



**DRIVEN.  
BY VALUES.**

# CORPORATE INFORMATION



## **Board of Directors**

Mr. CK Birla, Chairman  
Mr. Desh Deepak Khetrpal, Managing Director & CEO  
Ms. Amita Birla  
Mr. Rajeev Jhawar  
Mr. Vinod Kumar Dhall  
Mr. Rabindranath Jhunjhunwala  
Mr. Janat Shah

## **Chief Financial Officer**

Mr. Sushil Gupta

## **Company Secretary**

Ms. Deepanjali Gulati

## **Auditors**

M/s. S.R. Batliboi & Co., LLP  
Chartered Accountants,  
Golf View Corporate Tower B,  
Sector 42, Near DLF Golf Course,  
Gurgaon, Haryana - 122 002

## **Registered Office**

Unit-VIII, Plot No. 7, Bhoinagar,  
Bhubaneswar - 751 012 (Odisha)

## **Manufacturing Plants**

Orient Cement Limited  
P. O. Devapur Cement Works  
Dist. Adilabad - 504 218 (AP)

Orient Cement Limited  
Nashirabad, Dist. Jalgaon (MS)

## **Registrar & Share Transfer Agent**

MCS Share Transfer Agent Limited  
F-65, Okhla Industrial Area,  
Phase I, New Delhi - 110 020

## **Bankers of the Company**

State Bank of India  
HDFC Bank Limited  
Indian Bank

# A PEEP INSIDE

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FEW THINGS STAND THE TEST OF TIME. ETHICS AND VALUES DO, AND SO DO STRUCTURES MADE WITH ORIENT CEMENT. ROOTED IN OUR EXCELLENCE FOCUS, OUR VALUES ARE THE DRIVERS OF OUR GROWTH STRATEGY, AND THE EDIFICE ON WHICH OUR FUTURE RESTS.





# OUR VALUES

- Foresight amidst pessimism
- Persistence during adversity
- Focus within choices
- Empowerment coupled with controls

# “YOUR VALUES BECOME YOUR DESTINY”

*- Mahatma Gandhi*



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**At Orient Cement Limited, our values are the belief system on which we have mapped our future. These values symbolise the ethos which enables us to see every challenge as an opportunity to drive progress even harder. They are the foundation on which we have created a collaborative culture of innovation, sustainability, transparency, responsibility and fair play.**

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Our inherent resilience and foresight helps us challenge tomorrow's difficulties today, continuously energising us to follow a progressive trajectory that transcends iconic milestones of distinctive achievements. Our courage to innovate empowers us to move aggressively and persistently forward on the path towards exceptional growth.

Guided by a strong focus on corporate governance and accountability, we have successfully constructed an organisational charter that is designed to deliver excellence across every facet of our business, to all our stakeholders.

Through this Annual Report, we would like to share with you that organisational culture which steers our journey of success as we move towards achieving our cherished goals.



**TOMORROW'S  
INFRASTRUCTURE  
CAN ONLY BE  
CONSTRUCTED ON THE  
SOLID FOUNDATIONS  
OF TODAY.**







# AN ENTITY BUILT ON STRONG FOUNDATIONS

## We are...

One of India's most respected cement companies, focussed on sustainable growth with continued efforts for conserving resources through an empowered culture.

With quality the hallmark of every activity we undertake, we are committed to delivering high levels of excellence to our customers and all other stakeholders through robust and effective systems, structures, people and processes.

Our strategically located operating units, in the limestone rich belt of Devapur, Telangana, and Jalgaon, Maharashtra (split cement grinding unit), deliver high levels of operational and cost efficiencies, yielding maximum return for the stakeholders. The new plant under construction in Karnataka also has strategic proximity to markets in multiple states.

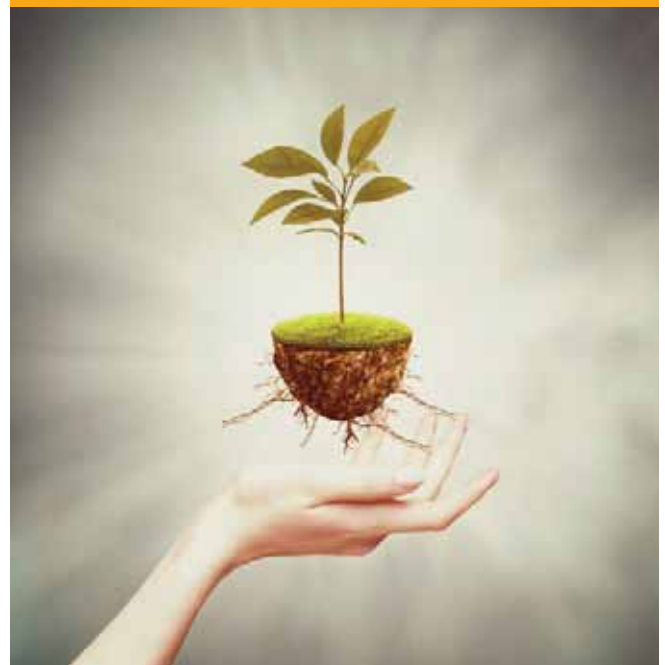
## OUR MANUFACTURING PROWESS

Total installed cement capacity – **5 MTPA**,  
going up soon to **8 MTPA**

Captive Power Plant Capacity - **50 MW**  
and upcoming **45 MW**

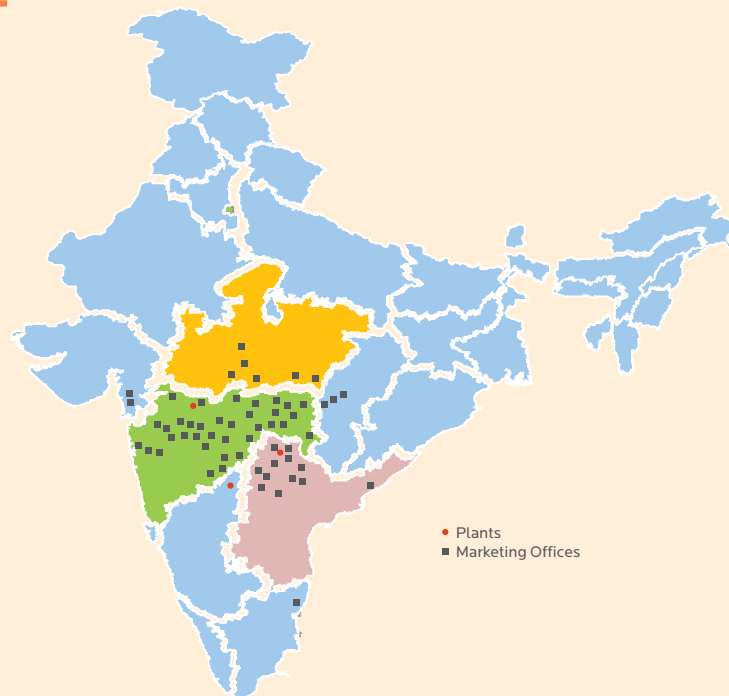
## OUR VISION

Grow to be a relevant national player, driven by execution excellence and be the 'employer of choice' and 'neighbour of choice'.





## OUR PRESENCE



# OUR PASSION FOR GROWTH

## OPERATIONAL HIGHLIGHTS FY2015

- Strengthened the 'green' focus to deliver greater cost efficiencies
- Increase in use of alternative fuel and bio-fuel, adding to savings in energy costs
- Process optimisation for increased usage of waste limestone in the kilns
- Enhanced brand visibility through targeted marketing initiatives
- Enhanced customer engagement through technical consultancy and service at their doorstep



Cement sales at

**41**

lac tonnes

Capacity utilisation at

**82%**

Sales up by

**7%**

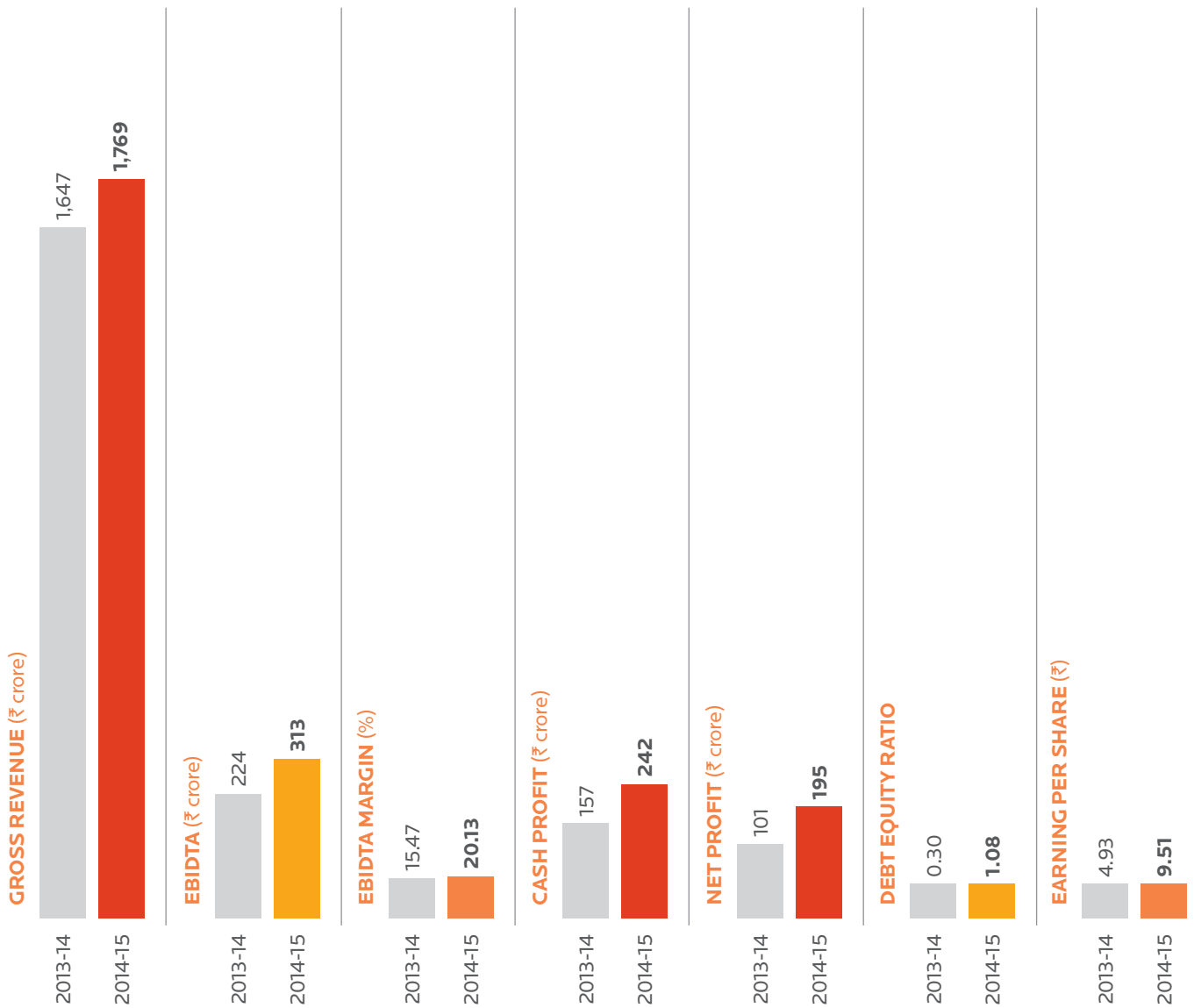
PPC sales at

**80%**

of total volume



## FINANCIAL HIGHLIGHTS FY2015



**CHALLENGES ARE  
BUT A WINDOW TO  
A NEW LANDSCAPE  
OF OPPORTUNITIES.**





# FINDING OPPORTUNITY IN ADVERSITY

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**Challenges inspire us, at Orient Cement Limited, to dig deeper into the reservoir of our inherent strengths and leverage them to deliver greater value to our stakeholders. We do not look at adversity as an obstacle, rather we see in every adversity an opportunity to scale up our capabilities.**

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As cement demand stayed low during the year to stop us short of our volume targets, we saw an opportunity to enhance value across dimensions by making a strategic shift towards PPC cement. And reported creditable performance in terms of cement volume and capacity utilisation, as well as profitability!

PPC is environment-friendly green cement, contributing hugely towards saving our planet. As is widely known, PPC cement leverages the utility of clinker, which is energy and natural resource intensive, and instead provides a constructive avenue for utilisation of a waste product like flyash, which otherwise poses a severe environmental challenge. What is more remarkable, it does so without compromising on the end strength that the civil structures rely upon.

It is in this critical area of environmental conservation that the efforts of Orient Cement to popularise PPC cement need to be appreciated, rather than just from the perspective of enhanced shareholder returns.

Even as we focussed on popularising PPC, we went energetically forward, in an increasingly competitive market scenario, to deepen our reach into rural markets while consolidating our presence in urban and semi-urban areas through our well-established and committed partner network. The resultant expansion in market reach continues to offer immense growth opportunities, going forward!

As other players moved aggressively to capture a bigger share of the market pie through increased media and marketing spend, we redefined and reactivated our brand strategy to connect with our customers more impactfully.

Not only have we succeeded in expanding our customer base, we have in fact transformed many of our customers into brand ambassadors, facilitating the expansion of Orient Cement into new markets of growth.





With every obstacle, we have thus found new ways of expanding our business and raising our growth bar. With our intrinsic resilience, foresight and fortitude, we continue to look at problems as windows to more opportunities for our own progress, as well as that of our stakeholders.

We would rather not look back regretfully at what more we could have achieved during the year gone by had circumstances been favourable. We would prefer, instead, to look ahead at the immense opportunities that we see unfolding in the Infrastructure and Housing sectors which are poised to give a huge fillip to our business in the coming years.

**The challenging environment notwithstanding, we remained firmly on track with our expansion plans. Our greenfield integrated cement capacity at Chittapur, District Gulbarga, Karnataka, is nearing completion and is expected to be commissioned soon. The expansion is in line with our Vision 2020, which represents our strategic blueprint to become a relevant national player over the next five years.**

# OPTIMISING THE VALUE CHAIN FOR A 'GREENER' TOMORROW

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**The success** of our strategic orientation is manifest in our exemplary performance year-on-year. We have been strategically focussing on improving our operational and cost efficiencies through regular strengthening of our people, processes and systems. Committed to conservation of natural resources, we are focussed on creating an exemplary value system to ensure a sustainable future for humanity.

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We are proactively improving our operating performance and optimising asset utilisation to ensure higher return on capital employed (which stands at 25% as of 31st March, 2015). Our focus on resource conservation borders on paranoia. This intense consciousness to maximise value while minimising the resources consumed manifests itself in the organisation-wide broad-based efforts towards cost discipline. The resultant operating efficiencies give us the competitive edge in the dynamic and evolving business environment.



## THE 2L ADVANTAGE - LOCATION & LOGISTICS

Our inbuilt advantage of our strategic locations further boosts our efforts towards building cost competitiveness in our operations. Our Devapur (Telangana) facility (integrated clinker and grinding plant) is located in rich limestone reserve belt, ensuring regular and abundant availability of raw material. Our close proximity to coal mines at Singareni and NTPC's Ramagundam power plant also supports our venture immensely. The Jalgaon (Maharashtra) plant (split cement grinding unit) is ideally located to service our Maharashtra and Madhya Pradesh consumers and is connected to Devapur plant through private rail sidings at both ends, enabling uninterrupted supplies of clinker.

Our focus on markets proximate to our plants further helps us in maximising the throughput and efficiency of our logistics and supply chain network. Our logistics team deploys a prudent strategy to optimise freight movement from our locations and keep our freight costs optimised at all times.

From institutionalisation and centralisation of the procurement process, to high safety standards and integrated operations, the Orient Cement value chain is designed to deliver high levels of excellence at optimal costs.

## ENERGISED TO DELIVER ENHANCED VALUE

Regular interventions towards optimisation of fuel costs and increased usage of alternative fuel also enabled us to boost our energy efficiencies. During FY2015, 4.5% of the total fuels consumed came from alternative fuels.



**Continued focus on augmenting our operational and energy efficiencies will steer our profitability to new levels, going forward. But what delights us is the savings in the usage of natural, non-replenishable resources that we generate to stand out as one of the “greenest” cement operations.**

# INNOVATING NEW WAYS TO SERVE OUR CUSTOMERS BETTER

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**The perpetually evolving** industry scenario may be perceived as a challenge by some, but at Orient Cement Limited, we see in it the opportunity to customise our offerings in an even more targeted manner to the needs of our customers.

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With our customer-centric approach and focus on understanding their needs, we are continuously aligning our business to meet their transforming aspirations. From product mix and quality upgradation to technological and marketing initiatives, we are constantly innovating to deliver new-age solutions to create infrastructure of tomorrow.

## ALIGNING PRODUCTS AND TECHNOLOGY TO CUSTOMER NEEDS

Our technical services teams are constantly on the move, reaching out to existing and prospective customers with an extensive knowledge base encompassing the best of infrastructure and construction management practices. Technical expertise and innovative solutions shared with our customers ensure not only high levels of quality at optimised costs but also minimum losses. Our product portfolio and mix is also strategically structured in a way that best meets the evolving customer needs and aspirations.

Quality checks at every stage of the process chain – from limestone to the finished product – ensure benchmark standards in excellence for every bag of cement emerging from the house of Orient Cement.

## REACHING FARTHER. GETTING CLOSER.

Doorstep service through a direct, single-tier distribution system helps connect faster and more efficiently with the customers. With greater thrust on strengthening customer engagement, we expanded our novel concept of 'exhibition vans' during the year to cover 35 districts across four states, taking our brand and product attributes closer to consumers. These vans showcase the qualitative features of our products, the application methodologies and overall benefits to the consumers. In the process, we help resolve several customer doubts and queries and strengthen the brand value among the consumers.





## THE BRAND OF TOMORROW

The revamping of our premium Birla A1 brand, which we initiated last year with a new logo and tag line ('Mazbooti mein A1, Bharose mein A1') was further scaled up during FY 2015. We enhanced our product and brand visibility through BTL activities and OOH media platform, apart from the conventional print media. Our new look 'Birla A1' is today a clearly distinctive cement brand, well aligned to the values celebrated at the Company. It has helped us capitalise and increase our market share through strategic communication methods, thereby reaching out more forcefully to our customers and strengthening the brand recall in the process.

**Customers will continue to be the centre head of our forward-looking approach. Our cohesive and synergistic strengths shall enable us to constantly innovate new and more powerful initiatives across technology, product quality, customer outreach and brand communication in the years ahead.**

# A FEW WORDS FROM THE CHAIRMAN



In a challenging year, we successfully met all challenges to register a credible performance in terms of cement production, capacity utilisation and profitability levels.

*Dear Shareholders,*

The biggest enablers of an organisation's growth are its ambition and its inherent value system, which do not just define its strategic intent but also dictate its actionable agenda. Our business ethos has always been our major differentiator, and assumes even greater significance in the current industry scenario.

In a challenging year, we successfully met all challenges to register a credible performance in terms of cement production, capacity utilisation and profitability levels. Steered by our determination and strong focus on operational efficiencies, we stayed ahead of the industry trends with the collective and collaborative efforts of our dedicated people. Our deeply ingrained principles continued to guide all our actions, serving as our internal compass.

Our upcoming greenfield integrated plant at Chittapur, Karnataka, where we are adding another 3 million tonnes per annum to our total capacity, is now nearing

commissioning, successfully overcoming all the execution challenges. The Greenfield project is not only backed by captive power but will have its own railway siding as well. This is just the first step towards fulfilling our ambitious growth plans.

As we move ahead in FY2016, it is with a renewed vigour and confidence in our ability to aggressively address the multitude of opportunities that we see unfolding in the coming quarters. The potential unleashed by the various government initiatives in the key sectors of Infrastructure and Housing augurs well for us and we are ready to make the most of it. The future is waiting and, with your continued support and cooperation, we shall surge forward on this thrilling journey towards greater growth and value delivery to all our stakeholders.

**CK Birla**

Chairman, Orient Cement Limited

# A REVIEW BY THE MANAGING DIRECTOR & CEO

Our thrust on resource conservation continues to give us a competitive edge in the industry through increased cost efficiencies, and we are committed to stand out as a **'green'** cement company focussed on sustainable growth

*Dear Shareholders,*

FY2015, which started off on a promising note, proved to be a challenging and satisfying year in equal measure. Despite strong headwinds in the second half of the year, FY2015 was indeed a remarkable year for us at Orient Cement. Once again we proved the strength of our operational focus, which continued to drive the organisation ahead amid challenging macro external factors. Notwithstanding the particularly weak cement demand in the 4th quarter, which pulled down our overall sales volumes, we posted a strong performance across various parameters, leading to a surge in EBIDTA by 40%.

This creditable performance was a consequence of some key factors, both external and internal. We strategically increased the sale of PPC to more than 80% of the total volume sold. The higher margin accretive PPC sales boosted the bottom line. The decline in crude oil and energy prices provided some relief from the otherwise increasing trend in coal, power, freight and packaging costs. We further optimised fuel usage, and also opted for alternative bio-fuels for energy, resulting in improved efficiencies and higher cost savings. Our thrust on resource conservation continues to give us a competitive edge in the industry through increased cost efficiencies,



and we are committed to stand out as a 'green' cement company focussed on sustainable growth.

Despite many challenges, we remain on course for our capacity expansion at Chittapur (Gulbarga, Karnataka) and expect to commercialise the plant shortly.

With strong brand activation initiatives and expansion in our dealer network, we successfully added significant institutional clients to our customer base, while penetrating further into the retail sector. We also reinforced our commitment levels to our customers, genuinely striving to create greater value for them. Several programmes were conducted during the year to optimise customer management, improve product quality and increase brand visibility in our key markets. Our targeted marketing efforts have helped us connect better with our B2B customers, who we see as the major target segment in the coming years.

Cognizant of the criticality of people empowerment to our growth strategy, we continued to nurture and groom talent through targeted programmes. Safety is of paramount importance at Orient Cement and we understand the

inherent hazards in a cement plant and inculcate the best practices to achieve zero harm to our people.

The imperatives for future progress are in place across our business charter and we are well poised to leverage the significant growth potential that we see unfolding in the coming years in the industry. The new government has reinforced the importance of the country's infrastructure to boost economic development, with incremental allocation of ₹ 70,000 crore in the Union Budget 2015-16. The resurgence that is now expected in the Infrastructure sector would be most beneficial for the revival of the cement sector in the country.

With our rich experience and expertise, we are aggressively pursuing our target of 15 MTPA cement capacity by FY 2020. As the team entrusted with the task of taking the Company forward, what we see ahead is a future filled with promise and optimism as we chart the roadmap for an increasingly profitable and valuable Orient Cement in the years to come.

**D.D. Khetrpal**  
Managing Director and CEO

# AWARDS & ACCOLADES THAT ENDORSE OUR VALUE PROPOSITION

The success of our value proposition finds regular endorsement in the numerous awards and accolades we receive every year. During FY 2015, we were recognised for our Company-wide efforts towards continuous improvement of our operational standards of safety & performance, as well as strong focus on conservation and social commitment.



■ Greentech Safety Award 2014 - Silver Category



■ Mines Safety Awards - 2014

## AT DEVAPUR PLANT:

- Greentech Safety Award-2014 Silver Category in Cement Sector
- Mines Safety Awards - 2014:
  - Mine Lighting & Electrical installations - 1st Prize
  - Afforestation in Mines - 1st Prize
  - Publicity & Propaganda - 1st Prize
  - Drilling & Blasting - 2nd Prize
  - Overall Performance - 3rd Prize
- Reclamation & Rehabilitation - 2nd Prize
- Corporate Social Responsibility - 3rd Prize
- Overall performance - 3rd Prize
- Overall Performance - 3rd Prize in Mines Environment & Mineral Conservation Week - 2014
- Greentech ENVIRONMENT Award - 2014 in GOLD category
- Top Assessee of Central Excise Duty Payer



- Overall performance - 3rd prize in Mines Environment & Mineral Conservation Week- 2014



- Kalburgi Regional Industrial Safety Day celebration (KRISC) 2014-15

# DOING BUSINESS WITH RESPONSIBILITY

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As a Company, we aim to achieve sustainability in our business strategy and operations. We endeavour to empower the communities we live and work in, to ensure sustainable living for all.

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Our Corporate Social Responsibility (CSR) initiatives encompass the key areas of Education, Healthcare, Sanitation, Hunger/ Poverty/ Malnutrition, Forestry, Rural Development, under the aegis of a CSR Committee of the Board of Directors.

## EDUCATION

We are engaged in running of schools, renovation of school buildings, and donation of computers to schools in the areas of Devapur (Dist. Adilabad, Telangana), Nashirabad-Jalgaon and Kasoda-Jalgaon.

## HEALTHCARE

Our healthcare initiatives include medical care, eye camps and blood donation camps in Devapur (Dist. Adilabad, Telangana).

## SANITATION

In Sanitation, besides sanitation work in Jalgaon and Devapur (Dist. Adilabad, Telangana), we participated actively in the Government of India's Swachh Bharat campaign.

## HUNGER, POVERTY & MALNUTRITION

The Company has contributed to Vanvasi Kalyan Parishad in Devapur (Dist. Adilabad, Telangana).

## FORESTRY

Plantation of 5,000 plants in Devapur (Dist. Adilabad, Telangana) was the key initiative in this area.

## RURAL DEVELOPMENT PROJECTS

We contributed towards strengthening the rural road network around our areas of operations.



