

## **ALIROX ABRASIVES LIMITED**

**CIN: L74899DL1944PLC000759**

### **REGISTERED OFFICE**

4-Scindia House,  
Connaught Place,  
New Delhi-110 001

### **DIRECTORS**

Shri. J.H. Dalmia  
Shri. M.L. Dujari  
Shri. L.N. Goyal  
Smt. Leena Rawal

### **REGISTRAR & SHARE TRANSFER AGENT**

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad-500 032  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com); Website: [www.karvy.com](http://www.karvy.com)

### **AUDITORS**

D.P. Kapoor & Co.,  
Chartered Accountants

## ALIROX ABRASIVES LIMITED

Registered Office : 4, Scindia House, Connaught Place, New Delhi - 110 001

(CIN: L74899DL1944PLC000759)

### DIRECTORS' REPORT

For the year ended 31<sup>st</sup> March, 2016

Your Directors hereby present the Seventy Second Annual Report together with Audited Financial statements for the year ended 31<sup>st</sup> March, 2016.

#### Financial Results:

	2015-16 (Rs.)	2014-15 (Rs.)
<b>GROSS REVENUE</b>	<b>3416205</b>	34,24,445
<b>Profit before interest, Depreciation and Tax (EBITDA)</b>	<b>98728</b>	3,67,508
Interest	-	-
Depreciation	<b>21252</b>	36430
<b>Profit before Tax (PBT)</b>	<b>77476</b>	3,31,078
Provision for Current tax	-	-
Provision for deferred tax (Net of due to change in Depreciation as per Companies Act, 2013)	-	-
<b>Profit after tax</b>	<b>77476</b>	3,31,078
Tax adjustment of earlier year	2407	2,498
Add: Surplus brought forward from last year	<b>16187239</b>	<u>1,58,58,659</u>
<b>Profit available for appropriation</b>	<b>16262308</b>	1,61,87,239
<b>Appropriations:</b>		
General Reserve	-	-
Dividend	-	-
Dividend Distribution tax	-	-
<b>Balance Carried Forward</b>	<b>16262308</b>	<u>1,61,87,239</u>

#### OPERATIONS

During the year, the Company did not have any manufacturing activity and has earned income mainly from service charges and interest.

The Object Clause of the Memorandum of Association of the Company has been altered which was approved by the members on 5<sup>th</sup> February 2016 by passing a special resolution through postal ballot. Such amendment has been registered by the Registrar of Companies, Delhi 21<sup>st</sup> April, 2016.

#### DIVIDEND

With a view to conserve resources of the Company, your Directors do not recommend any payment of dividend for the year under review.

#### EXTRACT OF ANNUAL RETURN

In compliance with sub section (3) of Section 92 of the Companies Act 2013, the extract of the Annual Return is attached in Form MGT 9 and forms the part of this Report as 'Annexure I'.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the members at their Annual General Meeting held on 29<sup>th</sup> September, 2015 has approved the appointment Shri M.L. Dujari as an Independent Director for a term of five consecutive years and of Smt. Leena Rawal as a Whole-time Director, who is liable to retire by rotation.

Shri J. H. Dalmia, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. He has given his declaration in terms of Section 164(2) of the Companies Act, 2013 to the effect that he is not disqualified from being reappointed as a Director of the Company.



## ALIROX ABRASIVES LIMITED

Independent Directors namely, Shri L. N. Goyal and Shri M.L. Dujari have given their declaration of independence in terms of Section 149(6) of the Companies Act, 2013.

The Key Managerial Persons, namely, Smt. Leena Rawal, Chief Executive Officer and Smt. Shweta Chadha, Chief Financial Officer continue to hold their respective offices during the year under review.

Ms. Sunita Tomar appointed as Company Secretary in terms of Section 203 of the Companies Act, 2013 on 1<sup>st</sup> June, 2015 resigned from the said position effective 31<sup>st</sup> July, 2015. Pursuant to her resignation the Board in their meeting held on 10th September 2015 has appointed Mr. Nishant Kamnani as Company Secretary of the Company with effect from 14<sup>th</sup> September 2015.

### MEETINGS OF THE BOARD & COMMITTEES

During the year, seven Meetings of the Board were convened and held on 20<sup>th</sup> April, 2015, 28<sup>th</sup> May, 2015, 3<sup>rd</sup> August, 2015, 10<sup>th</sup> September, 2015, 2<sup>nd</sup> November, 2015, 10<sup>th</sup> February, 2016 and 17<sup>th</sup> March, 2016. The time gap between two consecutive meetings of the Board did not exceed one hundred and twenty days.

In terms of the provisions of Schedule IV to the Companies Act, 2013 a separate meeting of the Independent Directors was also held during the year without the attendance of Non-Independent Director and members of the management.

The composition of Audit Committee meets the requirement of section 177 of the Companies Act, 2013. As on 31st March 2016, the Audit Committee comprises of three Non-executive members namely Shri J.H. Dalmia, Shri M.L. Dujari and Shri L.N. Goyal, with Independent Directors forming a majority. The Board has accepted all the recommendations made by the Audit Committee.

The Nomination and Remuneration Policy of the Company on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided in section 178(3) of the Companies Act, 2013 as approved by the Board of Directors is attached as 'Annexure-II' to this Report.

The Board of Directors has conducted a formal evaluation of its own performance and of its committees and individual Directors in accordance with norms laid down in the Nomination and Remuneration Policy aforesaid.

### VIGIL MECHANISM

The Company has in place the Whistle Blower Policy and the Vigil Mechanism with a view to provide for adequate safeguards against victimization of stakeholders who use such mechanism and provide for direct access to the Chairperson of the Audit Committee in appropriate cases.

The policy can be accessed at the website of the Company at <https://www.alirox.com>

### LISTING OF SECURITIES

During the year under review the equity share capital of the Company has been listed and admitted to dealings at Metropolitan Stock Exchange of India Limited (MSEI) (Formerly MCX Stock Exchange Limited) w.e.f.9<sup>th</sup> October, 2015 due to de-recognition of Delhi Stock Exchange by Securities Exchange Board of India (SEBI). Listing fees for the financial year 2016-17 has been paid to MSEI.

### CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of the Companies Act, 2013, regarding the Corporate Social Responsibility are not applicable to the Company.

### AUDITORS

#### Statutory Auditors

M/s D.P. Kapoor & Co., Chartered Accountants, were reappointed as Statutory Auditors of the Company to hold office for a period of three years effective from the conclusion of the Annual General Meeting held on 30th September, 2014 in accordance with the provisions of Section 139 of the Companies Act, 2013 subject to ratification by the members at every Annual General Meeting. A certificate to the effect that their re-appointment, if made, would be in conformity with the limits prescribed in the section 141 of the Companies Act, 2013 has been obtained.

The Report submitted by the Statutory Auditor on the Financial Statements of the Company does not contain qualification, reservation or adverse remark.



## ALIROX ABRASIVES LIMITED

### Secretarial Auditor

The Board of Director has appointed, Shri N.C. Khanna, Practicing Company Secretary as Secretarial Auditor, to conduct the Secretarial Audit for the financial year 2015-16, in terms of section 204 of the Companies Act, 2013. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed as 'Annexure III' of this Report.

The said Report does not contain any qualification, reservation or adverse remark.

### MANAGEMENT DISCUSSION & ANALYSIS

The Company was engaged in the business of abrasives mainly manufacturing emery grains and calcined magnesite. Due to adverse market condition coupled with non-availability of raw material at reasonable prices the Company incurred heavy losses and thereby operations were suspended in the earlier year and subsequently the company disposed off all its assets at Yercaud Works.

