CK BIRLA GROUP

ORIENT CEMENT

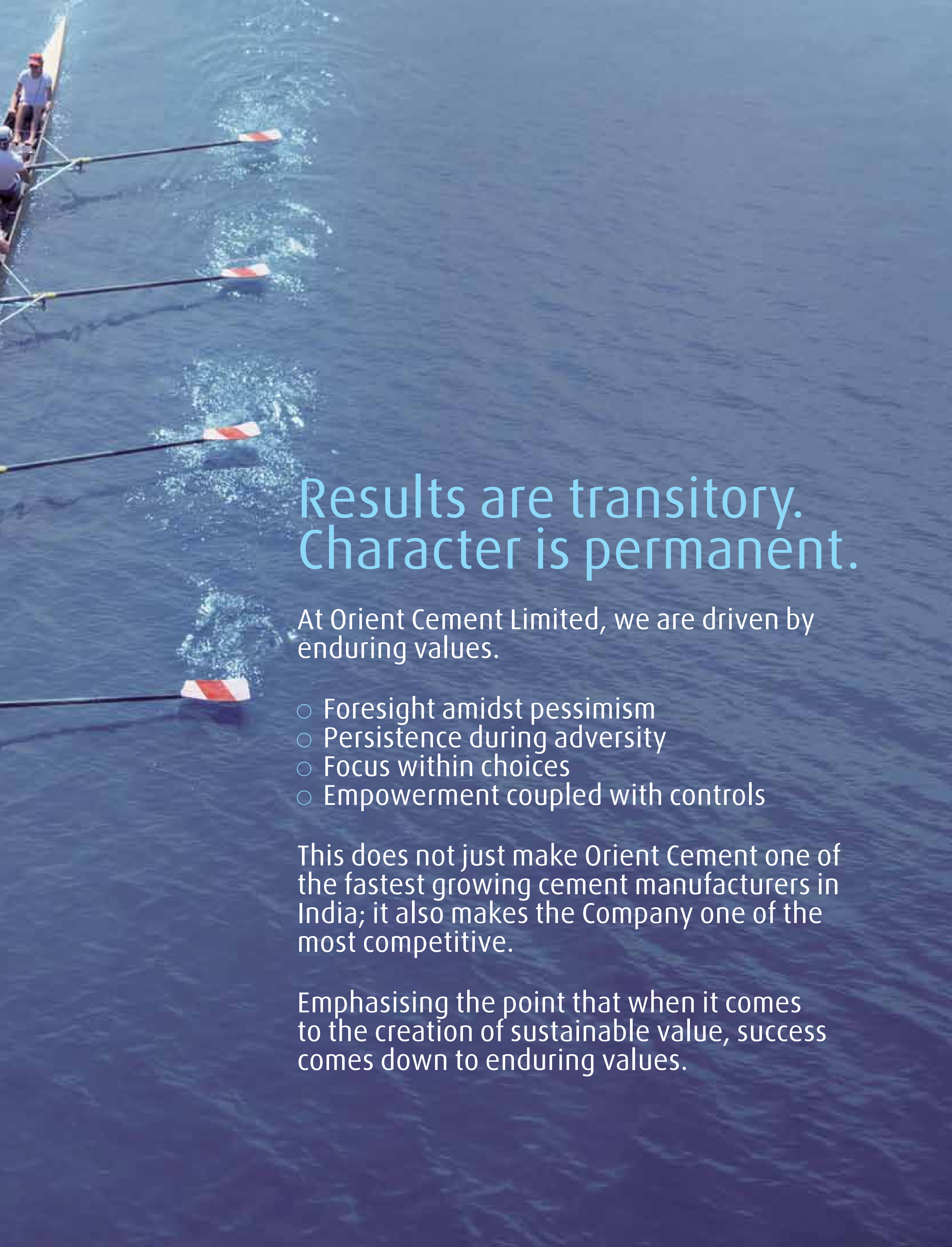
DRIVEN. BY VALUES.

Orient Cement Limited | Annual Report 2013-14

Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Orient Cement Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of the Orient Cement Limited Annual Report 2013-14.

Inside the report



Results are transitory. Character is permanent.

At Orient Cement Limited, we are driven by enduring values.

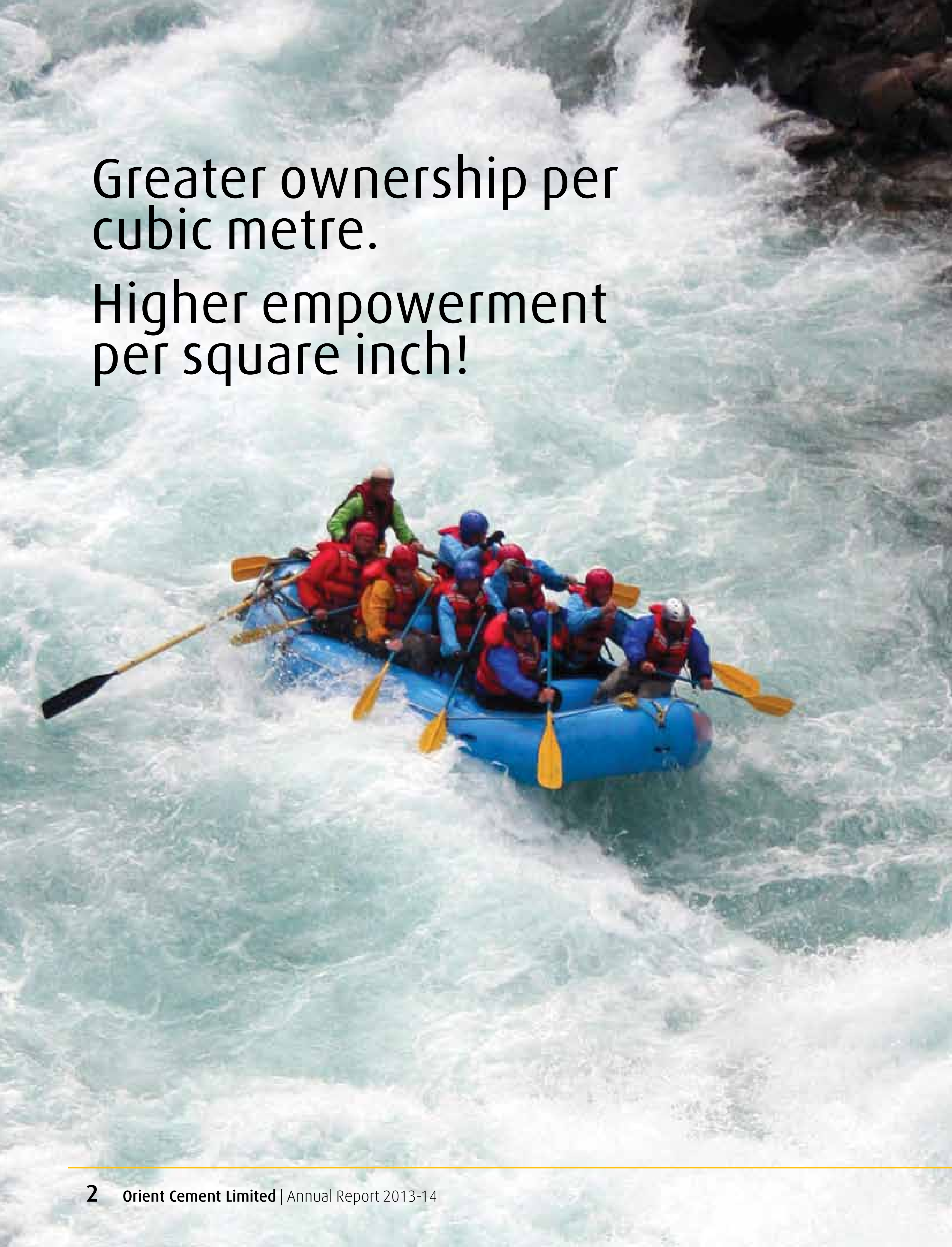
- Foresight amidst pessimism
- Persistence during adversity
- Focus within choices
- Empowerment coupled with controls

This does not just make Orient Cement one of the fastest growing cement manufacturers in India; it also makes the Company one of the most competitive.

Emphasising the point that when it comes to the creation of sustainable value, success comes down to enduring values.

Greater ownership per cubic metre.

Higher empowerment per square inch!