## Directors' Profile

### DETAILS OF DIRECTORS AS ON THE DATE OF ISSUANCE OF NOTICE OF ANNUAL GENERAL MEETING

<b>Name</b>	<b>Mr. CK Birla</b>
<b>Date of Birth</b>	January 9, 1955
<b>Date of Appointment</b>	July 23, 2011
<b>DIN</b>	00118473
<b>Qualification</b>	Bachelor of Arts
<b>Occupation</b>	Industrialist
<b>Expertise in specific functional areas</b>	Industrialist having rich business experience in managing diversified industrial enterprises
<b>Directorships held in other Companies</b>	<ol style="list-style-type: none"> <li>1. Orient Paper &amp; Industries Limited</li> <li>2. HIL Limited</li> <li>3. National Engineering Industries Limited</li> <li>4. AVTEC Limited</li> <li>5. Birla Brothers Private Limited</li> <li>6. Birlasoft (India) Limited</li> <li>7. Neosym Industry Limited</li> <li>8. Birla Associates Private Limited, Singapore</li> <li>9. Birlasoft Inc., USA</li> <li>10. Birlasoft (U.K) Limited, London</li> <li>11. ASS AG, Switzerland</li> </ol>
<b>Memberships/ Chairmanships of Committees other than Orient Cement Limited</b>	Nil
<b>Shareholding in the Company</b>	28,97,570 No. of equity shares

<b>Name</b>	<b>Mr. Desh Deepak Khetrpal</b>
<b>Date of Birth</b>	July 5, 1955
<b>Date of Appointment</b>	April 2, 2012
<b>DIN</b>	02362633
<b>Qualification</b>	Honors degree in Business & Economics and Masters degree in Business Administration in Marketing and Finance from Delhi University
<b>Occupation</b>	Service
<b>Expertise in specific functional areas</b>	Professional business leader with a track record of leading and transforming large and diversified organisations, across various Industries including services, industrials, consumer and retail businesses
<b>Directorships held in other Companies</b>	<ol style="list-style-type: none"> <li>1. HIL Limited</li> <li>2. Oriental Bank of Commerce</li> </ol>

<b>Memberships/ Chairmanships of Committees other than Orient Cement Limited</b>	<ol style="list-style-type: none"> <li>HIL Limited <ul style="list-style-type: none"> <li>Nomination &amp; Remuneration Committee</li> <li>Corporate Social Responsibility Committee</li> <li>Audit Committee</li> </ul> </li> <li>Oriental Bank of Commerce <ul style="list-style-type: none"> <li>IT Strategy Committee</li> <li>HR Committee</li> <li>Customer Service Committee</li> <li>Special Committee of Board for monitoring of Large Value Frauds</li> <li>Supervisory Committee of Directors on Risk Management</li> <li>Remuneration Committee</li> <li>CSR Committee</li> <li>Audit Committee</li> <li>Management Committee of Board</li> <li>Share Issue and Allotment Committee</li> </ul> </li> </ol>
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<b>Shareholding in the Company</b>	Nil
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<b>Name</b>	<b>Ms. Amita Birla</b>
<b>Date of Birth</b>	December 7, 1956
<b>Date of Appointment</b>	March 27, 2015
<b>DIN</b>	00837718
<b>Qualification</b>	GCE-A Level
<b>Occupation</b>	Industrialist
<b>Expertise in specific functional areas</b>	Expertise in Management and Operation of diverse nature of business

<b>Directorships held in other Companies</b>	<ol style="list-style-type: none"> <li>Hindusthan Discounting Co. Limited</li> <li>Gwalior Finance Corporation Limited</li> <li>Birla (Soft) India Limited</li> <li>Neosym Industry Limited</li> <li>National Engineering Industries Limited</li> <li>Birlasoft INC. USA</li> <li>Birlasoft (U.K.) Limited, London</li> </ol>
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<b>Memberships/ Chairmanships of Committees other than Orient Cement Limited</b>	<ol style="list-style-type: none"> <li>National Engineering Industries Limited <ul style="list-style-type: none"> <li>CSR Committee</li> </ul> </li> <li>Birla Soft (India) Limited <ul style="list-style-type: none"> <li>Nomination and Remuneration Committee</li> </ul> </li> </ol>
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<b>Shareholding in the Company</b>	2,60,000
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<b>Name</b>	<b>Mr. Vinod Kumar Dhall</b>
<b>Date of Birth</b>	February 20, 1944
<b>Date of Appointment</b>	November 1, 2012
<b>DIN</b>	02591373
<b>Qualification</b>	Law degree from the University of Delhi and Masters degree in Mathematics from the University of Allahabad

<b>Occupation</b>	IAS (Retired) Proprietor in Dhall Law Chambers Collaboration in Talwar Thakore & Associates
<b>Expertise in specific functional areas</b>	Competition Law, Corporate Affairs, Industry and Commerce, Economic Regulation and Finance
<b>Directorships held in other Companies</b>	<ol style="list-style-type: none"> <li>1. ICICI Prudential Trust Limited</li> <li>2. ICICI Prudential Life Insurance Company Limited</li> <li>3. ICICI Prudential Pension Funds Management Company Limited</li> <li>4. Scheider Electric Infrastructure Limited</li> <li>5. Bharti Infratel Limited</li> <li>6. Advani Hotels and Resorts (India) Limited</li> <li>7. ICICI Securities Limited</li> </ol>
<b>Memberships/ Chairmanships of Committees other than Orient Cement Limited</b>	<ol style="list-style-type: none"> <li>1. ICICI Prudential Trust Limited <ul style="list-style-type: none"> <li>♦ Audit Committee</li> </ul> </li> <li>2. ICICI Prudential Life Insurance Company Limited <ul style="list-style-type: none"> <li>♦ Board Audit Committee</li> <li>♦ Board Nomination &amp; Remuneration Committee</li> <li>♦ Share Transfer Committee</li> <li>♦ Board Customer Service &amp; Policyholders' Protection Committee</li> <li>♦ Board Corporate Social Responsibility Committee</li> </ul> </li> <li>3. ICICI Prudential Pension Funds Management Company Limited <ul style="list-style-type: none"> <li>♦ Board Nomination &amp; Remuneration Committee</li> <li>♦ Board Risk Management &amp; Audit Committee</li> </ul> </li> <li>4. ICICI Securities Limited <ul style="list-style-type: none"> <li>♦ Audit Committee</li> <li>♦ Nomination &amp; Remuneration Committee</li> </ul> </li> <li>5. Advani Hotels &amp; Resorts (India) Limited <ul style="list-style-type: none"> <li>♦ Audit Committee</li> </ul> </li> <li>6. Scheider Electric Infrastructure Limited <ul style="list-style-type: none"> <li>♦ Audit Committee</li> <li>♦ Nomination &amp; Remuneration Committee</li> </ul> </li> <li>7. Bharti Infratel Limited <ul style="list-style-type: none"> <li>♦ Audit &amp; Risk Management Committee</li> </ul> </li> </ol>
<b>Shareholding in the Company</b>	Nil

<b>Name</b>	<b>Mr. Rabindranath Jhunjunwala</b>
<b>Date of Birth</b>	March 16, 1973
<b>Date of Appointment</b>	March 25, 2013
<b>DIN</b>	0050729
<b>Qualification</b>	B.A., LL.B (Hons) from National Law School of India University, Bangalore
<b>Occupation</b>	Partner in Khaitan & Co.

<b>Expertise in specific functional areas</b>	Corporate Laws-domestic and cross border mergers & acquisitions, private equity investment, foreign investments advisor (both inbound and outbound)
<b>Directorships held in other Companies</b>	<ol style="list-style-type: none"> <li>1. RN Management Services Private Limited</li> <li>2. RJ Management Services Private Limited</li> <li>3. Rolland Financial &amp; Management Services Private Limited</li> <li>4. Henry Financial &amp; Management Services Private Limited</li> <li>5. DL Management Services Private Limited</li> <li>6. LD Management Services Private Limited</li> <li>7. JJ Management Services Private Limited</li> <li>8. JC Management Services Private Limited</li> <li>9. Fennel Investment and Finance Private Limited</li> <li>10. Trett Consulting (India) Limited</li> <li>11. Kabri Private Limited</li> <li>12. Khaitan Consultants Limited</li> <li>13. Rosevally Developers Private Limited</li> <li>14. Ranila Consultants Private Limited</li> <li>15. TCPL Packaging Limited</li> <li>16. Vallonne Vineyards Private Limited</li> </ol>
<b>Memberships/ Chairmanships of Committees other than Orient Cement Limited</b>	<ol style="list-style-type: none"> <li>1. TCPL Packaging Limited <ul style="list-style-type: none"> <li>◆ Stakeholders Relationship Committee</li> </ul> </li> </ol>
<b>Shareholding in the Company</b>	Nil

<b>Name</b>	<b>Mr. Rajeev Jhawar</b>
<b>Date of Birth</b>	November 11, 1964
<b>Date of Appointment</b>	August 13, 2012
<b>DIN</b>	00086164
<b>Qualification</b>	Commerce Graduate and Management Development Course from London Business School
<b>Occupation</b>	Industrialist
<b>Expertise in specific functional areas</b>	Industrialist having rich business experience in managing diversified industrial enterprises
<b>Directorships held in other Companies</b>	<ol style="list-style-type: none"> <li>1. Usha Martin Limited</li> <li>2. Usha Martin Education &amp; Solutions Limited</li> <li>3. KGVK Rural Enterprises Limited</li> <li>4. Redtech Network India Private Limited</li> <li>5. Neutral Publishing House Limited</li> <li>6. Jhawar Venture Management Private Limited</li> <li>7. Usha Breco Limited</li> <li>8. Pars Consultancy &amp; Services Private Limited</li> <li>9. KGVK Social Enterprises Limited</li> </ol>
<b>Memberships/ Chairmanships of Committees other than Orient Cement Limited</b>	<ol style="list-style-type: none"> <li>1. Usha Martin Limited <ul style="list-style-type: none"> <li>◆ Investment &amp; Strategy Committee</li> <li>◆ Risk Management Committee</li> </ul> </li> <li>2. Usha Martin Education &amp; Solutions Limited <ul style="list-style-type: none"> <li>◆ Shareholders Relationship Committee</li> <li>◆ Remuneration Committee</li> </ul> </li> </ol>
<b>Shareholding in the Company</b>	Nil

<b>Name</b>	<b>Mr. Janat Shah</b>
<b>Date of Birth</b>	September 22, 1958
<b>Date of Appointment</b>	April 30, 2014
<b>DIN</b>	01625535
<b>Qualification</b>	Fellow of IIMA (equivalent to PhD) in Operations Management B. Tech (Mechanical) from IIT Mumbai
<b>Occupation</b>	Service
<b>Expertise in specific functional areas</b>	Operations Strategy and Supply Chain Management
<b>Directorships held in other Companies</b>	<ol style="list-style-type: none"> <li>1. Great Media Technologies Private Limited</li> <li>2. Future Supply Chain Solutions Limited</li> </ol>
<b>Memberships/ Chairmanships of Committees other than Orient Cement Limited</b>	Nil
<b>Shareholding in the Company</b>	Nil



## Notice

**NOTICE** is hereby given that the 4th Annual General Meeting (AGM) of the Members of Orient Cement Limited (CIN:L26940OR2011PLC013933) will be held on Saturday, 25th day of July 2015 at 2:00 P.M. at Unit –VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012 (Odisha), to transact the following business:-

### Ordinary Business

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors(the Board) and Auditors thereon.
2. To declare a final dividend of ₹ 1 per equity share of face value of ₹ 1 each and to confirm the interim dividend of ₹ 0.75 per equity share, already paid for the financial year ended March 31, 2015.
3. To appoint a director in place of Mr. CK Birla (DIN- 00118473), who retires by rotation and being eligible, seeks re-appointment.
4. To ratify the appointment of Statutory Auditors as required under section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 and to authorise the Board of Directors to fix their remuneration.

### Special Business

#### Item No. 5-Appointment of Ms. Amita Birla as Non-Executive Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Amita Birla (DIN 00837718), who was appointed as an Additional Director

of the Company by the Board of Directors with effect from March 27, 2015 and who holds office up to the date of Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Amita Birla (DIN 00837718) as a candidate for the office of Director of the Company, be and is hereby appointed as Non-Executive Director of the Company, liable to retire by rotation.

#### Item No. 6- Re-appointment of Mr. Desh Deepak Khetrpal as the Managing Director & Chief Executive Officer of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 (**“Companies Act”**) and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act (including any statutory modification(s) or re-enactment thereof, for time being in force), subject to all guidelines for managerial remuneration issued by the Central Government from time to time, and subject to approval of Central Government and/ or approval of other Government/ regulatory authorities/ agencies, as may be necessary, and as recommended by the Nomination and Remuneration Committee, the consent of the Shareholders’ of the Company be and is hereby accorded for the re-appointment of Mr. Desh Deepak Khetrpal (DIN 02362633) as Managing Director & Chief Executive Officer (**“MD & CEO”**) of the Company, subject to the superintendence, control and direction of the Board of Directors (**“Board”**) of the Company, for a period of 5 (Five) years with effect from April 1, 2015 on the terms & conditions and remuneration as mentioned below:-

#### A. Tenure of Re-appointment

From April 1, 2015 to March 31, 2020

**B. Remuneration**

From April 1, 2015 to March 31, 2016

Particulars	P.M (₹)	P.A (₹)
Basic Salary/ Basic Pay	14,00,000	1,68,00,000
Allowances and perquisites:		
Personal Allowance/ Pay	6,08,000	72,96,000
Special Allowance/ Pay	6,29,000	75,48,000
Medical Allowance/ Reimbursements		1,00,000
LTA		14,00,000
<b>Gross Salary</b>	<b>26,37,000</b>	<b>3,31,44,000</b>

- C. In addition to the above, the MD & CEO shall be provided suitable Company leased accommodation/ house rent allowance of ₹ 4,00,000/- per month and Company car (fully maintained and chauffeur driven) for official use.
- D. The MD & CEO shall also be entitled to an annual performance linked compensation of up to ₹ 99,00,000/- (Rupees Ninety nine lacs).
- E. Entitlement to shares of the Company in accordance with the Employees Stock Option Scheme as adopted by the Company
- F. Contribution to Provident Fund, Gratuity and Superannuation Fund will be as per the Rules of the Company.
- G. Encashment of un-availed leave at the end of the tenure or at specified intervals will be as per the Rules of the Company and does not form part of the above mentioned compensation
- H. Appointment will be terminable by either party by giving three months notice or salary in lieu thereof.

**RESOLVED FURTHER THAT** the re-appointment of Mr. Desh Deepak Khetrpal shall not be subject to retirement by rotation.

**RESOLVED FURTHER THAT** the aggregate salary, perquisites, bonus, benefits, allowances and other payments paid to Mr. Desh Deepak Khetrpal shall be subject to the limits prescribed under Section 197 of the Companies Act and other applicable provisions of the Companies Act and the rules, circulars, orders and notifications issued there under (including any statutory

modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act for the time being in force.

**RESOLVED FURTHER THAT** the aggregate salary, perquisites, bonus, benefits, allowances and other payments payable to Mr. Desh Deepak Khetrpal shall be subject to revision with effect from April 1, 2016.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, in the event of loss or inadequacy of profits in any financial year during his tenure, the Company will subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Mr. Desh Deepak Khetrpal as provided in this resolution, as minimum remuneration even if it exceeds 5 (five) percent of the net profits of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approvals/ sanctions of the Government and/ or other authorities/ agencies as may be applicable and to settle any question or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution."

**Item No. 7 - Fixing the remuneration of Mr. Somnath Mukherjee, Cost Auditor of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration amounting to ₹ 60,000/- (Sixty thousand only) plus out of pocket expenses payable to Mr. Somnath Mukherjee, Cost Accountant in practice (M.NO.-F5343), appointed by the Board of Directors of the Company to conduct the audit of the cost records in respect of "Cement" activity of the Company for the financial year 2015-16, be and is hereby ratified and approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all things, deeds and acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## Item No. 8 - Create, offer, issue and allot Options under Employee Stock Option Scheme

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (**“Act”**) read along with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**“Regulations”**) (including any statutory amendment, modification or re-enactment to the Act or the Regulations for the time being in force) and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approvals, permissions and sanctions, and upon receipt of recommendation of the Nomination & Remuneration cum Compensation Committee (**“NRC”**), approval and consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the **“Board”**) which terms shall be deemed to include any committee including the NRC, to the adoption of the ‘Orient Cement Employees Stock Option Scheme 2015’ (**“Scheme”**);

**RESOLVED FURTHER THAT** pursuant to the provisions of the Act and in accordance with memorandum and articles of association of the Company, provisions of the Regulations (including any statutory modification(s) or re-enactment thereof, for the time being in force) consent of the members of the Company be and is hereby accorded to the Board (including NRC or any other Committee which the Board has constituted to be the Compensation Committee as required under the Regulations) to create, offer, issue and allot stock options not exceeding 30,00,000 (Three million) into equivalent equity shares each to the eligible employees as determined by the NRC under the Scheme;

**RESOLVED FURTHER THAT** in accordance with the provisions of the Act and in accordance with memorandum and articles of association of the Company, and the Regulations and other applicable laws for the time being in force and as may be amended from time to time consent of the members of the Company be and is hereby accorded to the Board (including NRC or any other Committee which the Board has constituted to be the Compensation Committee as required under the Regulations) for creation, offer, issue and allotment at any time, 30,00,000 (Three million) equity shares of ₹ 1 each of the Company, upon exercise of the options, at such price, and on such terms and conditions and upon meeting of such vesting

criteria as may be fixed or determined by the NRC in its sole and exclusive discretion;

**RESOLVED FURTHER THAT** the NRC shall be designated as the Nomination & Remuneration cum Compensation Committee for the administration and superintendence of the Scheme in accordance with the Regulations;

**RESOLVED FURTHER THAT** the new equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank *pari passu* in all respects with the existing Equity Shares of the Company; unless otherwise decided by the Board;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to formulate, evolve, decide upon and bring into effect the Scheme on such terms and conditions as contained in the relevant explanatory statement to this notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the Scheme;

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as right issue, bonus issue, split or consolidation of shares etc. of the Company, the number of above mentioned Options shall be appropriately adjusted;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to make modifications in the Scheme, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the memorandum of association and articles of association of the Company, the Regulations and any other applicable laws;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all necessary steps for listing of the securities allotted under the Scheme on the Stock Exchanges where the existing securities of the Company are listed as per the provisions of the Listing Agreements with the concerned stock exchanges and other applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue, allotment or listing of shares, the Board be and is hereby authorised, on behalf of the Company, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to sign any documents, deeds, settle any issues, questions, difficulties or doubts that may arise in this regard;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc., as may be necessary in this regard."

**By order of the Board of Directors**

**D. Gulati**

Place: New Delhi

(Company Secretary)

Date: May 8, 2015

(FCS-5304)

**NOTES:**

1. The relative Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the Notice are annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours (between 10:00 A.M. and 5:30 P.M.) of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting
8. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, July 21, 2015 to Saturday, July 25, 2015, both days inclusive, for annual closing and determining the entitlement of the shareholders to the final dividend for 2014-15.
9. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched by **August 6, 2015** to those members whose names shall appear on the Company's Register of Members as on book closure date and in respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on the close of business hours on Monday, **July 20, 2015**.
10. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. The Members holding shares in physical form are requested to advise any change of address and / or bank mandate immediately to M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110020.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit

their PAN details to M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110020 or to the Company.

12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms an integral part of the notice. The directors have furnished the requisite declarations for their appointment/ re-appointment.
14. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of Orient Cement Limited to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110020. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.
16. Copies of the Annual Report 2014-2015 are being sent by electronic mode only to the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014-2015 are being sent by the permitted mode.
17. The Notice of the 4th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
18. Members may also note that the Notice of the 4th AGM and the Annual Report 2014-15 will be available on the Company's website [www.orientcement.com](http://www.orientcement.com).
19. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agent M/s. MCS Share Transfer Agent Limited and have it duly filled and sent back to them.
20. Members wishing to claim dividends, which remain unclaimed are requested to correspond with M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110020 or with the Company at Birla Tower, 3rd Floor, 25, Barakhamba Road, New Delhi - 110 001.
- 21. Voting through electronic means**
  - 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 ('Amended Rules 2015') and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 4th Annual General Meeting 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 Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).



- II. The facility for voting through ballot paper shall be made available at the Annual General Meeting 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 Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on July 22, 2015 (9:00 A.M.) and ends on July 24, 2015 (5:00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of July 18, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

**A. In case a Member receives an e-mail from NSDL (for members whose e-mail ID's are registered with the Company/ Depository Participant(s)):**

- i. Open the e-mail and also open PDF file attached with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for remote e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL: **<https://www.evoting.nsdl.com>**.
- iii. Click on **Shareholder-Login**.
- iv. Put user ID and password as an initial password/ PIN noted in step (i) above. Click Login.
- v. **Password Change Menu** appears, Change the password/ PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi. Home page of remote e-voting opens. Click on remote e-voting: **Active Voting Cycles**.
- vii. Select the **EVEN (E-Voting Event Number)** of Orient Cement Limited.
- viii. Now you are ready for remote e-voting as Cast Vote page opens..
- ix. Cast your vote by selecting appropriate option and click on **"Submit" and also "Confirm"** when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRIs, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant board resolution / authority letter, etc., together with the attested specimen signature(s) of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser via email at: **[scrutinizerocl@gmail.com](mailto:scrutinizerocl@gmail.com)** with a copy marked to **[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)**.

**B. In case a Member receives physical copy of the Notice of Annual General Meeting (for Members whose email addresses are not registered with the Company/ Depository Participant(s) or requesting physical copy):**

- i. Initial password is provided with the copy of this notice in separate sheet.
- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- iii. In case of any query, you may refer the Frequently Asked Questions (FAQ's) for Members and remote e-voting user manual for Members available at the downloads section of **[www.evoting.nsdl.com](http://www.evoting.nsdl.com)** or call on toll free no.: 1800-222-990.
- iv. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- v. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).

- vi. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date of July 18, 2015.
- vii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. July 18, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto:Issuer/RTA).

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

- viii. A member may participate in the Annual General Meeting even after exercising his/ her right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.
- ix. 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 Annual General Meeting through ballot paper.
- x. Mr. Atul Kumar Labh, Practicing Company Secretary (M. No. FCS - 4848 / CP - 3238), has been appointed as Scrutiniser to scrutinise the voting and remote e-voting process in a fair and transparent manner.
- xi. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiniser, by use of "Ballot Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- xii. The Scrutiniser shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days

of the conclusion of the Annual General Meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- xiii. The results declared alongwith the report of the Scrutiniser shall be placed on the website of the Company [www.orientcement.com](http://www.orientcement.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the shares of the Company are listed.

**By order of the Board of Directors**

**D. Gulati**

(Company Secretary)

(FCS-5304)

Place: New Delhi

Date: May 8, 2015

#### UPDATE OF EMAIL ID

Kindly ensure to update your fresh Email ID with the Company/Depository if you have changed the same.

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 5**

Ms. Amita Birla (DIN 00837718) was appointed as an Additional Director by the Board with effect from March 27, 2015, pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Amita Birla (DIN 00837718) will hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Ms. Amita Birla (DIN 00837718) for the office of Non-Executive Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Ms. Amita Birla (DIN 00837718), the Non-Executive Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder.

The Board considers that her continued association would be of immense benefit to the Company and is desirable to continue to avail services of Ms. Amita Birla (DIN 00837718) as Non-Executive Director.

Except Mr. CK Birla (DIN 00118473), Chairman of the Company, being spouse of Ms. Amita Birla and Ms. Amita Birla (DIN 00837718) to whom the resolution relates, no other director, key managerial personnel or their relatives, are concerned or interested in the resolution.

Ms. Amita Birla (DIN 00837718), to whom the resolution relates, along with her relatives holds 34,17,570 equity shares in the Company.

The resolution seeks the approval of members for the appointment of Ms. Amita Birla (DIN 00837718) as Non-Executive Director of the Company pursuant to Section 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She is liable to retire by rotation.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

#### **Item No. 6**

Mr. Desh Deepak Khetrpal (DIN 02362633), aged 60 years, holds an honors degree in Business & Economics and Masters degree in Business Administration in Marketing and Finance from Delhi University. Mr. Khetrpal, Managing Director & Chief Executive Officer (“**MD & CEO**”) of the Company is the driving force behind the Company. Mr. Khetrpal is a man with a vision to create a business of excellence and is the inspiration to all as he spearheads the Company’s management and operations; strategising and directing it through its next phase of growth. Mr. Khetrpal is a professional business leader with a track record of leading and transforming large and diversified organisations, across various industries including services, industrials, consumer and retail businesses. Mr. Khetrpal’s expertise and in-depth analysis of the business is core to cement business operations and development plans of the Company. Mr. Khetrpal has vast work experience in services, industrials, consumer and retail businesses.

Brief resume of Mr. Khetrpal, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, have been provided in the Annual Report of the Company.

Mr. Khetrpal’s term of re-appointment as the MD & CEO of the Company expired on April 1, 2015. In terms of the provisions of the Companies Act, 2013 (“**Companies Act**”) and the Articles of Association of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors (“**Board**”) at their meeting held on March 27, 2015, re-appointed Mr. Khetrpal as the MD & CEO of the Company for a period of 3 (three) years with effect from April 1, 2015.

Further, taking into consideration duties and responsibilities cast on the MD & CEO and to be commensurate with industry norms on the payment of the remuneration to the MD & CEO, and considering his knowledge of various aspects relating to the Company’s affairs, and on the recommendation of the Nomination and Remuneration Committee of the Company, the Board at their meeting held on May 8, 2015 in partial modification to its resolution dated March 27, 2015 revised Mr. Khetrpal’s remuneration and tenure of re-appointment from 3 (three) years to 5 (five) years with effect from April 1, 2015, subject to the approval by the Shareholders’ of the Company and such other consents and approvals that may be required.

Mr. Khetrpal is not liable to retire by rotation.

The MD & CEO’s re-appointment is subject to the provisions of Section 167 of the Companies Act 2013. All documents relevant for his re-appointment are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) during normal business hours (between 10:00 A.M. and 5:30 P.M.) up to date of the Annual General Meeting.

Mr. Khetrpal is a non-executive Director, of HIL Limited and Non-Executive Independent Director of Oriental Bank of Commerce. Mr. Khetrpal does not hold any equity shares in the Company nor has any relationship with any of the other Directors of the Company.

Mr. Khetrpal is directly concerned and interested in this resolution, as it relates to the terms of his re-appointment and remuneration. Except Mr. Khetrpal, no other Director or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution.

Given his expertise, knowledge and experience, the Board considers the re-appointment of Mr. Khetrpal as MD & CEO to be in the interest of the Company and recommends the resolution as set out in the accompanying Notice for approval of the members as Special Resolution.

Being MD & CEO Officer of the Company he would be one of the Key Managerial Personnel.

#### Item No. 7

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost Auditor to audit the cost records of the Company.