Since the manufacturing activities of the Company have ceased and as the plant was sold in earlier years it is critical for any business unit to control its cost at all levels. The income earned during the year is mainly from Service Charges and interest. The Company has a team of experienced management and employees who possess significant experience in various fields which will enable the company to explore various business opportunities.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control commensurate with size of the Company and nature of its Business which are reviewed periodically.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loans, directly or indirectly, to any person or to other body corporates or given any guarantee or provided any security in connection with a loan to any other body corporate or person in terms of Section 186 of the Companies Act, 2013. The Details of Investments made by the Company are given in Note 6 of the Financial Statements of the Company.

### CONTRACT AND ARRANGEMENT

During the year there were no material contracts or arrangements with the related parties referred to in Section 188(1) of the Companies Act, 2013.

### RISK MANAGEMENT

The Company has in place a risk management framework wherein the management identifies and monitors business risks on a continuous basis and initiates appropriate risk mitigation steps as when deemed necessary.

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

As the Company has no activities relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, the Directors have nothing to report on information falling under sub-section (m) of Section 134(3) of the Companies Act, 2013.

### DEMATERIALIZATION

The equity shares of the Company have been admitted with both the depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) under the ISIN No.INE143F01019 to facilitate the trading of shares of the Company in dematerialized form.

### REGISTRAR AND TRANSFER AGENT

M/s. Karvy Computershare Pvt. Ltd.,  
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District,  
Nanakramguda, Hyderabad – 500 032  
Tel. No. 040-67161500; Fax : 040-23001153;  
E-mail : [einward.ris@karvy.com](mailto:einward.ris@karvy.com);  
Website: [www.karvy.com](http://www.karvy.com)

### SUBSIDIARY COMPANY, ASSOCIATE & JOINT VENTURE COMPANIES

During the year under review the Company did not have any subsidiary or associated Company and joint venture Company, therefore disclosures in this regard has not been provided in this Report. A wholly owned subsidiary in



## ALIROX ABRASIVES LIMITED

name of Adhirath Power and Holdings Private Limited has been incorporated under the jurisdiction of the Registrar of Companies, National Capital Territory of Delhi and Haryana on 12th May, 2016.

### PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the annual report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are no employees drawing remuneration in excess of the limits set out in the said rules.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full Annual Report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is available on the Company's website.

### DISCLOSURE

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The accounting treatment(s) in preparation of financial statements followed by the Company is/are the same as prescribed in the Accounting Standards.

During the year, the Company has not accepted any deposits from the public.

### DIRECTORS RESPONSIBILITY STATEMENT:

In terms of the provisions of Section 134(5) of the Companies Act, 2013, your Directors declare 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 judgements 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 the Act for safeguarding the assets of the Company and for preventing and detecting frauds 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.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### ACKNOWLEDGEMENT

The Directors also take this opportunity to place on record their sincere thanks and appreciation to the Bankers and various State and Central Government agencies for their co-operation and continued support to the Company.

For and on behalf of Board of Directors

New Delhi  
Dated: 27.05.2016

J.H. DALMIA  
DIRECTOR  
(DIN: 00009717)

LEENA RAWAL  
DIRECTOR  
(DIN :03575675)

# ALIROX ABRASIVES LIMITED

## ANNEXURE-1

### Form No. MGT-9

#### Extract of Annual Return as on the financial year ended on 31<sup>st</sup> March, 2016

[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: L74899DL1944PLC000759
- ii) Registration Date: 13/05/1944
- iii) Name of the Company: ALIROX ABRASIVES LIMITED
- iv) Category/Sub-Category of the Company: Public Company Limited by shares
- v) Address of the Registered Office and contact details: 4, Scindia House, New Delhi-110 001
- vi) Whether listed Company: Yes/No: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent: Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District,  
Nanakramguda, Hyderabad-500 032  
Tel.No.:040-67161500; Fax: 040-23001153,  
E-mail: einward.ris@karvy.com  
Website: www.karvy.com

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

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

Sl.No.	Name and Description of main Products/Services	NIC Code of the Product/Service#	% to total turnover of the Company.
1	Emery Grains	08992	N. A.*

# As per National Industrial Classification - Ministry of Statistics and Programme Implementation.

\* The Company has been engaged in the business of manufacture of Emery grains. However, its manufacturing activities have ceased as plant has been sold in earlier years.

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
N O N E					



## ALIROX ABRASIVES LIMITED

### IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding.

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individuals/ Hindu Undivided Family	-	39900	39900	16.63	40100	100-	40200	16.75	0.12
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	116520	116520	48.55	105070	11950	117020	48.76	0.21
e) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
f) Any Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(A)(1)</b>	-	<b>156420</b>	<b>156420</b>	<b>65.18</b>	<b>145170</b>	<b>12050</b>	<b>157220</b>	<b>65.51</b>	<b>0.33</b>
<b>(2) Foreign</b>									
a) Individuals (Non-resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-
e) Qualified foreign investor	-	-	-	-	-	-	-	-	-
f) Any Other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and promoter Group (A)=(A)(1)+(A)(2)</b>	-	<b>156420</b>	<b>156420</b>	<b>65.18</b>	<b>145170</b>	<b>12050</b>	<b>157220</b>	<b>65.51</b>	<b>0.33</b>

## ALIROX ABRASIVES LIMITED

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	
<b>B. Public shareholding</b>									
<b>1) Institutions</b>									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified foreign Investor	-	-	-	-	-	-	-	-	-
j) Any other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2) Non-institutions</b>									
a) Bodies Corporate	-	25340	25340	10.56	-	25340	25340	10.56	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals-									
i) Individuals share-holders holding Nominal share Capital upto Rs.1 lakh	-	47740	47740	19.89	-	46940	46940	19.56	-0.33
ii) Individual share-holders holding Nominal share Capital in excess of Rs.1 lakh	-	10500	10500	4.38	-	10500	10500	4.38	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Directors	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Qualified foreign investor	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	<b>83580</b>	<b>83580</b>	<b>34.83</b>	-	<b>82780</b>	<b>82780</b>	<b>34.50</b>	<b>-0.33</b>
<b>Total Public Share-Holding</b>									
<b>(B) = (B)(1) + (B)(2)</b>	-	<b>83580</b>	<b>83580</b>	<b>34.83</b>	-	<b>82780</b>	<b>82780</b>	<b>34.50</b>	<b>-0.33</b>
<b>Total (A) + (B)</b>	-	<b>240000</b>	<b>240000</b>	<b>100</b>	<b>145170</b>	<b>94830</b>	<b>240000</b>	<b>100</b>	<b>-</b>
<b>(C) Shares held by Custodians for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A) + (B) + (C)</b>	-	<b>240000</b>	<b>240000</b>	<b>100</b>	<b>145170</b>	<b>94830</b>	<b>240000</b>	<b>100</b>	<b>-</b>



## ALIROX ABRASIVES LIMITED

### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			
		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	% change in shareholding during the year.
1.	Puneet Trading & Investment Co. Pvt. Ltd.	47820	19.93	-	47820	19.93	-	-
2.	Mayuka Investment Limited	21550	8.98	-	21550	8.98	-	-
3.	Kavita Trading & Investment Co. Pvt. Ltd.	18700	7.79	-	18700	7.79	-	-
4.	Shri Jai Hari Dalmia	15050	6.27	-	15050	6.27	-	-
5.	Shree Nirman Ltd.	11950	4.98	-	11950	4.98	-	-
6.	Smt. Kavita Dalmia	11900	4.96	-	11900	4.96	-	-
7.	Rama Investment Co. Pvt. Ltd.	10000	4.17	-	10000	4.17	-	-
8.	Shri Gautam Dalmia	7200	3.00	-	7200	3.00	-	-
9.	Smt. Anupama Dalmia	4300	1.79	-	4600	1.91	-	0.12
10.	Sita Investment Co. Ltd.	4100	1.71	-	4100	1.71	-	-
11.	Ankita Pratisthan Ltd.	2150	0.89	-	2150	0.89	-	-
12.	Smt. Bela Dalmia	900	0.38	-	900	0.38	-	-
13.	Shri Y.H. Dalmia	550	0.23	-	550	0.23	-	-
14.	Zipahead.Com Pvt. Ltd.(Formerly Zipahead.Com Ltd.)	250	0.10	-	750	0.31	-	0.21
<b>Total</b>		<b>156420</b>	<b>65.18</b>	<b>-</b>	<b>157220</b>	<b>65.51</b>	<b>-</b>	<b>0.33</b>

