ltd. | 3.58 | - | - | - | 3.58 | - |
| Ashapura Perfoclay Ltd. | - | 17.59 | - | - | - | 17.59 |
| Bombay Minerals Ltd. | - | 1,862.39 | - | - | - | 1,862.39 |
| Total | 500.70 | 2,707.12 | - | - | 500.70 | 2,707.12 |
| Short term Borrowings | | | | | | |
| Ashapura Industrial Finance Ltd. | 75.00 | 500.00 | - | - | 75.00 | 500.00 |
| Ashapura Perfoclay Ltd. | - | 1,000.00 | - | - | - | 1,000.00 |
| Total | 75.00 | 1,500.00 | - | - | 75.00 | 1,500.00 |
| Other Payables | | | | | | |
| Ashapura Arcadia Logistics Pvt Ltd. | 175.00 | 250.00 | - | - | 175.00 | 250.00 |
| Total | 175.00 | 250.00 | - | - | 175.00 | 250.00 |
| Interest Accrued | | | | | | |
| Ashapura Perfoclay Ltd. | 11.92 | - | - | - | 11.92 | - |
| Total | 11.92 | - | - | - | 11.92 | - |
| Advance Paid | | | | | | |
| Bombay Minerals Ltd. | 298.93 | - | - | - | 298.93 | - |
| Ashapura Perfoclay Ltd. | 41.45 | - | - | - | 41.45 | - |
| Ashapura International Ltd. | - | 200.00 | - | - | - | 200.00 |
| Total | 340.38 | 200.00 | - | - | 340.38 | 200.00 |

- Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.
- There have been no guarantees provided or received for any related party receivables or payables.

(v) Compensation of key managerial personnel of the Company:

(₹ in Lakhs)

| Particulars | For the year ended 2018-19 | For the year ended 2017-18 |
|---|----------------------------|----------------------------|
| Short-term employee benefits | 185.55 | 113.46 |
| Total compensation paid to key management personnel* | 185.55 | 113.46 |

*As the liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the KMP are not included above.

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

Note 32
Earnings per share

(₹ in Lakhs)

| Particulars | For the year ended 2018-19 | For the year ended 2017-18 |
|---|-------------------------------|-------------------------------|
| Earnings per share (Basic and Diluted) | | |
| Profit attributable to ordinary equity holders | 1,617.47 | 1,699.23 |
| Total no. of equity shares at the end of the year | 11,96,52,244 | 11,96,52,244 |
| Weighted average number of equity shares | | |
| For basic EPS | 11,96,52,244 | 11,96,52,244 |
| For diluted EPS | 12,12,26,444 | 12,09,64,077 |
| Nominal value of equity shares | 1.00 | 1.00 |
| Basic earning per share | 1.35 | 1.42 |
| Diluted earning per share | 1.33 | 1.42 |
| Weighted average number of equity shares for basic EPS | | |
| Effect of dilution: Share warrants | 15,74,200 | 13,11,833 |
| Weighted average number of equity shares adjusted for the effect of dilution | 12,12,26,444 | 12,09,64,077 |

Note 33: Leases
Operating Lease : Company as Lessee

The Company has taken various residential, office and warehouse premises and plant and equipment 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 Rs. 69.05 Lacs (2017-18: Rs. 28.76 Lacs)

Note 34:
CSR Expenditure

Gross amount required to be spent during the year: Rs. 46.72 lacs (2017-18: Rs. 44.80 lacs)

Amount spent during the year (contribution to NPO, promotion of education, sanitation work and others), paid in cash: Rs. 49.42 lacs (2017-18: Rs. 44.92 lacs)

Note 35: Segment reporting

For management purposes, the Company is organised into business units based on its products and services and has two reportable segments, as follows:

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

No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(₹ in Lakhs)

| Segment Revenues, Results and Other Information Particulars | Alumina Refractories, Monolithics Products & Bauxite Ores | | Power Generation | | Total | | |
|---|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | For the year ended 2018-19 | For the year ended 2017-18 | For the year ended 2018-19 | For the year ended 2017-18 | For the year ended 2018-19 | For the year ended 2017-18 | For the year ended 2016-17 |
| REVENUE | | | | | | | |
| External revenue(gross of Excise duty) | 30,459.16 | 31,966.37 | 837.64 | 754.60 | 31,296.80 | 32,720.97 | 24,279.25 |
| Inter Segment revenue | - | - | 3,602.52 | 4,104.95 | 3,602.52 | 4,104.95 | 4,415.41 |
| Total | 30,459.16 | 31,966.37 | 4,440.16 | 4,859.55 | 34,899.32 | 36,825.92 | 28,694.66 |
| Less: Elimination- Inter Segment revenue | - | - | (3,602.52) | (4,104.95) | (3,602.52) | (4,104.95) | (4,415.41) |
| Total revenue | 30,459.16 | 31,966.37 | 837.64 | 754.60 | 31,296.80 | 32,720.97 | 24,279.25 |
| SEGMENT RESULTS | | | | | | | |
| Less: Unallocable expenditure/(income) net off unallocable income/expenditure | 2,361.25 | 1,882.30 | 1,077.37 | 979.28 | 3,438.62 | 2,861.58 | 1,580.50 |
| Operating Profit | | | | | 2,917.05 | 2,608.32 | 1,341.71 |
| Less: Interest Expenses | | | | | 844.96 | 675.31 | 398.29 |
| Profit before tax | | | | | 2,072.09 | 1,933.01 | 943.42 |
| Less: Tax expenses | | | | | 454.63 | 233.78 | 242.34 |
| Net Profit after tax | | | | | 1,617.46 | 1,699.23 | 701.08 |