On the recommendation of the Audit Committee at its meeting held on May 8, 2015, the Board has approved the re-appointment of Mr. Somnath Mukherjee, Cost Accountant in practice (M. NO. F5343), as Cost Auditors of the Company for conducting the audit of the cost records of the 'Cement' activity for the financial year ending March 31, 2016 at a remuneration of ₹ 60,000/- (Sixty thousand only) plus out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be approved by the shareholders of the Company. Accordingly, the Members are requested to approve the remuneration of the Cost Auditors for the Financial year 2015-16 as set out in the Resolution for the aforesaid services to be rendered by him.

No director, key managerial personnel or their relatives is in any way concerned or interested in the said resolution.

The Board recommends the Ordinary resolution set forth in Item no. 7 of the Notice for the approval of the members.

#### Item No. 8

Stock options are an effective instrument to align interests of employees with those of a company and provide an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands. This also helps the company to attract, retain and motivate the best available talent in a competitive environment.

This Company believes in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on the growth path. To this effect, the Company proposes to implement an Employee Stock Option Scheme. The main objective of the scheme is to give employees, who are performing well, a certain minimum opportunity to gain from the Company's performance thereby acting as a retention tool and to attract the best talent available in the market.

The Board of Directors ("**Board**") of the Company at its meeting held on May 8, 2015 approved introduction of the 'Orient

Cement Employees Stock Option Scheme 2015' ("**Scheme**") for the benefit of the Eligible Employees (as identified in the Scheme), subject to the approval of the members and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014") as amended from time to time ("**Regulations**") and authorised the Nomination & Remuneration cum Compensation Committee to formulate the detailed terms and conditions of the Scheme and to administer and implement the Scheme in accordance with the Companies Act, 2013 and the Regulations.

The Board has approved the Nomination and Remuneration Committee to be designated as the Nomination & Remuneration cum Compensation Committee for the administration and superintendence of the Scheme in accordance with the Regulations. Approval of the members is being sought for the issue of Stock Options to the Eligible Employees (as identified in the Scheme).

The following explanatory statement sets out the various disclosures as required by the Regulations.

All capitalised terms not defined herein shall have the meaning ascribed in the Scheme.

#### 1. Total number of Options to be granted

- (a) A total of not exceeding 30,00,000 Options would be available for grant to the Eligible Employees under the Scheme.
- (b) Number of Options shall be adjusted due to any Corporate Action such as, right issue, bonus issue, split or consolidation of shares etc. of the Company.
- (c) Each Option when exercised would give the Participant a right to get 1 (one) fully paid equity share of the Company.
- (d) The Options, which will lapse, expire or be forfeited, will be available for further grant to the other Participants.

#### 2. Classes of employees entitled to participate in the Scheme

Any permanent Employee on the rolls of the Company as on April 1, 2015, whether whole time or not, who are selected by the Nomination & Remuneration cum Compensation Committee under the Scheme are eligible

for the Options. A new employee who has replaced the old Eligible Employee and has joined the employment of the Company before June 30, 2017 shall also be selected by the Nomination & Remuneration cum Compensation Committee under the Scheme provided that they have been with the Company at least for 6 (six) months.

### **3. Requirements of Vesting and period of Vesting**

The Options granted shall vest so long as the Participant continues to be in the employment of the Company. The Vesting Period shall be decided by the Nomination & Remuneration cum Compensation Committee from time to time but shall not be less than 1 (one) year.

### **4. Exercise Price or pricing formula**

The exercise price and/or the pricing formula shall be decided by the Nomination & Remuneration cum Compensation Committee from time to time.

### **5. Exercise Period and process of exercise**

The Nomination & Remuneration cum Compensation Committee shall decide the exercise period from time to time which can be extended up to the Closing Date or 4 (four) years from the date the Options have vested.

The Participant can exercise the Options at any time after the vesting date by making full payment of exercise price and applicable taxes and by execution of such documents as may be prescribed by the Nomination & Remuneration cum Compensation Committee, from time to time.

### **6. Appraisal process for determining the eligibility of employees under the Employees Stock Option Scheme**

The process for determining the eligibility of the employees will be specified by the Nomination & Remuneration cum Compensation Committee and will be based on designation, age of the employee, band, performance linked parameters such as work performance and such other criteria as may be determined by the Nomination & Remuneration cum Compensation Committee at its sole discretion, from time to time.

### **7. Maximum number of options to be granted per employee**

Maximum number of Options to be granted to an Eligible Employee will be based on the percentage of the Participant's compensation and will be determined by the Nomination & Remuneration cum Compensation Committee on a case to case basis.

### **8. Accounting Method**

The Company shall comply with the disclosures, the accounting policies and other requirements as may be prescribed under the Regulations and other applicable laws from time to time.

### **9. Valuation**

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options and the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' report.

The Nomination & Remuneration cum Compensation Committee shall have all the powers to take necessary decisions for effective implementation of the Scheme. In terms of the provisions of the Regulations, Scheme is required to be approved by the members by passing of special resolution.

A copy of the draft Scheme will be available for inspection on all working days (Monday to Friday) between 10:00 A.M. and 5:30 P.M. at the registered office of the Company and at corporate office of the Company.

None of the Directors or Key Managerial Personnel of the Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of the stock options that may be granted to them under the Scheme.

The Board recommends passing of the resolution as set out under Item No. 8 of the Notice for approval of the members as a special resolution.



## Directors' Report

### Dear Members,

Your Directors are pleased to present their report and statement of accounts for the financial year ended March 31, 2015.

### FINANCIAL RESULTS

The Board of Directors hereby presents the Annual Report on the business and operations of your Company along with the summary of financial statements for the year ended March 31, 2015.

### Financial Results

	(₹ in Crores)	
Particulars	2014-15	2013-14
Gross Sales	1,768.83	1,646.72
Total Income (Net of Excise)	1,552.95	1,447.73
<b>Earnings before Interest, Depreciation, Amortisation &amp; Taxation</b>	<b>312.64</b>	<b>224.01</b>
Interest / Finance costs	14.13	14.39
<b>Profit before Depreciation and Taxation</b>	<b>298.51</b>	<b>209.62</b>
Depreciation and Amortisation expenses	47.33	56.38
<b>Net Profit before Taxation</b>	<b>251.18</b>	<b>153.24</b>
Taxation	56.40	52.22
<b>Net profit</b>	<b>194.78</b>	<b>101.02</b>
Profit brought forward from last year	92.72	52.66
<b>Profit available for Appropriations</b>	<b>287.50</b>	<b>153.68</b>
<b>Appropriations</b>		
Transfer to Debenture Redemption Reserve	-	-
Transfer to General Reserve	-	25.00
Dividend on Equity Shares	35.85	30.73
Corporate Dividend Tax	7.17	5.23
Balance carried to Balance Sheet	244.48	92.72
<b>EPS</b>	<b>9.51</b>	<b>4.93</b>

### STATE OF COMPANY'S AFFAIR

Your Directors are pleased to inform you that during the year, in spite of the slower than expected growth rate of the GDP, delayed take-off of investments and construction projects and disappointing cement demand, your Company has performed creditably with cement sales volumes of 41 lac tons, registering a good performance with capacity utilisation of 82%, which is significantly better than the industry average of ~70%. Against the general trend of incrementally higher demand for OPC cement, your Company was successful in increasing the PPC sales from 75% to 80%. There was positive growth in sales volumes in the first three quarters of the financial year, but in the 4th quarter, poor demand hurt our volumes. The low volumes in 4th quarter pulled down our annual volume growth into the negative territory.

Though the cement prices remained volatile throughout the year, the overall net realisation for the Company registered an improvement over the previous year. This improved realisation, better product mix and various cost optimisation initiatives have resulted in the Company achieving a significantly improved performance over the previous year with revenue at ₹ 1,535 crores (previous year ₹ 1,430 crores), an increase of 7% over the previous year and EBITDA at ₹ 313 crores (previous year ₹ 224 crores) a 40% increase over last year. The profit before tax (PBT) of the Company for financial year 2015 is at ₹ 251 crores against the financial year 2014 PBT of ₹ 153 crores. The EPS in financial year 2015 comes to ₹ 9.51, an improvement of 93% over the previous year.

The expansion plan of your Company, through addition of a 3 million tons per annum greenfield, integrated plant near

Chittapur, Gulbarga District in Karnataka has made significant progress during the year with the cement plant and the captive power plant getting very close to commissioning. The railway siding and employees' colony will be delayed due to late receipt of Karnataka Government's approval for land for the purpose. However, alternate arrangements have been made to mitigate the effect of these delays. The waste heat recovery system will also be installed only once the kiln has stabilised and the waste heat becomes consistent in availability. The Company is complying with additional conditions imposed by MoEF in the Environmental Clearance, which is adding some new costs to the project. All efforts are now in hand to commission the Plant within a few weeks of the Mining Lease being granted to the Company, which we are hopeful of getting shortly.

### **DIVIDEND**

For the financial year 2014-15, the Board of Directors have recommended a final dividend of ₹ 1 per Equity Share (face value of ₹ 1 each), amounting to a total payout of ₹ 2,048.69 lacs. This is in addition to the Interim Dividend for the year, ₹ 0.75 per Equity Share paid in January 2015 (amounting to ₹ 1,536.53 lacs). The total dividend per share for financial year 2014-2015 aggregates to ₹ 1.75 per equity share and the total dividend payout for financial year 2014-2015 is ₹ 3,585.22 lacs.

The Register of Members and Share Transfer Books will remain closed from Tuesday, July 21, 2015 to Saturday, July 25, 2015 (both days inclusive) for purposes of payment of the final dividend for the financial year ended March 31, 2015 and the Annual General Meeting (AGM).

### **CORPORATE GOVERNANCE**

Your Company always places major thrust on managing its affairs with diligence, transparency, responsibility and accountability, thereby upholding the important dictum that an organisation's corporate governance philosophy is directly linked to high performance.

The Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large, and strives to serve their interests, resulting in creation of value and wealth for all stakeholders.

The compliance report on corporate governance from M/s S.R.Batlilboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 301003E), Statutory Auditors of the Company, regarding compliance of the conditions of corporate governance, as stipulated under clause 49 of the Listing Agreement with the stock exchanges, is attached herewith as Annexure A to this report.

### **CHANGES IN DIRECTORS**

On March 27, 2015, the Board of Directors had, on the recommendation of the Nomination & Remuneration Committee, re-appointed Mr. Desh Deepak Khetrpal (DIN 02362633) as Managing Director & Chief Executive Officer of the Company for a period of three years starting from April 1, 2015. Thereafter, on May 8, 2015, the Board of Directors had, again on the recommendation of the Nomination & Remuneration Committee, amended the period of his contract from 3 years to 5 years with effect from April 1, 2015. The Board recommends your approval for Mr. Khetrpal's re-appointment for 5 years effective from April 1, 2015.

Pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company, Ms. Amita Birla (DIN 00837718) was appointed as an Additional Director by the Board in the category of Non-Executive Director w.e.f. March 27, 2015. Ms. Amita Birla will hold office up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as Director.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Mr. CK Birla (DIN 00118473), Director of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment.

The brief resume and other details relating to the Directors, who are to be appointed/ re-appointed as stipulated under Clause 49 of the Listing Agreement, are furnished in the Annual Report.

Further, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

None of the Directors are disqualified under Section 164(2) of the Companies Act, 2013.

### **KEY MANAGERIAL PERSONNEL**

Mr. Sushil Gupta was appointed as Chief Financial Officer of the Company w.e.f. August 7, 2014.

The following employees were designated as whole-time Key Managerial Personnel by the Board of Directors during the year under review:

- ♦ Mr. Desh Deepak Khetrpal
- ♦ Mr. Sushil Gupta
- ♦ Ms. Deepanjali Gulati

## STATUTORY AUDITORS

At the Annual General Meeting held in the year 2014, M/s S.R.Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 301003E) Statutory Auditors of the Company were re-appointed by the shareholders to hold office as Statutory Auditors from the conclusion of Annual General Meeting held in the year 2014 till the conclusion of Eighth Annual General Meeting of the Company to be held in the year 2019, subject to ratification of their appointment at every Annual General Meeting.

Under Section 139 of the Companies Act, 2013, the Company is required to place the matter relating to Statutory Auditor's appointment for ratification by members at every Annual General Meeting.

The Company has received a letter from the Statutory Auditors confirming that they are eligible for appointment as Auditors of the Company under Section 139 of the Companies Act, 2013 and meet the criteria for appointment specified in Section 141 of the Companies Act, 2013.

Based on the recommendations by the Audit Committee, the Board of Directors of the Company recommend the ratification of appointment of M/s S.R.Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration Number 301003E) as Statutory Auditors of the Company by the shareholders at the ensuing Annual General Meeting.

The observations of the Auditors in their report, read together with the notes on Accounts, are self-explanatory and therefore, in the opinion of the Directors, do not call for any further explanation.

## COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013, read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its 'Cement' activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Mr. Somnath Mukherjee, Cost Accountant, (M. No. F5343) as Cost Auditor for auditing the cost accounts of the Company for the financial year 2015-16 on a remuneration of ₹ 60,000/-. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in the general meeting for ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Mr. Somnath Mukherjee, Cost Auditors (M.No. 5343) is included in the notice convening the Annual General Meeting.

The Company has received a letter from him to the effect that his re-appointment would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that he is not disqualified for such re-appointment within the meaning of Section 141 of the Companies Act, 2013.

## SECRETARIAL AUDIT

The Board of Directors of the Company have appointed M/s. Ranjeet Pandey and Associates, Company Secretaries, (Registration No. F-5922) as the Secretarial Auditor of the Company in relation to the financial year 2014-2015, in terms of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Report of the Secretarial Audit is attached as Annexure B and forms an integral part of this Report.

The comments mentioned in Secretarial Audit Report are self explanatory.

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a Corporate Social Responsibility Policy. The Company has undertaken activities as per the CSR Policy (available on Company's website: www.orientcement.com) and the details are contained in the Annual Report on CSR activities given in Annexure C forming a part of this Report. The Company will continue to support social projects that are consistent with the policy.

The main core areas for Orient Cement Limited's CSR programs are education and healthcare support. The Company continues to support social causes and has, like in the previous years, made contributions for promotion of education and promoting social good by providing primary healthcare support, during the year. At Orient Cement Limited, we take our social responsibilities as seriously as we do our core business. We seek to maximise the social, environmental and economic impact of our activities.

Our most important responsibility is to fulfil the expectations of our stakeholders and to continuously improve our social, environmental and economical performance while ensuring the sustainability and operational success of our Company.

## SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2015 was ₹ 20,48,68,760. During the year under review, the Company has

not issued shares with differential voting rights nor granted stock options or sweat equity.

#### **EXTRACT OF THE ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT 9 are attached as Annexure D herewith and form an integral part of this Report.

#### **SUBSIDIARY AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary / Associate.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large. All related party transactions were placed before the Audit Committee and also for the Board approval, wherever required. Prior omnibus approval of the Audit Committee is generally obtained for the transactions which are of a foreseen and repetitive nature and these transactions are reviewed by the Audit Committee on quarterly basis. The policy on related party transactions as approved by the Board is uploaded on the Company's website: [www.orientcement.com](http://www.orientcement.com). The details of transactions entered into with related parties are attached as Annexure E in form AOC-2 that form an integral part of this Report.

#### **DEPOSITS**

We have not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure F and form an integral part of this Report.

#### **DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors, Employees and other Stakeholders

of the Company to report concerns about illegal or unethical practices, unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Whistle Blower Policy is available on the website of the Company: [www.orientcement.com](http://www.orientcement.com).

#### **REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

#### **SEXUAL HARASSMENT POLICY**

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013".

Up till date, the Company has not received any complaint under the Policy.

#### **RISK MANAGEMENT**

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has developed and implemented the Risk Management Policy. The details of policy are set out in the Corporate Governance Report forming part of the Directors' Report.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance and the performance of the individual Directors as well as the evaluation of the working of its Committees. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report.

#### **AWARDS AND RECOGNITIONS**

During the year under review, your Company has received many awards for achievements in different areas such as:

##### **Devapur Factory :**

- ◆ Greentech Safety Award - 2014 Silver Category in Cement Sector
- ◆ Mines Safety Awards - 2014;

- Mine Lighting & Electrical installations - 1st Prize
- Afforestation in Mines - 1st Prize
- Publicity & Propaganda - 1st Prize
- Drilling & Blasting - 2nd Prize
- Over all Performance - 3rd Prize
- ◆ Reclamation & Rehabilitation - 2nd Prize
- ◆ Corporate Social Responsibility - 3rd Prize
- ◆ Over all performance - 3rd Prize
- ◆ Overall performance 3rd prize in Mines Environment & Mineral Conservation Week - 2014
- ◆ Greentech Environment Award - 2014 in GOLD category
- ◆ Top Assessee of Central Excise Duty Payer

#### Jalgaon Factory:

- ◆ Highest tax paid award in Jalgaon

#### Chittapur, Project

- ◆ Best Safe Project Site Award from Directorate of Factories & Boilers, Gulbarga Region.

#### NUMBER OF MEETINGS HELD

The details of Board Meetings and Committee of Board Meetings are given in the Corporate Governance Report.

#### LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The annual listing fees for the financial year 2015-16 have been paid to these exchanges.

#### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There is no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

#### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Particulars with respect to conservation of energy and technology absorption, pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, for the year ended March 31, 2015 are attached as Annexure G and form an integral part of this Report.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned during the year is Nil and the Foreign Exchange outgo during the year is ₹ 10,342.19 lacs.

#### GREEN INITIATIVES

With the aim of going green and minimising our impact on the environment, we are sending electronic copies of the Annual Report 2015 and Notice of the 4th AGM to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2015 and Notice of the 4th AGM are being sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all the resolutions set forth in the notice. This is pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are provided in the Notice.

#### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgments and estimates have been made 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 ended March 31, 2015 and of the profit and loss of the Company for that period;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

- h. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **APPRECIATIONS AND ACKNOWLEDGEMENT**

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilisation of the Company's resources for sustainable and profitable growth.

The Directors wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible.

We thank our customers, vendors, investors and bankers for their continued support during the year. We also thank the various Central and State Government Departments, Organisations and Agencies for their continued help and all the co-operation extended by them.

Your Directors look forward to a long term future with confidence.

By order of the Board of Directors  
For Orient Cement Limited

Place: New Delhi  
Date: May 8, 2015

**CK Birla**  
Chairman  
(DIN 00118473)



## Auditors' Certificate

To

**The Members of Orient Cement Limited**

We have examined the compliance of conditions of corporate governance by Orient Cement Limited for the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures 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.

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 as stipulated in the above mentioned Listing Agreement.

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

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

Firm Registration Number: 301003E

Chartered Accountants

per **Raj Agrawal**

Partner

Membership Number: 82028

Place: New Delhi

Date: May 8, 2015

## **Secretarial Audit Report**

### **For the financial year ended on March 31, 2015**

*[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 Cement Limited**  
**Unit – VIII, Plot No. 7,**  
**Bhoinagar, Bhubaneswar,**  
**Odisha - 751012.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “**Orient Cement Limited**” (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Orient Cement Limited’s** 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 authorised representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 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) 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (v) The following legislations specifically applicable to the Company, being Cement manufacturing Company:-
  - (a) Air (Prevention and Control of Pollution) Act, 1981;
  - (b) Water (Prevention and Control of Pollution) Act, 1974;
  - (c) Hazardous Waste (Management, Handling & Transboundary Movement) Rules, 1989;
  - (d) Atomic Energy (Radiation Protection) Rules, 2004;

- (e) Indian Boilers Act, 1923 read with Andhra Pradesh Boiler Rules, 1967;
- (f) Bio-Medical Waste (Management and Handling) Rules, 2008;
- (g) The Industries (Development & Regulation) Act, 1951;
- (h) Bureau of Indian Standards Act, 1986;
- (i) The Legal Metrology Act, 2009;
- (j) The Petroleum Act, 1934;
- (k) The Water (Prevention and Control of Pollution) Cess Act, 1977;
- (l) The Explosive Rules, 2008;
- (m) The Static & Mobile Pressure Vessels (Unfired) Rules, 1981;
- (n) Cylinder Rules, 2004;
- (o) Ammonium Nitrate Rules, 2012;
- (p) Mines Act, 1952

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with National Stock Exchange Limited and Bombay Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above subject to the following Observation under the Companies Act, 2013 and rules made there under:

1. The Company is carrying out related party transactions in the ordinary course of business and at arms' length price.
2. The composition of Board of Directors of the Company was in accordance with the provisions of Section 152 of the Companies Act, 2013 after appointment of Ms. Amita Birla as Non-Executive Director, liable to retire by rotation, at the Board Meeting held on March 27, 2015.
3. Pursuant to Section 148 of the Companies Act, 2013 read with Rules made there under, the E-form CRA-2 with regard to Cost Auditors' appointment for the financial year 2014-15 is pending to be filed with Ministry of Corporate Affairs due to nomenclature "Cement" is available for those Companies only which operates in areas involving public interest.

**We further report that:-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director 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. The details of directors and/or changes in the composition of the Board of Directors that took place during the period under review is enclosed and marked as **Annexure-I**.

Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were sent properly before the scheduled meeting, 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.

All the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

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

1. Registration of Marketing Office of the Company situated at 5-9-22/57/D, G.P. Birla Centre, Adarsh Nagar, Hyderabad-500063 is under process of registration as principal employer under **The Contract Labour (Regulation and Abolition) Act, 1970**.

We further report that during the audit period, the members of the Company have accorded their approval to the Board of Directors to borrow money which shall exceed aggregate of Paid up Capital and Free Reserve, provided that the total amount shall not exceed ₹ 3,000 Crore at any time and necessary compliance of the Companies Act, 2013 was made in this regard.

We further report that during the audit period, the members of the Company have also accorded their approval to the Board of Directors for creation of mortgages/charges/hypothecation and/or other encumbrances over the movable and immovable properties of the Company and necessary compliance of the Companies Act, 2013 was made in this regard.

We further report that during the audit period, the Company has declared and paid dividend and made necessary compliance of the Companies Act, 2013 was made in this regard.

For **Ranjeet Pandey & Associates**  
Company Secretaries

Place: New Delhi  
Date: May 8, 2015

**CS Ranjeet Pandey**  
FCS- 5922, CP No.- 6087

This report is to be read with our letter of even date which is annexed as **Annexure-II** and forms an integral part of this report.

Name of Director	Designation	Date of Appointment	Date of Cessation	Remarks
Mr. Chandrakant Birla	Non-Executive Director	23/07/2011	Not Applicable	N.A.
Mr. Desh Deepak Khetrpal	Managing Director	02/04/2012	Not Applicable	N.A.
Mr. Vinod Kumar Dhall	Independent Director	01/11/2012	Not Applicable	N.A.
Mr. Rabindra Nath Jhunjunwala	Independent Director	25/03/2013	Not Applicable	N.A.
Mr. Rajeev Jhawar	Independent Director	13/08/2012	Not Applicable	N.A.
Mr. Janat Shah	Independent Director	30/04/2014	Not Applicable	N.A.
Ms. Amita Birla	Non-Executive Additional Director	27/03/2015	Not Applicable	N.A.