### iii) Change in Promoter's Shareholding (Please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Zipahead.Com Pvt. Ltd.				
	At the beginning of the year	250	0.10	250	0.10
	Change during the year	500	0.21	500	0.21
	Date Reason				
	31.08.2015 Purchase				
	At the end of the year	<b>750</b>	<b>0.31</b>	<b>750</b>	<b>0.31</b>
2.	Smt. Anupama Dalmia				
	At the beginning of the year	4300	1.79	4300	1.79
	Change during the year	300	0.13	4600	0.91
	Date Reason				
	02.09.2015 Purchase				
	At the end of the year	<b>4600</b>	<b>1.91</b>	<b>4600</b>	<b>1.91</b>

## ALIROX ABRASIVES LIMITED

### iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1. Shrey Mittra</b>					
a) At the beginning of the year		10500	4.38	10500	4.38
b) Changes during the year			<b>No change during the year</b>		
c) At the end of the year		10500	4.38	10500	4.38
<b>2. Radar Commercials Pvt. Ltd.</b>					
a) At the beginning of the year		10000	4.17	10000	4.17
b) Changes during the year			<b>No change during the year</b>		
c) At the end of the year		10000	4.17	10000	4.17
<b>3. Chicky Traders Pvt. Ltd.</b>					
a) At the beginning of the year		9650	4.02	9650	4.02
b) Changes during the year			<b>No change during the year</b>		
c) At the end of the year		9650	4.02	9650	4.02
<b>4. Shri Bhole Prasad</b>					
a) At the beginning of the year		7800	3.25	7800	3.25
b) Changes during the year			<b>No change during the year</b>		
c) At the end of the year		7800	3.25	7800	3.25
<b>5. Amrapalli Housing Properties Pvt. Ltd.</b>					
a) At the beginning of the year		5550	2.31	5550	2.31
b) Changes during the year			<b>No change during the year</b>		
c) At the end of the year		5550	2.31	5550	2.31
<b>6. Smt. Savita Joshi</b>					
a) At the beginning of the year		4000	1.67	4000	1.67
b) Changes during the year			<b>No change during the year</b>		
c) At the end of the year		4000	1.67	4000	1.67
<b>7. Smt. Sushila Devi Agarwal</b>					
a) At the beginning of the year		3500	1.46	3500	1.46
b) Changes during the year			<b>No change during the year</b>		
c) At the end of the year		3500	1.46	3500	1.46
<b>8. Mr. Vidya Dhar Singh</b>					
a) At the beginning of the year		1000	0.42	1000	0.42
b) Changes during the year			<b>No change during the year</b>		
c) At the end of the year		1000	0.42	1000	0.42
<b>9. Sh. Raj Kumar Ahuja</b>					
a) At the beginning of the year		1000	0.42	1000	0.42
b) Changes during the year			<b>No change during the year</b>		
c) At the end of the year		1000	0.42	1000	0.42
<b>10. Mr. Radhey Shyam Jalan</b>					
a) At the beginning of the year		900	0.38	900	0.38
b) Changes during the year			<b>No change during the year</b>		
c) At the end of the year		900	0.38	900	0.38



## ALIROX ABRASIVES LIMITED

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

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>For each of Directors and KMP</b>				
<b>1. Shri Jai Hari Dalmia Director</b>				
At the beginning of the year	15050	6.27	15050	6.27
Change during the year	No change during the year			
<b>Date Reason</b>				
At the end of the year	15050	6.27	15050	6.27

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accure but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01.04.2015)</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year (31.03.2016)</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## ALIROX ABRASIVES LIMITED

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole Time Director and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1.	<b>Gross Salary</b>	606599	606599
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2.	<b>Stock Option</b>	-	-
3.	<b>Sweat Equity</b>	-	-
4.	<b>Commission</b>	-	-
	- as % of Profit		
	- others, specify		
5.	<b>Others, please specify</b>	-	-
	<b>Total (A)</b>	<b>606599</b>	<b>606599</b>
	<b>Ceiling as per the Act</b>	<b>30,00,000</b>	-

\*Smt. Leena Rawal designated as CEO has been appointed as Whole time Director w.e.f. 1<sup>st</sup> September, 2015 and the remuneration pertains to the given period from 1<sup>st</sup> September 2015 to 31<sup>st</sup> March, 2016.

#### B. REMUNERATION TO OTHER DIRECTORS:

(Rs.in lacs)

Particulars of Remuneration	Name of the Director			Total Amount
<b>Independent Directors</b>	<b>Shri L. N. Goyal,</b>	<b>Shri M.L. Dujari</b>		
• Fee for attending Board & Committee Meetings	4000	4000		8000
• Commission	-	-		-
• Others, please specify	-	-		-
<b>Total (1)</b>	<b>4000</b>	<b>4000</b>		<b>8000</b>
<b>Other Non-Executive Directors</b>	<b>Shri J.H. Dalmia</b>			
• Fee for attending Board & Committee Meetings	2500	-		2500
• Commission	-	-		-
• Others, please specify	-	-		-
<b>Total (2)</b>	<b>2500</b>	<b>-</b>		<b>2500</b>
<b>Total (B) = (1+2)</b>				<b>10500</b>
<b>Total Managerial Remuneration</b>				<b>10500</b>
Overall Ceiling as per the Act	-	-		-

Note: The Directors have been paid remuneration for the financial year 2015-16 by way of sitting fees, which is within the limits prescribed under the provisions of Companies Act, 2013.



## ALIROX ABRASIVES LIMITED

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

(Rs.in lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
<b>1.</b>	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	355535	203778*	561060	1198123
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Sitting fees	-	-	-	-
	<b>Total (A)</b>	<b>355535#</b>	<b>244636**</b>	<b>561060</b>	<b>1198123</b>

# The remuneration pertains to Smt. Leena Rawal, CEO and Director pertains to the period from 1st April, 2015 to 31st August, 2016.

\* The remuneration of Company Secretary pertains to the period from 14th Sep. 2015 to 31st Mar. 2016.