IN THE CONVENTIONAL COMMAND-DRIVEN MANAGEMENT APPROACH, PEOPLE DID AS THEY WERE TOLD. AT ORIENT CEMENT, WE HAVE SUCCESSFULLY PRACTICED AN EMPOWERED ALTERNATIVE INSTEAD. *FOR YEARS.*

The result is that if you should walk through the shop-floors of our cement manufacturing or grinding plants, you would be able to 'smell the difference.' Greater ownership per cubic metre. Higher empowerment per square inch. You see manifestations of this 'Orient is mine' mindset just about every working day across our Company.

- We take problems encountered in our operations as opportunities to innovate.
- We distill through all observations and data.
- We brainstorm. We collaborate. We find solutions. We innovative.

Take for instance, when we suffered a breakdown in one of our raw-mills, which caused the shutdown of one of our three kilns, reducing the availability of clinker. While the team from our maintenance function diagnosed the problem, it appeared that we would take 5-6 weeks to get the mill operational again. The time and loss in market opportunity were something we just could not afford.

While the technical teams got on with solving the problem, the vendor-development team lined up the best vendor-partner to handle repairs. Meanwhile, the logistics team responded with a never-before logistics solution. Even as the raw-mill and kiln were back in operations in half the expected time, the sales and marketing teams recalibrated the product and market mix to negate any probable downsides of the reduced clinker production for the duration of the repair.

The result: Orient Cement reported sales of 12 lac tons of cement in a quarter (96% of capacity utilisation) despite reduced clinker availability.

Take another example.

We encountered persisting blockages and leakages in the boiler tubes of our captive power plant. Due to an untraced malfunction, a fine sand layer would settle on the boiler tube's walls, which, in turn, disturbed the gas flow dynamics, leading to leakages and shutdowns. Every hour lost would mean a loss in power generation and a possible loss in cement production.

A number of approaches were prescribed: call in the people who supplied the equipment, said some; get some external technical hands in to study the problem, recommended others.

The Orient team responded to the challenge during the next planned shutdown. It studied the problem deeper. Its engineering and shop-floor teams pored over technical blueprints. Burnt the midnight oil. After painstaking permutations and combinations, the team located the bug in the nozzles.

Round two took over. The team now modeled and simulated a new nozzle design. Designed one out of a special alloy to repel sand from wall linings. Engaged with fabrication vendors. And oversaw the re-installation.

The result is that the boilers at the 50MW captive power plant at Devapur reported minimum stoppages. As a result, plant availability climbed to 92.5% in 2013-14; the higher power generation optimised generation costs.

And all because of a quiet inside voice on Orient Cement's shop-floor that said 'I am second to none.'

Countering challenges with an unusual ally.
Empowerment.

IN THE CONVENTIONAL SHOP-FLOOR ENVIRONMENT, THE SUPERVISOR STRATEGISED AND THE REST IMPLEMENTED.

At Orient Cement, we dismissed this legacy approach with the objective to create and encourage as many thinkers as possible.

And rarely was our approach tested as rigorously as when our plant encountered a problem in our coal firing system. This system, comprising tubes with several bends, reported systemic fluctuations, inconsistent coal heating and inferior clinker output.

The first response was 'Call in the equipment supplier'. The second response was 'Look within.'

So rather than call in a consultant and leave him in an empty room to resolve the problem, we called in our various shop-floor team members instead. And rather than tell them what to do, we did something that is fairly usual in our operating culture; we asked how they (including graduate engineer trainees) would respond to the challenge instead.

The team studied the problem. Debated. Executed all the engineering calculations to validate their hypotheses. Challenged each other. Cross-examined. And then concurred.

Then responded with unusual simplicity. Their prognosis: replace the pipes with straightened metallic tubes. No more. No less.

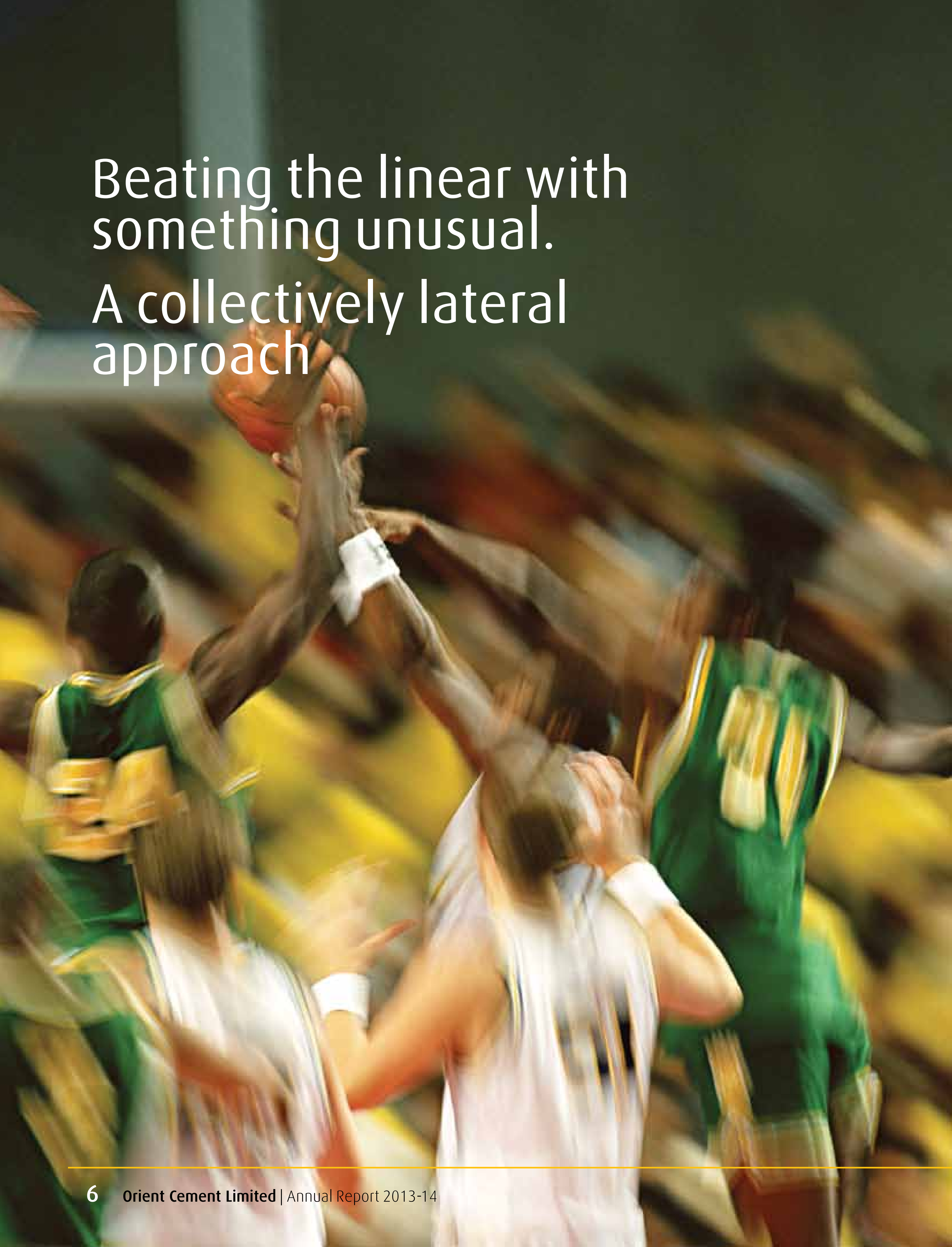
The result was that the revamped coal dust firing system resulted in a considerably lower pressure. The fluctuations related to coal firing in the kiln and pyro clone became history. Coal firing became consistent. Clinker quality improved. Cement output became consistent. This also saved power due to a reduction in pipe resistance. Our fresh GETs absorbed an existing culture – and delivered.

One might be tempted to use a number of fancy technical jargon to explain the transformation. However, the reality is that on Orient Cement's shop-floor, the battle was won by an unusual ally.

Empowerment.

Beating the linear with something unusual.

A collectively lateral approach



IN THE SHOP-FLOOR OF THE PAST, YOU DID SOMETHING IN A PARTICULAR WAY BECAUSE THAT IS HOW IT WAS ALWAYS DONE.

At Orient Cement, we are different. We question every process, every practice, every holy cow.

This practice was tested at our Devapur unit last year.

This unit provides the Jalgaon cement grinding unit with precious clinker; one clinker rake of 4,000 tons is dispatched to Jalgaon every day. The result: Consistent clinker supply equals consistent cement production; slowing clinker supply equals slowing cement production and declining sales from our Jalgaon unit.

However, last year, even as the Devapur unit produced clinker at full blast, one of the clinker evacuation lines had to be shut for maintenance.

The one alternative was to evacuate clinker manually, load it on trucks, drive to another line and unload the clinker. The 40-hour exercise proved expensive with no corresponding revenues and high railway demurrage.