## ANNEXURE-II

**To,  
The Members,  
Orient Cement Limited  
Unit – VIII, Plot No. 7,  
Bhoinagar, Bhubaneswar,  
Odisha - 751012**

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

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations & happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Ranjeet Pandey & Associates**  
Company Secretaries

Place: New Delhi  
Date: May 8, 2015

**CS Ranjeet Pandey**  
FCS- 5922, CP No.- 6087



## Annual Report on Corporate Social Responsibility (CSR) activities

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

**A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:** CSR Policy is stated on Company's Website: <http://orientcement.com/code-conduct.html>

**The Composition of the CSR Committee:**

1. Mr. Janat Shah- Chairman- Independent Director
2. Mr. Desh Deepak Khetrapal - Managing Director & CEO
3. Mr. Rabindranath Jhunjunwala - Independent Director

**Average net profit of the Company for last three financial years:** ₹ 13,343.08 lacs

**Prescribed CSR Expenditure (two per cent of the average net profit):** The Company is required to spend ₹ 266.86 Lacs towards CSR during the financial year 2014-15

**Details of CSR spent during the financial year 2014-15.**

(a) **Total amount to be spent for the financial year 2014-15:** ₹ 267.73 Lacs

(b) **Amount unspent, if any:** Nil

(c) **Manner in which the amount spent during the financial year is detailed below:**

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs • Local area or other • Specify the State and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise  (₹ in lacs)	(6) Amount spent on the projects or programs Sub – heads: • Direct expenditure on projects or programs • Overheads  (₹ in lacs)	(7) Cumulative expenditure up to the reporting period  (₹ in lacs)	(8) Amount spent : Direct or through implementing agency
1.	School Running Expenses, Renovation of School Building, Donation of Computers to School	Education	Devapur-Dist-Adilabad, State Telangana, Nashirabad-Jalgaon, Kasoda-Jalgaon	201.29	201.29	201.29	Direct
2.	Medical Expenses, Organised Eye Camps and Blood Donation Camps	Healthcare	Devapur-Dist-Adilabad, State Telangana	62.71	62.71	62.71	Direct
3.	Swachh Bharat, Sanitation work	Sanitation	Jalgaon, Devapur, Dist-Adilabad, State Telangana	0.97	0.97	0.97	Direct
4.	Grant to Vanvasi Kalyan Parishad	Hunger, poverty and malnutrition	Devapur, Dist-Adilabad, State Telangana	1.56	1.56	1.56	Direct
5.	Plantation of 5000 Plants	Forestry	Devapur, Dist-Adilabad, State Telangana	0.40	0.40	0.40	Direct
6.	Repairing of Road	Rural Development Projects	Devapur, Dist-Adilabad, State Telangana	0.80	0.80	0.80	Direct
<b>TOTAL</b>				<b>267.73</b>	<b>267.73</b>	<b>267.73</b>	<b>Direct</b>

## Extract of Annual Return as on the financial year ended on March 31, 2015

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

### Form No. MGT-9

#### I. REGISTRATION AND OTHER DETAILS:

(i) CIN	L26940OR2011PLC013933
(ii) Registration Date	July 22, 2011
(iii) Name of the Company	Orient Cement Limited
(iv) Category / Sub-Category of the Company	Company having Share Capital
(v) Address of the Registered office and contact details	Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha-751 012 Tel: 0674-2396930   Fax No. 0674-2396364
(vi) Whether listed Company Yes / No	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase-I, New Delhi-110 020 Telephone: 011-41406149-52 Email: admin@mcsdel.com

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

All the business activities contributing 10 % or more of the total turnover of the Company:

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Cement	Group : 239 Class : 2394 Sub-Class : 23941	99%

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

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
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The Company has no holding, subsidiary and associate company.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% 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) Individual/HUF	73,71,250	-	73,71,250	3.598	73,71,250	-	73,71,250	3.598	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	6,94,58,672	-	6,94,58,672	33.904	6,94,58,672	-	6,94,58,672	33.904	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):</b>	<b>7,68,29,922</b>	<b>-</b>	<b>7,68,29,922</b>	<b>37.502</b>	<b>7,68,29,922</b>	<b>-</b>	<b>7,68,29,922</b>	<b>37.502</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>7,68,29,922</b>	<b>-</b>	<b>7,68,29,922</b>	<b>37.502</b>	<b>7,68,29,922</b>	<b>-</b>	<b>7,68,29,922</b>	<b>37.502</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	4,27,68,171	2,000	4,27,70,171	20.877	4,10,06,116	2,000	4,10,08,116	20.017	0.86
b) Banks / FI	1,17,750	93,460	2,11,210	0.103	79,010	93,460	1,72,470	0.084	0.019
c) Central Govt/ State Govt.	-	4,000	4,000	0.002	-	-	-	-	0.002
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	2,25,57,248	-	2,25,57,248	11.011	1,99,24,678	-	1,99,24,678	9.726	1.285
g) FIs	61,37,304	-	61,37,304	2.996	1,25,08,292	-	1,25,08,292	6.106	3.11
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>7,15,80,473</b>	<b>99,460</b>	<b>7,16,79,933</b>	<b>34.988</b>	<b>7,35,18,096</b>	<b>95,460</b>	<b>7,36,13,556</b>	<b>35.932</b>	<b>0.944</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	2,77,73,696	3,43,350	2,81,17,046	13.724	53,93,933	3,52,000	57,45,933	2.805	10.919
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,86,17,153	13,58,550	1,99,75,703	9.750	1,55,99,506	12,35,125	1,68,34,631	8.217	1.533
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	30,56,919	-	30,56,919	1.492	58,46,552	-	58,46,552	2.854	1.362
c) Others									
- Trust & Foundations	40	-	40	0.000	37,395	-	37,395	0.018	0.018
- Non-Resident Individual	14,94,957	32,000	15,26,957	0.745	7,86,581	27,350	8,13,931	0.397	0.348
- OCB	36,82,240	-	36,82,240	1.797	36,82,240	-	36,82,240	1.797	-
- Cooperative Societies	-	-	-	-	2,14,64,600	-	2,14,64,600	10.477	10.477
<b>Sub-total (B)(2):</b>	<b>5,46,25,005</b>	<b>17,33,900</b>	<b>5,63,58,905</b>	<b>27.510</b>	<b>5,28,10,807</b>	<b>16,14,475</b>	<b>5,44,25,282</b>	<b>26.566</b>	<b>0.944</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>12,62,05,478</b>	<b>18,33,360</b>	<b>12,80,38,838</b>	<b>62.498</b>	<b>12,63,28,903</b>	<b>17,09,935</b>	<b>12,80,38,838</b>	<b>62.498</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>20,30,35,400</b>	<b>18,33,360</b>	<b>20,48,68,760</b>	<b>100.00</b>	<b>20,31,58,825</b>	<b>17,09,935</b>	<b>20,48,68,760</b>	<b>100</b>	<b>-</b>

## (ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of 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	% change in share holding during the year
1	Central India Industries Limited	4,91,43,627	23.988	2.001	4,91,43,627	23.988	2.294	-
2	Shekhavati Investments and Traders Limited	1,23,20,865	6.014	2.929	1,23,20,865	6.014	0.640	-
3	Ms. Nirmala Birla	36,73,680	1.793	-	36,73,680	1.793	-	-
4	Mr. Chandra Kant Birla	28,97,570	1.414	-	28,97,570	1.414	-	-
5	Hindustan Discounting Company Limited	22,31,000	1.089	-	22,31,000	1.089	-	-
6	Gwalior Finance Corporation Limited	15,92,500	0.777	-	15,92,500	0.777	-	-
7	Amer Investments (Delhi) Limited	14,22,000	0.694	0.228	14,22,000	0.694	-	-
8	Universal Trading Company Limited	8,44,280	0.412	-	8,44,280	0.412	-	-
9	National Engineering Industries Limited	5,37,400	0.262	-	5,37,400	0.262	-	-
10	Rajasthan Industries Limited	5,04,000	0.246	-	5,04,000	0.246	-	-
11	Mr. Shyam Sunder Jajodia	2,80,000	0.137	-	2,80,000	0.137	-	-
12	Ashok Investment Corporation Limited	2,60,000	0.127	-	2,60,000	0.127	-	-
13	Ms. Amita Birla	2,60,000	0.127	-	2,60,000	0.127	-	-
14	Jaipur Finance and Dairy Product Pvt. Ltd.	2,08,000	0.102	-	2,08,000	0.102	-	-
15	India Silica Magnesite Works Limited	2,00,000	0.098	-	2,00,000	0.098	-	-
16	Bengal Rubber Company Limited	1,95,000	0.095	-	1,95,000	0.095	-	-
17	Ms. Avani Birla	1,30,000	0.063	-	1,30,000	0.063	-	-
18	Ms. Avanti Birla	1,30,000	0.063	-	1,30,000	0.063	-	-
	Total	7,68,29,922	37.502	5.158	7,68,29,922	37.502	2.934	-

## (iii) Change in Promoters' 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
1.	At the beginning of the year		No change during the year
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)		No change during the year
	At the End of the year		No change during the year

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

S. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of shares at the beginning (1.4.2014)/ end of the year (31.3.2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Reliance Capital Trustee Company Limited A/C RELIA	1,40,10,640	6.84	01.04.2014				
				11.04.2014	-1,15,000	Transfer	1,38,95,640	6.78
				30.06.2014	-3,00,000	Transfer	1,35,95,640	6.64
				18.07.2014	-2,00,000	Transfer	1,33,95,640	6.54
				30.09.2014	-1,42,557	Transfer	1,32,53,083	6.47
				31.10.2014	-5,00,000	Transfer	1,27,53,083	6.23
				28.11.2014	-10,00,000	Transfer	1,17,53,083	5.74

S. No.	Name	Shareholding		Date	Increase/Decrease in share-holding	Reason	Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of shares at the beginning (1.4.2014)/ end of the year (31.3.2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
				5.12.2015	-12,15,000	Transfer	1,05,38,083	5.14
				13.01.2015	-6,29,000	Transfer	99,09,083	4.84
				16.01.2015	6,29,000	Transfer	1,05,38,083	5.14
				30.01.2015	-6,29,000	Transfer	99,09,083	4.84
				27.03.2015	50,000	Transfer	99,59,083	4.86
		99,59,083	4.86	31.03.2014				
2.	Life Insurance Corporation of India	60,55,144	2.96	01.04.2014				
				13.01.2015	-12,98,985	Transfer	47,56,159	2.32
				16.01.2015	12,98,985	Transfer	60,55,144	2.96
				06.02.2015	-6,00,299	Transfer	54,54,845	2.66
				20.02.2015	-6,98,686	Transfer	47,56,159	2.32
		47,56,159	2.32	31.03.2015				
3.	National Insurance Company Limited	56,50,000	2.76	01.04.2015				
				30.06.2014	-2,00,000	Transfer	54,50,000	2.66
				29.8.2014	-73,988	Transfer	53,76,012	2.62
				30.9.2014	-2,26,002	Transfer	51,50,010	2.51
		51,50,010	2.51	31.03.2015				
4.	ICICI Prudential Life Insurance Company Limited	55,97,241	2.73	01.04.2014				
				11.04.2014	10	Transfer	55,97,251	2.73
				30.06.2014	-2,01,500	Transfer	53,95,751	2.63
				18.07.2014	-10,58,572	Transfer	43,37,179	2.12
				20.08.2014	-27,800	Transfer	43,09,379	2.10
				30.10.2014	-2,50,000	Transfer	40,59,379	1.98
				09.01.2015	-50,000	Transfer	40,09,379	1.96
		40,09,379	1.96	31.03.2015				
5.	ICICI Prudential Value Discovery Fund	41,67,817	2.03	01.04.2014	0	Nil		
						movement during the year	41,67,817	2.03
		41,67,817	2.03	31.03.2015				
6.	HDFC Standard Life Insurance Company Limited	37,11,788	1.81	01.04.2014				
				11.04.2014	1,32,306	Transfer	38,44,094	1.88
				02.05.2014	-1,02,041	Transfer	37,42,053	1.83
				30.06.2014	25,322	Transfer	37,67,375	1.84
				18.07.2014	-1,99,384	Transfer	35,67,991	1.74
				29.08.2014	4,916	Transfer	35,72,907	1.74
				30.09.2014	-113	Transfer	35,72,794	1.74
				31.10.2014	30,338	Transfer	36,03,132	1.76
				14.11.2014	-24,569	Transfer	35,78,563	1.75
				27.02.2015	2,183	Transfer	35,80,746	1.75
		35,80,746	1.75	31.03.2015				
7.	Birla Institute of Technology and Science	35,19,850	1.72	01-04-2014	0	Nil		
						movement during the year	35,19,850	1.72
		35,19,850	1.72	31-03-2015				



S. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (1.4.2014 to 31.3.2015)	
		No. of shares at the beginning (1.4.2014)/ end of the year (31.3.2015)	% of total shares of the Company				No. of shares	% of total shares of the Company
8.	Rukmani Birla Educational Society	34,72,140	1.70	01-04-2014	0	Nil movement during the year	34,72,140	1.70
		34,72,140	1.70	31-03-2015				
9.	Shri Jagannath Educational Institute	31,70,000	1.55	01-04-2014	0	Nil movement during the year	31,70,000	1.55
		31,70,000	1.55	31-03-2015				
10.	Sri Govinddeo Educational Institute	30,05,000	1.47	01-04-2014	0	Nil movement during the year	30,05,000	1.47
		30,05,000	1.47	31-03-2015				

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

S. No.	For Each of the Directors and KMP	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</b>	<b>Mr. Chandra Kant Birla</b>				
	At the beginning of the year	28,97,570	1.414	28,97,570	1.414
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	28,97,570	1.414	28,97,570	1.414
<b>2</b>	<b>Ms. Amita Birla</b>				
	At the beginning of the year	2,60,000	0.127	2,60,000	0.127
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	2,60,000	0.127	2,60,000	0.127
<b>3</b>	<b>Mr. Desh Deepak Khetrpal</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>4</b>	<b>Mr. Rajeev Jhawar</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>5</b>	<b>Mr. Vinod Kumar Dhall</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>6</b>	<b>Mr. Rabindranath Jhunhunwala</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

S. No.	For Each of the Directors and KMP	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>7.</b>	<b>Mr. Janat Shah</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>8.</b>	<b>Mr. Sushil Gupta</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>9.</b>	<b>Ms. Deepanjali Gulati</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	8,234.71	20,000.00	-	28,234.71
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	11.78	-	11.78
<b>Total (i+ii+iii)</b>	<b>8,235.71</b>	<b>20,011.78</b>	<b>-</b>	<b>28,246.49</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1,03,500.00	42,500.00	-	1,46,000.00
• Reduction	1,500.00	62,500.00	-	64,000.00
<b>Net Change</b>	<b>1,02,000.00</b>	<b>(20,000.00)</b>	<b>-</b>	<b>82,000.00</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	1,05,649.64	-	-	1,05,649.64
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	819.08	-	-	819.08
<b>Total (i+ii+iii)</b>	<b>1,06,468.72</b>	<b>-</b>	<b>-</b>	<b>1,06,468.72</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lacs)

S. No.	Particulars of Remuneration	Managing Director & Chief Executive Officer	Total Amount
1.	Gross salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	340.60	340.60
(b)	Value of perquisites under Section 17(2) of Income-tax Act, 1961	64.77	64.77
(c)	Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
-	as % of profit	-	-
-	others	-	-
5.	Others (Employers' Contribution to Provident Fund)	17.28	17.28
	<b>Total (A)</b>	<b>422.65</b>	<b>422.65</b>
	Ceiling as per the Act	₹ 1,255.92 lacs being 5% of Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013	

## B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of Directors					Total Amount	(₹ in lacs)
		Mr. CK Birla	Ms. Amita Birla (appointed on 27.3.2015)	Mr. Rajeev Jhawar	Mr. Vinod Kumar Dhall	Mr. Rabindranath Jhunjunwala		Mr. Janat Shah
<b>1.</b>	<b>Independent Directors</b>							
	Fee for attending Board / Committee Meetings	-	-	5.00	8.00	6.30	4.40	23.70
	Commission	-	-	15.00	15.00	15.00	15.00	60.00
	Others	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	<b>20.00</b>	<b>23.00</b>	<b>21.30</b>	<b>19.40</b>	<b>83.70</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>							
	Fee for attending Board / Committee Meetings	2.40	0.50	-	-	-	-	2.90
	Commission	190.00	-	-	-	-	-	190.00
	Others	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>192.40</b>	<b>0.50</b>	-	-	-	-	<b>192.90</b>
	<b>Total (B)=(1+2)</b>	<b>192.40</b>	<b>0.50</b>	<b>20.00</b>	<b>23.00</b>	<b>21.30</b>	<b>19.40</b>	<b>276.60</b>
	<b>Total Managerial Remuneration(A+B)</b>							<b>699.25</b>
	Over all ceiling as per Act	₹ 251.18 lacs being 1% of Net Profit of the Company calculated as per section 198 of the Companies Act, 2013						

## C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ Whole Time Director

S. No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total Amount	(₹ in lacs)
1.	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	93.41	13.35	106.76	
	(b) Value of perquisites under Section 17(2) of Income-tax Act, 1961	-	-	-	
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-	-	
2.	Stock Option	-	-	-	
3.	Sweat Equity	-	-	-	
4.	Commission				
	- as % of profit	-	-	-	
	- others	-	-	-	
5.	Others (Employers' Contribution to Provident Fund)	3.90	0.68	4.58	
	<b>Total (A)</b>	<b>97.31</b>	<b>14.03</b>	<b>111.34</b>	

## 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
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compounding					

## Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

**1. Details of contracts or arrangements or transactions not at arm's length basis: Nil**

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis**

**(a) Name(s) of the related party and nature of relationship**

- |                                     |  |
|-------------------------------------|--|
| ♦ Orient Paper & Industries Limited | – Director of the Company holding more than 2% Shares in Orient Paper & Industries Limited |
| ♦ Khaitan & Co. LLP                 | – Director is partner in Khaitan & Co. LLP   |
| ♦ Khaitan & Co.                     | – Director is partner in Khaitan & Co.   |

**(b) Nature of contracts/arrangements/transactions**

- |                                     |   |
|-------------------------------------|---|
| ♦ Orient Paper & Industries Limited | – Purchase of Fans, Regulators and Vent Filter Bags |
| ♦ Khaitan & Co, LLP                 | – Professional fees                                 |
| ♦ Khaitan & Co.                     | – Professional fees                                 |

**(c) Duration of the contracts / arrangements/transactions:**

- |                                     |              |
|-------------------------------------|--------------|
| ♦ Orient Paper & Industries Limited | – Need based |
| ♦ Khaitan & Co, LLP                 | – Need based |
| ♦ Khaitan & Co.                     | – Need based |

**(d) Salient terms of the contracts or arrangements or transactions including the value, if any:**

- |                                     |                 |
|-------------------------------------|-----------------|
| ♦ Orient Paper & Industries Limited | – ₹ 2,47,757/-  |
| ♦ Khaitan & Co, LLP                 | – ₹ 6,65,000/-  |
| ♦ Khaitan & Co.                     | – ₹ 17,58,619/- |

**(e) Date(s) of approval by the Board, if any:** Not required as all transactions were at arms' length price and were in ordinary course of Business.

**(f) Amount paid as advances, if any:** – Nil

## Details pertaining to remuneration

As required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2014-15 (₹ in crores)	% Increase in remuneration in the financial year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1.	Mr. CK Birla - Chairman	1.90	90%	29.83	
2.	Mr. Desh Deepak Khetrpal - Managing Director and Chief Executive Officer	4.39	19.78%	68.95	2.17% of the Net Profit
3.	Ms. Amita Birla - Additional Director (appointed with effect from March 27, 2015)	-	N.A	-	
4.	Mr. Vinod Kumar Dhall - Director	0.15	20%	2.35	
5.	Mr. Rabindranath Jhunjunwala - Director	0.15	20%	2.35	
6.	Mr. Rajeev Jhawar - Director	0.15	20%	2.35	
7.	Mr. Janat Shah - Director (appointed with effect from April 30, 2014)	0.15	N.A	2.35	
8.	Mr. Sushil Gupta - Chief Financial Officer (appointed with effect from August 7, 2014)	0.97	N.A	-	0.50% of the Net Profit
9.	Ms. Deepanjali Gulati - Company Secretary	0.14	16.98%	-	0.07% of the Net Profit

**Note:** For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 6.37 lacs p.a;
- (iii) In the financial year, there was an increase of 12% in the median remuneration of employees;
- (iv) There were 680 permanent employees on the rolls of the Company as on March 31, 2015;
- (v) Relationship between average increase in remuneration and Company performance:- The following factors are considered while giving increase in the remuneration:
- Financial performance of the Company,
  - Comparison with peer companies, and
  - Industry benchmarking and consideration towards cost of living adjustment/ inflation.
- (vi) Comparison of the remuneration of the Key Managerial Personnel(s) against the performance of the Company:- For the financial year 2014-15 Key Managerial Personnel were paid 2.74% of the net profit of the Company;
- (vii) (a) Variation in market capitalisation of the Company: The market capitalisation as on March 31, 2015 was ₹ 3,648.71 crore (₹ 979.27 crore as on March 31, 2014);
- (b) Price Earnings ratio of the Company was 18.73 as at March 31, 2015 and was 9.70 as at March 31, 2014;



- (c) Percent increase or decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:- The Company was listed pursuant to demerger of cement division of Orient Paper & Industries Limited. There has not been any public offer by Orient Cement Limited.
- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e 2014-15 was 10% whereas the percentile increase in the managerial remuneration for the same financial year was 19.78%;
- (ix) (a) The key parameters for the variable component of remuneration availed by the Executive Director is based on his performance and Company's performance ;
- (b) The key parameter for the commission paid to Directors other than Executive Director is based on profit of the Company and is subject to the ceiling fixed by Board and also the ceilings provided under the Companies Act, 2013;
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :- Not applicable; and
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

**Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹ 60,00,000/- per annum.**

Name of Employee	Designation of the employee	Remuneration received* (₹)	Qualifications	Experience (No. of years)	Date of commencement of employment	Age (years)	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company
Mr. Desh Deepak Khetrpal	Managing Director and Chief Executive Officer	3,47,65,384	B.Com(H), MBA	39	2.04.2012	60	Jumbo Electronics, Dubai, Group CEO	Nil
Mr. Shyam B Asawa	President (Projects)	1,38,81,502	B.E.(Mechanical), Diploma in Business Management	33	1.11.2012	55	Reliance Cement Company Pvt. Ltd.- Director Projects	Nil
Mr. Pramod K Singhanian	Senior Vice President (Works)	72,14,515	B.E.-Mechanical	34	16.09.2013	57	Jaypee Cement-Joint President- Technical	Nil
Mr. N.S. Srinivas	Vice President- Human Resources	63,38,626	Master of Social Work - HRM, LL.B	19	13.02.2014	42	KEC International Limited-Vice President-HR	Nil

**Employed for a part of the financial year and separated, were in receipt of remuneration at the rate of not less than ₹ 5,00,000/- per month.**

Name of Employee	Designation of the employee	Remuneration received* (₹)	Qualifications	Experience (No. of years)	Date of commencement of employment	Age (years)	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company
Mr. B. Pandey	President	59,92,258	Graduate (Mechanical Engineering ), I.E, F.I.E., M.I.M.A	56	27.10.1992	75	Cement Corporation of India Ltd.-Chief General Manager	Negligible

Name of Employee	Designation of the employee	Remuneration received* (₹)	Qualifications	Experience (No. of years)	Date of commencement of employment	Age (years)	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company
Mr. P.K. Tripathy	President (Works)	40,57,313	B.Sc (Engineering) (Hons.)	32	03.12.2010	56	Shree Cement Ltd.-Jt. President (Works)	Nil
Mr. A.K. Kejriwal	Executive Vice President (Marketing)	39,04,672	B.Com, Post Graduate(Diploma in Marketing & Sales Management)	37	16.03.1982	66	Assam Asbestos Ltd.-President	Nil

**Employed for a part of the financial year and were in receipt of remuneration at the rate of not less than ₹ 5,00,000/- per month.**

Name of Employee	Designation of the employee	Remuneration received* (₹)	Qualifications	Experience (No. of years)	Date of commencement of employment	Age (years)	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company
Mr. Rahul R Deshmukh	Chief Operating Officer	63,68,354	B.E.-Production, Executive MBA	24	28.06.2014	45	FLSmith Pvt. Ltd.-Vice President & Business Head Cement Project Division India	Nil
Mr. Sushil Gupta	Chief Financial Officer	81,59,605	Chartered Accountant	24	07.08.2014	48	Essar Offshore Sub-Sea Limited- CFO & Director	Nil
Mr. Shiva Kant Pandey	President-Works	65,07,166	B.E.-Electrical	31	21.07.2014	52	Heidelberg Cement-Additional Director (Technical) & Unit Head	Nil
Mr. Vishal Sood	Senior Vice President-Sales & Marketing	50,15,215	B.E.-Mechanical, MBA-Marketing	23	25.09.2014	43	Pidilite Industries Limited-President-Sales Management	Nil

**\*Remuneration for this purpose has been calculated on actual receipt basis and excludes any benefit accrued but not paid.**

**Note:**

1. The remuneration does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
2. Nature of employment is contractual in all the cases.
3. No such employee is a relative of any director or manager of the Company
4. No employee was in receipt of remuneration in the financial year which, in the aggregate, or as the case may be was at a rate which, in the aggregate, is in excess of that drawn by the managing director and holds by himself or along with his spouse and dependent children, two percent of the equity shares of the Company.

## Conservation of Energy and Technology Absorption

<b>A) Conservation of energy:</b>	
(i) The steps taken or impact on conservation of energy;	<p><b>DEVAPUR</b></p> <ul style="list-style-type: none"> <li>◆ Optimised speed regulation in RM-II vent fan, LS Crusher Bag Filter Fan and 2 no. Cooler fans, resulted in 0.2 kwh/t of cement power saving.</li> <li>◆ Recuperation efficiency of L-1 &amp; L-2 coolers increased by modification, which resulted in fuel saving (2 Ts/day).</li> <li>◆ Removal of bottlenecks to improve the smooth operation of plant.</li> <li>◆ CPP-1 operational efficiency improved by replacement of combustion nozzles.</li> <li>◆ Flow controlled in PA &amp; SA fans of CPP, resulted in increasing the combustion efficiency and heat recovery</li> <li>◆ Usage of high moisture coal is minimised in pyro streams.</li> </ul> <p><b>JALGAON</b></p> <ul style="list-style-type: none"> <li>◆ Line – 2 Roller Press rollers replacement.</li> <li>◆ Line 1 Grinding media re-gradation.</li> <li>◆ Line 2 coarse material partially feeding to Line 1 mill for getting better efficiency.</li> </ul> <p>The above measures has resulted in marginal reduction of energy consumption and also helped in compliance of pollution control norms.</p>
(ii) The steps taken by the Company for utilising alternate sources of energy;	<p><b>DEVAPUR</b></p> <ul style="list-style-type: none"> <li>◆ Usage of rice husk as alternate fuel.</li> <li>◆ Usage of carbon black as alternate fuel.</li> </ul>
(iii) The capital investment on energy conservation equipments;	<p><b>JALGAON</b></p> <ul style="list-style-type: none"> <li>◆ Line II mill feed solid flow meter replaced with higher capacity new solid flow meter at a cost of ₹ 3.38 lacs for better optimisation and accuracy.</li> </ul>
<b>(B) Technology absorption:</b>	
(i) The efforts made towards technology absorption;	<p><b>DEVAPUR</b></p> <ul style="list-style-type: none"> <li>◆ Mineral conservation by optimising Raw mix design (%SiO<sub>2</sub> increased from 12.7 to 13.0% in Limestone).</li> <li>◆ Usage of pet coke in place of coal.</li> <li>◆ Usage of imported gypsum (Mineral).</li> <li>◆ Cement bulk loading system</li> <li>◆ Mills optimisation by specialists</li> <li>◆ Energy Audits by consultants</li> </ul> <p><b>JALGAON</b></p> <ul style="list-style-type: none"> <li>◆ Lab Ball mill test with different grinding aids.</li> <li>◆ Line 1 Mill study carried out by OEM M/s Thyssen Krupp.</li> <li>◆ Bag filters study carried out by M/s. Holtec for fulfilling new emission norms.</li> </ul>

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;	<p><b>DEVAPUR</b></p> <ul style="list-style-type: none"> <li>◆ Usage of sub grade limestone</li> <li>◆ Substitution of fossil fuel</li> <li>◆ Reduction in initial setting time in cement</li> <li>◆ Reduction in packing material and loading time</li> <li>◆ Rate of output increase and decrease in specific power</li> <li>◆ Energy saving in potential areas</li> </ul>
	<p><b>JALGAON</b></p> <ul style="list-style-type: none"> <li>◆ No grinding aid found suitable with respect to cost.</li> </ul>
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not applicable
(a) the details of technology imported;	Not applicable
(b) the year of import	Not applicable
(c) whether the technology been fully absorbed;	Not applicable
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Not applicable
(iv) the expenditure incurred on Research and Development.	<p><b>DEVAPUR</b></p> <ul style="list-style-type: none"> <li>◆ Bomb Calorimeter – Fully Automatic (make: Parr) for ~ ₹ 20.00 lacs</li> </ul>
	<p><b>JALGAON</b></p> <ul style="list-style-type: none"> <li>◆ Line-1 Mill study for ~ ₹ 3.00 lacs.</li> </ul>

# Management Discussions & Analysis Report

## INDUSTRY STRUCTURE AND DEVELOPMENTS

Cement demand in the country is directly impacted by the growth of its Infrastructure, Housing & Construction Sectors and the Industry's growth largely depends on how these sectors perform. With a current installed capacity of around 386 million tonnes (MT), India is the second largest producer of cement in the world and, anticipating the growth in the Infrastructure and Housing sectors in the coming years, the capacity is expected to increase substantially by FY2020.