\*\* Include sum of Rs.40848 reimbursed to Shree Nirman Limited for services of Ms. Sunita Tomar, Company Secretary for the period 1st June, 2015 to 31st July, 2015

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

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

# ALIROX ABRASIVES LIMITED

## ANNEXURE II

### NOMINATION AND REMUNERATION POLICY

- 1) **Objective:** This Policy is laid down to comply with the provisions of section 178 of the Companies Act, 2013 read along with the Rules made thereunder.
- 2) **Definitions:**
  - a. **"Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
  - b. **"Board"** means the Board of Directors of the Company.
  - c. **"Directors"** means the Directors of the Company as may be appointed from time to time.
  - d. **"Independent Director"** means a Director who has been appointed as such and who satisfies the criteria and conditions laid down in **S.149(6)** of the Companies Act, 2013.
  - e. **"Key Managerial Personnel" (KMP)** means the following persons as defined in **S.2(51)** of the Companies Act, 2013 and (i) Managing Director or Manager or Chief Executive Officer; (ii) Company Secretary; (iii) Whole-time Director; (iv) Chief Financial Officer; and (v) such other officer as may be prescribed.
  - f. **"Senior Management Persons" (SMP)** means the following persons, as defined in **Explanation to S.178(8)** of the Companies Act, 2013, being personnel of the Company who are members of its core management team, excluding Board of Directors, comprising all members of management, one level below the executive directors including all Functional heads.
- 3) **Constitution of the Committee and matters relating thereto:**
  - (a) **Constitution:**
    - (i) The Committee shall consist of minimum 3 Non-Executive Directors, out of which not less than one half shall be Independent Director.
    - (ii) Minimum two members shall constitute a quorum for the meeting.
    - (iii) Constitution and membership of the Committee shall be disclosed in the Annual Report of the Company.
    - (iv) The Chairman of the Committee shall be an Independent Director.
    - (v) The Chairman of the Company may be nominated as a member of the Committee but shall not be its Chairman.
    - (vi) The Chairman of the Nomination and Remuneration Committee is required to be present at the Annual General Meeting or he may nominate some other member to answer the shareholders' queries.
  - (b) **Frequency of Meetings:**

The meeting of the Committee shall be held at such regular intervals as may be required.
  - (c) **Secretary:**

The Company Secretary of the Company shall act as the Secretary of the Committee.
  - (d) **Procedure to be followed in meetings of the Committee:**
    - (i) A member of the Committee is not entitled to be present when his or her own remuneration is being discussed at the meeting or when his or her own performance is being evaluated.
    - (ii) All matters shall be decided by a majority of votes cast by the members present and such decision shall for all purposes be treated as the decision of the Committee. In case of equality of votes, the Chairman shall have the casting vote.
    - (iii) The Committee is also entitled to engage professionals to assist it in the performance of its duties and such costs shall be borne by the Company.
    - (iv) Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.



## ALIROX ABRASIVES LIMITED

### 4) **Role of the Committee:**

The Committee shall :-

- (a) Formulate the criteria for determining qualifications, positive attributes and independence of a director. [S.178(3)].
- (b) Recommend to the Board, a Policy relating to Remuneration of Directors, KMPs, and other employees. [S.178(3)]. This Policy has to be disclosed in the Board's Report [S.178(4)]. As per S.178(4), while formulating this policy, Committee has to ensure that:-
  - (i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required,
  - (ii) Relationship of remuneration to performance is clear, and meets appropriate performance bench marks,
  - (iii) Remuneration to Directors, KMPs, involves a balance between fixed and incentive pay, reflecting short and long term performance objectives, appropriate for the Company.
- (c) Carry out evaluation of every Director's performance [S.178(2)]
- (d) Identify persons who are qualified to become Directors, and who may be appointed as KMPs/SMPs in accordance with the criteria laid down in this policy. [S.178(2)]
- (e) Recommend to the Board the appointment and removal of KMPs and SMPs in accordance with the criteria laid down. [S.178(2)].

### 5) **Policy on Remuneration:**

#### (a) Directors (including MDs and WTDs):

- (i) It would have to be within the ceiling as may be prescribed by law from time to time.
- (ii) It would have to be with such approvals as may be prescribed by law.
- (iii) It shall involve a balance between fixed and incentive pay, reflecting short term and long term performance objectives.
- (iv) In case of non WTDs, total remuneration payable in accordance with law, be distributed amongst themselves, keeping in view (a) Responsibilities (e.g. Chairmanship/Membership of important committees), (b) Tenure on the Board, (c) Devoting of time outside Board meetings, for Company's work etc, as may be decided by the Board.

#### (b) KMPs and other employees:

- (i) It would be based on Total Cost to Company (TCTC) concept. Within this TCTC, it could be made flexible, as per the needs of employees, in a fair and transparent manner.
- (ii) It would be in compliance with laws and regulations.
- (iii) The level and composition of remuneration would be reasonable and sufficient to attract, retain and motivate to run the Company successfully and to meet performance benchmark

### 6) **Criteria for determining qualifications, positive attributes and independence of Directors:**

- (a) Criteria for determining independence would be as laid down in **S.149(6)** of the Act.
- (b) No academic qualification is envisaged, but should be able to contribute positively to the deliberations at Board Meeting.
- (c) The candidate to be appointed as an Independent Director shall be at least 21 years of age. All persons being appointed as Directors shall possess a Directors Identification Number (DIN).
- (d) A person shall not be appointed as a Director if he is disqualified under section 164 of the Companies Act, 2013.

### 7) **Criteria for identifying persons for appointment as Key Managerial Personnel's:-**

- (a) Should fulfill the Job Description, for the relevant position, as may be in force from time to time.
- (b) A person should possess adequate qualification, expertise and experience for the position before he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.



## ALIROX ABRASIVES LIMITED

### 8) **Evaluation of every Director's performance:**

- (a) % attendance at Board Meetings.
- (b) Participation in discussions.
- (c) Preparedness for Board Meetings, by reading of the relevant papers.
- (d) Contribution in terms of improving Business performance.
- (e) Proactive availability for Company's business, besides Board meetings.

The Committee shall carry out evaluation of performance of every Director preferably at regular yearly intervals. For this purpose, the Board may engage the services of a professional for advising it on a process of evaluation, etc, and the cost of such professional shall be borne by the Company.

### 9) **General:**

- (a) The persons selected for the positions of Key Managerial Personnel and Senior Management Persons should have the desired qualifications, expertise and experience for the position he/she is considered for appointment. The Committee shall have the discretion to decide whether the qualifications, expertise and experience possessed by a person is sufficient for the concerned position.
- (b) The Committee shall approve the selection of candidates to the position of Key Managerial Personnel and Senior Management Persons recommend to the Board, his or her appointment.
- (c) The Committee shall not recommend the appointment of or continuation of appointment of any person to the position of a Managing Director and Whole-time Director or Manager who has attained the age of seventy years. In event it is decided by the Committee to breach the above age limit, the Committee shall make such recommendation subject to approval of shareholders by way of a Special Resolution. [Sec 196(3)(a) and proviso thereto]

#### (d) Term/Tenure of appointment of Directors, etc.:

##### (i) Managing Director/Manager/Whole-time Director:

The term of appointment or re-appointment of any person as a Managing Director/Whole-time Director or Manager shall not exceed five years at a time. The re-appointment shall not be made earlier than one year before the expiry of the current term of appointment. [Sec 196(3)]

##### (ii) Independent Directors:

An Independent Director shall hold office for a term upto five consecutive years and can be reappointed on passing of a Special Resolution by the Shareholders of the Company for a further term of five years. [Sec 149(10)].

No Independent Director shall hold office for more than two consecutive terms. An Independent Director who has completed the two consecutive terms of appointment of five years each, can however be appointed as an Independent Director after the expiry of three years of his ceasing to become an Independent Director provided he otherwise qualifies for being appointed as an Independent Director. [Sec 149(11)].

At the time of appointment of an Independent Director it should be ensured that he is not an Independent Director of more than seven listed companies. If however, the Independent Director is serving as a Whole-time Director of a listed company, then it should be ensured that he is not an Independent Director of more than three listed companies. [Clause 49(ii)(B)(2) of Listing Agreement].

##### (iii) Key Managerial Personnel/Senior Management Persons:

The term of appointment for the positions of Key Managerial Personnel except Managing Director/Whole Time Director or Manager, shall be determined by the Nomination and Remuneration Committee at its own discretion and may vary from position to position.