Until someone questioned this manual evacuation arrangement with a simpler alternative. His suggestion: 'Install a conveyor belt linking Line 3 with Lines 1 and 2.' Representing a simple approach to maximize the functionality of all our resources and infrastructure.

The result of this lateral approach was lower costs, lower clinker loading time, zero demurrage and ensured uninterrupted supplies to Jalgaon.

At Orient Cement, it would be simplistic to believe that it took us a few days to connect the conveyor belt from one line to other; it took us years.

Years of thinking lateral.

A few words from the Chairman

Dear fellow Stakeholders,

AT ORIENT CEMENT LIMITED, 'DRIVEN. BY VALUES' IS NOT JUST A SMART EXPRESSION. IT IS OUR SERIOUS MANAGEMENT PHILOSOPHY.

The relevance of this overarching statement was validated during a challenging 2013-14 when cement prices remained weak throughout the year. We sharpened and leveraged our low-cost structure to remain profitable. But more importantly, we leveraged our resident values to counter market volatility and report creditable results.

At Orient Cement, these values comprise an ability to empower rather than command. The ability to inspire rather than lead or manage. The willingness to be lateral when linear is commonplace. The willingness to take challenges head-on and work outside our comfort zone.

The result is that we continued to strengthen our business even during this challenging industry environment.

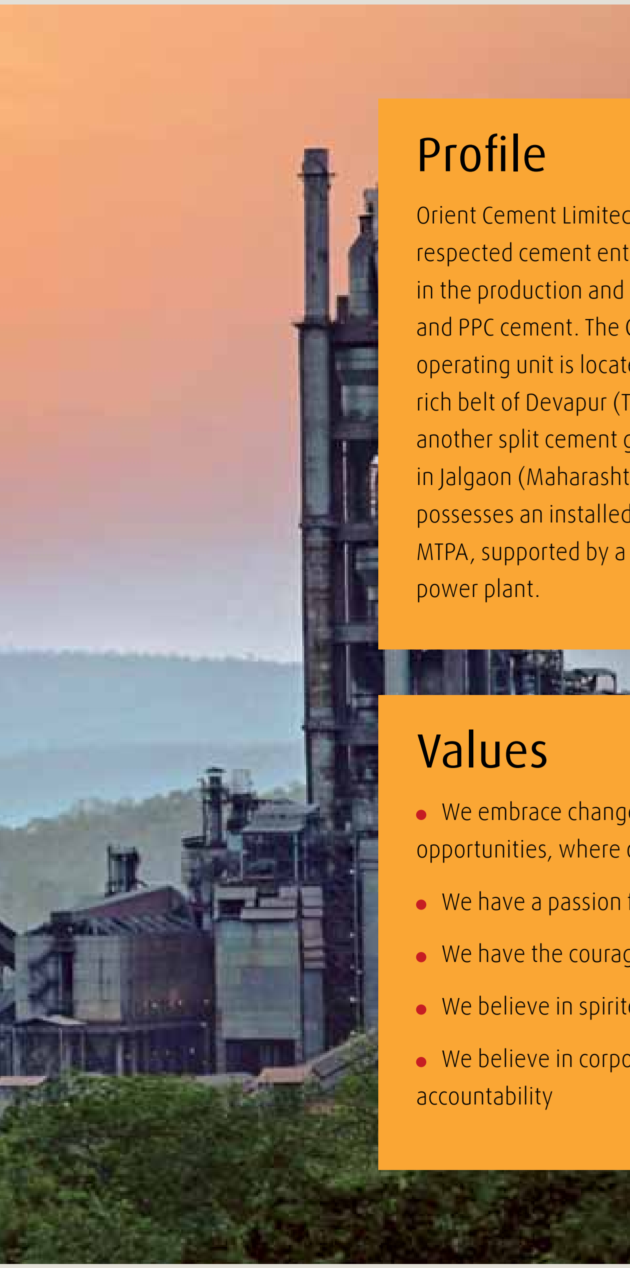
We also made steady progress at our upcoming 3 MTPA greenfield cement plant at Gulbarga (Karnataka). When commissioned early in FY16, this plant will set benchmarks in terms of construction tenure and project costs and take us forward towards realising our ambitious growth plan.

As always, I acknowledge the faith you have reposed in our enterprise and invite you to be a part of our exciting growth story centered around a resurgent nation with infrastructure development as its priority.

Sincerely,

C.K. Birla,
Chairman, Orient Cement Limited

Despite a challenging economic environment, Orient Cement reported an EBIDTA margin of 15.66% in 2013-14.



Profile

Orient Cement Limited is one of India's most respected cement enterprises, engaged in the production and marketing of OPC and PPC cement. The Company's principal operating unit is located in the limestone-rich belt of Devapur (Telangana), while another split cement grinding unit is located in Jalgaon (Maharashtra). The Company possesses an installed cement capacity of 5 MTPA, supported by a 50 MW captive power plant.

Values

- We embrace change and create opportunities, where others see a challenge
- We have a passion for growth
- We have the courage to innovate
- We believe in spirited teamwork
- We believe in corporate governance and accountability

Vision

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

Strategy

- Providing superior quality products that stand the test of time
- Building capacities to capitalise on growing consumption volumes
- Creating new markets even as we deepen our penetration in existing ones
- Making our 'Birla A1' brand as the preferred brand for consumers in our addressed markets
- Sweating assets, thereby enhancing resource productivity
- Investing in internal capabilities to build a high-performance culture

Key highlights, 2013-14

- Cement (including clinker) sales rose by 3% to 42.04 lac tons
- Average cement realisations stood at about ₹3,450 per ton, a drop of around 7% from about ₹3,700 per ton last year
- Increased capacity utilisation by 200 bps to 84%, significantly higher than the industry
- Strengthened our product mix to 75:25 in favour of PPC
- Successfully undertook modifications at Devapur to use pet-coke as a fuel to strengthen fuel security and optimise energy costs
- CPP availability was maintained at 92.5% in 2013-14 and reduced dependence on costly grid power
- Remained market leaders in Telangana, Khandesh and Marathwada
- Increased channel partners from 2,647 in 2012-13 to 2,760, with a large percentage of the addition in strategic core-within-core markets
- Strengthened the 'Birla A1' brand; revamped the logo and altered the tag line to 'Mazbooti mein A1, Bharose mein A1'
- Sustained brand visibility through innovative OOH media

Key financials, 2013-14

Gross sales *(₹ cr)*

1,646.72	2013-14
1,716.70	2012-13

EBIDTA *(₹ cr)*

224.01	2013-14
323.40	2012-13

EBIDTA margin *(on net sales) (%)*

15.66	2013-14
21.79	2012-13

Cash profit *(₹ cr)*

154.68	2013-14
225.29	2012-13

Net profit *(₹ cr)*

101.02	2013-14
161.67	2012-13

Debt-equity ratio

0.34	2013-14
0.13	2012-13

Return on capital employed *(average) (%)*

17.18	2013-14
30.48	2012-13

Interview with the Managing Director

MR DEEPAK KHETRAPAL REVIEWS 2013-14 AND LOOKS FORWARD TO 'VISION 2020'

On our performance in 2013-14

A depressed operating environment with several stalled (even cancelled) projects, an uncertain political environment (Andhra Pradesh was formally bifurcated on 2 June 2014), business seasonality and high demand-supply imbalance impacted the domestic cement industry in 2013-14. Cement market prices remained low (average realisations dropped a substantial 7% over the last year) even as the cost of inputs like coal, power and diesel suffered increases. In this challenging scenario, we leveraged our relatively lower cost structure to maximise cement sales and reinforce our presence in core markets. This helped us enhance our market share, reinforcing our positioning as a competitive manufacturer of quality cement.

On our financials of 2013-14

Despite a sluggish market, we sold record volumes of 42.04 lac tons, a growth of 3% over the previous year. We withstood the challenge of rising costs better than most cement manufacturers; managed our variable and fixed costs efficiently. However, as a result of low prevailing realisations during the year, we suffered a setback in our core financial metrics (turnover, EBIDTA, net profit and EPS).

On the key highlights of the year under review

As the external environment turned challenging, we re-examined each process and asset to maximise productivity. The result was that we topped most key efficiency parameters, including power consumption per ton of cement produced (under 77 units), coal consumption per ton of clinker produced (around 18%), kiln availability (increased to 90%) and captive power plant availability (at 92.5%). Moreover, we also reported a 200 bps increase in our capacity utilisation to 84%. The result was that despite an environment where inflation hovered around 10%, we reported a mere 3% increase in our operating costs in 2013-14.