(₹ in Lakhs)

| Particulars | Alumina Refractories, Monolithics Products & Bauxite Ores | | Power Generation | | Total | | |
|--|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2017 |
| Segment Assets | 27,802.99 | 27,988.94 | 6,667.34 | 6,922.43 | 34,470.34 | 34,911.37 | 32,839.19 |
| Unallocated Corporate Assets | | - | | - | 1,606.83 | 1,024.30 | 874.56 |
| Total Assets | 27,802.99 | 27,988.94 | 6,667.34 | 6,922.43 | 36,077.16 | 35,935.67 | 33,713.75 |
| Segment Liabilities | 4,701.41 | 6,963.36 | 841.45 | 1,405.05 | 5,542.86 | 8,368.41 | 8,589.02 |
| Unallocated Corporate Liabilities | | | | | 8,913.79 | 7,213.71 | 6,914.87 |
| Total Liabilities | 4,701.41 | 6,963.36 | 841.45 | 1,405.05 | 14,456.65 | 15,582.12 | 15,503.89 |
| Capital Expenditure | 679.20 | 1,996.69 | 114.70 | 94.43 | 793.90 | 2,091.11 | 3,160.27 |
| Depreciation | 754.22 | 651.63 | 340.63 | 301.93 | 1,094.85 | 953.56 | 796.58 |

Revenue From External Customers

(₹ In Lakhs)

| Particulars | For the year ended 2018-19 | For the year ended 2017-18 |
|--|----------------------------|----------------------------|
| India | 23,372.93 | 26,548.85 |
| Outside India | 7,923.87 | 6,172.12 |
| Total revenue as per statement of profit & loss | 31,296.80 | 32,720.97 |

The revenue information above is based on the locations of the customers. The Company does not have non current assets located outside India. Revenue from sale of product to one customer is Rs.3901.07 lacs (31 March 2018: Rs.4,865.51 lacs), arising from sales in the Alumina Refractories, Monolithics Products & Bauxite Ores segment and all other sales is to heterogeneous customers.

Note 36
Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ in Lakhs)

| Particulars | Carrying amount | | Fair value | |
|---|----------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Financial Assets: | | | | |
| Other non-current financial assets | 155.77 | 91.74 | 155.77 | 91.74 |
| Total | 155.77 | 91.74 | 155.77 | 91.74 |
| Financial liabilities | | | | |
| Borrowings | 7,616.14 | 6,095.58 | 7,616.14 | 6,095.58 |
| Other non-current financial liabilities | 15.17 | 3.06 | 15.17 | 3.06 |
| Total | 7,631.31 | 6,098.64 | 7,631.31 | 6,098.64 |

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial asset and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of long-term variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors etc.

Note 37
Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2019, March 31, 2018

(₹ in Lakhs)

| Particulars | Level | As at March 31, 2019 | As at March 31, 2018 |
|---|-----------|----------------------|----------------------|
| Assets disclosed at fair value | | | |
| Other non-current financial assets | Level - 2 | 155.77 | 91.74 |
| Liabilities disclosed at fair value | | | |
| Borrowings | Level - 2 | 7,616.14 | 6,095.58 |
| Other non-current financial liabilities | Level - 2 | 15.17 | 3.06 |

There have been no transfers between Level 1 and Level 2 during the period.

Note 38 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and ensures that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, receivables and deposits.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations/provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ In Lakhs)

| Particulars | Increase/decrease in basis points | Effect of profit before tax |
|-----------------------|--------------------------------------|--------------------------------|
| March 31, 2019 | +100 | (15.29) |
| | -100 | 15.29 |
| March 31, 2018 | +100 | (17.04) |
| | -100 | 17.04 |

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk.