## ALIROX ABRASIVES LIMITED

- (e) Evaluation of Key Managerial Personnel and person in Senior Management Persons:  
The Committee shall carry out the evaluations of performance of the persons holding Key Managerial Personnel (excluding the Managing Director and Whole time Director) and Senior Management Persons and approve the same with or without modifications.
- (f) Removal:  
The Committee may recommend to the Board with reasons recorded in writing the removal of a Director, Key Managerial Personnel or Senior Management Persons for reasons of misconduct or negligence of duties.  
A Director can be removed from his office if the shareholders pass an ordinary resolution pursuant to the provisions of section 169 of the Companies Act, 2013.  
A Director shall also be required to continue to qualify as a Director in terms of a section 164 of the Act and is not liable to vacate his office in terms of section 167 of the Act.
- (g) Retirement:  
The Director, Key Managerial Personnel and Senior Management Persons shall retire as per the provisions of the Act and the Policy of the Company. Subject to the provisions of Clause 4(b), the Board will, however, have the discretion to retain the Director, Key Managerial Personnel and Senior Management Persons in the same position including remuneration or otherwise even after his attaining the age of retirement in the interest of the Company.
- (h) The Remuneration policy will be disclosed in the Annual Report of the Company.
- (i) This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Personnel and Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board.
- (j) Any or all the provisions of this Policy would be subject to the revision/amendment in the Companies Act, 2013, related rules and regulations, guidelines on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/or the Board of Directors. However, such amendments shall be placed before the Nomination & Remuneration Committee for subsequent noting.

## ALIROX ABRASIVES LIMITED

### ANNEXURE III

#### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2015**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9  
of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Alirox Abrasives Limited  
4, Scindia House,  
New Delhi-110 001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ALIROX ABRASIVES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the ALIROX ABRASIVES LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ALIROX ABRASIVES LIMITED for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;\*;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009\*;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999\*;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;\* and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*;

\* Not applicable because company did not carry out the activities covered by the regulations/guidelines during the audit period.



## ALIROX ABRASIVES LIMITED

I have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Notified w.e.f. 1<sup>st</sup> July, 2015, hence, not applicable to the Company during the Audit period)
- (ii) The Listing Agreement entered into by the Company with Stock Exchanges  
(During the year, the Securities of the Company were listed at Delhi Stock Exchange. However, Securities and Exchange Board of India (SEBI) vide its order dated 19<sup>th</sup> November, 2014 had derecognized Delhi Stock Exchange and the Company has been moved to Disseminate Board of Bombay Stock Exchange by Delhi Stock Exchange as per their letter dated 18<sup>th</sup> May, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **I further report that**

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Place : New Delhi  
Dated: May 22, 2015

**N.C. KHANNA**  
FCS No.4268  
C.P.No.5143

**Independent Auditor's Report**

The Members,  
Alirox Abrasives Ltd,  
4, Scindia House, New Delhi-110001

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Alirox Abrasives Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

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



## ALIROX ABRASIVES LIMITED

2. As required by Section 143 (3) of the Act, we report that:  
We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (a) 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;
  - (b) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (c) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (d) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (e) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (f) In our opinion, and to the best of our information and according to the explanations given to us, there are no matters requiring inclusion in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014.

Place : New Delhi  
Dated : 27.05.2016

**For D.P. KAPOOR & CO.**  
Chartered Accountants  
(FRN: 002251N)  
**SANJAY KAPOR**  
**PARTNER**  
**M. No. 082492**

### Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (a) During the year, the management has physically verified all the fixed assets and no material discrepancies have been noticed on such verification.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) As the company has no inventory hence requirement of reporting on physical verification of stocks or maintenance of inventory records, in our opinion, does not arise.
- 3) On the basis of the records and information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013('the Act').
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- 5) The Company has not accepted any deposits from the public.
- 6) The Company is not required to maintain any cost records as per section 148(1) of the Companies Act, 2013. Therefore, the provisions of para 3(vi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- 7) (a) According to the records of the company, the company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Customs duty, Excise Duty, Cess & Statutory dues.



## ALIROX ABRASIVES LIMITED

(b) According to the information & explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no disputed statutory dues outstanding against the company.

- 8) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi  
Dated: 27.05.2016

**For D.P. KAPOOR & CO.**  
Chartered Accountants  
(FRN: 002251N)  
**SANJAY KAPOOR**  
Partner  
M. No. 082492

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

We have audited the internal financial controls over financial reporting of Alirox Abrasives Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.



## ALIROX ABRASIVES LIMITED

### 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 on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi  
Dated: 27.05.2016

For D.P. KAPOOR & CO.  
Chartered Accountants  
(FRN: 002251N)  
**Sanjay Kapoor**  
Partner  
M. No. 082492

## ALIROX ABRASIVES LIMITED

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

Particulars	Note No.	31 <sup>st</sup> March' 2016 Rs.	31 <sup>st</sup> March' 2015 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	2,400,000	2,400,000
(b) Reserves and Surplus	2	<u>16,741,858</u>	<u>16,666,789</u>
		<b>19,141,858</b>	<b>19,066,789</b>
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-current liabilities</b>		-	-
<b>(4) Current Liabilities</b>			
(a) Trade payables			
(b) Other current liabilities	3	55,255	58,097
(c) Short term provisions	4	<u>11,942</u>	<u>5,850</u>
		<u>67,197</u>	<u>63,947</u>
<b>TOTAL</b>		<u><b>19,209,055</b></u>	<u><b>19,130,736</b></u>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
(i) Tangible assets	5	29,749	51,001
(b) Non-current investments	6	<u>13,537,805</u>	<u>13,537,805</u>
(c) Long term loans and advances	7	<u>592,781</u>	<u>331,038</u>
		<b>14,160,335</b>	<b>13,919,844</b>
<b>(2) Current Assets</b>			
(a) Current Investments	8	2,500,000	-
(b) Cash and Bank Balance	9	2,330,330	4,861,283
(c) Short term loans and advances	10	67,288	18,524
(d) Other Current Assets	11	<u>151,102</u>	<u>331,085</u>
		<u><b>5,048,720</b></u>	<u><b>5,210,892</b></u>
<b>TOTAL</b>		<u><b>19,209,055</b></u>	<u><b>19,130,736</b></u>

The notes attached form an integral part of the financial statements

Summary of Significant Accounting Policies 16

In Accordance with our Report attached

For and on behalf of the Board of Directors

**FOR D.P. KAPOOR & CO.**

Chartered Accountants

(FRN: 002251N)

Sanjay Kapoor

**Partner**

M. No.082492

New Delhi, May 27, 2016

Nishant Kamnani

**Company Secretary**

Shweta Chadha

**Chief Financial Officer**

Leena Rawal

**Director &**

**Chief Executive Officer**

(DIN: 03575675)

J.H. Dalmia

**Director**

(DIN:00009717)



## ALIROX ABRASIVES LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Particulars	Note No.	31 <sup>st</sup> March' 2016 Rs.	31 <sup>st</sup> March' 2015 Rs.
I. Revenue from Operations		-	-
II. Other Income	12	<b>3,416,205</b>	3,424,445
III. <b>Total revenue (I + II)</b>		<b>3,416,205</b>	3,424,445
IV. Expenses			
a) Cost of materials consumed		-	-
b) Purchases of stock in trade		-	-
c) Changes in inventories of finished goods, work in progress and stock in trade		-	-
d) Employee benefits expense	13	<b>1,882,224</b>	1,167,454
e) Finance costs		-	-
f) Depreciation and amortization expense	5	<b>21,252</b>	36,430
g) Other expenses	14	<b>1,435,253</b>	1,889,483
<b>Total Expenses</b>		<b>3,338,729</b>	3,093,367
V. Profit/(Loss) before exceptional and extraordinary items and tax (III - IV)		<b>77,476</b>	331,078
VI. Exceptional Items		-	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		<b>77,476</b>	331,078
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		<b>77,476</b>	331,078
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
(3) Tax adjustments of Earlier Years		<b>2,407</b>	2,498
		<b>2,407</b>	2,498
XI. Profit/(Loss) for the year		<b>75,069</b>	328,580
XII. Earning per equity share:	15		
(1) Basic (Nominal Value per equity share Rs.10/-)		<b>0.32</b>	1.38
(2) Diluted (Nominal Value per equity share Rs.10/-)		<b>0.32</b>	1.38