On other positive developments of 2013-14

We strengthened our market position in our core markets of Telangana, Andhra Pradesh and Maharashtra. These two markets now represent almost 85% of our volume sales. Our sales teams continued to strengthen the dealer network and relationships in our core markets as well as in some other prospective markets.

On the status of the greenfield Gulbarga plant

The Chittapur (Gulbarga district, Karnataka) greenfield project represents a major step forward towards our ambitious expansion plans. The construction work at the project site is progressing well; equipment orders were placed in time with various suppliers of repute and equipment has started arriving at our site. The project cost of ₹1,718 cr is proposed to be part financed through rupee term loans of ₹1,200 crore. The sanctions for these loans have been received and legal documentation completed.

On the broad market trends

With a stable new government at the centre and the Telangana-Seemandhra resolution, we expect the core thrust to be on infrastructure-driven growth. Moreover, significant pent up demand can also boost cement offtake. An AT Kearney report suggests that cement demand in India is expected to reach 550-600 MT by 2025, against a current capacity of 360 MT (second largest after China).

With our focus on operational excellence, best-in-class customer service and fast-track project execution, we are well-poised to make the best of the improving market environment.

On the philosophy behind 'Driven. By values.'

This philosophy is a call to our people to work with drive, commitment and passion. We challenge conventional thinking, push frontiers and step outside our comfort zone. When you instill this mindset across the organisation, you get a powerful collective asset that makes every daunting challenge surmountable. Tapping individual potential and synchronising it with the larger vision represents our core culture, empowering employees with equal voice and responsibility.

On the blueprint for the future

Over 2014-15, we intend to:

- Focus on the completion and trial production at our greenfield 3 MTPA under-construction cement plant at Gulbarga, Karnataka
- Create sales competence, build channels and seed the market for the upcoming new capacity
- Further improve on our brand visibility and salience
- Strengthen market access, especially across our core markets, through dealer appointments and depot establishments to service demand better
- Strengthen kiln and CPP availability
- Increase pet coke consumption to enhance fuel security and control energy costs
- Enhance and balance plant infrastructure at Devapur
- Strengthen our position as one of India's lowest cost cement producers

Business review

Strategy for growth

At Orient Cement, our 'Vision 2020' represents a strategic blueprint to become 'a relevant national player'. This means that we need to add capacity – and fast. We realise that without quick capacity addition and across a more diversified footprint, our position in the industry will remain sub-optimal.

While our Devapur and Jalgaon manufacturing plants cater to our core markets of Telangana and Maharashtra, the under-construction plant at Gulbarga will provide us with access to Karnataka, Tamil Nadu and Kerala.

We are already looking ahead and drawing up plans for further enhancing our capacity beyond the 8 MTPA that we will soon have. This means our foremost task is to create organisational competencies to manage this aggressive growth. This includes rejuvenating our talent pool, strengthening processes, optimising cost structures and constantly reinforcing our market competitiveness.

Key financials			(₹ cr)
	2012-13	2013-14	Percentage change
Income from operations (gross)	1,716.70	1,646.72	(4.08)%
EBIDTA	323.40	224.01	(30.73)%
Capex (inclusive of expenditure and CWIP of the new project)	41.20	318.96	774.17%
Production – Cement (lac MT)	40.06	41.22	2.90%
Production – Clinker (lac MT)	30.28	30.28	(0.01)%
Sales (lac MT)	40.90	42.04	2.80%
Employees	912	971	6.47%

Capex (without CWIP and expenditure on the new project) for FY 2012-13 was ₹33.76 cr and for FY 2013-14 is ₹ 31.13 cr

Principal developments, 2013-14

- Achieved 3% volume sales growth
- Enhanced overall plant capacity utilisation from 82% in 2012-13 to 84%
- Reported steady progress in our Chittapur (Gulbarga) project work
- Improved availability of kilns and captive power plant
- Introduced attractive packaging through a pilfer and leak-proof bag
- Strengthened the presence of our 'Birla A1' brand through a refreshed logo and an impactful OOH campaign

"ONE OF THE BIG INITIATIVES OF 2013-14 COMPRISED THE INITIATION OF PET-COKE CONSUMPTION IN ONE OF OUR LINES. THIS FUEL IS NOT JUST COST-EFFECTIVE BUT ALSO ONE STEP TOWARDS SECURING OUR ENERGY REQUIREMENTS."

Mr. Sunil Rattawa, Vice President, Orient Cement Limited

Competitive drivers

Location: Orient Cement's manufacturing facilities are located in Devapur (integrated clinker and grinding plant) and Jalgaon (split cement grinding unit), which feed the core markets of Telangana and Maharashtra (constituting almost 80-85% of the Company's sales). While the Devapur unit is located in a high-quality limestone reserve belt, the split-grinding Jalgaon unit is fed clinker from Devapur via rail transportation. These strategic locations offer the twin benefits of raw material (limestone, coal, flyash) access and customer proximity, optimising overall costs.

Access to resources and markets: The Company's captive limestone mines are located two km from the Devapur facility and possess adequate limestone reserves to last many years at full production capacity. Resources like coal are sourced from Singareni Collieries, around 40 kms from Devapur, and fly ash from NTPC's Ramagundam thermal power plant, about 40 km from Devapur. The Jalgaon unit obtains fly ash from NTPC's Bhusawal thermal power plant, which is 20 kms from the plant. Besides, the overall market-mix for both the plants is constantly optimised. As a result, the total freight cost during 2013-14 was below the actual cost in the previous year, despite higher volumes and increased freight rates due to diesel price increases.

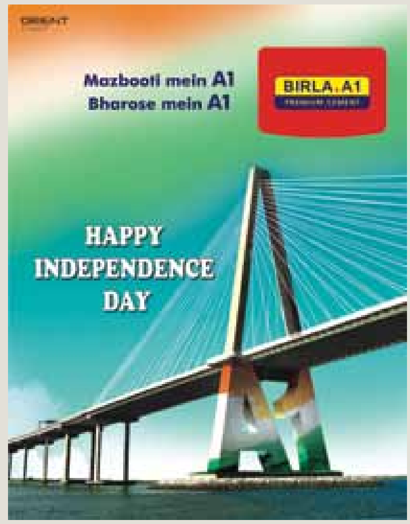
Energy management: Orient Cement's 50 MW captive power plant ensures energy self-sufficiency at Devapur at a generation cost significantly lower than State Grid power cost. The Company reported an average plant load factor of 74% in 2013-14 (declining from 75% in 2012-13 due to the lack of a viable option to sell our spare power as power prices dropped on power exchanges) and power plant availability/ uptime at 92.5% during the current year. Despite a lower PLF, the Company maintained the plant heat rate at about 3,833 kCal per unit of production in 2013-14, nearly the same as in the previous year.

Quality emphasis: Orient Cement is one of the few cement manufacturers in the country to have received the TPM Certification for Consistency in Quality (Category I). We are also an ISO 9001-certified by DNV Netherlands.

Product mix: The Company's PPC-OPC product mix was a favourable 75-25%, enabling a balanced sales mix between retail and institutional customers and optimising profitability.

Distribution network: Orient Cement possesses a network of 2,760 dealers (31 March 2014) with a large concentration in the core markets of Telangana and Maharashtra. During 2013-14, the Company appointed 113 new dealers in relatively weaker pockets.

Branding: The Company launched a unified brand Birla A1 that addressed OPC and PPC varieties under the tagline of *'Mazbooti mein A1, Bharose mein A1'*.



Awards, 2013-14

- 'Golden Peacock Occupational Health and Safety Award – 2013' in the cement sector
- '12th Annual Greentech Safety Award – 2013' Silver category in the cement sector
- National award for 'Energy Efficiency in the Indian Cement Industry' for Best Improvement in Thermal Energy Performance by NCCBM
- Second prize bagged for overall performance (in Zone-II, Group-A1) at the Mines Safety Week, 2013
- 'Achievements in energy conservation and efficiency measures in the category of large-scale industry sector for the year 2012-13' from the New and Renewable Energy Development Corporation, Government of Andhra Pradesh
- 'Greentech Environment Gold Award 2013'

"OUR SUCCESS LIES IN THE ABILITY TO MAINTAIN AND IMPROVE OUR MARKET SHARE IN OUR CORE MARKETS AND MANAGE OUR PRODUCT AND MARKET MIX ON A DYNAMIC BASIS. OUR STRONG RELATIONSHIPS WITH ALL CUSTOMERS AND CHANNEL PARTNERS REINFORCE OUR SUSTAINABILITY IN DIFFICULT MARKET CONDITIONS."