The Cement Industry in India witnessed a capacity addition of around 15 MTPA during FY2015. However, due to sluggish demand in the latter part of the year, the Pan-India capacity utilisation for the year was at a low of around 70%. North, East and Central regions operated at around 82%, whereas South was at a dismal sub 60%. After the initial few months of robust demand, partly due to delayed monsoon, there was a slowdown in the demand growth in the latter part of the year as a result of low government spending on Infra Projects, lack of investments in the corporate sector, restrained demand from Housing Sector, low rural income due to deficient monsoon in FY2014 and unseasonal rains during March 2015.

It is estimated that the Industry may have registered a demand growth of under 5% in FY2015, significantly lower than the anticipated levels. The demand during the 4th quarter was uncharacteristically low, with most industry majors reporting a Y-O-Y volume de-growth in double digits. Weak demand and supply overhang led to highly volatile price environment across the country, though South was relatively less volatile. Despite the uncertain Industry environment, the consolidation process didn't gain momentum with mergers and acquisitions during the year of only ~10 Million Tons.

On the operating cost front, the softening of energy costs globally has taken some pressure off coal prices (and consequentially power cost). The lower crude prices have also brought in some savings in the packing material costs. Rail freight for cement and coal has been hiked in the Railway budget presented in February 2015; however there was a softening in road freight rates due to lower diesel prices.

As is widely known, India has a huge unmet need and therefore, the potential for development in the Infrastructure and Construction Sectors. Given its strong correlation with

Infrastructure and Housing sectors, Cement Industry is expected to benefit substantially as soon as these sectors take off. Recent major government initiatives, such as development of 100 smart cities, are expected to provide a major boost to the Cement Sector, as is the initiative for using cement in the roads and highway projects. In India, the Housing Sector is the biggest demand driver of cement, accounting for about 67% of the total consumption. The other major consumers of cement include Infrastructure at 13%, Commercial construction at 11% and Industrial construction at 9%. With the Government of India's commitment to accelerate the infrastructure projects, and various housing projects coming up in urban as well as rural areas, the Cement Sector has enough scope for accelerated growth in the coming years as cement is one of the basic materials required for setting up strong and healthy infrastructure.

The Industry is now keenly awaiting the much-needed trigger for increased project activity in the country and the optimism is still intact, though it is being sobered down with the realisation that the project investments, and therefore the increased cement demand, is still a couple of quarters away.

Due to persistent low capacity utilisation over a prolonged period of time, the enthusiasm for setting up capacity has been toned down. The slowdown in new capacity addition is also a result of the delays in overcoming the challenges for setting up new capacity.

## OPERATIONAL PERFORMANCE

Showing creditable performance in a tough year, the Company sold 4.1 million tons of cement during FY2015, a capacity utilisation of 82% – among the highest in the entire industry. There was positive growth in sales volumes in the first three quarters of the financial year, but in the 4th quarter, poor demand hurt the Company's volumes. Considering that the 4th quarter of the preceding financial year was very good, with sales being 96% of installed capacity, the Company's volumes look poorer in comparison to its own good performance of FY2014. The low volumes in Q4 resulted in a small de-growth in volume for the full year. However, with continued focus on selling more PPC cement, the Company succeeded in strategically improving the product mix further, with PPC sales amounting to 80% of its total volumes. Targeted marketing and brand activation activities with customised dealer modules helped boost PPC sales as the Company penetrated deeper into the rural markets, while

sustaining its growth momentum in the urban areas. As stated earlier, though the prices remained subdued in Maharashtra and other markets, the improved market prices in Telangana during part of the year did bring some relief to the cement companies operating in Southern region. The Company has also taken full advantage of the softer coal and diesel prices and recorded savings in coal, fuel and freight costs. Cost optimisation through regular initiatives to augment operational efficiencies further lent the Company a competitive edge. Steered by integrated systems and processes, the Company remained focused on delivering high quality and greater benefits to its customers and other stakeholders through the year.

## OUTLOOK

It is expected that the Central Government's efforts towards easing of project clearances and creating an investment-friendly economic environment will catalyse project work and spur the demand for cement from 2015-16 onwards. Greater thrust on speed and transparency in Government decision-making and its own spending on infrastructure will further trigger increased growth prospects in the Industry. The softening of interest rates expected due to eased inflation will also help in improving the demand for housing projects. Based on these positives in the environment, cement consumption is likely to jump in the coming years. Given these prospects, the timing of Company's new greenfield capacity at Chittapur (Gulbarga, Karnataka), which is now very close to commissioning, seems ideal. With improved demand conditions, new volume expansion enabled by added capacity and continuous focus on efficiencies and costs, the Company is poised to achieve significant growth in sales and profits. With the declining pace of capacity addition in the industry, and anticipated increase in the demand growth owing to likely rise in GDP, capacity utilisation is expected to improve further. New initiatives by the Government, such as building 100 smart cities, concrete roads and decrease in interest rates etc., augur well for improved demand for cement, though the growth expected would be tilted towards OPC cement. The Company, with its future-focused approach, is well positioned to make the most of these opportunities.

## RISKS AND CONCERNS

Risk Management has become a critical focus area in today's economic environment. The aim of risk management is to proactively identify all major risks, prepare a mitigation plan and monitor/ watch out for events that may pose risks for the business. The Company has adopted a structured and layered risk management framework, and the entire process of risk management is embedded in the business processes themselves. The key risks identified by the Company are:

**Rise in input cost:** Any rise in cost of coal, power etc. increases the Company's variable costs.

With cement manufacturing requiring large quantities of coal to meet its kiln and captive power generation needs, consistent supply of this fuel at reasonable and stable prices remains a key area of concern for the Company. Input costs can get adversely impacted by any erratic movement in coal supplies as a result of domestic production constraints, or due to price fluctuation. To mitigate this risk, the Company has taken initiatives to use pet-coke and other alternate fuels in its operations. Further, the focus on achieving better efficiencies and reducing coal and power consumption is being adopted as a way of life.

Another major hindrance to the industry is severe power cuts that cause substantial production loss. Though the Company generates its own power at Devapur and is also putting up Captive Power Plant at Chittapur, but at the Jalgaon grinding unit, its power requirement is met through purchased power.

**Transportation:** Cement is transported either by rail or road. With about 22% of the Company's cement carried by the Railways, shortage of wagons to transport cement and also the quality of other railway infrastructure impacts sales. At times, transportation of clinker from Devapur to the grinding unit at Jalgaon is handicapped due to non-availability of rakes. Though the Company is working with the railways to minimise such challenges, they do pose a risk occasionally.

**Demand supply dynamics:** Uncertain demand conditions, coupled with price volatility due to wide mismatch in the demand supply dynamics, can affect profitability.

**Project Execution Risk:** In the ongoing execution of Chittapur Project, which is highly capital intensive in nature, there could be exposure to time and cost overruns. Any delay in project implementation shall impact the revenue and profit. However, given the current advanced stage of the project, the time over-run risks are marginal, though the infrastructure for railway siding, waste heat recovery system and employees' colony are likely to be delayed. The bigger risk now would be capacity utilisation if the pick-up in demand is delayed due to economic conditions, poor monsoon etc.

**Cyclical and Political conditions affecting businesses:** Though these risks are there for every industry, currently everyone is expecting these risks to be low to moderate, as the investment growth cycle and political situation appear to be more favourable compared to what the industry has experienced in recent years.



However, the possibility of poor monsoon leading to lower rural demand or higher inflation remains an area of concern.

**Competition Risks:** The Cement Industry is becoming intensely competitive with installed capacity having outstripped demand by large margins. Low capacity utilisation leads to increased competition, lower prices and pressure on margins, market share etc. To mitigate this risk, the Company is leveraging its strengths to increase its network penetration and market share, besides enhancing brand equity and visibility. It is focusing on enhancing cost optimisation measures to mitigate the risk. The Company is making continuous efforts to enhance its brand image by focusing on R&D, quality, cost, timely delivery and customer service. It will also leverage its infrastructure, as well as distribution reach and depth for deeper market penetration. Strengths are also being built to address the large institutional customers.

**Industrial Safety, Employee Health and Safety Risk:** The Company places utmost importance on the safety of its employees and other assets. To reinforce the safety culture in the organisation and mitigate this risk, the Company has taken numerous steps and initiatives. The Company already has a robust approach to tackle this risk through regular safety and health awareness campaigns at all its locations. The various measures taken by the Company include development and implementation of critical safety standards across the units and project sites, establishment of processes for **safety** training across all levels, promotion of a culture of safety not just for staff members but also for contract workers, and adequate Insurance coverage.

**Compliance:** The growth in business size coupled with increasing regulatory enactments have brought in additional compliance requirements. Non compliance with statutory provisions may not only lead to monetary penalties but may also impact the reputation of the organisation and the goodwill it has accumulated over the years. The risk is mitigated through regular monitoring and review of changes in the regulatory framework and also through monitoring of compliances through Compliance Management Software and other mechanisms.

*The Company regularly conducts a study to develop a comprehensive 360 degree view on the opportunities, risks and threats to the business. These include areas such as market trends, new competition, changing customer preferences, disruption in supplies, product development, talent management etc.*

*The Company has constituted a Governance Risk & Compliance Committee ("GRCC"), under whose guidance it seeks to better*

*manage the effectiveness of the mitigation strategies of various risks and their implementation progress. The Company has a robust GRCC framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The Board reviews the functioning of the GRCC.*

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The internal control systems deployed at the Company are commensurate with its size, scale and complexity of operations. Roles and responsibilities are clearly defined and assigned. Standard operating procedures are in place and have been designed to provide reasonable assurances with regard to safeguarding the Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions. The internal control systems, comprising policies and procedures, are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, applicable laws and regulations, safeguarding of assets and economical and efficient use of resources. The systems are assessed periodically. The Internal Audit function regularly reviews the internal control systems in business processes and verifies compliance with the laid down policies and procedures. Internal Audit reports are regularly reviewed by the Senior Management. The Internal Audit process also keeps track and monitors the progress in implementation of suggestions for improvements.

The Audit Committee reviews the adequacy and effectiveness of internal control systems and suggests ways of further strengthening them. During the year, the Audit Committee met regularly to review the reports submitted by the Internal Auditors. All significant audit observations and follow-up actions thereon were reported to the Audit Committee. The Audit Committee also met the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, and the adequacy and effectiveness of the internal controls and systems followed by the Company. The Audit Committee's observations and suggestions are promptly acted upon by the Management.

The Company has elaborate systems for Budgetary Control and timely Management Information System (MIS). The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance

with laws and regulations. A combination of these systems makes the internal control systems of the Company robust.

To make this process more systems driven and to prevent aberrations, the Company has been implementing SAP in the past few months and has successfully gone live on SAP with effect from 1<sup>st</sup> April 2015.

The Company also has a well-established Risk Management Policy. The Governance Risk and Compliance Committee (“**GRCC**”) of the Company monitors and carries out periodic reviews of the robustness of the Risk Management framework. The Committee presents a mitigation plan of the risks faced by the Company to the Audit Committee and the Board of Directors. Internal Audit (IA) is entrusted with the responsibility to review and provide independent assurance on overall effectiveness of the Risk Management process.

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Given the slower than expected GDP growth rate, delayed take-off of investments and construction projects, and disappointing cement demand during the year, the Company has performed creditably. The Company reported cement sales volumes of 41 lac tons, registering a good performance with capacity utilisation of 82%, which is significantly better than the industry average of ~70%. Against the general trend of incrementally higher demand for OPC cement, the Company was successful in increasing PPC sales from 75% to 80%. Though cement prices remained volatile throughout FY2015, the overall net realisation for the Company registered an improvement of ₹ 330 per ton for the year as a whole. This improved realisation, supported by the Company’s success in managing its costs more effectively, has resulted in the Company achieving a significantly improved performance over the previous year, with EBITDA at ₹ 313 Crores (PY ₹ 224 Crores). The profit before tax (PBT) of the Company for FY2015 is at ₹ 251 Crores, against the FY2014 PBT of ₹ 153 Crores. The EPS in FY2015 comes to ₹ 9.51, an improvement of 93% over the previous year.

### GREENFIELD INTEGRATED CEMENT PROJECT AT CHITTAPUR TALUKA, DISTRICT GULBARGA, KARNATAKA

The greenfield integrated cement capacity being put up at Chittapur, District Gulbarga, Karnataka made steady progress during the year. The project gained significant momentum after it received Environmental Clearance (EC) for Mines in September 2014 and bank finance for the project became available thereafter. The project is now nearing completion, and the

Company is awaiting the grant of the Mining Lease before taking up the commissioning activities. While the cement plant and the captive power plant are getting very close to commissioning, the railway siding and employees’ colony will be delayed due to late receipt of the Karnataka Government’s approval for land for the purpose. In the interim, till railway siding is ready, the Company has made arrangement for handling the material through a nearby railway station, which is around 4 kms from the plant. The waste heat recovery system will be installed once the kiln has stabilised and the waste heat becomes consistent in availability. The Company is complying with additional conditions imposed in the EC, which is adding some new costs to the project. The Company is also putting up a 220 KVA power corridor to take power from the grid in case of need, and also to sell surplus power as and when it is available. All efforts are now in progress to commission the plant within a few weeks of the Mining Lease being granted to the Company.

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company believes that its Human Resources are its biggest strength. While the technology and product is fairly standardised in this mature industry, the superior results achieved by the Company on various fronts, including financial, environmental and social, are made possible by the talent, spirit, commitment and contribution of its employees at all levels. Accordingly, the Company places people at the heart of its business strategy. In order to ensure that young talent is adequately supported and developed, the Company has taken several initiatives to facilitate their mentoring by senior professionals in the organisation. Similarly, considering the strong business case for a diverse workforce, the Company has taken many initiatives to strengthen its employee diversity.

The Company upholds and promotes a culture of trust and mutual respect through all its employee-relations endeavours. The Company is continuously building sustained communication and engagement with its workforce as it strongly believes that the success of any organisation depends upon the engagement and motivation levels of its employees. The emphasis is to give autonomy and an enthusing sense of empowerment to people at different levels, and create a sense of ownership in order to unleash their potential. The Human Resources Management function has played a significant role in achieving the overall business objectives by creating a common vision, building capability amongst people, and more importantly, involving and engaging employees in improvement programmes across functions for achieving higher results.

During FY2015, as part of the leadership development initiatives, young and talented employees with growth potential have been hand-picked for special support and investments aimed at creating future senior leaders for the Company through a programme titled "CEO Circle". While undergoing this programme, the identified talented employees will be provided intensive developmental inputs and also assigned "Mentors" from the Company's senior leadership team, who will take ownership to develop these talented employees for taking on leadership roles in the coming years. These identified employees will also be put on their Individual Development Plans (IDPs) and assigned Action Learning Projects (ALPs) based on the strategic objectives of the Company.

The Company strives to foster a culture of high performance. The Human Resources received focused attention during the year, considering the growth of the organisation and the need arising therefrom. The employee relations at all levels were cordial throughout the year and the Company initiated many programmes on up-skilling/ training its manpower. As an ongoing exercise, the Company continued to look at, identify, create and execute, seamlessly, initiatives which enhance productivity and efficiency. Many initiatives have been taken to support business through organisational efficiency, process change support and various employee engagement programmes,

which have helped the organisation achieve improved productivity levels.

The Company consistently nurtures a transparent and empowered work environment, which fosters meritocracy and incentivises employees for high levels of delivery. KPIs and goals are cascaded down to all levels to ensure excellence across the organisational fabric. As on March 31, 2015, the Company's total permanent employee strength was 680.

Industrial relations continue to be harmonious at all units. Safety, welfare and training across all levels of the organisation continue to be areas of major focus for the Company.

#### **FORWARD LOOKING/ CAUTIONARY STATEMENT**

*Certain Statements in the Management Discussion and Analysis describing the Company's view about the Industry, objectives and expectations etc. may be considered as 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied in the statement. The Company's operations may be affected by supply and demand situation, input prices and their availability, changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. Investors should bear the above in mind.*

## Corporate Governance Report

The comprehensive governance framework adopted and practiced by the Company adheres to the highest standards of ethical and responsible conduct of business while creating value for all stakeholders. The Company's Board of Directors and the Management Team understand and respect their fiduciary role while looking after the shareholders' and the society's resources and wealth. Apart from adhering to the prescribed corporate governance practices as per clause 49 of the Listing Agreement, the Company voluntarily governs itself as per the highest standards of ethical and responsible conduct in all facets of its operations and in all its interactions with its stakeholders, including shareholders, employees, consumers, lenders and the community at large. Our philosophy on Corporate Governance emanates from our resolute commitment to protect stakeholder rights and interests and to proactively manage risks and create long term value for all our stakeholders.

The code of conduct and the governance are based on robust corporate principles and strong emphasis is consistently laid on transparency, accountability, integrity and compliances.

The Company has always emphasised and followed the principles of good Corporate Governance and has endeavoured to follow these in their true letter and spirit in the conduct of its business. The Board of Directors of the Company demands from all concerned in the Company to ensure compliances to the highest standards of governance. The Board always strives to ensure that the Company and its management team protect the long-term interests of all the stakeholders of the Company.

The Company's governance structure is a layered structure with Board and its Committees at the apex level and the Management Structure at the operational level. The Board at the top provides strategy, direction and freedom to the Management to achieve the strategy within a well defined framework of corporate governance.

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's corporate governance brings direction and control to its affairs in a fashion that ensures optimum returns for all stakeholders. Corporate Governance is a broad framework which defines the way the Company functions and interacts with its environment. Simultaneously, in keeping with the best practices, the Company seeks to execute the practices

of corporate governance by maintaining strong business fundamentals and by delivering high performance through relentless focus on the following:

- ♦ Transparency by classifying and explaining the Company's policies and actions to those towards whom it has responsibilities, including its employees. This implies the maximum possible disclosures without hampering the interests of the Company and those of its shareholders. The Company promotes ethical behaviour through setting up and emphasising exemplary standards for the interface of its employees with their business partners, colleagues, shareholders and general public.
- ♦ Accountability at the Company is a key pillar of conduct where individuals are expected to assume full responsibility, with no scope for any compromise, even as they pursue profitable growth for the Company. Any aberration is dealt with alacrity and consistency, with a policy of zero tolerance.
- ♦ Professionalism ensures that management teams at all levels are qualified for their positions, have a clear understanding of their roles and are capable of exercising their own judgment, keeping in view the Company's interests, without being subject to undue influence from any external or internal pressures.
- ♦ Trusteeship brings into focus the fiduciary role of the management to align and direct the actions of the organisation towards creating value for its shareholders. As part of Corporate Responsibility, the Company believes in working towards sustainable social development.
- ♦ Uncompromising Integrity is enforced through independent verification and truthful presentation of the Company's financial position and operations. For this purpose, the Company has constituted an Audit Committee which pays particular attention to the financial management process.

The Company is open, accessible and consistent with its communications. The Company adopts a long term perspective and firmly believes that good corporate governance practices underscore its drive towards competitive strength and sustained performance. Thus, overall corporate governance norms have been institutionalised as an enabling and facilitating business process at the Board, Management and at all operational levels.

## BOARD OF DIRECTORS

### BOARD'S COMPOSITION, CATEGORY AND OTHER RELEVANT DETAILS OF DIRECTORS

The Company believes that an active, well-informed and independent Board is the fountainhead for ensuring highest standards of corporate governance. The Board of Directors of the Company, being at the core of its corporate governance practice, plays the most pivotal role in overseeing how the management serves and protects the long-term interests of all our stakeholders. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interests of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

#### Other relevant details of Directors

Name of Director	DIN	Category	No. of Directorships held in Indian Public Companies (including Orient Cement Limited) <sup>®</sup>	No. of Memberships/ Chairmanships in various Board Committees (including Orient Cement Limited) <sup>#</sup>	
				Member	Chairman
Mr. CK Birla	00118473	Chairman, Non-Executive	7	-	-
Mr. Desh Deepak Khetrpal*	02362633	Managing Director & Chief Executive Officer-Executive	3	5	-
Ms. Amita Birla**	00837718	Non-Executive	6	-	-
Mr. Rajeev Jhawar	00086164	Non-Executive-Independent	7	2	1
Mr. Vinod Kumar Dhall	02591373	Non-Executive-Independent	8	5	5
Mr. Rabindranath Jhunjhunwala	00050729	Non-Executive-Independent	4	2	-
Mr. Janat Shah***	01625535	Non-Executive-Independent	3	1	-

#### Note:

\* Re-appointed as Managing Director & Chief Executive Officer w.e.f. April 1, 2015 for a period of three years. Thereafter, on May 8, 2015, the Board of Directors had, again on the recommendation of the Nomination & Remuneration Committee, amended the period of his contract from 3 years to 5 years w.e.f. April 1, 2015.

\*\* As required under Section 149(3) of the Companies Act, 2013, Woman Director, has been appointed as Non-Executive Director on the Board w.e.f. March 27, 2015.

\*\*\* Appointed as Independent Director w.e.f. April 30, 2014.

<sup>®</sup> Excluding directorships held in private limited companies, foreign companies and Section 8 companies.

<sup>#</sup> Only covers Membership/ Chairmanship of Audit Committee and Stakeholders Relationship Committee of Public Limited Companies.

During the financial year 2014-2015, 6 (six) Board Meetings were held. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 2013 and Clause 49 of the Listing Agreement. All material information was circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made

The Company's Board consists of an optimal combination of Executive Director and Non-Executive Directors, representing a judicious mix of professionalism, knowledge and experience. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure.

In compliance with the Corporate Governance norms, the Company's Board of Directors headed by its Non-Executive Chairman- Mr. CK Birla, comprises of six other Directors (out of which one is an Executive Director and five are Non-Executive Directors, including four Independent Directors). None of the Directors of the Company was member of more than ten Board level committees or chairman of more than five such committees, across all companies in which he/ she was Director.

available to the Board under Clause 49 of the Listing Agreement.

The Company has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.



## ATTENDANCE OF DIRECTORS AT BOARD MEETINGS AND ANNUAL GENERAL MEETING

Name of the Director	Attendance at the Board Meetings held on						Attendance at the AGM held on 09.08.2014
	3.04.2014	30.04.2014	7.08.2014	5.11.2014	22.01.2015	27.03.2015	
Mr. CK Birla	Y	Y	Y	Y	Y	Y	N
Mr. Desh Deepak Khetrapal	Y	Y	Y	Y	Y	Y	Y
Ms. Amita Birla	NA	NA	NA	NA	NA	Y	NA
Mr. Rajeev Jhawar	N	N	Y	N	Y	Y	N
Mr. Vinod Kumar Dhall	Y	Y	Y	Y	Y	Y	Y
Mr. Rabindranath Jhunjhunwala	Y	Y	Y	Y	Y	Y	N
Mr. Janat Shah	NA	Y	Y	N	y	Y	N

### BOARD FAMILIARISATION PROGRAMME

At the time of appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains the role, functions, duties and responsibilities expected from him / her as a Director of the Company.

The Director is also explained in detail the compliances required from him / her under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations.

At various Board meetings during the year, quarterly presentations are made on operations that include information on business performance, operations, projects, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances etc.

With a view to familiarise him / her with the Company's operations, the Managing Director & Chief Executive Officer has a personal discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfil his / her role as a Director of the Company.

During the year, the Company had arranged a technical session on November 5, 2014, to familiarise the Directors about their roles, responsibilities and duties as Directors. The Directors were provided an overview of;

- ♦ Criteria of independence applicable to Independent Directors as per clause 49 of the Listing Agreement on Corporate Governance and the Companies Act, 2013;
- ♦ Roles, functions, duties, responsibilities and liabilities of Directors;
- ♦ Director's Responsibility Statement forming part of Boards' Report;

- ♦ Vigil Mechanism including policy formulation, disclosures, code for Independent Directors, obtaining Audit Committee approval, wherever required;
- ♦ Risk Management strategies;
- ♦ Board evaluation process and procedures;
- ♦ Dealing with Related Party Transactions under the Companies Act, 2013 and the Listing Agreement;
- ♦ Internal Financial Controls and
- ♦ Fraud Reporting

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfil his / her role as a Director of the Company.

The details of familiarisation programmes have been posted on the website of the Company: [www.orientcement.com](http://www.orientcement.com).

### COMMITTEES OF THE BOARD

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following mandatory committees viz: Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee and Corporate Social Responsibility Committee. Each of these Committees has been mandated to operate within a given framework. The Committees are governed by 'Terms of Reference' which are in line with the regulatory requirements mandated by the Companies Act, 2013 and clause 49 of the Listing Agreement.

Details of the role and composition of Board Committees constituted as per requirements of Companies Act, 2013 and Clause 49 of the Listing Agreement, including number of meetings held during the financial year and attendance thereat are provided below.



**a) Audit Committee**

The Composition of the Audit Committee as at March 31, 2015 and details of the Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Audit Committee Meetings held on			
		30.04.2015	7.08.2014	5.11.2014	22.01.2015
Mr. Vinod Kumar Dhall (Chairman of the Audit Committee)	Non-Executive-Independent	Y	Y	Y	Y
Mr. Desh Deepak Khetrapal	Executive	Y	Y	Y	Y
Mr. Rajeev Jhawar	Non-Executive-Independent	N	Y	N	Y
Mr. Rabindranath Jhunjhunwala	Non-Executive-Independent	Y	Y	Y	Y
Mr. Janat Shah	Non-Executive-Independent	Y	Y	N	Y

Primarily, the Audit Committee is responsible for:

- ♦ Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible,
- ♦ Reviewing the scope of the Statutory Auditors, the Annual Audit Plan and the Internal Audit Plan with a view to ensure adequate coverage.
- ♦ Reviewing the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- ♦ Reviewing and recommending to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- ♦ Approving such additional services to be rendered by the Statutory Auditors except those enumerated in

Section 144 of the Companies Act, 2013 and payment for such services.

- ♦ Recommending to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- ♦ Discussing with the Statutory Auditors/Chief Internal Auditors any significant difficulties encountered during the course of the Audit.
- ♦ Reviewing annual Cost Audit Report submitted by the Cost Auditor.

Apart from these responsibilities, the Audit Committee approves the appointment, removal and terms of remuneration of the Internal Auditors and also recommends to the Board appointment of the Chief Financial Officer. Audit Committee reviews and approves the related party transactions and also grants omnibus approval for related party transactions that are in the ordinary course of business and are on arm's length basis.