The notes attached form an integral part of the financial statements

Summary of Significant Accounting Policies 16

In Accordance with our Report attached

For and on behalf of the Board of Directors

**FOR D.P. KAPOOR & CO.**

Chartered Accountants

(FRN : 002251N)

Sanjay Kapoor

**Partner**

M. No.082492

New Delhi, May 27, 2016

Nishant Kamnani  
**Company Secretary**

Shweta Chadha  
**Chief Financial Officer**

Leena Rawal  
**Director &  
Chief Executive Officer**  
(DIN: 03575675)

J.H. Dalmia  
**Director**  
(DIN:00009717)

# ALIROX ABRASIVES LIMITED

## NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31.03.2016		As at 31.03.2015	
	No.	Rs.	No.	Rs.
<b>1. Share Capital:</b>				
<b>Authorized:</b>				
Equity shares of Rs.10/- each	10,00,000	10,00,000	10,00,000	10,00,000
		<u>10,00,000</u>		<u>10,00,000</u>
<b>Issued, subscribed and fully paid up:</b>				
Equity shares of Rs.10/- each				
At the beginning of the year	240,000	2,40,000	240,000	2,40,000
At the end of the year	240,000	2,40,000	240,000	2,40,000
<b>I. Other Information:</b>				
Particulars of equity share holders holding more than 5% of the total number of equity share capital:				
	<b>No.of Shares</b>	<b>%age</b>	<b>No.of Shares</b>	<b>%age</b>
a. Shri. Jai Hari Dalmia	15,050	6.27	15,050	6.27
b. Mayuka Investment Limited	21,550	8.98	21,550	8.98
c. Kavita Trading & Investment Co. Ltd.	18,700	7.79	18,700	7.79
d. Puneet Trading & Investment Co. Pvt. Ltd.	47,820	19.93	47,820	19.93
<b>2. Reserves and Surplus:</b>				
<b>a. Capital Reserve</b>				
Opening Balance		246,750		246,750
Closing Balance		<u>246,750</u>		<u>246,750</u>
<b>b. Reserve Fund</b>				
Opening Balance		32,800		32,800
Closing Balance		<u>32,800</u>		<u>32,800</u>
<b>c. General Reserve</b>				
Opening Balance		200,000		200,000
Closing Balance		<u>200,000</u>		<u>200,000</u>
<b>d. Surplus</b>				
Opening Balance	16,187,239		15,858,659	
(+) Net Profit/(Net Loss) for the current year	75,069		328,580	
Closing Balance	<u>16,262,308</u>		<u>16,187,239</u>	
<b>Total</b>		<u>16,741,858</u>		<u>16,666,789</u>
<b>3. Other Current Liabilities</b>				
i) Other payables		55,255		58,097
		<u>55,255</u>		<u>58,097</u>
<b>4. Short Term Provisions</b>				
i) Provision for Leave Encashment		11,942		5,850
		<u>11,942</u>		<u>5,850</u>



# ALIROX ABRASIVES LIMITED

## NOTES TO FINANCIAL STATEMENTS

### 5. Fixed Assets:

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1.4.2015	Additions	Deductions	As at 31.3.2016	As at 1.4.2015	For the year	Deductions	As at 31.3.2016	As at 31.3.2016	As at 31.3.2015
Tangible Assets										
Own assets										
Buildings	404,110	-	-	404,110	353,109	21,252	-	374,361	29,749	51,001
	404,110	-	-	404,110	353,109	21,252	-	374,361	29,749	51,001
Intangible assets	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	404,110	-	-	404,110	353,109	21,252	-	374,361	29,749	51,001
Previous Year	404,110	-	-	404,110	316,679	36,430	-	353,109	51,001	87,431

### 6. Non Current Investments:

Details of Investments	As at 31.03.2016			As at 31.03.2015		
	Face Value	No. of Shares	Amount (Rs.)	Face Value	No. of Shares	Amount (Rs.)
<b>a) Investments in Equity Instruments (fully paid up) - Quoted:</b>						
Carborundum Universal Ltd.	1	5,340	6,954	1	5,340	6,954
John Oakey and Mohan Ltd.	10	50	1	10	50	1
Dalmia Bharat Ltd.	2	120,360	2,484,792	2	120,360	2,484,792
Dalmia Bharat Sugar & Industries Ltd.	2	120,360	1,142,642	2	120,360	1,142,642
Kanknnarah Co. Ltd.	10	300	1	10	300	1
Dalmia Refractories Ltd.	10	247,187	6,571,545	10	247,187	6,571,545
<b>b) Investments in debentures or bonds (fully paid up) - Quoted</b>						
6% NCDs of Dalmia Refractories Ltd.	10	333,187	3,331,870	10	333,187	3,331,870
<b>Total</b>			<b>13,537,805</b>			<b>13,537,805</b>
Less: Provision for diminution in value of investments			-			-
<b>Total</b>			<b>13,537,805</b>			<b>13,537,805</b>

#### Additional Information:

#### 1) Aggregate value of quoted investments:

Cost	13,537,805	13,537,805
Market Value	144,821,198	112,075,842

#### 2) Aggregate value of unquoted investments:

Cost	-	-
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#### 3) The following investments have not been carried at cost:

Details of Investments	Basis of valuation	Amount	Amount
John Oakey and Mohan Ltd.	Notional Value (Permanent Demunition)	1	1
Kanknnarah Co. Ltd.	Notional Value (Permanent Demunition)	1	1

#### 4) Market value of Investments has been taken at market value of regularly quoted shares. In cases of unquoted or where recent quotations are not available, At 80% of Book value of shares ascertained from last available audited Balance Sheet and In remaining cases, It is assumed to be at 10% of Face Value of shares.

## ALIROX ABRASIVES LIMITED

### NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31.03.2016 Amount (Rs.)		As at 31.03.2015 Amount (Rs.)	
<b>7. Long term loans and advances:</b>				
i) Security Deposits		26,000		26,000
ii) Income Tax (net of provisions C.Y.Rs.1,85,000/-, P.Y.Rs.4,95,000/-)		<u>566,781</u>		<u>305,038</u>
		<u>592,781</u>		<u>331,038</u>
<b>Additional Information:</b>				
1) Breakup of above:				
i) Secured, considered good		-		-
ii) Unsecured, considered good		<u>592,781</u>		<u>331,038</u>
<b>Total</b>		<u>592,781</u>		<u>331,038</u>
Less: Provision for doubtful advances		-		-
		<u>592,781</u>		<u>331,038</u>
<b>8. Current Investments:</b>				
<b>Details of Investments</b>	<b>Face Value</b>	<b>No. of Shares</b>	<b>As at 31.03.2016 Amount (Rs.)</b>	<b>As at 31.03.2015 Amount (Rs.)</b>
<b>a) Investments in Mutual Funds - Quoted:</b>				
HDFC Short Term Opportunities Fund - Growth Option	1	5,340	<u>2,500,000</u>	-
<b>Total</b>			<u>2,500,000</u>	-
Less: Provision for diminution in value of investments			-	-
<b>Total</b>			<u>2,500,000</u>	-
<b>Additional Information:</b>				
1) Aggregate value of quoted investments:				
Cost			2,500,000	-
Market Value			2,667,851	-
<b>9. Cash and Bank Balances:</b>				
i) Cash and Cash Equivalents				
- in hand			7,823	8,339
- in Current Account			640,865	1,149,365
ii) Deposits Maturing within 12 Months			<u>1,681,642</u>	<u>3,703,579</u>
			<u>2,330,330</u>	<u>4,861,286</u>
<b>10. Short term loans and advances:</b>				
i) Prepaid Insurance			4,906	6,672
ii) Service Tax Receivable			<u>62,382</u>	<u>11,852</u>
			<u>67,288</u>	<u>18,524</u>
Less: Provision for doubtful advances			-	-
			<u>67,288</u>	<u>18,524</u>
<b>Additional information:</b>				
1) Breakup of above:				
i) Secured, considered good			-	-
ii) Unsecured, considered good			<u>67,288</u>	<u>18,524</u>
iii) Doubtful			-	-
<b>Total</b>			<u>67,288</u>	<u>18,524</u>
Less: Provision for doubtful amounts			-	-
			<u>67,288</u>	<u>18,524</u>
<b>11. Other Current Assets:</b>				
Interest Accrued but not due			<u>151,102</u>	<u>331,085</u>
			<u>151,102</u>	<u>331,085</u>