Mr. A K. Kejriwal, Executive Vice-President-Marketing, Orient Cement Limited

Forward path

- Commission the greenfield plant at Chittapur in record construction time
- Create a talent pool to run and maintain the new capacity at par with the best in the industry
- Enhance sales competence and build channels into the new markets
- Identify and chase growth opportunities beyond the current project
- Increase the pet-coke consumption and enhance the use of alternative fuels in the power plant boiler to reduce coal intake and costs
- Increase the share of PPC cement in the overall sales mix
- Improve brand visibility and recall
- Build organisational competence to achieve growth plans
- Acquire the next level of TPM certification

Community responsibility

At Orient Cement, 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. Mutual benefits and obligations are discussed with local governments and community representatives around long-term objectives. By engaging with the communities where we operate, we seek to optimise benefits and eradicate/ mitigate any negative impact on the communities as a result of our operations.

Our community efforts are focused on providing education, sanitation, preventive and primary healthcare support, training, local employment opportunities, small enterprise support, and multilateral socio-economic programmes.

Our community responsibility focuses on long-range impact, opening up livelihood opportunities, improving economic wellbeing and enhancing overall quality of life.

Education

- Provided subsidised education to more than 934 students in our primary and secondary schools at Devapur
- Provided free education to over 530 students studying in Telugu medium school at Devapur
- Provided scholarships for 26 under privileged school children
- Provided financial assistance to the Girls Ashram School

Healthcare

- Provided free medical assistance in our Devapur dispensary
- Provided free outpatient consultancy to around 300 patients a day at the Devapur Dispensary
- Organized a mega health camp covering cardiology, orthopedics, oncology, gynaecology and general ailments
- Organised eye camp for villages in and around Devapur with nearly 70 people operated for cataract

Social welfare and community development

- Covered the monthly food expenses of over 35 students of the Vanavasi Kalyana Parishad School
- Supplied drinking water to villages around Devapur
- Supplied 20 tankers of drinking water every month for marriages and other functions around Devapur
- Developed a CC road at Maddimada village nearby Devapur
- Laid 1.5-km tar road at Kasipet Bypass Road
- Provided street lights to Devapur village
- Distributed blankets to the needy at Thirumalapur and Bhudha villages
- Donated 50 MT of cement to the Lions Club, Bellampally
- Provided five sewing machines to a local self-help group
- Provided 50 chairs to the BAR Association
- Provided inverter and office furniture to the MRO office

Newly developed extension of Carmel Giri School

Science Exhibition at Carmel Giri school

Sapling plantation on World Environment Day

Free water distribution

Free eye checkup camp

Free blanket distribution

Our greenfield plant at Chittapur, Karnataka

At Orient Cement, our greenfield cement plant in Chittapur, Gulbarga district, Karnataka, represents a milestone in the pursuit of 'Vision 2020'. This facility, once operational in early FY16, will add 3 MTPA to our capacity, taking our cumulative cement-making capacity to 8 MTPA.

Besides, the unit will also be supported by a 45 MW captive power plant, which will enable 100% self-sufficiency for our power requirements. The total land parcel for the main plant (along with mines) is 1,748 acres, out of which mines are spread over 1,236 acres with the rest comprising that for the main plant.

Project cost

The total investment for the greenfield facility is estimated at ₹1,718 cr, which is proposed to be part-financed through rupee term loans of ₹1,200 cr and the balance through internal accruals. The plant is targeted to be commissioned early in the financial year 2015-16. The tenor of the term loan is 10 years door-to-door. Cash flows from the new plant will be sufficient to service this debt, which has been mobilised from a consortium of State Bank of India, HDFC Bank and Indian Bank.

Plant advantages

- Arterial highway linking Bengaluru with most major centres in Karnataka, Tamil Nadu, Kerala and Andhra Pradesh close to the plant
- The facility will be supported by captive railway sidings
- Flyash readily available from the CPP
- Kagina River is located only 11-km from the plant, assuring perennial water supply
- Ready support available from an experienced operations and maintenance team from our Devapur and Jalgaon plants

Project implementation schedule

The project work is progressing well following the market regaining momentum in October 2013. The plant is targeted to be commissioned in the first quarter of financial year 2015-16. A workforce of over 2,800 members has been deployed from various vendors and contractors across construction, fabrication and erection activities.

"WE ARE COMMITTED TO DELIVERING A BEST-IN-CLASS PLANT WITHIN A NEW BENCHMARK FOR CONSTRUCTION TIME AND COST. THE ABUNDANT LIME-STONE RESERVES, IN OUR CAPTIVE MINES NEXT TO THE PLANT, LEAVE US ADEQUATE ROOM FOR FURTHER EXPANSION OF CAPACITY."

Mr. Shyam B. Asawa,
President, Projects,
Orient Cement Limited

Ordering and contracting strategy

- FLSmidth – supply of all cement plant equipment
- ABB – supply and erection of electrical and instrumentation equipment
- L&T – all civil and mechanical construction, fabrication and erection
- TKIL – 45 MW captive power plant on an EPC (engineering-procurement-construction) basis
- GE – Triveni – supply of turbine for the CPP
- Raunaq – execute the raw water intake system on EPC basis
- KV Electrical – execute the 220 kV power transmission lines on EPC basis

Director's profile

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

Name	**Mr. C.K Birla**
Date of Birth	January 9, 1955
Date of Appointment	July 23, 2011
DIN No.	00118473
Qualification	B.A
Occupation	Industrialist
Expertise in specific functional areas	Industrialist having rich business experience in managing diversified industrial enterprises
Directorships held in other Companies	1. Orient Paper & Industries Limited 2. HIL Limited 3. National Engineering Industries Limited 4. AVTEC Limited 5. Birla Brothers Private Limited 6. Birlasoft (India) Ltd. 7. Neosym Industry Limited 8. Birla Associates Private Limited, Singapore 9. Birlasoft Inc., USA 10. Birlasoft (U.K) Limited, London 11. ASS AG, Switzerland
Memberships / Chairmanships of Committees across other public Companies	NIL
Shareholding	28,97,570 No. of equity shares

Name	**Mr. Desh Deepak Khetrapal**
Date of Birth	July 5, 1955
Date of Appointment	April 2, 2012
DIN No.	02362633
Qualification	Honours degree in Business & Economics and Masters degree in Business Administration in Marketing and Finance from the Delhi University
Occupation	Service
Expertise in specific functional areas	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
Directorships held in other Companies	HIL Limited
Memberships / Chairmanships of Committees across other public Companies	1. HIL Limited • Nomination & Remuneration Committee • Corporate Social Responsibility Committee • Audit Committee
Shareholding	NIL

Name	**Mr. Vinod Kumar Dhall**
Date of Birth	February 20, 1944
Date of Appointment	November 11, 2012
DIN No.	02591373
Qualification	Law degree from the University of Delhi and Masters degree in Mathematics from the University of Allahabad
Occupation	IAS (Retired) Proprietor in Dhall Law Chambers Collaboration in Talwar Thakore & Associates
Expertise in specific functional areas	Competition Law, Corporate Affairs, Industry and Commerce, Economic Regulation and Finance
Directorships held in other Companies	1. ICICI Prudential Trust Limited 2. ICICI Prudential Life Insurance Company Limited 3. ICICI Prudential Pension Funds Management Company Limited 4. Scheider Electric Infrastructure Limited 5. Bharti Infratel Limited
Memberships / Chairmanships of Committees across other public Companies	1. ICICI Prudential Trust Limited • Audit Committee 2. ICICI Prudential Life Insurance Company Limited • Board Compensation • Board Compensation & Nomination Committee • Share Transfer Committee • Board Customer Service & Policyholders' Protection Committee 3. ICICI Prudential Pension Fund Company Limited • Board Risk Management Committee • Audit Committee 4. Scheider Electric Infrastructure Limited • Audit Committee • Share Transfer and Shareholders / Investors Grievance Committee • Banking & Finance Committee • Remuneration Committee 5. Bharti Infratel Limited • Audit Committee
Shareholding	NIL