**b) Nomination & Remuneration Committee**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Remuneration Committee" as "Nomination & Remuneration Committee."

The Composition of the Nomination & Remuneration Committee as at March 31, 2015 and details of the Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Nomination & Remuneration Committee Meetings held on		
		30.04.2014	7.08.2014	27.03.2015
Mr. Rabindranath Jhunjhunwala (appointed as Chairman w.e.f. 30.04.2014)	Non-Executive-Independent	Y	Y	Y
Mr. Rajeev Jhawar	Non-Executive-Independent	N	Y	Y
Mr. Vinod Kumar Dhall	Non-Executive-Independent	Y	Y	Y

Primarily, the Nomination & Remuneration Committee is responsible for:

- ♦ Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down,
- ♦ Recommending to the Board, appointment and removal of Directors and Senior Management,
- ♦ Formulating the criteria for evaluation of Independent Directors and the Board and carrying out evaluation of every

Director's performance,

- ♦ Formulating the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Senior Management,
- ♦ Devising a policy on Board diversity

The Company Secretary of the Company acts as the Secretary to the Committee.

### c) Stakeholders Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has renamed the existing "Shareholders'/ Investor's Grievance Committee" as "Stakeholders' Relationship Committee."

The Composition of the Stakeholders' Relationship Committee as at March 31, 2015 and details of the Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Stakeholders' Relationship Committee Meetings held on			
		30.04.2014	7.08.2014	5.11.2014	22.01.2015
Mr. Vinod Kumar Dhall (appointed as Chairman w.e.f 30.04.2014)	Non-Executive-Independent	Y	Y	Y	Y
Mr. Desh Deepak Khetrapal	Executive	Y	Y	N	Y
Mr. Rajeev Jhawar	Non-Executive-Independent	N	Y	Y	Y

Primarily, the Stakeholders Relationship Committee is responsible for:

- ♦ Maintaining Investors, including security holders, relations and redressing of security holders' complaints like transfer of security, non-receipt of balance sheet, annual report, non-receipt of declared dividends / interest etc.,
- ♦ Approving requests for security transfers, transmission and those pertaining to re-materialisation of security / sub-division / consolidation / issue of renewed and duplicate certificates etc.,

- ♦ Monitoring transfers, transmissions, dematerialisation, re-materialisation, splitting and consolidation of securities issued by the Company

The Committee oversees performance of the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of Investor services.

The Company Secretary of the Company acts as the Secretary to the Committee.

The details of investor complaints received and resolved during the year ended March 31, 2015 are as under:

No. of Investor complaints received from April 1, 2014 to March 31, 2015	No. of Investor complaints resolved from April 1, 2014 to March 31, 2015	No. of Investor complaints pending at the end of March 31, 2015
5	5	Nil

### d) Corporate Social Responsibility Committee

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Listing Agreement, the Board has constituted "Corporate Social Responsibility Committee."

The Composition of the Corporate Social Responsibility Committee as at March 31, 2015 and details of the Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Corporate Social Responsibility Committee Meeting held on
		22.01.2015
Mr. Janat Shah (appointed as Chairman w.e.f. 30.04.2014)	Non-Executive-Independent	Y
Mr. Desh Deepak Khetrapal	Executive	Y
Mr. Rabindranath Jhunjunwala	Non-Executive-Independent	Y

Primarily, the Corporate Social Responsibility Committee is responsible for:

- ♦ Formulating and recommending to the Board, a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the Company;
- ♦ Recommending the amount of expenditure to be incurred on the Corporate Social Responsibility activities;
- ♦ Monitoring the Corporate Social Responsibility Policy of the Company and its effective implementation from time to time

The Company Secretary of the Company acts as the Secretary to the Committee.

#### INDEPENDENT DIRECTORS' MEETING

During the year, the Independent Directors met on December 31, 2014 and January 22, 2015 to:

- ♦ Review the performance of Non-Independent Directors and the Board as a whole.
- ♦ Review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- ♦ Evaluate the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties

The meeting of Independent Directors held on December 31, 2014 was adjourned so that all the Independent Directors could participate for substantive evaluation / assessment.

#### REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The Nomination and Remuneration Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors, Key Managerial Personnel & Senior Management and their remuneration.

#### Criteria of selection of Directors

- ♦ The Nomination & Remuneration Committee identifies and ascertains the integrity, qualification, expertise and experience of the person for appointment as Director and ensures that the candidate identified possesses adequate qualification, expertise and experience for the appointment as a Director.
- ♦ The Nomination & Remuneration Committee ensure that the candidate proposed for appointment as Director is compliant with the provisions of the Companies Act, 2013 and of clause 49 of the Listing Agreement.
- ♦ The candidate's appointment as recommended by the Nomination and Remuneration Committee requires the approval of the Board.
- ♦ In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- ♦ The Nomination and Remuneration Committee ensures that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

#### Remuneration to Directors, Key Managerial Personnel and Senior Management

##### (i) Remuneration to Directors

- ♦ The remuneration / compensation / commission etc. to Directors is determined by the Nomination & Remuneration Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. are subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ♦ The remuneration of the Executive Director is broadly divided into fixed and variable components. The variable component comprises of performance linked variable pay

which is based on the Individual and Company performance for the year.

- ♦ The Non- Executive Directors receive remuneration by way of Commission & Fees for attending the meetings of Board or Committee thereof. However, the amount of Commission and Fees for attending the meetings of Board or Committee thereof shall not exceed the maximum amount as provided in the Companies Act, 2013.
- ♦ Increments to the existing remuneration / compensation structure of Directors is recommended by the Nomination & Remuneration Committee to the Board which should be within the slabs approved by the Shareholders.

### (ii) Remuneration to Key Managerial Personnel

- ♦ The remuneration / compensation / commission etc. to Key Managerial Personnel is determined by the Nomination & Remuneration Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. is subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
- ♦ The remuneration of Key Managerial Personnel is broadly divided into fixed and variable components as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee. The variable component comprises of performance linked variable pay

which is based on the Individual and Company performance for the year.

- ♦ Increments to the existing remuneration / compensation structure of Key Managerial Personnel is recommended by the Nomination & Remuneration Committee to the Board.

### (iii) Remuneration to Senior Management

- ♦ The remuneration of Senior Management Personnel is broadly divided into fixed and variable components as may be approved by the Nomination and Remuneration Committee.
- ♦ The variable component comprises of performance linked variable pay which is based on the Individual and Company's performance for the year.
- ♦ The Nomination and Remuneration Committee has authorised the Managing Director & Chief Executive Officer to determine from time to time the remuneration payable to Senior Management Personnel including their increments.
- ♦ The Board of Directors is, from time to time, intimated of the remuneration payable to the Senior Management Personnel.

### General

Insurance taken by the Company on behalf of its Directors, Key Managerial Personnel and Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of their remuneration.

## DETAILS OF REMUNERATION PAID TO EXECUTIVE AND NON-EXECUTIVE DIRECTORS

### Remuneration of Executive Director

Remuneration paid/ accrued to the Executive Director for the financial year ended March 31, 2015 is as follows:

Name	Salary and Allowances	Commission / performance Bonus	Perquisite	Retiral Benefits	Total	Stock Options granted	Notice Period	Severance Pay
	(₹)	(₹)	(₹)	(₹)	(₹)			
Mr. Desh Deepak Khetrapal	2,65,60,000	75,00,000	52,80,000	45,80,640	4,39,20,640	Nil	Three months	Nil

### Remuneration of Non-Executive Directors

Non-Executive Directors including Independent Directors were paid commission and sitting fees for attending the meetings of the Board of Directors within the limits as prescribed under the Companies Act, 2013. Details of remuneration paid to Non-Executive Directors during financial year 2014-15 and their shareholding in the Company as at March 31, 2015 are as follows:

S. No.	Name of the Director	Sitting fees (₹)	Commission (₹)	Shareholding in the Company (No. of equity shares)
1.	Mr. CK Birla	2,40,000	1,90,00,000	28,97,570
2.	Ms. Amita Birla	50,000	-	2,60,000
3.	Mr. Rajeev Jhawar	5,00,000	15,00,000	Nil
4.	Mr. Vinod Kumar Dhall	8,00,000	15,00,000	Nil
5.	Mr. Rabindranath Jhunjhunwala	6,30,000	15,00,000	Nil
6.	Mr. Janat Shah	4,40,000	15,00,000	Nil

## PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee laid down the criteria for performance evaluation of Independent Directors and other Directors, Board of Directors and the various committees of the Board of Directors. The criteria for performance evaluation cover the areas relevant to their functioning as Chairman, Independent Directors or other Directors, Member of Board or Committees of the Board. A structured questionnaire, evolved through discussions within the Board, has been used for this purpose.

The purposes of evaluation of the Board and its Committees was to analyse how the Board and its Committees are functioning, the time spent by the Board while considering matters and whether the terms of reference of the Board Committees have been met, beside compliance of provisions of the Act and Listing Agreement.

The Directors expressed their satisfaction with the evaluation process. However, given the nascent nature of this process, the evaluation process will be strengthened through experience and also by identifying best practices used by other companies.

## RISK MANAGEMENT

The Company operates in an increasingly volatile and challenging business environment. The Company's overall risk management seeks to minimise potential adverse effects on its performance. Business Risk Evaluation and Management is an ongoing process within the Organisation. The Company has created the Risk Management charter for building a strong risk management culture.

The objectives of Risk Management at the Company are to:

- ◆ Better understand the risk profile;
- ◆ Understand and better manage the uncertainties which impact Company's performance;
- ◆ Identify risks and promote a pro-active approach to mitigate / manage such risks;

- ◆ Contribute to safeguarding Company's interests and those of its various stakeholders;
- ◆ Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk;
- ◆ Improve compliance with good corporate governance guidelines and practices as well as laws & regulations;
- ◆ Allocate adequate resources to mitigate and manage risks and minimise their adverse impact on outcomes;
- ◆ Optimise risk situations to manage adverse exposure on deliverables and bring them in line with acceptable risk appetite of the Company;
- ◆ Striving towards strengthening the Risk Management System through continuous learning and improvement;
- ◆ Delineate Business Continuity Processes and Disaster Management Plans, for unforeseen exigencies and keeping the organisation's constituents prepared to appropriately and adequately deal with such circumstances, in the eventuality of such happenings;
- ◆ Comply with all relevant laws and regulations across its areas of operation.
- ◆ Communicate this policy to the concerned stakeholders through suitable means and periodically review its relevance in a continuously changing business environment.

The Governance Risk and Compliance Committee ("**GRCC**") has been formed, headed by the Managing Director & Chief Executive Officer and comprises of the Chief Financial Officer, the Chief Operating Officer, Head-Human Resources, Head-Assurance and Chief Risk Officer (the Chief Financial Officer has been nominated as the Chief Risk Officer) responsible for ensuring effective roll-out of the Risk Management Programme. The Committee embraces the task of identification, assessment, mitigation, monitoring and reporting of material risks faced by the Company.

In terms of clause 49 of the Listing Agreement, the Company has created its Risk Charter and Risk Register etc. The Board / Audit Committee periodically reviews the risks, opportunities and plans to mitigate the same.

The Company has not identified any risk which in the opinion of the Board may threaten the existence of the Company.

## GENERAL BODY MEETINGS

### (A) Annual General Meetings

Location and time of last three Annual General Meetings (AGMs) are as under:

Year	Date	Day	Time	Venue	Special Resolutions Passed
2011-12	August 13, 2012	Monday	2:30 P.M	Unit-VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012, Odisha.	Yes*
2012-13	August 7, 2013	Wednesday	2:00 P.M	Unit-VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012, Odisha.	No
2013-14	August 9, 2014	Saturday	2:00 P.M	Unit-VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012, Odisha.	Yes**

\*Resolutions pertaining to the following matters were passed as Special Resolutions:

1. Payment of commission to Directors
2. Alteration in Articles of Association of the Company
3. Increase in Authorised Capital of the Company

\*\* Resolutions pertaining to following matters were passed as Special Resolutions:

1. Revision in remuneration of Managing Director
2. Fixing the limit of borrowings
3. Amendment to Articles of Association

During the financial year, a special resolution for creation of charge / providing of security was put through Postal Ballot.

Mr. A. K. Labh, Practicing Company Secretary (M. No. FCS - 4848 / CP - 3238) was appointed by the Board of Directors of the Company as the scrutiniser to scrutinise the Postal Ballot process in a fair and transparent manner.

The summary of result is as follows:

S. No.	Votes casted	By Physical Ballot	By Electronic Voting	Total No. of Votes/ Shares	%
1.	Favour	20,14,018	13,60,13,928	13,80,27,946	93.36
2.	Against	49,95,095	48,20,158	98,15,253	6.64
	<b>Total</b>			<b>14,78,43,199</b>	<b>100.00</b>

No Extraordinary General Meeting was held during the financial year 2014-15.

### (B) Unclaimed Shares

SEBI vide Circular No. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009 introduced Clause 5A in the Listing Agreement to provide a uniform procedure for dealing with unclaimed shares i.e. shares issued pursuant to the Issues but remaining unclaimed despite the best efforts of the Registrar to Issue and the Company. The Clause inter-alia required transfer of such shares and any other corporate benefit related to these shares to a separate

Demat Suspense Account.

Therefore, to comply with the above mentioned statutory requirement, the Company has opened a separate Demat Suspense Account in the name and style of "ORIENT CEMENT LTD-UNCLAIMED SUSPENSE ACCOUNT" and the shares lying unclaimed have been transferred to the account.



The details of such equity shares as on March 31, 2015 are as follows:

S. No.	Description	Number of Shares / Shareholders
1.	Total number of Shareholders in the Suspense Account at the beginning of the year	171 shareholders
2.	Total number of outstanding equity shares in the Suspense Account lying at the beginning of the year	7,36,910 Equity Shares
3.	Number of Shareholders who approached the Company for transfer of shares and to whom shares were transferred from Suspense Account during the year	2
4.	Number of shares transferred from Suspense Account to Beneficiary Account during the year	2500
5.	Total number of Shareholders in the Suspense Account at the end of the year	169
6.	Total number of outstanding equity shares in the Suspense Account lying at the end of the year	7,34,410

Further, the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## DISCLOSURES

### A. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large

The required statements / disclosures with respect to the related party transactions are placed before the Audit Committee.

Further, the Company has not entered into any transaction of material nature with Promoters, the Directors or the Management or Relatives etc. that may have any potential conflict with the interest of the Company. The related party transactions are duly disclosed in the Notes to the Accounts.

### B. Disclosure of accounting treatment in preparation of Financial Statements

The Company has followed the guidelines of Accounting Standards notified under the Companies (Accounting Standard) Rule 2006 in preparation of its financial statements.

### C. Management Discussion and Analysis Report

The Management Discussion and Analysis report forms part of this annual report.

### D. Details of non-compliance by the Company

The Company has complied with all the requirements of the Listing Agreement of the Stock Exchanges as well as regulations and guidelines issued by SEBI. Hence, neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital markets.

### E. Details of Compliance with mandatory requirements

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement(s) of

the Stock Exchanges. Company has submitted the quarterly compliance report to the stock exchanges within the prescribed time limit.

### F. Certificate under clause 49(v) of the Listing Agreement

In terms of the requirements of clause 49(v) of the Listing Agreement, Managing Director & Chief Executive Officer has submitted necessary certificate to the Board of Directors stating the particulars specified under the said clause. This certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at their respective meetings held on May 8, 2015.

## MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results of the Company are widely published in the leading newspapers of country viz. Economics Times and regional language newspaper viz. Utkal Mail Odisha and are displayed on the website of the Company i.e. [www.orientcement.com](http://www.orientcement.com).

The Company has designated an e-mail ID called [investors@orientcement.com](mailto:investors@orientcement.com) for redressal of Shareholders complaints / grievances.

## GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting

Day	:	Saturday
Date	:	July 25, 2015
Time	:	2:00 P.M
Venue	:	Unit - VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012, Odisha

### Financial Calendar (tentative)

The financial year covers the period starting from April 1 and ending on March 31. The tentative dates of meeting of Board of

Directors for consideration of financial results for the financial year ending March 31, 2016 are as follows:

First quarter results	Before August 15 (Subject to Limited Review)
Second quarter results	Before November 15 (Subject to Limited Review)
Third quarter results	Before February 15 (Subject to Limited Review)
Yearly results	Before May 15 (Audited)

**Book Closure:** Tuesday, July 21, 2015 to Saturday, July 25, 2015 (both days inclusive)

**Dividend payments:** Final dividend of ₹ 1 per share has been recommended by the Board of Directors and subject to the approval of the shareholders at the ensuing Annual General Meeting is proposed to be credited / dispatched by August 6, 2015

#### Listing on Stock Exchanges and Stock Code

Equity Shares of the Company are currently listed at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The annual listing fees for the year 2014-15, as applicable, have been paid to both NSE and BSE where the Company's equity shares are listed. The Company's Stock Code are:

<b>NSE</b>	<b>ORIENTCEM</b>
<b>BSE</b>	<b>535754</b>

The ISIN No. of the Company on both the NSDL and CDSL is INE 876N01018.

#### Shareholding Pattern as on March 31, 2015

S. No.	Category	No. of shares held	Percentage of shareholding (%)
<b>(A) Shareholding of Promoter and Promoter Group</b>			
1.	Indian	7,68,29,922	37.502
2.	Foreign	0	0
<b>Total Shareholding of Promoter and Promoter Group</b>		<b>7,68,29,922</b>	<b>37.502</b>
<b>(B) Public Shareholding</b>			
1.	Institutions	7,36,13,556	35.932
2.	Non-Institutions	5,44,25,282	26.566
<b>Total Public Shareholding</b>		<b>12,80,38,838</b>	<b>62.498</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>			
1.	Promoter and Promoter Group	0	0
2.	Public	0	0
<b>TOTAL (A) + (B) + (C)</b>		<b>20,48,68,760</b>	<b>100</b>

#### Market Price Data

Month	Bombay Stock Exchange (BSE)	
	High (₹)	Low (₹)
April	57.00	45.00
May	84.80	46.20
June	108.00	78.10
July	109.40	87.00
August	124.70	102.50
September	134.90	98.65
October	150.90	122.05
November	154.90	134.00
December	158.40	135.20
January	200.00	149.00
February	193.45	162.70
March	194.00	158.60

#### Registrar & Transfer Agent

MCS Share Transfer Agent Limited,  
F-65, Okhla Industrial Area,  
Phase-I, New Delhi - 110 020

Telephone: 011-41406149-52

Email: admin@mcsdel.com

#### Share Transfer System

Share transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within 15 days.

**Distribution of Shareholding as on March 31, 2015**

From-To	No. of shares	Percentage of total no. of shares
	Number	%
1-500	20,64,401	1.008
501-1,000	15,90,661	0.776
1,001-2,000	18,52,420	0.904
2,001-3,000	12,52,252	0.611
3,001-4,000	9,27,877	0.453
4,001-5,000	10,31,514	0.504
5,001-10,000	30,13,665	1.471
1,00,01-50,000	71,32,090	3.481
50,001-1,00,000	31,74,174	1.549
Above 1,00,001	18,28,29,706	89.242

**Dematerialisation of Shares and Liquidity**

The Company's Equity Shares are in compulsory demat segment and are available for trading under dematerialised form with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

99.17% equity shares of the Company have been dematerialised as on March 31, 2015.

**Plant Locations**

The Company plants are located at:

Orient Cement Limited.  
P.O. Devapur Cement Works  
Dist. Adilabad - 504218 (AP)

Orient Cement Limited.  
Nashirabad, Dist. Jalgaon (MS)

**Code of Conduct for Directors and Senior Management**

The Company has in place a Code of Conduct for Directors and Senior Management and the same has been posted on the website of the Company i.e. [www.orientcement.com](http://www.orientcement.com). The Code lays down the standard of conduct which is expected to be

followed by the Directors and the Senior Management Personnel in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2015.

A declaration to this effect, duly signed by Managing Director & Chief Executive Officer is annexed and forms part of this report.

**Address for Correspondence with the Company**
**For Securities held in Physical form:**

MCS Share Transfer Agent Limited,  
F-65, Okhla Industrial Area,  
Phase-I, New Delhi-110 020  
Telephone: 011-41406149-52  
Email: [admin@mcsdel.com](mailto:admin@mcsdel.com)

**For Securities held in Demat form:**

To the Investors' Depository Participant (s) and/or MCS Share Transfer Agent Limited

**Any query on Annual Report**

MCS Share Transfer Agent Limited,  
F-65, Okhla Industrial Area,  
Phase-I, New Delhi-110 020  
Telephone: 011-41406149-52  
Email: [admin@mcsdel.com](mailto:admin@mcsdel.com)

**Or**

Ms. Deepanjali Gulati  
Company Secretary  
Birla Tower, 3rd Floor,  
25, Barakhamba Road, New Delhi-110 001  
Telephone: 011 42092253

**Email for investors:** [investors@orientcement.com](mailto:investors@orientcement.com)

## CEO / CFO Certification

We the undersigned, in our respective capacities as Managing Director & CEO of Orient Cement Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2015 and that to the best of our knowledge and belief, we state that:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes, if any, in internal control over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

### For Orient Cement Limited

**D.D. Khetrpal**  
Managing Director & CEO  
(DIN 02362633)

**Sushil Gupta**  
Chief Financial Officer  
(FCA-044924)

Place: New Delhi

Date: May 8, 2015

## Compliance with Code of Business Conduct and Ethics

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Directors and Senior Management for the financial year ended March 31, 2015.

### For Orient Cement Limited

**D. D. Khetrpal**  
Managing Director & CEO  
(DIN 02362633)

Place: New Delhi

Date: May 8, 2015

## Independent Auditor's Report

To the Members of **Orient Cement Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of Orient Cement Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;

- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are 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 March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R.Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E

per **Raj Agrawal**  
Partner  
Membership Number: 82028

Place: New Delhi  
Date: May 8, 2015



## Annexure to the Independent Auditors' Report

(Referred to in our report of even date to the members of Orient Cement Limited as at and for the year ended 31st March, 2015)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of some of the items of inventories and certain fixed assets are of a proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposit from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it though there have been slight delays in few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, value added tax & cess on account of any dispute, are as follows :-

Name of the statute	Nature of dues	Period to which the amount relates	Amount (₹ in lacs)	Forum where dispute is pending
Central Excise and Customs Act, 1944	Disallowance of Cenvat Credit on input and capital goods	Apr-03 to Aug-14	3,676.04	Commissioner/ CESTAT
A. P. Sales Tax/AP Vat Act/ Central Sales Tax Act, 1956	Demand on second sales and freight charges realized separately by raising debit invoices and other matters	1983-84 to 2004-05	217.69	Asst. Commissioner/ Appellate Dy. Commissioner/ Sales Tax/ Appellate Tribunal/ High Court
Tamil Nadu/ Karnataka/ Maharashtra VAT Act	Non submission of forms, penalty etc.	1996-97, 2004-05 & 2008-09	53.83	Joint Commissioner/Appellate Tribunal

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks. The Company did not have any outstanding dues in respect of debenture holders during the year.
- (x) According to the information and explanations provided to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which these were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S.R.Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 301003E

per **Raj Agrawal**  
Partner

Place: New Delhi  
Date: May 8, 2015

Membership Number: 82028

## Balance Sheet

as at 31st March 2015

	Notes	31st March 2015	31st March 2014
(₹ in Lacs)			
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	2,048.69	2,048.69
Reserves and surplus	4	95,505.58	80,827.63
		<b>97,554.27</b>	<b>82,876.32</b>
<b>Non-Current liabilities</b>			
Long term borrowings	5	1,06,413.93	4,530.53
Deferred Tax Liabilities (Net)	14	12,503.15	12,659.54
Other long-term liabilities	6	4,844.19	4,499.27
Long-term provisions	7	1,652.39	1,163.54
		<b>1,25,413.66</b>	<b>22,852.88</b>
<b>Current liabilities</b>			
Short term borrowings	8	4,041.10	28,234.71
Trade payables	9	10,281.48	8,589.02
Other current liabilities	9	16,288.99	11,427.18
Short-term provisions	7	2,988.67	2,146.14
		<b>33,600.24</b>	<b>50,397.05</b>
<b>TOTAL</b>		<b>2,56,568.17</b>	<b>1,56,126.25</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	79,219.33	81,835.72
Intangible assets	11	594.70	726.16
Capital work-in-progress		1,22,682.40	26,070.15
Intangible assets under development		332.51	-
Expenditure on New projects (pending allocation)	12	8,922.89	6,685.74
Non-current investments	13	0.54	0.54
Long-term loans and advances	15	5,068.99	11,216.30
Other Non Current assets	16.2	523.44	597.83
		<b>2,17,344.80</b>	<b>1,27,132.44</b>
<b>Current assets</b>			
Inventories	17	10,990.49	7,127.40
Trade receivables	16.1	8,324.43	6,468.81
Cash and bank balances	18	4,270.68	8,159.12
Short-term loans and advances	15	12,953.37	4,766.23
Other current assets	16.2	2,684.40	2,472.25
		<b>39,223.37</b>	<b>28,993.81</b>
<b>TOTAL</b>		<b>2,56,568.17</b>	<b>1,56,126.25</b>
Summary of significant accounting policies	2.1		

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

As per our report of even date

For **S.R.Batliboi & Co. LLP**  
Firm registration number: 301003E  
Chartered Accountants

per **Raj Agrawal**  
Partner  
Membership no.: 82028

Place: New Delhi  
Date: May 8, 2015

For and on behalf of the board of directors

**CK Birla**  
Chairman  
(DIN-00118473)

**S.Gupta**  
Chief Financial Officer  
(FCA-044924)

**D.D.Khetrapal**  
Managing Director & CEO  
(DIN-02362633)

**D.Gulati**  
Company Secretary  
(FCS-5304)

## Statement of Profit and Loss

for the year ended 31st March 2015

(₹ in Lacs)