The following table sets forth information relating to foreign currency exposure as at March 31, 2019 and March 31, 2018:

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|-------------------|-----------------------------------|----------|-----------------------------------|----------|
| | Foreign currency (USD Million) | Amount | Foreign currency (USD Million) | Amount |
| Trade receivables | 2.792 | 1,927.71 | 2.402 | 1,566.53 |
| Trade payables | 0.252 | 175.81 | 0.053 | 34.84 |

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ In Lakhs)

| Particulars | Change in USD rate | Effect of profit before tax |
|-----------------------|--------------------|-----------------------------|
| March 31, 2019 | +5% | 84.60 |
| | -5% | (87.60) |
| March 31, 2018 | +5% | 76.58 |
| | -5% | (76.58) |

Commodity price risk

The Company is exposed to the risk of fluctuations in prevailing market commodity prices mainly on coal, furnace oil, bauxite ore and calcined bauxite. The Company's policy is to maintain an inventory level of such commodities based on the demand and price variations in the market. It is impracticable to determine the price sensitivity of these commodities.

b) Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by Senior Executives subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in separate note. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(₹ in Lakhs)

| Trade receivables as at | Not past due | Past due | | | | Total |
|-----------------------------|--------------|---------------|-----------------|-----------------|----------------|-----------------|
| | | 1 to 180 days | 181 to 365 days | 366 to 730 days | Above 730 days | |
| As on March 31, 2019 | 3,543.58 | 4,220.61 | 295.34 | 114.46 | 16.99 | 8,190.98 |
| As on March 31, 2018 | 4,118.60 | 3,837.20 | 214.12 | 175.07 | 37.55 | 8,382.54 |

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 31, 2018 is the carrying amounts as illustrated in Note 7.

c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through term loans and working capital loans from domestic banks at an optimised cost.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(₹ in Lakhs)

| Particulars | On demand | Less than 1 year | 1 year to 5 years | Total |
|-----------------------------|------------------|------------------|-------------------|------------------|
| As at March 31, 2019 | | | | |
| Borrowings* | 6,087.20 | 420.49 | 1,136.06 | 7,643.75 |
| Trade payables | 3,957.15 | - | - | 3,957.15 |
| Other financial liabilities | 92.09 | - | 15.17 | 107.27 |
| | 10,136.44 | 420.49 | 1,151.23 | 11,708.16 |
| As at March 31, 2018 | | | | |
| Borrowings* | 4,391.18 | 416.25 | 1,311.53 | 6,118.96 |
| Trade payables | 6,839.44 | - | - | 6,839.44 |
| Other financial liabilities | 277.85 | - | 3.06 | 280.91 |
| | 11,508.46 | 416.25 | 1,314.59 | 13,239.30 |

* Includes current maturities of long term borrowings and interest accrued but not due on borrowings.

Note 39 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new share warrants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents (including other bank balances).

(₹ in Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|----------------------|----------------------|
| Interest-bearing loans and borrowings (including current maturity) (Refer Note 13) | 7,616.14 | 6,095.59 |
| Less: cash and cash equivalent (including other bank balances) (Refer Note 6 & 7) | (1,238.31) | (616.29) |
| Net debt | 6,377.83 | 5,479.30 |
| Equity share capital (Refer Note 11) | 1,196.52 | 1,196.52 |
| Other equity (Refer Note 12) | 20,423.99 | 19,157.03 |
| Total capital | 21,620.51 | 20,353.55 |
| Net debt and total equity | 27,998.34 | 25,832.85 |
| Gearing ratio | 22.78% | 21.21% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

Note 40
The Breakup of expenses relating to raising of Raw Bauxite at Company's own mines is as under :
(₹ In Lakhs)

| Particulars | For the year ended | |
|--|--------------------|---------------|
| | 2018-19 | 2017-18 |
| Personnel Expenses | | |
| Salaries, Wages and Bonus | 3.38 | 34.64 |
| Contribution to Provident and other funds | 0.08 | 1.68 |
| Manpower expenses | 182.97 | 290.30 |
| Operating and Other Expenses | | |
| Insurance | 0.03 | - |
| Legal and Professional Fees | 0.56 | 6.81 |
| Repairs and Maintenance : | | |
| - Plant & Machinery (excluding Stores & Spares Consumed) | 0.08 | 0.17 |
| Traveling & Conveyance | 0.12 | 0.92 |
| Printing and Stationery | - | - |
| Communication Cost | 0.07 | 0.47 |
| Miscellaneous Expenses | 3.06 | 34.63 |
| Total | 190.34 | 369.62 |

Note 41: Preferential Issue of equity shares

The Company has allotted 62,96,800 warrants ("Warrants") at INR 51.31/- per Warrant for an aggregate consideration of upto INR 3,230.89 lacs and entitling the Warrant holder(s), being promoter and promoter group entities, to convert the Warrants into equivalent numbers of Equity Shares in the ratio of one equity share for one share warrant held, within eighteen months from the date of allotment of Warrants in accordance with provisions of Chapter VII of the SEBI ICDR Regulations or subject to other applicable laws and regulations as may be prevailing at the time of allotment of Warrants / conversion of Warrants into Equity Shares ("Preferential Issue").