Name	**Mr. Rabindranath Jhunjhunwala**
Date of Birth	March 16, 1973
Date of Appointment	March 25, 2013
DIN No.	0050729
Qualification	Law Graduate
Occupation	Partner in Khaitan & Co.
Expertise in specific functional areas	Corporate Laws-domestic and cross border mergers & acquisitions, private equity investment, foreign investments advisor (both inbound and outbound)
Directorships held in other Companies	1. RN Management Services Private Limited 2. RJ Management Services Private Limited 3. Rolland Financial & Management Services Private Limited 4. Henry Financial & Management Services Private Limited 5. DL Management Services Private Limited 6. LD Management Services Private Limited 7. JJ Management Services Private Limited 8. JC Management Services Private Limited 9. Fennel Investment and Finance Private Limited 10. Trett Consulting (India) Limited 11. Kabri Private Limited 12. Khaitan Consultants Limited 13. Rosevally Developers Private Limited 14. Ranila Consultants Private Limited 15. Khaitan & Co. LLP
Memberships / Chairmanships of Committees across other public Companies	NIL
Shareholding	NIL

Name	**Mr. Janat Shah**
Date of Birth	September 22, 1958
Date of Appointment	April 30, 2014
DIN No.	01625535
Qualification	Fellow of IIMA (equivalent to PhD) in Operations Management B. Tech (Mechanical) from IIT Mumbai
Occupation	Service
Expertise in specific functional areas	Operations Strategy and Supply Chain Management
Directorships held in other Companies	Great Media Technologies Private Limited
Memberships / Chairmanships of Committees across other public Companies	NIL
Shareholding	NIL

Name	**Mr. Rajeev Jhawar**
Date of Birth	November 11, 1964
Date of Appointment	August 13, 2012
DIN No.	00086164
Qualification	Commerce Graduate and Management Development Course from London Business School
Occupation	Industrialist
Expertise in specific functional areas	Industrialist having rich business experience in managing diversified industrial enterprises
Directorships held in other Companies	1. Usha Martin Limited 2. Usha Martin Education & Solutions Limited 3. KGVK Rural Enterprises Limited 4. Redtech Network India Private Limited 5. Neutral Publishing House Limited 6. Jhawar Venture Management Private Limited 7. Usha Breco Limited 8. Usha Breco Realty Limited 9. Pars Consultancy & Services Private Limited 10. KGVK Social Enterprises Limited
Memberships / Chairmanships of Committees across other public Companies	1. Usha Martin Limited • Shareholders & Investors Grievance Committee 2. Usha Martin Education & Solutions Limited • Shareholders & Investors Grievance Committee • Remuneration Committee
Shareholding	NIL

DIRECTOR'S REPORT

Dear Shareholders,

The Board of Directors hereby presents the annual report on the business and operations of your Company along with the summary financial statements for the year ended March 31, 2014:

Financial Results

₹ in crores

Particulars	2013-14	2012-13
Gross Sales	1646.72	1716.70
Total Income (Net of Excise)	1447.73	1506.28
Earnings before interest, depreciation, amortisation & taxation	**224.01**	**323.40**
Interest/ Finance costs	14.39	18.71
Profit Before depreciation and taxation	**209.62**	**304.69**
Depreciation and amortisation expenses	56.38	56.05
Net Profit Before taxation	**153.24**	**248.64**
Taxation	52.22	86.97
Net profit	**101.02**	**161.67**
Profit brought forward from last year	52.66	(1.07)
Profit available for appropriations	**153.68**	**160.60**
Appropriations		
Transfer to Debenture Redemption Reserve	-	25.00
Transfer to General Reserve	25.00	35.00
Dividend on equity shares	30.73	40.97
Corporate dividend tax	5.23	6.97
Balance carried to Balance Sheet	92.72	52.66
Total	**153.68**	**160.60**
EPS	**4.93**	**7.89**

Performance

Indian Economy has continued to under-perform throughout the year under review. The challenges of the previous few years were further accentuated by the high inflation and the steep erosion in the external value of the Indian currency around July, 2013. The responses by the monetary authority to these developments have caused their own consequences with interest rates moving up. The NPAs and CDRs facing the banking sector would have their own implications on the flow of funds towards long-term financing decisions. On the regulatory front, the new Land Acquisition Bill and the delays in getting the regulatory approvals have added to the uncertainty and risks for major projects.

With the slowdown of the economy, the demand for cement has stayed lower than expected. With large capacity already existing and demand staying low, the capacity utilisation across the industry has been below levels that are considered healthy. The supply overhang has led to huge pressure on the price of cement.

Across the industry, the capacity utilisation has been estimated at about 73% on pan-India basis, with the situation in Southern India, most acutely in Andhra Pradesh, reported to be much worse with reported capacity utilisation at much lower levels than the national figure.

With this low demand, coupled with the ongoing challenges for new projects, there is a clear slowdown in the capacity addition in the cement sector. In fact, we foresee a clear move towards consolidation of the industry in the country.

The low prices, with the customary increase in costs of coal, power, diesel and railway freight etc have caused steep erosion in the industry's profitability and the results of every Company till the period ended December 31, 2013 reported to be significantly lower than the previous year.

Against this backdrop, your Company has done well on almost all parameters which are considered manageable or controllable. Despite the depressed markets, your Company has achieved record volume sales of 42.04 lakh tons during the financial year 2013-14, which means 3% growth over the previous financial year. This also represents capacity utilisation of 84% for the year, which is unmatched for a Company operating in the Southern markets. While the market inflation could not be wished away, the costs at your Company have been managed well with the cost increases at much lower level than the market inflation. This has been possible only through strong internal management of efficiencies and costs. Our management of product-mix and market-mix has been supported by improvement in efficiencies and better procurement processes. All these achievements have enabled your Company to report a performance, which, although lower than previous year, is amongst the sector's best performances for the year. The sole reason for the profitability being at levels lower than last year have been the low price realisation, which has hurt every cement manufacturer.

The Captive Power Plant at Devapur unit has also stabilised and has supported our cement manufacturing adequately. Though we had some surplus power for sale during some periods during the year, we could not take advantage of the opportunity as the price available for power was lower than our variable cost of generation. Because of this lack of opportunity to sell power profitably, the PLF remained lower than what we could have achieved. This lower PLF also impacted the coal consumption. With the plant performance stabilised, we are well prepared to increase the PLF and efficiencies of the power plant as the demand and price of power improve.

The expansion plan of your Company, through addition of a 3 million ton per annum greenfield, integrated plant near Chittapur, Gulbarga District in Karnataka is well under way. After the environmental clearance for the industry was received and other relevant permissions granted by the Karnataka Government, the construction activity is now on and the financial closure too has been achieved with State Bank of India, HDFC Bank and Indian Bank sanctioning an aggregate rupee term loan of ₹ 1,200 cr to part-finance this project. This greenfield, project to be commissioned early in financial year 2015-16, will take the installed capacity of your Company from the current 5 million tons per annum to 8 million tons.

Your Company also relaunched its brand Birla A1, with a new, refreshed logo. The new logo, with the new improved packing and the new campaign has been received well by the markets and has helped us in strengthening our brand presence.

Dividend

Your Directors are pleased to recommend a final dividend@ 75% i.e. ₹ 0.75 per equity share of face value of ₹ 1each for the year ended March 31, 2014. The final dividend, subject to approval of shareholders at the ensuing Annual General Meeting on August 9, 2014, will be paid to the shareholders whose names appear in the Register of Members as on book closure dates. The total dividend for the financial year (interim dividend and proposed final dividend, amounts to ₹ 1.50 per equity share and will absorb ₹ 30,73,10,000, including dividend distribution tax of ₹ 5,22,27,334.

Directors

As per section 152 of the Companies Act, 2013, Mr. C.K Birla (DIN No. 00118473), Director is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Board recommends his re-appointment for your approval.

Pursuant to section 161 of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Janat Shah (DIN No. 01625535) was appointed as an Additional Director by the Board in the category of Non-Executive Director w.e.f. April 30, 2014. Mr. Shah will hold office up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment as an Independent Director.

In terms of the provisions of Companies Act, 2013, Mr. Vinod Kumar Dhall (DIN No. 02591373), Mr. Rabindranath Jhunjhunwala (DIN No.00050729) and Mr. Rajeev Jhawar(DIN No. 00086164), who were appointed as Rotational Directors in the category of Independent Non-Executive Directors have become Non-Rotational Directors. In compliance with the same, the Board recommends their appointment as Non-Rotational Directors in the category of Independent Non-Executive Directors in the forthcoming Annual General Meeting.

The brief resume and other details relating to the Directors, who are to be appointed/ re-appointed as stipulated under Clause 49(IV)(G) of the Listing Agreement, are furnished in the Notice of Annual General Meeting forming part of the Annual Report.

The Company also has Audit Committee which is constituted as per requirement of the Companies Act and Listing Agreement.

Public deposits

Your Company has neither invited nor accepted any deposits from public within the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975 during the year under review.

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 year 2014-15 have been paid to these Exchanges.