	Notes	31st March 2015	31st March 2014
<b>Income</b>			
Revenue from operations (gross)	19	1,76,883.18	1,64,672.33
Less: excise duty		22,182.94	20,827.00
<b>Revenue from operations (net)</b>		<b>1,54,700.24</b>	<b>1,43,845.33</b>
Other income	20	594.86	927.34
<b>Total revenue (I)</b>		<b>1,55,295.10</b>	<b>1,44,772.67</b>
<b>Expenses</b>			
Cost of raw materials consumed	21	21,348.62	21,655.92
(Increase)/ decrease in inventories of finished goods and work-in-progress	22	(1,709.93)	1,155.73
Employee benefits expense	23	7,132.71	6,052.17
Other expenses	24	97,259.17	93,508.02
<b>Total (II)</b>		<b>1,24,030.57</b>	<b>1,22,371.84</b>
<b>Earnings before finance cost, tax, depreciation and amortization (EBITDA) (I)-(II)</b>		<b>31,264.53</b>	<b>22,400.83</b>
Depreciation and amortization expense	25	4,732.73	5,638.21
Finance costs	26	1,413.41	1,438.56
<b>Profit before tax</b>		<b>25,118.39</b>	<b>15,324.06</b>
<b>Tax expenses</b>			
Current tax		5,540.00	5,494.50
Deferred tax charge/(credit)		100.15	(272.41)
<b>Total tax expense</b>		<b>5,640.15</b>	<b>5,222.09</b>
<b>Profit for the year</b>		<b>19,478.24</b>	<b>10,101.97</b>
<b>Earnings per equity share [nominal value of share ₹ 1]</b>			
	28		
<b>Basic &amp; Diluted</b>		<b>9.51</b>	<b>4.93</b>
Summary of significant accounting policies	2.1		

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

As per our report of even date

For **S.R.Batliboi & Co. LLP**  
Firm registration number: 301003E  
Chartered Accountants

per **Raj Agrawal**  
Partner  
Membership no.: 82028

Place: New Delhi  
Date: May 8, 2015

For and on behalf of the board of directors

**CK Birla**  
Chairman  
(DIN-00118473)

**S.Gupta**  
Chief Financial Officer  
(FCA-044924)

**D.D.Khetrapal**  
Managing Director & CEO  
(DIN-02362633)

**D.Gulati**  
Company Secretary  
(FCS-5304)

## Cash Flow Statement

for the year ended 31st March 2015

(₹ in Lacs)

	<b>31st March 2015</b>	<b>31st March 2014</b>
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Profit before tax</b>	25,118.39	15,324.06
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and Amortisation expenses	4,732.73	5,638.21
Finance costs	1,413.41	1,438.56
Loss on sale/discard of fixed assets (net)	2.52	67.71
Bad debts / advances written off (net of reversals)	20.08	17.07
Provision for doubtful debts & advances	49.05	75.36
Unspent Liabilities and Unclaimed Balances adjusted	(280.29)	(254.75)
Interest Income	(86.15)	(372.12)
<b>Operating Profit before Working Capital Changes :</b>	<b>30,969.74</b>	<b>21,934.10</b>
Increase in trade payables	1,972.75	1,389.70
Increase in long-term provisions	488.85	251.76
(Decrease)/ Increase in short-term provisions	(21.39)	35.61
Increase/ (Decrease) in other current liabilities	542.74	(76.10)
Increase in other long-term liabilities	785.72	1,183.70
(Increase)/ Decrease in trade receivables	(1,899.10)	1,127.22
(Increase)/ Decrease in inventories	(3,863.09)	1,564.31
Decrease/ (Increase) in long-term loans and advances	435.42	(1,544.45)
(Increase) in short-term loans and advances	(8,187.14)	(842.25)
(Increase) in other current assets	(377.79)	(295.94)
Decrease/ (Increase) in other Non current assets	69.97	(75.63)
<b>CASH GENERATED FROM OPERATIONS:</b>	<b>20,916.68</b>	<b>24,652.03</b>
Direct Taxes Paid	(5,336.70)	(5,435.10)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>15,579.98</b>	<b>19,216.93</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Proceeds from sale of Tangible Assets	204.77	12.59
Purchase of long term Investments	-	(0.11)
Fixed Deposits (net)	(80.92)	(9.95)
Loans Given received back	-	4,655.98
Purchase of Fixed Assets including Capital Work in Progress and Capital Advances	(92,421.54)	(32,974.41)
Interest Received	68.50	376.83
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(92,229.19)</b>	<b>(27,939.07)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Long Term Loans	1,02,000.00	-
Repayment of Long Term Loans	(94.14)	(10,265.85)
Proceeds / (Repayment) of Short Term Borrowings (Net)	(24,193.61)	28,234.71
Interest Paid	(1,343.12)	(1,539.75)

## Cash Flow Statement *(contd.)*

for the year ended 31st March 2015

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Other Borrowing Cost	(65.80)	(627.12)
Dividend Paid	(3,055.12)	(5,598.95)
Dividend Tax Paid	(568.36)	(957.49)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>72,679.85</b>	<b>9,245.55</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(3,969.36)</b>	<b>523.41</b>
Cash & Cash Equivalents at the beginning of the year	8,148.95	7,625.54
<b>Cash &amp; Cash Equivalents at the end of the year *</b>	<b>** 4,179.59</b>	<b>8,148.95</b>

\* Represents Cash and Bank Balances as indicated in Note 18 and excludes ₹ 91.09 lacs (31st March, 2014 : ₹ 10.17 lacs) being balances with restricted use or maturity of more than 3 months.

\*\* includes ₹ 52.94 lacs (31st March, 2014: ₹ 34.98 lacs) lying in unpaid dividend account.

### Notes:

- The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements.

As per our report of even date

For **S.R.Batliboi & Co. LLP**  
Firm registration number: 301003E  
Chartered Accountants

per **Raj Agrawal**  
Partner  
Membership no.: 82028

Place: New Delhi  
Date: May 8, 2015

For and on behalf of the board of directors

**CK Birla**  
Chairman  
(DIN-00118473)

**S.Gupta**  
Chief Financial Officer  
(FCA-044924)

**D.D.Khetrapal**  
Managing Director & CEO  
(DIN-02362633)

**D.Gulati**  
Company Secretary  
(FCS-5304)



# Notes to financial statements

for the year ended 31st March 2015

## 1. Corporate information

Orient Cement Limited (the Company) is a public Company domiciled in India. Its shares are listed on National and Bombay Stock exchanges in India. The cement undertaking of Orient Paper & Industries Limited (OPIL) had been transferred to the Company on a going concern basis w.e.f 1st April, 2012, pursuant to the scheme of arrangement approved by the Hon'ble Orissa High Court.

The Company is primarily engaged in the manufacture and sale of Cement and manufacturing facilities at present are located at Devapur in Telangana and Jalgaon in Maharashtra. The Company is also setting up a Greenfield Cement Project at Chittapur in Karnataka.

## 2. Basis of preparation

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

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

### 2.1 Summary of significant accounting policies

#### Change in Accounting Policy

##### Depreciation on Fixed Assets

Till the year ended 31st March 2014, Schedule XIV to the Companies Act, 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Effective from 1st April, 2014, the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013 or as re-assessed by the Company. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of fixed assets, though these rates in certain cases are different from the rates based on the useful lives prescribed under Schedule II.

Further, on application of Schedule II to the Companies Act, 2013, the Company has changed the manner of providing depreciation for its fixed assets. Now, the Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset.

Based on transitional provision given in Schedule II to the Companies Act, 2013, the carrying value of assets whose useful lives are already exhausted amounting to ₹ 498.23 Lacs (net of deferred tax of ₹ 256.54 Lacs) has been charged to opening balance of retained earnings. Had there been no change in useful lives of fixed assets, the charge to the Statement of Profit & Loss would have been higher by ₹ 853.95 Lacs.

#### (a) Use of estimates

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

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### (b) Tangible fixed assets

Fixed Assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price inclusive of duties (net of cenvat / VAT), taxes, incidental expenses, erection / commissioning expenses etc. and borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

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

Machinery spares which can be used only in connection with an item of fixed asset and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual life of the respective assets.

### (c) Depreciation on tangible fixed assets

The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

Depreciation on fixed assets is provided under Straight Line basis (except for furniture, fixtures and vehicles valuing ₹ 1,608.23 lacs (31st March, 2014: ₹ 1,215.57 lacs) where Written Down Value method is followed) using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Class of Asset	Useful Lives estimated by the management (years)
Factory Buildings	30
Non-Factory Buildings	5 to 60
Railway Sidings	15
Plant and equipments	5 to 40
Furnitures & Fixtures	8 to 10
Computers	3
Office Equipments	5
Vehicles	10

Depreciation on fixed assets added / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and equipment as 10 to 20 years. These lives are lower than those indicated in schedule II.

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### (d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life of the asset. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

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

Intangible assets being Specialized Software and Mining Rights are amortised on a straight line basis over a period of 3 years and 10 years respectively.

### (e) Leases

Operating Lease:

#### **Where the Company is lessee**

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

#### **Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

### (f) Borrowing costs

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

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

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

### (g) Impairment of tangible and intangible 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) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

### (h) Government grants and subsidies

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

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### (i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

### (j) Inventories

Raw materials and stores and spares are valued at lower of cost and net realizable value. However, 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 of raw materials and stores and spares is determined on annual weighted average method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined on annual weighted average basis.

Saleable scrap, whose cost is not identifiable, is valued at net realisable value.

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

### (k) Revenue recognition

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

#### **Sale of goods**

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

#### **Interest**

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

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### Claims / Refunds

Insurance & other claims / refunds, due to uncertainty in realisation, are accounted for on acceptance / actual receipt basis.

### (l) Foreign currency translation

#### Foreign currency transactions and balances

##### Initial recognition

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

##### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

##### Exchange differences

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the period in which they arise.

##### Forward exchange contracts entered into to hedge foreign currency risk of an existing asset / liability

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

### (m) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund and Superannuation Schemes are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the end of each reporting period. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

The Company treats accumulated leaves 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 end of each financial year. The Company presents the leave as current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the



## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

reporting date. Where company has unconditional legal and contractual right to defer the settlement for the 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.

### **(n) Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the 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 recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the 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

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under The Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### (o) Segment reporting

#### Identification of segments

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

#### Allocation of common costs

Common allocable costs are allocated to each segment on a case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, are included under the head "Unallocated".

#### Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

#### Segment accounting policies

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

### (p) Earnings Per Share

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

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

### (q) Provisions

A provision is recognized when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### (r) Contingent liabilities

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

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(s) Cash and cash equivalents**

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

**(t) Derivative instruments**

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

**(u) Excise Duty & Custom Duty**

Excise duty on Finished goods stock lying at the factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date. Similarly, customs duty on imported materials in transit / lying in bonded warehouse is accounted for at the time of import / bonding of materials.

**(v) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Company does not include depreciation and amortization expense, finance costs and tax expense.

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### 3. SHARE CAPITAL

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
<b>Authorized shares (No. in lacs)</b>		
5,000 (31st March 2014: 5,000) Equity Shares of ₹ 1/- each	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, subscribed and fully paid-up Shares (No. in lacs)</b>		
2,048.69 (31st March 2014: 2,048.69) Equity Shares of ₹ 1/- each	2,048.69	2,048.69
<b>Total issued, subscribed and fully paid up share capital</b>	<b>2,048.69</b>	<b>2,048.69</b>

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	<b>31st March 2015</b>		<b>31st March 2014</b>	
	No. in lacs	₹ in Lacs	No. in lacs	₹ in Lacs
<b>Equity shares</b>				
At the beginning of the period	2,048.69	2,048.69	2,048.69	2,048.69
Issued during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>2,048.69</b>	<b>2,048.69</b>	<b>2,048.69</b>	<b>2,048.69</b>

#### (b) Terms/ rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2015, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 1.75 per share (including interim dividend ₹ 0.75 per share) (31st March 2014: ₹ 1.50 per share, including interim dividend of ₹ 0.75 per share).

#### (c) Details of shareholders holding more than 5% shares in the company

	<b>31st March 2015</b>		<b>31st March 2014</b>	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
Equity shares of ₹ 1 each fully paid				
Central India Industries Limited	491.44	23.99	491.44	23.99
Shekhavati Investments and Traders Limited	123.21	6.01	123.21	6.01
Reliance Capital Trustee Company Limited A/c	99.59	4.86	140.11	6.84
Reliance Growth Fund				

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

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

(d) Equity shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:-

	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>No. in lacs</b>	<b>No. in lacs</b>
Equity shares allotted to the shareholders of the Demerged Company pursuant to scheme of arrangement	2,048.69	2,048.69

#### 4. RESERVES AND SURPLUS

(₹ in Lacs)

	<b>31st March 2015</b>	<b>31st March 2014</b>
<b>Capital reserve</b>	5.00	5.00
<b>Debenture Redemption Reserve</b>		
Balance as per the last financial statements	-	2,500.00
Less: Amount transferred to General Reserve	-	2,500.00
	-	-
<b>General reserve</b>		
Balance as per the last financial statements	71,550.18	65,855.11
Less: Adjustment on account of Schedule II of Companies Act, 2013 (Refer Note 2.1)	498.23	-
Add: Arisen pursuant to scheme of arrangement	-	* 695.07
Add: Amount transferred from Debenture Redemption Reserve	-	2,500.00
Add: Amount transferred from surplus balance in the statement of profit and loss	-	2,500.00
	<b>71,051.95</b>	<b>71,550.18</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	9,272.45	5,265.86
Profit for the year	19,478.24	10,101.97
Less: Appropriations		
Interim equity dividend (amount per share ₹ 0.75 (31st March, 2014 ₹ 0.75 per share))	1,536.53	1,536.55
Tax on Interim equity dividend	307.22	261.14
Proposed final equity dividend (amount per share ₹ 1.00 (31st March, 2014 ₹ 0.75 per share))	2,048.69	1,536.55
Tax on proposed equity dividend	409.62	261.14
Transfer to General Reserve	-	2,500.00
<b>Net surplus in the statement of profit and loss</b>	<b>24,448.63</b>	<b>9,272.45</b>
<b>Total reserves and surplus</b>	<b>95,505.58</b>	<b>80,827.63</b>

\* Represents adjustment for deferred tax assets pertaining to the period prior to appointed date i.e. 1st April 2012 of scheme of arrangement for transfer of cement undertaking to the Company.

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### 5. LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
	(₹ in Lacs)			
<b>Term Loans from Banks (Secured)</b>	1,02,000.00	-	-	-
<b>Other loans and advances (unsecured)</b>				
Deferred sales tax loan	4,413.93	4,530.53	116.60	94.14
	<b>1,06,413.93</b>	<b>4,530.53</b>	<b>116.60</b>	<b>94.14</b>
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(116.60)	(94.14)
<b>Net amount</b>	<b>1,06,413.93</b>	<b>4,530.53</b>	-	-

- Term Loans from Banks are secured by way of a first ranking pari passu mortgage on all the immovable properties both present and future and first ranking pari passu charge on all the movable fixed assets of Chittapur taluka unit at Gulbarga District. Further, the above loans are secured by way of a second charge on all the current assets of the above unit.

The above loans are repayable in 26 quarterly installments ranging from 2.25% to 5% of the loan amount and repayment starting from June 30, 2017 and ending on September 30, 2023. The above loans carry interest @ 10.55% p.a.

- Deferred sales tax loan is interest free and payable in 26 unequal installments, starting from February, 2012 and ending on January, 2023.

### 6. OTHER LONG-TERM LIABILITIES

	31st March 2015	31st March 2014
(₹ in Lacs)		
Retention Money	-	440.80
Trade & Other Deposits	4,844.19	4,058.47
	<b>4,844.19</b>	<b>4,499.27</b>

### 7. PROVISIONS

	Long-term		Short-term	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
	(₹ in Lacs)			
<b>Provision for employee benefits</b>				
Provision for gratuity (note 29)	1,216.63	791.36	215.72	230.01
Provision for leave benefits	397.56	333.98	52.53	59.63
	<b>1,614.19</b>	<b>1,125.34</b>	<b>268.25</b>	<b>289.64</b>
<b>Other provisions</b>				
Provision for Mining Restoration Costs	38.20	38.20	-	-
Provision for Taxation (net)	-	-	262.11	58.81
Proposed Equity dividend	-	-	2,048.69	1,536.55
Provision for tax on proposed equity dividend	-	-	409.62	261.14
	<b>38.20</b>	<b>38.20</b>	<b>2,720.42</b>	<b>1,856.50</b>
	<b>1,652.39</b>	<b>1,163.54</b>	<b>2,988.67</b>	<b>2,146.14</b>

#### Provision for Mining Restoration Costs

The activities of the Company involve mining of land taken under lease. In terms of relevant statutes, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing etc. As per the requirement of Accounting Standard - 29, the management has estimated such future expenses



## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

on best judgment basis and provision thereof has been made in the accounts. The table below gives information about movement in mining restoration cost provisions.

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
At the beginning & end of the year	38.20	38.20
Current portion	-	-
Non-current portion	38.20	38.20

### 8. SHORT TERM BORROWINGS

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Cash Credit from a bank (Secured)	4,041.10	8,234.71
<b>Other Loans &amp; Advances:- (Unsecured)</b>		
Short Term Loan From a Bank	-	10,000.00
Commercial Papers		
From others	-	10,000.00
	<b>4,041.10</b>	<b>28,234.71</b>

- Cash credit from a bank is secured by first charge over current assets of the Company. The cash credit is repayable on demand and carries interest @ 10.70% to 10.95% p.a. (31st March, 2014: 10% to 10.95% p.a.)
- Short Term Loan from a Bank was repayable within one year in 10 equal monthly installments of ₹ 9 crore each and one installment of ₹ 10 crore. The said loan carried interest @ 10.75% p.a.
- Commercial Paper from others carried interest @ 9.50% to 11.25% p.a. and were repayable between a period of 84 days to 182 days.

### 9. OTHER CURRENT LIABILITIES

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Trade payables (refer note 34 for details of dues to micro and small enterprises)	10,281.48	8,589.02
<b>Other liabilities</b>		
Payables against purchase of Fixed Assets	10,817.64	7,356.97
Current maturities of long-term borrowings (note 5)	116.60	94.14
Interest accrued but not due on borrowings	817.98	-
Advance against Sales	1,644.95	1,422.11
Unpaid Dividend	52.94	34.98
Others		
Trade & Other Deposits	477.84	359.14
Statutory dues payable	2,331.44	2,130.52
Other Miscellaneous	29.60	29.32
	<b>16,288.99</b>	<b>11,427.18</b>
	<b>26,570.47</b>	<b>20,016.20</b>

## Notes to financial statements (contd.) for the year ended 31st March 2015

### 10. TANGIBLE ASSETS

	(₹ in Lacs)									
	Freehold Land (a)	Factory Buildings	Non-Factory Buildings	Railway Sidings	Plant and equipment	Furniture and fixtures	Computers	Office Equipments	Vehicles	Total
<b>Cost</b>										
At 1st April 2013	9,210.01	2,451.89	3,607.36	2,298.36	1,07,155.72	726.52	399.70	110.49	356.07	1,26,316.12
Additions	1,770.82	56.61	377.16	15.20	579.87	156.14	100.92	39.35	17.17	3,113.24
Disposals/Deductions	0.26	4.53	-	-	1,376.47	34.19	2.89	3.32	6.14	1,427.80
<b>At 31st March 2014</b>	<b>10,980.57</b>	<b>2,503.97</b>	<b>3,984.52</b>	<b>2,313.56</b>	<b>1,06,359.12</b>	<b>848.47</b>	<b>497.73</b>	<b>146.52</b>	<b>367.10</b>	<b>1,28,001.56</b>
Additions	2,160.53	-	200.97	-	644.97	194.87	229.04	81.33	259.16	3,770.87
Disposals/Deductions	-	38.31	15.85	-	1,257.39	42.21	3.06	1.29	19.16	1,377.27
<b>At 31st March 2015</b>	<b>13,141.10</b>	<b>2,465.66</b>	<b>4,169.64</b>	<b>2,313.56</b>	<b>1,05,746.70</b>	<b>1,001.13</b>	<b>723.71</b>	<b>226.56</b>	<b>607.10</b>	<b>1,30,395.16</b>
<b>Depreciation</b>										
At 1st April 2013	-	748.63	613.77	1,523.65	37,933.37	356.26	302.25	55.66	263.80	41,797.39
Charge for the year	-	81.09	61.84	63.95	5,190.61	94.54	13.63	3.86	23.20	5,532.72
Disposals/Deductions	-	0.10	-	-	1,131.98	22.66	1.76	2.73	5.04	1,164.27
<b>At 31st March 2014</b>	<b>-</b>	<b>829.62</b>	<b>675.61</b>	<b>1,587.60</b>	<b>41,992.00</b>	<b>428.14</b>	<b>314.12</b>	<b>56.79</b>	<b>281.96</b>	<b>46,165.84</b>
Charge for the year	-	112.46	256.36	190.62	3,822.60	123.90	100.16	27.86	28.83	4,662.79
Charge to general reserves	-	10.13	173.38	20.19	506.21	1.80	19.23	20.28	3.55	754.77
Disposals/Deductions	-	0.93	1.80	-	359.87	24.29	2.92	1.05	16.71	407.57
<b>At 31st March 2015</b>	<b>-</b>	<b>951.28</b>	<b>1,103.55</b>	<b>1,798.41</b>	<b>45,960.94</b>	<b>529.55</b>	<b>430.59</b>	<b>103.88</b>	<b>297.63</b>	<b>51,175.83</b>
<b>Net Block</b>										
<b>At 31st March 2014</b>	<b>10,980.57</b>	<b>1,674.35</b>	<b>3,308.91</b>	<b>725.96</b>	<b>64,367.12</b>	<b>420.33</b>	<b>183.61</b>	<b>89.73</b>	<b>85.14</b>	<b>81,835.72</b>
<b>At 31st March 2015</b>	<b>13,141.10</b>	<b>1,514.38</b>	<b>3,066.09</b>	<b>515.15</b>	<b>59,785.76</b>	<b>471.58</b>	<b>293.12</b>	<b>122.68</b>	<b>309.47</b>	<b>79,219.33</b>

a. Includes ₹ 940.76 lacs (31st March 2014 ₹ 721.00 lacs), the registration whereof in the Company's name is pending.

### 11. INTANGIBLE ASSETS

	(₹ in Lacs)		Total
	Computer software	Mining Rights	
<b>Gross block</b>			
At 1st April 2013	27.03	1,314.60	1,341.63
Additions	-	-	-
<b>At 31st March 2014</b>	<b>27.03</b>	<b>1,314.60</b>	<b>1,341.63</b>
Additions	-	-	-
<b>At 31st March 2015</b>	<b>27.03</b>	<b>1,314.60</b>	<b>1,341.63</b>
<b>Amortization</b>			
At 1st April 2013	27.03	456.98	484.01
Charge for the year	-	131.46	131.46
<b>At 31st March 2014</b>	<b>27.03</b>	<b>588.44</b>	<b>615.47</b>
Charge for the year	-	131.46	131.46
<b>At 31st March 2015</b>	<b>27.03</b>	<b>719.90</b>	<b>746.93</b>
<b>Net block</b>			
<b>At 31st March 2014</b>	<b>-</b>	<b>726.16</b>	<b>726.16</b>
<b>At 31st March 2015</b>	<b>-</b>	<b>594.70</b>	<b>594.70</b>

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### 12. DETAILS OF EXPENDITURE ON NEW PROJECTS (PENDING ALLOCATION)

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
<b>Pre-Operative Expenses:</b>		
Rent & Hire Charges	54.65	58.48
Salary & Wages	1,136.72	943.62
Contribution to Provident & Other Funds	53.52	48.01
Gratuity Expense	16.38	-
Employees Welfare Expenses	60.69	25.40
Consultancy charges	844.04	1,595.41
Insurance	92.22	112.52
Interest	5,749.12	561.47
Other Borrowing Cost	70.34	0.59
Depreciation	61.52	25.97
Mining lease Renewal	648.02	-
Miscellaneous Expenses	703.36	375.12
	<b>9,490.58</b>	<b>3,746.59</b>
Add: Brought forward from previous year	6,685.74	2,939.15
Less: Transferred to Capital Work-In-Progress	7,253.43	-
<b>Balance carried to Balance Sheet</b>	<b>8,922.89</b>	<b>6,685.74</b>

### 13. NON-CURRENT INVESTMENTS

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
<b>Government securities (unquoted)</b>		
6 Years National Savings Certificates	0.54	0.54
	<b>0.54</b>	<b>0.54</b>
Aggregate amount of unquoted investments	0.54	0.54

Government Securities of the Face Value of ₹ 0.54 lac (31st March 2014: ₹ 0.54 lac) are lodged with Government Departments as Security Deposits.