## ALIROX ABRASIVES LIMITED

### NOTES TO FINANCIAL STATEMENTS

Particulars	As at 31.03.2016 Amount (Rs.)	As at 31.03.2015 Amount (Rs.)
<b>12. Other Income:</b>		
i) Interest income		
- Long term investments (TDS-C.Y. Rs.19,991/-, P.Y.Rs.19,991/-)	199,912	199,912
- Fixed Deposit (TDS-C.Y. Rs.16,649/-, P.Y.Rs.32,540/-)	166,483	325,391
ii) Dividend Income		
- from long term investments	627,810	494,642
iii) Service Charges Received (TDS-C.Y.Rs.240,000/-, P.Y.Rs.240,000)	2,422,000	2,404,500
	<u>3,416,205</u>	<u>3,424,445</u>
<b>13. Employee Benefits Expenses</b>		
i) Salary & Allowances	1,772,606	1,121,225
ii) Welfare Expenses	109,618	46,229
	<u>1,882,224</u>	<u>1,167,454</u>
<b>14. Other expenses:</b>		
i) Repairs to Building	22,716	1,208,000
ii) Electricity and Water Charges	415,591	336,579
iii) Advertisement & Publicity	71,520	69,636
iv) Insurance	7,672	5,571
v) Rates and taxes	72,991	72,991
vi) Payment to the auditors		
- as auditor	20,000	20,000
- for other services	9,000	7,500
vii) Provision for diminution in value of investments		
- Others	-	-
viii) Professional Charges	248,040	58,280
ix) Listing & Processing Fees	375,000	15,000
x) Directors sitting fees	10,524	4,000
xi) General Maintenance	77,496	42,024
Xii) Website Designing Charges	35,000	-
xiii) Depository Charges	20,081	13,786
xiv) Filing Fees	28,912	20,545
xv) Miscellaneous expenses	20,710	51,571
	<u>1,435,253</u>	<u>1,889,483</u>
<b>15. Earnings per share:</b>		
After extraordinary item:		
Profit for the year after tax expense	75,069	328,580
Add/Less: Income Tax adjustments for earlier years	2,407	2,498
Profit for Computation of Earning Per Share	<u>77,476</u>	<u>331,078</u>
Weighted average number of equity shares	240,000	240,000
Basic Earning per share	0.32	1.38
Diluted Earning per share	0.32	1.38

## ALIROX ABRASIVES LIMITED

### NOTES TO FINANCIAL STATEMENTS

#### NOTE - 16

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### a) Basis of Accounting

The Financial Statements are prepared on the basis of going concern, under historical cost convention, in accordance with generally accepted accounting principles, applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 in compliance of Section 133 read with Rule (7) of the Companies (Account) Rules, 2014 of the Companies Act, 2013.

##### b) Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialise.

##### c) Revenue Recognition

- i. Dividend income is accounted as and when the right to receive is established.
- ii. Bank Interest Income is accounted on Time - Proportion Basis.

##### d) Fixed Assets

Fixed Assets are stated at cost less depreciation, Depreciation has been provided on written down value method at the rates as prescribed in Schedule II of the Companies Act, 2013.

##### e) Investments

Long Term Investments are stated at cost. Provision for diminution in value, other than temporary, is made wherever necessary.

##### f) Segment Reporting

Segment reporting as defined in Accounting Standard (AS-17) is not applicable, since the entire operation of the Company relates to one segment.

##### g) Deferred Tax

In terms of Accounting Standard-22 "Accounting for Taxes on Income", the Company has deferred tax assets in the form of brought forward long term capital losses. However, in view of the uncertainty regarding availability of sufficient future capital gain, supported by convincing evidences, deferred tax assets as above have not been recognized in the accounts for the year.

##### h) Provisions, Contingent Liabilities and Contingent Assets

Contingencies are not provided for in the accounts and are separately shown in the Annual Statement of Accounts.

##### i) The Company is a Small and Medium Sized Company (SMC) as defined in General Instructions in respect of Accounting Standard notified under Companies Act, 2013.

##### J) Based on the available information, there are no suppliers who could be covered under the Micro, Small and Medium Enterprises Development Act, 2006.

##### k) Provision for Taxation is being made on the basis of liability ascertained after considering MAT Provisions under Income Tax Act, 1961.

##### l) MAT credit entitlement after considering current year adjustment is Rs.1,97,672/-

##### m) Previous year figures have been regrouped and/or rearranged wherever necessary to correspond with current year's classification.

##### n) The number of employees on the roll of the company has been less than ten throughout the year. Therefore, the law relating to provident fund and gratuity are not applicable. The employees are accumulation of leaves as per the rules. The accruing cost of paid leave on accrual basis is estimated at Rs.11,942/- and provided for. Since, these are not considered material, actuarial valuation is not carried out.



## ALIROX ABRASIVES LIMITED

### o) Related Party Disclosures

#### A. Relationships :

##### i) Key Managerial Personnel:-

Ms. Leena Rawal - Chief Executive Officer

Ms. Shweta Chadha - Chief Financial Officer

Mr. Nishant Kamnani - Company Secretary, Designated as KMP w.e.f. 14.09.2015

##### ii) Directors of the Company:-

Shri J.H. Dalmia, Shri M.L. Dujari (w.e.f. 20.04.2015), Shri L.N. Goyal and Smt. Leena Rawal.

##### iii) Promoters of the Company:-

Shri J.H. Dalmia and Shri Y.H. Dalmia

##### iv) Relatives of the Promoters:-

Shri Gautam Dalmia, Shri Puneet Yadu Dalmia, J.H. Dalmia (HUF), Y.H. Dalmia (HUF), Gautam Dalmia (HUF), Smt. Kavita Dalmia, Smt. Bela Dalmia, Smt. Anupama Dalmia, Smt. Avantika Dalmia, Kumari Shrutipriya Dalmia, Kumari Sukeshi Dalmia, Kumari Vaidehi Dalmia, Kumari Sumana Dalmia, Kumari Avanees Dalmia, Master Priyang Dalmia.