Statutory disclosures

None of the Directors of your Company is disqualified as per provision of section 274(1)(g) of the Companies Act, 1956. The Directors of the Company have made necessary disclosures, as required under various provisions of the Act and Clause 49 of the Listing Agreement.

Particulars of conservation of energy, technology absorption and foreign exchange earnings & outgo

Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings & outgo, pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended March 31, 2014 are annexed and form an integral part of this Report.

Directors' Responsibility Statement

Directors' Responsibility Statement as required under the provisions of Section 217 (2AA) of the Companies Act, 1956, is given in the Annexure attached hereto and forms part of this Report.

Corporate Governance

The Company is committed to uphold the highest standards of Corporate Governance and adhere to the requirements set out by the Securities and Exchange Board of India.

A detailed report on Corporate Governance and Management Discussion & Analysis Report, in terms of Clause 49 of the

Listing Agreement along with the Certificate from the Auditors, confirming compliance of conditions of Corporate Governance forms part of the Annual Report.

Statutory Auditors

M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 301003E), Auditors of Company, being eligible, have confirmed their eligibility and willingness to accept the office of Statutory Auditors, if re-appointed by the shareholders at the ensuing Annual General Meeting, shall hold office from the conclusion of this Annual General Meeting 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.

Auditors' report

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 Auditors

For the financial year 2013-14, the Board of Directors of the Company had re-appointed, after recommendations of the Audit Committee, Mr. Somnath Mukherjee, Cost Accountant (Membership Number F5343), as Cost Auditor for auditing the cost accounts in respect of 'Cement'. His appointment was also approved by the Central Government.

In terms of the Companies (Cost Audit Report) Rules 2011, as amended, the cost audit report relating to the 'Cement' for the financial year ended March 31, 2013, had been duly filed with the Cost Audit Branch of the Ministry of Corporate Affairs.

Particulars of employees

A statement showing the particulars of employees, pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is annexed and forms an integral part of this Report.

Human resources

The strong performance of your Company has been achieved through excellent work and team-spirit of the Company's employees, who are our most valuable assets. We are proud to have created a favourable work environment that encourages innovation and meritocracy.

Employee relations continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent spirit with which the entire team of the Company has dedicated itself to bring in improvements on all fronts.

Acknowledgements

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Stakeholders and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors also wish to place on record their deep sense of gratitude and appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company, resulting in the successful performance of the Company during the year under review. We look forward for your continued support in the future.

By order of the Board of Directors
For Orient Cement Limited

Place: New Delhi
Date: April 30, 2014

C.K Birla
Chairman
(DIN No. 00118473)

ANNEXURE - 'A'

to the Director's Report

A. CONSERVATION OF ENERGY

a.	**The following energy conservation measures were taken during 2013-14**	
	i.	Installed Pyrojet Burner for Kiln-1 resulted in reduction of thermal energy and further improved the quality of clinker
	ii.	Modified Kiln-3 coal firing pipelines to avoid tripping due to carbon monoxide
	iii.	New firing blower installed in Kiln-2 for reduction of power consumption
	iv.	Pet coke was used in Kiln-3 after the required modifications were successfully taken up internally
	v.	Combustion nozzles of CPP-2 replaced with new design nozzles and improved reliability.
	vi.	Simplifying compressed air distribution line at packing plant to optimise energy consumption.
	vii.	Increased the belt conveyor width for faster clinker movement
b.	**Additional Investment and Proposal, if any**	
		DEVAPUR
	i.	Installation of dense phase system for transportation of cement to Silo-5.
	ii.	Fly ash unloading – conversion of pneumatic handling system to mechanised system.
	iii.	Installation of bag filters for Packer No.3 & 4.
	iv.	Installation of VFD in Coal Mill-2, CA fan of Kiln-2 and last 3 cooler fans of Kiln-2.
	v.	Replacement of combustion nozzles for CPP-1.
		JALGAON
	i.	Installation of low pressure in place of high pressure compressor for fly ash unloading, thus reducing power consumption
	ii.	Improved shifting of cement within the plant to improve efficiency
	Investment for these projects is estimated to be around ₹ 573 lacs.	
c.	**Impact of above measures on consumption of energy:**	
	The impact of above measures has resulted in reduction of electrical energy consumption and also further improvement in pollution control performance.	

B. TECHNOLOGY ABSORPTION

	Refer form – B (attached)

C. FOREIGN EXCHANGE EARNING AND OUTGO

	i.	**Activities relating to exports** Initiatives taken to increase exports, development of new export markets for products & services and export plans. Nil
	ii.	Total foreign exchange used and earned (including deemed exports):
		Used: ₹ 3465.51 lacs
		Earned: ₹ Nil

FORM - 'A'

A. POWER & FUEL CONSUMPTION

				Cement	
				2013-14	2012-13
1.	**Electricity**				
	a.	Purchased			
		Unit (KWH lacs)		636.11	569.01
		Total amount (₹ in lacs)		5022.47	4898.03
		Rate/Unit (₹)		7.90	8.61
	b.	Own generation			
		i.	Through diesel generator		
			Net units (KWH lacs)	0.18	8.37
			Net units/Ltr. of diesel/furnace oil (KWH)	2.80	3.64
			Cost/Unit (₹)	21.23	9.20
		ii.	Through steam turbine/generator		
			Net units (KWH lacs)	2627.91	2697.55
			Net units per kg of coal (KWH)	0.88	0.83
			Cost/Unit (₹)	4.09	4.03
2.	**Coal**				
	a.	B,C & D grade coal used for kiln			
		Quantity (MT lacs)		5.61	5.39
		Total cost (₹ In lacs)		22960.14	22270.82
		Average rate (₹)		4093.35	4131.88
	b.	Low grade coal used for power plant			
		Quantity (MT lacs)		2.98	3.23
		Total cost (₹ In lacs)		9766.12	9981.94
		Average rate (₹)		3275.14	3089.92
	c.	Alternate fuel			
		Quantity (MT lacs)		0.18	0.11
		Total cost (₹ In lacs)		539.33	269.57
		Average rate (₹)		2976.22	2520.09
	d.	Pet coke			
		Quantity (MT lacs)		0.03	-
		Total cost (₹ In lacs)		284.71	-
		Average rate (₹)		8386.84	-

A. POWER & FUEL CONSUMPTION *(Contd.)*

			Cement	
			2013-14	2012-13
	3.	**Furnace oil**		
		Quantity (K. ltrs)	-	209.29
		Total cost (₹ In lacs)	-	59.89
		Average rate (₹)	-	28.61
	4.	**Others/Internal generation**		
		Quantity (MT lacs)	-	-
		Total cost (₹ In lacs)	-	-
		Rate/Unit (₹)	-	-

B. CONSUMPTION PER MT OF PRODUCTION

			Cement		
			Unit	2013-14	2012-13
	Electricity		(KWH)	76.42	76.42
	Furnace Oil		(K.ltr)	-	-
	Coal (B, C & D grade)			-	-
	-	In terms of quantity/ton of Cement	(MT)	0.135	0.13
	-	Others		-	-

FORM - 'B'

RESEARCH AND DEVELOPMENT (R & D)

1.	**Specific area for which R & D was carried:**	
	i.	Petrography tests of limestone,
	ii.	Bond index studies of limestone for improving the productivity of mills,
	iii.	Alternate fuels feeding in Kiln- 1,2 & 3
	iv.	Pet coke usage in PC firing of Kiln-3
	v.	Lab ball mill tests with different grinding aids
2.	**Benefits derived because of above R & D:**	
	i.	Raw mix burnability, kiln process stability established
	ii.	Output level of raw mills optimised
	iii.	Fossil fuel replacement, and reduced coal mill run hours
	iv.	Replacement of coal with pet coke
	v.	No grinding aid was found suitable for usage in PPC.

RESEARCH AND DEVELOPMENT (R & D) *(Contd.)*		
3.	**Future plan of action:**	
	i.	Usage of petcoke (100%) in kiln-3
	ii.	Raw mix to suit pet coke usage
	iii.	Testing facilities for alternate fuels
4.	**Expenditure on R & D:**	
	a.	We have spent ₹ 30.03 lacs on R&D
5.	**Technology absorption, adoption and innovation:**	
	1.	**Efforts made towards technology, absorption, adaptation & innovation:**
		i. Continuance measures for indigenisation of critical imported parts
	2.	**Benefits derived as a result of above efforts:**
		i. Reduction in input and overall costs due to indigenisation of various imported spares

C. K. Birla
Chairman
(DIN No. 00118473)

ANNEXURE 'B'

to the Director's Report

Directors' Responsibility Statement

On the basis of compliance certificates received from various executives of the Company and subject to disclosures in the annual accounts, as also on the basis of the discussion with the statutory auditors of the Company from time to time, the Board of Directors state:

(A) That in the preparation of the annual accounts, for the year ended March 31, 2014 all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India were followed.