### 14. DEFERRED TAX LIABILITIES (NET)

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	13,272.25	13,451.34
<b>Gross deferred tax liability</b>	<b>13,272.25</b>	<b>13,451.34</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current period but allowed for tax purposes on payment basis/in future years	700.69	737.03
Provision for doubtful debts and advances	55.42	41.78
Provision for mining restoration cost	12.99	12.99
<b>Gross deferred tax asset</b>	<b>769.10</b>	<b>791.80</b>
<b>Net deferred tax liability</b>	<b>12,503.15</b>	<b>12,659.54</b>

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### 15. LOANS AND ADVANCES

(₹ in Lacs)

	Non-current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
<b>Unsecured, considered good, except where otherwise stated</b>				
<b>Capital advances</b>				
Unsecured, considered good	1,563.27	7,249.51	-	-
Doubtful	43.27	43.27	-	-
	<b>1,606.54</b>	<b>7,292.78</b>	-	-
Less: Provision for Doubtful advances	43.27	43.27	-	-
<b>(A)</b>	<b>1,563.27</b>	<b>7,249.51</b>	-	-
<b>Trade &amp; Other Deposits</b>	2,453.14	2,438.16	52.34	84.16
<b>(B)</b>	<b>2,453.14</b>	<b>2,438.16</b>	<b>52.34</b>	<b>84.16</b>
<b>Advances recoverable in cash or in kind or for value to be received or pending adjustments</b>				
Considered Good	35.03	31.23	3,133.64	2,726.87
Doubtful	25.65	8.92	-	-
	<b>60.68</b>	<b>40.15</b>	<b>3,133.64</b>	<b>2,726.87</b>
Less: Provision for Doubtful advances	25.65	8.92	-	-
<b>(C)</b>	<b>35.03</b>	<b>31.23</b>	<b>3,133.64</b>	<b>2,726.87</b>
<b>Other loans and advances</b>				
Prepaid Expenses	37.05	10.09	244.57	298.71
Deposits against demand under dispute	467.29	450.13	-	-
Advance payment of Income Tax and Tax deducted at source after adjusting provisions	-	-	531.71	531.71
Balances with Excise, Customs, Port Trusts and Other Government Authorities	513.21	1,037.18	8,991.11	1,124.78
<b>(D)</b>	<b>1,017.55</b>	<b>1,497.40</b>	<b>9,767.39</b>	<b>1,955.20</b>
<b>Total (A+B+C+D)</b>	<b>5,068.99</b>	<b>11,216.30</b>	<b>12,953.37</b>	<b>4,766.23</b>

#### Advances due by officers of the Company

(₹ in Lacs)

	Non-current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Advances due by officers of the Company	-	-	-	1.02

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### 16. TRADE RECEIVABLES AND OTHER ASSETS

#### 16.1 Trade receivables

(₹ in Lacs)

	Current	
	31st March 2015	31st March 2014
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	12.26	2.50
Unsecured, considered good	80.72	80.30
Doubtful	94.13	70.73
	187.11	153.53
Provision for doubtful trade receivables	94.13	70.73
<b>(A)</b>	<b>92.98</b>	<b>82.80</b>
<b>Other receivables</b>		
Secured, considered good	874.06	794.29
Unsecured, considered good	7,357.39	5,591.72
<b>(B)</b>	<b>8,231.45</b>	<b>6,386.01</b>
<b>(A+B)</b>	<b>8,324.43</b>	<b>6,468.81</b>

#### 16.2 Other assets

(₹ in Lacs)

	Non -Current		Current	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
<b>Unsecured, Considered good</b>				
Non Current Bank Balances (Note 18)	5.66	75.63	-	-
Interest accrued on Investments	-	-	0.16	0.16
Interest accrued on Loans, Deposits etc.	0.93	0.79	56.44	38.93
Unamortized Ancillary cost of arranging the borrowings	516.85	521.41	50.08	50.00
Assets held for disposal	-	-	-	183.23
Claims & Refunds Receivable	-	-	2,577.72	2,168.43
Certified Emission Reduction Credit	-	-	-	31.50
	<b>523.44</b>	<b>597.83</b>	<b>2,684.40</b>	<b>2,472.25</b>

### 17. INVENTORIES

(₹ in Lacs)

	Notes	31st March 2015	31st March 2014
<b>Valued at Lower of Cost and Net Realisable Value</b>			
Raw materials	21	375.16	646.18
Work-in-progress	22	1,874.95	710.75
Finished goods	22	818.90	386.60
Stores and spares Parts etc.		7,641.75	5,318.78
<b>At Estimated Realisable Value</b>			
Scrap	22	279.73	65.09
		<b>10,990.49</b>	<b>7,127.40</b>

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
The above includes stock in transit:		
Raw Materials	-	9.47
Work-in-progress	221.23	108.24
Stores and spares Parts etc.	6.08	141.90
	<b>227.31</b>	<b>259.61</b>

### 18. CASH AND BANK BALANCES

	(₹ in Lacs)			
	Non-Current		Current	
	<b>31st March 2015</b>	31st March 2014	<b>31st March 2015</b>	31st March 2014
<b>Cash and cash equivalents</b>				
Balances with banks:				
– On current accounts			3,534.20	7,043.48
– On Cash Credit accounts			-	405.46
– On Unpaid Dividend Account			52.94	34.98
Cheques on hand			590.28	661.67
Cash on hand			2.17	3.36
			<b>4,179.59</b>	<b>8,148.95</b>
Other bank balances*				
– On savings bank account	-	-	0.11	0.11
– In Post office savings bank account	-	-	0.06	0.06
– Deposits with original maturity for more than 3 months but less than 12 months	-	-	10.00	-
– Deposits with original maturity for more than 12 months	5.66	75.63	80.92	10.00
	<b>5.66</b>	<b>75.63</b>	<b>91.09</b>	<b>10.17</b>
<b>Total</b>	<b>5.66</b>	<b>75.63</b>	<b>4,270.68</b>	<b>8,159.12</b>
<b>Amount disclosed under non-current assets (note 16.2)</b>	<b>(5.66)</b>	<b>(75.63)</b>	<b>-</b>	<b>-</b>
	<b>-</b>	<b>-</b>	<b>4,270.68</b>	<b>8,159.12</b>

\* Receipts/Pass Books for ₹ 75.83 lacs (31st March 2014: ₹ 75.80 lacs) are lodged with Government Departments/Banks as security.

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### 19. REVENUE FROM OPERATIONS

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
<b>Revenue from operations</b>		
Sale of products		
Finished goods*	1,80,205.86	1,65,879.57
Semi-Finished goods	198.66	1,509.82
	<b>1,80,404.52</b>	<b>1,67,389.39</b>
Less: Cash Discount, Rebates etc.	4,687.81	3,544.53
	<b>1,75,716.71</b>	<b>1,63,844.86</b>
Other operating revenue		
Scrap sales	158.63	294.77
Sale of Power	581.82	270.71
Industrial Promotion / Sales Tax Subsidy	426.02	261.99
<b>Revenue from operations (gross)</b>	<b>1,76,883.18</b>	<b>1,64,672.33</b>
Less: Excise duty #	22,182.94	20,827.00
<b>Revenue from operations (net)</b>	<b>1,54,700.24</b>	<b>1,43,845.33</b>

# Excise duty on sales amounting to ₹ 22,182.94 lacs (31st March 2014 ₹ 20,827.00 lacs) has been reduced from sales in statement of profit & loss and excise duty on decrease/ (increase) in stock amounting to ₹ 101.21 lacs (31st March 2014 ₹ 110.55 lacs) has been considered as expenses /(income) in note 22 of financial statements.

\* including items capitalised ₹ 138.76 lacs (31st March 2014 ₹ NIL)

### Detail of products sold

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
<b>Finished goods sold</b>		
Cement	<b>1,75,518.05</b>	<b>1,62,335.04</b>
<b>Semi Finished Goods Sold</b>		
Clinker	198.66	1,509.82
	<b>1,75,716.71</b>	<b>1,63,844.86</b>

### 20. OTHER INCOME

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
<b>Interest income on</b>		
Debts, deposits, advances etc.	86.15	372.12
Insurance & Other Claims	79.50	159.76
Rent & Hire Charges	7.77	3.13
Unspent Liabilities and Unclaimed Balances adjusted	280.29	254.75
Gain on Exchange Rate Fluctuations (net)	67.17	-
Other Miscellaneous Income	73.98	137.58
	<b>594.86</b>	<b>927.34</b>



## Notes to financial statements *(contd.)* for the year ended 31st March 2015

### 21. COST OF RAW MATERIALS CONSUMED

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Inventory at the beginning of the year	646.18	590.29
Add: Purchases & procurement expenses	21,077.60	21,711.81
	<b>21,723.78</b>	<b>22,302.10</b>
Less: Inventory at the end of the year	375.16	646.18
	<b>21,348.62</b>	<b>21,655.92</b>

#### Details of raw materials consumed

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Lime Stone	3,830.16	3,763.95
Clinker *	9,889.04	10,336.88
Pozzolona Material	3,433.66	3,321.80
Gypsum	2,600.18	2,164.00
Aluminous Laterite	1,117.40	1,209.31
Laterite	477.23	858.62
Miscellaneous Items	0.95	1.36
	<b>21,348.62</b>	<b>21,655.92</b>

\* Represents expense incurred towards transportation of clinker from Devapur to Jalgaon.

#### Details of Inventory

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
<b>Raw materials</b>		
Pozzolona Material	10.40	30.82
Gypsum	249.45	349.26
Aluminous Laterite	73.67	105.95
Laterite	41.64	160.15
	<b>375.16</b>	<b>646.18</b>

### 22. (INCREASE)/ DECREASE IN INVENTORIES

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Inventories at the end of the year		
Work-in-progress	1,874.95	710.75
Finished goods	818.90	386.60
Scrap	279.73	65.09
	<b>2,973.58</b>	<b>1,162.44</b>
Inventories at the beginning of the year		
Work-in-progress	710.75	1,333.57
Finished goods	386.60	1,014.97
Scrap	65.09	80.18
	<b>1,162.44</b>	<b>2,428.72</b>
	<b>(1,811.14)</b>	<b>1,266.28</b>
(Increase)/decrease of excise duty on inventory	101.21	(110.55)
	<b>(1,709.93)</b>	<b>1,155.73</b>

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### Details of inventory

	(₹ in Lacs)	
	<u>31st March 2015</u>	<u>31st March 2014</u>
<b>Work-in-progress</b>		
Clinker	1,564.92	530.88
Others	310.03	179.87
	<b>1,874.95</b>	<b>710.75</b>
<b>Finished goods</b>		
Cement	<b>818.90</b>	<b>386.60</b>

### 23. EMPLOYEE BENEFITS EXPENSE

	(₹ in Lacs)	
	<u>31st March 2015</u>	<u>31st March 2014</u>
Salaries, wages and bonus	5,661.87	4,706.74
Contribution to provident and other funds	381.07	334.37
Gratuity expense (note 29)	452.07	271.19
Staff welfare expenses	637.70	739.87
	<b>7,132.71</b>	<b>6,052.17</b>

### 24. OTHER EXPENSES

	(₹ in Lacs)	
	<u>31st March 2015</u>	<u>31st March 2014</u>
Royalty and Cess	3,236.67	2,824.05
Consumption of stores and spares [after adjusting Sales & Claims ₹ 1,372.77 lacs (31st March 2014 ₹ 1,106.83 lacs)]	2,229.81	2,053.25
Handling & Other charges to contractors	1,328.75	1,163.14
Power and fuel	40,090.73	38,932.29
Packing, Freight and forwarding charges	31,756.12	31,288.11
Rent & Hire Charges	664.12	636.07
Rates and taxes	69.32	88.87
Insurance	174.99	156.65
Repairs and maintenance		
Plant and machinery	5,735.29	5,205.08
Buildings	428.09	414.07
CSR Expenditure	267.73	-
Advertising and sales promotion	6,326.80	6,416.62
Commission on sales	1,052.42	877.44
Payment to auditor		
As Auditor:		
Audit fee	32.50	25.00
Limited Review	19.50	15.00
Tax Audit Fee	8.00	7.50
In other capacity:		
For certificates & other services	5.50	0.87
Reimbursement of expenses	3.76	4.50
Payment to cost auditor	1.99	0.93
Professional & Consultancy Charges	844.31	867.81
Charity & Donations	300.00	100.00

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Director's Commission	250.00	137.50
Directors' sitting fees	26.60	5.17
Bad debts / advances written off (net of reversals)	20.08	17.07
Loss on Exchange Rate Fluctuations (net)	-	1.62
Turnover Tax & Entry Tax etc.	163.88	151.73
Provision for doubtful debts & advances	49.05	75.36
Loss on sale/discard of fixed assets (net)	2.52	67.71
Miscellaneous expenses	2,170.64	1,974.61
	<b>97,259.17</b>	<b>93,508.02</b>

### 25. DEPRECIATION AND AMORTIZATION EXPENSE

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Depreciation of tangible assets	4,662.79	5,532.72
Amortization of intangible assets	131.46	131.46
	4,794.25	5,664.18
Less: Transfer to Pre-Operative Expenses	61.52	25.97
	<b>4,732.73</b>	<b>5,638.21</b>

### 26. FINANCE COSTS

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Interest	1,343.13	1,382.85
Other Borrowing Cost	70.28	55.71
	<b>1,413.41</b>	<b>1,438.56</b>

27. Plant & Machinery aggregating to ₹ 60,502.67 lacs has been acquired and installed during the period April 01, 2013 to March 31, 2015 (duly certified by chartered engineers) which, pending commencement of commercial production, has been carried forward as Capital Work-in-Progress in these financial statements. As legally advised, the Company is entitled for Investment Allowance under section 32AC of the Income Tax Act, 1961 ("Act") since the above assets were acquired and installed during the specified period. Accordingly, deduction u/s 32AC on above assets has been considered in computation of current tax for the year ended March 31, 2015.

### 28. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Profit after tax	19,478.24	10,101.97
<b>Net Profit for calculation of basic and diluted EPS</b>	<b>19,478.24</b>	<b>10,101.97</b>
Weighted average number of equity shares in calculating basic & diluted EPS	2,048.69	2,048.69
<b>Earnings per equity share [nominal value of share ₹ 1]</b>		
<b>Basic &amp; Diluted</b>	<b>9.51</b>	<b>4.93</b>

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### 29. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of qualifying insurance policy.

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

#### Statement of profit and loss

##### Net employee benefit expense recognized in the employee cost

(₹ in Lacs)

	Gratuity	
	31st March 2015	31st March 2014
Current service cost	179.73	121.99
Interest cost on benefit obligation	147.49	121.93
Expected return on plan assets	60.42	68.53
Net actuarial (gain) / loss recognized in the year	201.65	95.80
<b>Net benefit expense</b>	<b>* 468.45</b>	<b>271.19</b>
Actual return on plan assets	50.20	68.53

\* Includes ₹ 16.38 lacs (31st March, 2014 : ₹ Nil) capitalised as preoperative expenses (refer note 12).

#### Balance sheet

##### Benefit asset/ liability

(₹ in Lacs)

	Gratuity	
	31st March 2015	31st March 2014
Present value of defined benefit obligation	1,953.85	1,664.14
Fair value of plan assets	521.50	642.77
<b>Plan liability/ (asset)</b>	<b>1,432.35</b>	<b>1,021.37</b>

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

(₹ in Lacs)

	Gratuity	
	31st March 2015	31st March 2014
Opening defined benefit obligation	1,664.14	1,524.08
Current service cost	179.73	121.99
Interest cost	147.49	121.93
Benefits paid	(228.94)	(199.66)
Actuarial (gains) / losses on obligation	191.43	95.80
<b>Closing defined benefit obligation</b>	<b>1,953.85</b>	<b>1,664.14</b>

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### Changes in the fair value of plan assets are as follows:

	(₹ in Lacs)	
	<b>Gratuity</b>	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Opening fair value of plan assets	642.77	729.07
Expected return	60.42	68.53
Benefits paid	(171.47)	(154.83)
Actuarial gains / (losses)	(10.22)	-
<b>Closing fair value of plan assets</b>	<b>521.50</b>	<b>642.77</b>

The Company expects to contribute ₹ 691.13 lacs (31st March, 2014 : ₹ Nil) to gratuity in the next year.

### The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Investments with insurer	100%	100%
--------------------------	------	------

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

	<b>Gratuity</b>	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Discount rate	7.80%	9%
Expected rate of return on assets	8.50%	9.40%
Employee turnover	upto 30 years: 10% 31 to 45 years: 5% above 45 years: 1%	upto 30 years: 10% 31 to 44 years: 5% above 44 years: 1%

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

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

### Amounts for the current and previous period is as follows:

	(₹ in Lacs)			
	<b>31st March 2015</b>	<b>31st March 2014</b>	<b>31st March 2013</b>	<b>31st March 2012</b>
<b>Gratuity</b>				
Defined benefit obligation	1,953.85	1,664.14	1,524.08	-
Plan assets	521.50	642.77	729.07	-
Surplus / (deficit)	(1,432.35)	(1,021.37)	(795.02)	-
Experience adjustments on plan liabilities	(30.21)	80.27	51.90	-
Experience adjustments on plan assets	(10.22)	-	(2.28)	-

**Note:** The Company was incorporated in 2011-12 and hence the figures prior to year 2011-12 are not applicable.

## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### Defined Contribution Plan :

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Contribution to Provident / Pension Funds	363.18	304.51
Contribution to Superannuation Fund	62.17	63.78
	<b>* 425.35</b>	<b>368.29</b>

\* Includes ₹ 53.52 lacs (31st March, 2014 : ₹ 48.01 lacs) capitalised as preoperative expenses (refer note 12).

### 30. LEASES

#### Operating lease: Company as lessee

Certain office premises, depots etc. are obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the Company. There are no restrictions imposed by lease arrangements. There are no subleases. The leases are cancelable.

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Lease payments made for the year	664.12	636.07
Contingent rent recognized in the Statement of Profit & Loss	-	-

### 31. CAPITAL AND OTHER COMMITMENTS

- (a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 16,414.46 lacs (31st March, 2014 ₹ 82,351.39 lacs)
- (b) For commitments relating to lease arrangements, please refer note 30.

### 32. CONTINGENT LIABILITIES

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
Demands/claims by various Government authorities and others not acknowledged as debts and contested by the Company:		
Excise Duty	3,769.59	3,676.21
Sales Tax	549.55	528.45
Escot Charges	14,398.60	11,010.60
Others	2,156.49	2,169.14
	<b>20,874.23</b>	<b>17,384.40</b>
Against the above, payments have been made under protest and/ or debts have been withheld by respective parties.	<b>467.29</b>	<b>450.13</b>

\* Based on discussions with the solicitors/favorable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary.

33. The Company has been legally advised that it is eligible to claim credit for Advance tax of ₹ 1,698.15 lacs paid by Orient Paper & Industries Limited (demerged Company) under its PAN during the month of June, 2012, being the 1st installment for the financial year 2012-13, in terms of clauses 2.10, 6.1 (h) & (i) and 6.4 of the Scheme of arrangement approved by the Hon'ble High Court. In view of the above, the said payment of advance tax has been considered in the accounts for the year ended 31st March, 2013.

## Notes to financial statements *(contd.)* for the year ended 31st March 2015

### 34. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

	(₹ in Lacs)	
	<b>31st March 2015</b>	<b>31st March 2014</b>
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	163.38	342.36
Interest due on above	-	-
	<b>163.38</b>	<b>342.36</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
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	-	-

- 35.** Based on the synergies, risks and return associated with business operations and in terms of Accounting Standard-17, the Company is engaged in a single reportable segment of manufacture and sale of cement during the year and hence treated the same as a single reportable segment as per Accounting Standard-17.

The Company at present, operates in India only and therefore the analysis of geographical segments is not applicable to the Company.

- 36.** Charity and donation includes ₹ 200 lacs (31st March, 2014 : ₹ Nil) paid to Satya Electoral Trust, an approved Electoral Trust under the Income Tax Act, 1961.

### 37. RELATED PARTY DISCLOSURES

#### Names of related parties and related party relationship

#### Related parties with whom transactions have taken place during the year

Associate	Central India Industries Limited
Key management personnel	Mr. D.D.Khetrapal (Managing Director & CEO)
	Mr. P.K.Tripathy (upto 30th June, 2014)
	Mr. Sushil Gupta (Chief Financial Officer) (w.e.f. 7th August, 2014)
	Ms. Deepanjali Gulati (Company Secretary) (w.e.f. 1st April, 2014)

#### Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period:



## Notes to financial statements *(contd.)*

for the year ended 31st March 2015

### a. Remuneration to key managerial personnel

	Year Ended	Transaction during the period	Amount owed by related parties	Amount owed to related parties
				(₹ in Lacs)
- Mr. D.D.Khetrapal	31-Mar-15	422.65	-	75.00
	31-Mar-14	350.79	-	16.90
- Mr. P.K.Tripathy	31-Mar-15	40.57	-	-
	31-Mar-14	123.90	-	29.83
- Mr. Sushil Gupta, Chief Financial Officer	31-Mar-15	97.32	-	15.72
	31-Mar-14	-	-	-
- Ms. Deepanjali Gulati, Company Secretary	31-Mar-15	14.03	-	1.16
	31-Mar-14	-	-	-
<b>Total</b>	31-Mar-15	<b>574.57</b>	-	<b>91.88</b>
	31-Mar-14	<b>474.69</b>	-	<b>46.73</b>

**Note:** The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

### b. Dividend paid

	Year Ended	Transaction during the period	Amount owed by related parties	Amount owed to related parties
				(₹ in Lacs)
<b>Associate</b>				
- Central India Industries Ltd.	31-Mar-15	737.15	-	-
	31-Mar-14	1,351.45	-	-

### 38. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE REPORTING DATE

	Currency	31st March 2015	31st March 2014
Advances recoverable in cash or kind	Euro	7.28	-
	DKK	4.47	-
		<b>11.75</b>	-

### 39. VALUE OF IMPORTS CALCULATED ON CIF BASIS (INCLUDING THROUGH CANALISING AGENCIES)

	31st March 2015	31st March 2014
Capital Goods	10,520.32	2,620.56
Spares Parts	645.17	67.31
	<b>11,165.49</b>	<b>2,687.87</b>

### 40. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	31st March 2015	31st March 2014
Travelling	10.01	11.32
Miscellaneous expenses	0.49	-
	<b>10.50</b>	<b>11.32</b>

## Notes to financial statements *(contd.)* for the year ended 31st March 2015

### 41. NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

Year of remittance (ending on)	31st March 2015	31st March 2014
<b>Final Dividend</b>		
No. of non-resident shareholders	496	449
Number of equity shares held on which dividend was due	1,41,08,412	76,64,231
Amount remitted and/or paid in Indian Currency: for the period 1st April, 2014 to 31st March, 2015 (₹ in lacs) (1st April, 2013 to 31st March, 2014)	105.81	153.28
<b>Interim Dividend</b>		
No. of non-resident shareholders	521	449
Number of equity shares held on which dividend was due	1,59,90,169	76,64,231
Amount remitted and/or paid in Indian Currency: Interim dividend for the year ended 31st March, 2015 (₹ in lacs)	119.93	57.48

### 42. IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS CONSUMED

	%age of total consumption		%age of total consumption	
	31st March 2015	31st March 2015	31st March 2014	31st March 2014
		Value (₹ in Lacs)		Value (₹ in Lacs)
Raw Materials				
Imported	-	-	-	-
Indigenously obtained	100.00	21,348.62	100.00	21,655.92
	<b>100.00</b>	<b>21,348.62</b>	<b>100.00</b>	<b>21,655.92</b>
Spare parts				
Imported	20.11	665.40	4.35	121.61
Indigenously obtained	79.89	2,644.19	95.65	2,675.40
	<b>100.00</b>	<b>3,309.59</b>	<b>100.00</b>	<b>2,797.01</b>

### 43. PREVIOUS YEAR FIGURES

Previous year's figures have been regrouped and rearranged wherever necessary, to conform to this year's classification.

As per our report of even date

For **S.R.Batliboi & Co. LLP**  
Firm registration number: 301003E  
Chartered Accountants

per **Raj Agrawal**  
Partner  
Membership no.: 82028

Place: New Delhi  
Date: May 8, 2015

For and on behalf of the board of directors

**CK Birla**  
Chairman  
(DIN-00118473)

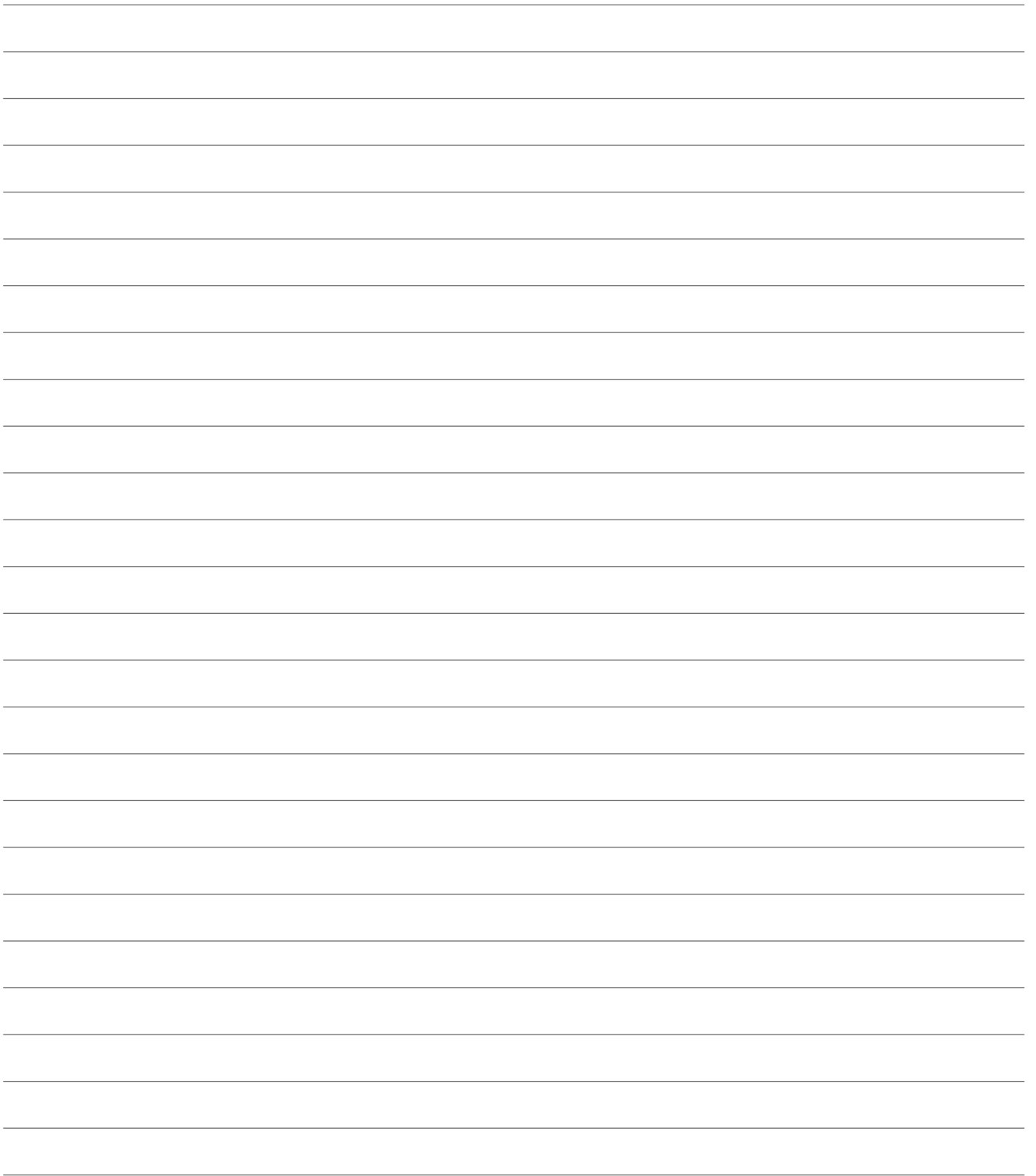
**S.Gupta**  
Chief Financial Officer  
(FCA-044924)

**D.D.Khetrapal**  
Managing Director & CEO  
(DIN-02362633)

**D.Gulati**  
Company Secretary  
(FCS-5304)









**Orient Cement Limited**

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