##### v) Enterprises controlled by the Promoters of the Company:-

Kanika Investment Ltd., Ishita Properties Ltd., D.I. Properties Ltd., Dalmia Cement (Bharat) Ltd., Geetee Estates Ltd., Shri Rangam Properties Ltd., Hemshila Properties Ltd., Dalmia Minerals & Properties Ltd., Shree Radha Krishna Broker & Holdings Ltd., Dalmia Power Ltd., Dalmia Bharat Ltd., Arjuna Brokers & Minerals Ltd., DCB Power Ventures Ltd., Sri Shanmugha Mines & Minerals Ltd., Sri Swaminatha Mines & Minerals Ltd., Sri Subramanya Mines & Minerals Ltd., Sri Trivikrama Mines & Properties Ltd., Sri Dhandauthapani Mines & Minerals Ltd., Sri Madhusudana Mines & Properties Ltd., Cosmos Cements Ltd., Sutnga Mines Pvt. Ltd., Rajputana Properties Pvt. Ltd., Golden Hills Resorts Pvt. Ltd., Dalmia Bharat Sugar & Industries Ltd., Rama Investment Company Pvt. Ltd., Puneet Trading & Investment Company Pvt. Ltd., Kavita Trading & Investment Company Pvt. Ltd., Mayuka Investment Ltd., Ankita Pratisthan Ltd., Sita Investment Company Ltd., Himgiri Commercial Ltd., Valley Agro Industries Ltd., Dalmia Refractories Ltd. Shri Chamundeswari Minerals Ltd., Shree Nirman Ltd., Keshav Power Ltd., Avanees & Ashni Securities Pvt. Ltd., OCL India Ltd., ZipAhead.Com Pvt. Ltd., Dalmia Cement East Ltd., Sukeshi Trust, Vaidehi Trust, Sumana Trust, Shrutipriya Dalmia Trust, Priyang Trust, Himshikar Investment Ltd., Dalmia Solar Power Ltd., Dalmia Sugar Ventures Ltd., Avanees Trust, Adhunik Cements Ltd., Calcom Cements India Ltd., Adhunik MSP Cement (Assam) Ltd., Vinay Cement Ltd., RCL Cement Ltd., SCL Cement Ltd., Khappa Coal Company Pvt. Ltd., Dalmia Bharat Cements Holding Ltd., YHD Trusteeship Services Pvt. Ltd., Vastalaya Developers Pvt. Ltd., Yadu Hari Dalmia Parivar Trust, Respect Elders & Co., Love Children & Co., Respect Nature & Society, Shri Brahma Creation Trust, Shri Vishnu Preservation Trust, Shubh Homes Realtors LLP, Vinimay Developers Pvt. Ltd., Shri Rangam Securities & Holdings Ltd., JayeVijay Agro Farms Pvt. Ltd., Glow Homes Technologies Pvt. Ltd., OCL Global Ltd., OCL China Ltd. Odisha Cement Ltd., Bangaru Kamakshiamman Agro Farms Pvt. Ltd., Coin Tribe Technologies Pvt. Ltd., Tijori Capital Pvt. Ltd., Samagama Holdings and Commercial Pvt. Ltd., Antordaya Commercial and Holdings Pvt. Ltd., Akhyar Estate Holdings Pvt. Ltd., Adwetha Cement Holdings Ltd. And Shri Investments.

## ALIROX ABRASIVES LIMITED

### NOTES TO FINANCIAL STATEMENTS

**B. The following transactions were carried out with the related parties in the ordinary course of business :-**

Nature of Transaction	Key Management Personnel		Promoter controlled enterprises		Total	
	As at 31" March, 2016	As at 31" March, 2015	As at 31" March, 2016	As at 31" March, 2015	As at 31" March, 2016	As at 31" March, 2015
<b>Service Charges Received</b>						
Dalmia Refractories Ltd.	-	-	<b>1,371,000</b>	1,348,320	<b>1,371,000</b>	1,348,320
Keshav Power Ltd.	-	-	<b>1,371,000</b>	1,348,320	<b>1,371,000</b>	1,348,320
Ankita Pratisthan Ltd.	-	-	<b>11,450</b>	-	<b>11,450</b>	-
Shri Chamundeswari Minerals Ltd.	-	-	<b>13,710</b>	5,056	<b>13,710</b>	5,056
<b>Salary and Perquisites</b>						
Ms. Leena Rawal	<b>1,045,976</b>	714,150	-	-	<b>1,045,976</b>	714,150
Ms. Shweta Chadha	<b>561,060</b>	309,805	-	-	<b>561,060</b>	309,805
Mr. Nishant Kamnani	<b>203,778</b>	-	-	-	<b>203,778</b>	-
Ms. Bhawana Jain	-	119,412	-	-	-	119,412
<b>Director Sitting Fees</b>						
Ms. Leena Rawal	-	500	-	-	-	500
<b>Dividend Received</b>						
Dalmia Refractories Ltd.	-	-	<b>123,594</b>	247,187	<b>123,594</b>	247,187
Dalmia Bharat Ltd.	-	-	<b>421,260</b>	240,720	<b>421,260</b>	240,720
Dalmia Bharat Sugar & Industries Ltd.	-	-	<b>72,216</b>	-	<b>72,216</b>	-
<b>Interest Received</b>						
Dalmia Refractories Ltd.	-	-	<b>199,912</b>	199,912	<b>199,912</b>	199,912
<b>Amount Receivable/Payable</b>	-	-	-	-	-	-

In Accordance with our Report attached

For and on behalf of the Board of Directors

**FOR D.P. KAPOOR & CO.**

Chartered Accountants

(FRN : 002251N)

Sanjay Kapoor  
Partner  
M. No.082492  
New Delhi, May 27, 2016

Nishant Kamnani  
Company Secretary

Shweta Chadha  
Chief Financial Officer

Leena Rawal  
Director &  
Chief Executive Officer (DIN:00009717)  
(DIN: 03575675)

J.H. Dalmia  
Director



# ALIROX ABRASIVES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Particulars	31 <sup>st</sup> March' 2016 Rs.	31 <sup>st</sup> March' 2015 Rs.
<b>Cash flows from operating activities</b>		
Profit before taxation	77,476	331,078
Adjustments for:		
Depreciation and amortization expense	21,252	36,430
Provision for Diminution on Value of Investments written back	-	-
Interest received	(366,395)	(525,303)
Dividend received	(627,810)	(494,642)
	(895,477)	(652,437)
(Increase)/decrease in trade and other receivables	131,219	(33,424)
Increase/(decrease) in trade payables	3,250	36,330
	(761,008)	(649,531)
Direct taxes paid/Refund received (Net)	(264,150)	(292,531)
Net cash from operating activities	(1,025,158)	(942,062)
<b>Cash flows from investing activities</b>		
Purchase of Investments	(2,500,000)	-
Interest received	366,395	525,303
Dividend received	627,810	494,642
Net cash from investing activities	(1,505,795)	1,019,945
<b>Cash flows from financing activities</b>		
Net cash from financing activities	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	(2,530,953)	77,883
<b>Cash and cash equivalents as at 1.4.2015</b>	<u>4,861,283</u>	<u>4,783,400</u>
<b>Cash and cash equivalents as at 31.03.2016</b>	<u>2,330,330</u>	<u>4,861,283</u>
<b>Cash &amp; Cash equivalents:</b>		
Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments, Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:		
Cash on hand and bank balances	<u>2,330,330</u>	<u>4,861,283</u>
Cash and cash equivalents as reported	<u>2,330,330</u>	<u>4,861,283</u>
<b>Cash and cash equivalents as restated</b>	<u>2,330,330</u>	<u>4,861,283</u>

In Accordance with our Report attached

For and on behalf of the Board of Directors

**FOR D.P. KAPOOR & CO.**

Chartered Accountants

(FRN : 002251N)

Sanjay Kapoor

Partner

M. No.082492

New Delhi, May 27, 2016

Nishant Kamnani

Company Secretary

Shweta Chadha

Chief Financial Officer

Leena Rawal

Director &

Chief Executive Officer

(DIN: 03575675)

J.H. Dalmia

Director

(DIN:00009717)