Money received from warrants of Rs. 807.72 lacs being 25% of exercise price is shown as Money received against share warrants as on balance sheet date.

Note 42

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III the Companies Act, 2013 for the year ended March 31, 2019. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

(₹ In Lakhs)

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|--|----------------------|----------------------|
| (a) Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. - Principal - Interest | 91.97 Nil | Nil Nil |
| (b) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 a long with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | Nil | Nil |
| (c) 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 Micro Small and Medium Enterprise Development Act, 2006. | Nil | Nil |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | Nil |
| (e) 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. | Nil | Nil |

**Note 43:
Standards issued but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(I) Amendments to Ind AS 116 Leases:

Ind AS 116 Leases was notified in March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards, if applicable, when they become effective. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

(ii) Amendment to Ind AS 12, Income Taxes:

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend in accordance with Ind AS 12.

(iii) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

(iv) Ind AS 109 – Prepayment Features with Negative Compensation:

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

(v) Ind AS 19 – Plan Amendment, Curtailment or Settlement:

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

(vi) Other Amendments:

Apart from aforesaid amendments in various, below mentioned amendments in Ind AS for which management expects any impact on its financial statements:

- a. Borrowing Cost : Ind AS 23 – Borrowing Costs;
- b. Ind AS 103 – Long-term Interests in Associates and Joint Ventures;
- c. Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

Note 44:
Events after the reporting date

The board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer Note 12(a) for details. There have been no other events after the reporting date.

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

As per our report of even date

For Sanghavi & Co.
Chartered Accountants
FRN: 109099W

Sd/-
Manoj Ganatra
Partner

Place : Mumbai
Date : May 14, 2019

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

Manubhai Rathod
Whole-Time Director & CEO
DIN: 07618837

Bimal Parmar
Company Secretary

Hemul Shah
Director
DIN: 00058558

V. Shashidharan
Chief Financial Officer


ORIENT ABRASIVES LIMITED

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

ATTENDANCE SLIP

48th Annual General Meeting -27th September, 2019
 (To be present at the entrance of the Meeting Hall)

| | |
|--------------------------------------|------------------------|
| Folio No. / DP ID/Client ID : | No. of Shares : |
| | |

I/We hereby record my/our presence at the 48th Annual General Meeting of the Company to be held on **Friday, 27th September, 2019 at 3.00 p.m. at GIDC Industrial Area, Porbandar - 360 577, Gujarat.**

Name of the Member _____ Signature _____

Name of the Member/Proxy/ _____ Signature _____
 Authorized Representative

Notes:

1. Only Member/Proxy/Authorized Representative can attend the Meeting.
2. Member/Proxy/Authorized Representative should bring his/her copy of the Annual Report for reference at the Meeting.

TEAR HERE


ORIENT ABRASIVES LIMITED

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

FORM NO. MGT-11
PROXY FORM

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

48th Annual General Meeting - 27th September, 2019

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

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

1. Name : _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him/her

2. Name : _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him/her

3. Name : _____ Address: _____

E-mail Id: _____ Signature: _____

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

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **48th Annual General Meeting of the Company, to be held on Friday, 27th September, 2019 at 3.00 p.m. at Hotel Lords Eco Inn, Near Circuit House, Chaupati, Porbandar-360575, Gujarat** and at any adjournment thereof, in respect of such resolution as are indicated below:

| Resolution No. | Ordinary Business | Optional* | |
|----------------|---|-----------|---------|
| | | For | Against |
| 1. | Adoption of Audited Financial Statements for the year ended 31 st March, 2019, together with the Directors' and Auditors' Reports thereon. | | |
| 2. | Declare dividend @ 25% i.e. Re. 0.25/- per Equity Shares face value of Rs. 1/- each for the Financial Year ended 31 st March, 2019. | | |
| 3. | Appoint a Director in place of Mr. Hemul Shah (DIN: 00058558), who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 4. | Ratification of appointment and remuneration payable to M/s. S. K. Rajani & Co., Cost Accountants, as Cost Auditors for the FY 2019-20. (Ordinary Resolution) | | |
| 5. | Continuation of Directorship of Mr. Harish Motiwalla (Special Resolution) | | |

Signed this ____ day of _____, 2019

Signature of Shareholder

Signature of Proxy Holder (s)

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

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



Orient Abrasives Limited

Registered Office :

G.I.D.C. Industrial Area, Porbandar - 360577, Gujarat, (INDIA)
Tel.: +91-286 2221788 / 9 Fax : +91-286 2222719,
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