(B) That the Directors adopted such accounting policies and have applied them consistently and have made judgements and estimates in a reasonable and prudent manner, so as to give a true and fair view of the state of affairs of the Company as at end of the financial year and of the profit of the Company for the year.

(C) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(D) That the Directors have prepared the annual accounts on a 'going concern' basis.

On behalf of the Board of Directors

Place: New Delhi
Date: April 30, 2014

C. K. Birla
Chairman
(DIN No. 00118473)

ANNEXURE 'C'

to the Director's Report

Particulars of Employees as required U/S 217(2A) of the Companies Act, 1956 and forming part of the Director's Report for the year ended 31st March, 2014

(a) Qualification (b) Designation / Nature of Duties (c) Age (years) (d) Remuneration (₹) (e) Experience (years) (f) Date of Joining (g) Particulars of last employment.

A. EMPLOYED THROUGHOUT THE FINANCIAL YEAR

1.	Mr. D.D. Khetrapal	(a) B.Com (Hons.), MBA (b) Managing Director (c) 59 (d) 3,50,78,864 (e) 38 (f) April 2, 2012 (g) Jumbo Electronics, Dubai, Group CEO
2.	Mr. B. Pandey	(a) Graduate (Mech. Engg.) I.E., F.I.E.E, M.I.M.A (b) President (General Administration) (c) 75, (d) 1,03,18,098(e) 54 (f) October 27, 1992 (g) Cement Corporation of India Limited., Chief General Manager
3.	Mr. P.K. Tripathy	(a) B.Sc. (Engineering) (Hons.) (b) President Works (General Administration) (c) 55 (d) 1,23,90,159 (e) 30 (f) December 3, 2010 (g) Shree Cements, Jt. President Works
4.	Mr. Asawa Shyam B.	(a) B.E. (Mechanical), Diploma in Business Management, (b) President (Projects), (c) 55 (d) 1,27,42,207 (e) 31 (f) November 1, 2012 (g) Reliance Cement Company Private Limited., Director Projects
5.	Mr. A.K Kejriwal	(a) B. Com (Economics), Post Graduation Diploma in Marketing & Sales Management (b) Executive Vice President (Marketing) (c) 64 (d) 90,07,715 (e)36 (f) March 16, 1982 (g) Assam Asbestos Limited, President

B. EMPLOYED FOR PART OF THE FINANCIAL YEAR:

1.	Ms. Jyotsna Sharma	(a)B.Com., ACA, CPA, Six Sigma (Green Belt) (b) Chief Financial Officer (c) 48 (d) 45,30,417 (e) 20 (f) September 2, 2013 (g) NRB Bearings Limited., CFO and Vice president – IT.

Notes:

1. Remuneration includes actual payments and / or taxable value of perquisites and the Company's contribution to provident and other funds but excludes gratuity.
2. Nature of appointment of Mr. D.D. Khetrapal, Managing Director is contractual.
3. Other terms and conditions are as per rules of the Company.
4. The Managing Director is not a relative of any Director of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The financial year 2013-14, has been another challenging year for the Indian economy and for industries like Infrastructure and Housing, both of which combined account for the lion's share of cement consumption in the country. As a result, the demand for cement has stayed lower than projected. With large installed capacity and low demand growth, the capacity utilisation across the industry has remained low at around 73% pan-India and even lower in Southern India. This supply overhang kept the cement prices low, in fact lower than the previous year for most of financial year 2013-14, despite the increased cost pressures of power, coal, diesel and freight costs.

In the wake of poor demand growth, coupled with increased challenges for setting up new capacity, there is a clear slowdown in capacity addition in the cement sector. In fact, most observers foresee a clear direction towards consolidation of the industry in the country. Some recent deals include the acquisition of Jaypee's Gujarat plant by Ultratech, Anjani's Andhra plant by Chettinad and Jaypee's Bokaro plant by Dalmias.

Low prices and the inability of the industry to pass on the increase in cost of coal, power, diesel and railway freight etc, have caused steep erosion in the industry's profitability and the results of almost every cement Company are reported to be significantly lower compared to the previous year.

The cement production has remained subdued during the financial year 2013-14, growing by under 4% over the previous year, due to weak demand from end-user industries. Delay in environmental clearances for industrial and infrastructure projects and inadequate availability of sand in many states, contributed to slow growth in cement consumption.

Cement manufacturers continue to reel under the twin pressures of low and volatile prices on one hand and of rising input costs on the other. Cement companies have witnessed significant increase in freight costs over the past two years, due to increase in freight rates by railways, consistent increase in diesel prices and increased dependence on costlier road transport due to various challenges of moving goods through railways. Apart from this, the prices of key raw materials – limestone and gypsum have also increased. Further, increase in domestic coal price by the coal mining companies in May 2013 and declining availability of low cost linkage coal have increased power & fuel costs. However, declining international coal and pet coke price have provided some relief to Indian cement companies; but the extent of this relief too has been pared down by the fluctuating rupee value in the forex markets.

Indian Economy has continued to under-perform throughout the year. The challenges of the previous few years were further accentuated by the stubbornly high inflation and steep erosion in the external value of the Indian currency around July, 2013. The responses by the monetary authority to these developments have caused their own consequences with interest rates staying high. The NPAs and CDRs facing the banking sector have had their own impact on the flow of funds towards long-term financing decisions. On the regulatory front, the new Land Acquisition Bill and the pervasive delays in getting the regulatory approvals also added to the risks for new projects.

Opportunities and Threats

Cement consumption and demand is primarily driven by growth and investments in the housing and infrastructure sectors. As these sectors have remained subdued, the growth in cement demand in India had slowed down considerably in the last two years or so. With the general elections currently on, the markets are waiting for the post-election dispensation for the new direction and policy framework. Equipped with our strength of continued focus on efficiency in production and distribution of cement, we are looking forward to increased demand from our major consumer sectors.

Product-wise Performance

During the financial year 2013-14, Orient Cement Limited sold over 42 lakh tons of cement, thus registering a growth of 3 per cent over financial year 2012-13. We have maintained and defended our healthy PPC sales ratio at 75 per cent of total sales, despite the market trend shifting adversely towards higher OPC ratio.

Outlook

Improvement in the domestic investment environment and progress in infrastructure projects are likely to boost demand for cement consumption in India. Indian cement industry had witnessed a strong growth phase in the preceding few years, led by the growth in real estate, infrastructure and industrial construction. However, more recently, cement demand growth has taken a slight breather. The cement industry has registered a drop in margins due to rise in input costs and the industry's inability to pass on the increased input costs to the market through price increases.

Once the elections gets over and more importantly the two State Governments in Telangana and Andhra Pradesh take charge post the formal creation of separate states, the cement demand is expected to resume its normal healthy trajectory and with the demand-supply mismatch getting narrowed, prices too are expected to improve to absorb the increased input costs.

Risks and Concerns

Rise in Energy cost: As the cement industry is highly energy intensive, any rise in energy cost (coal, power, diesel etc) pushes up the Company's variable costs. Our captive power plants and our intensive proactive focus on reducing power consumption, helps the Company counter this threat. During the year under review, despite the increase in prices of coal and power, the Company's total spend on power and fuel amounted to ₹ 389 cr against the spend of ₹ 379 cr in the previous year. Thus, the market inflation was neutralised through our internal cost management. However, our drive towards generating such improvements may not have much room to go further and any further increase in market prices will have a direct impact on our cost structure. Cement manufacturing requires large quantities of coal to meet its kiln and captive power generation requirements; hence, consistent supply of this fuel at reasonable and stable prices is a major concern area for the Company. Erratic supplies of coal due to domestic production constraints and price fluctuation would adversely impact the input costs for an industry as dependent on coal as the Cement Industry is. The Company is gradually increasing the use of alternative fuels and is optimising its coal mix.

Cyclical and Political conditions affecting businesses: The Cement Industry is somewhat seasonal in nature and consumption level of cement falls during monsoon season. Keeping in view the projected demand growth in the long term, the Company has been ramping up its capacities. It carefully evaluates the regional mismatches and deploys capacities to minimise the impact of cyclical risks.

However, the level of spending on housing sector is dependent on the growth of economy, which in the markets we serve, is predominantly dependent on agriculture since our addressed markets are mainly semi-urban and rural.

Construction growth in infrastructure sector is dependent on political stability and policy framework.

Competition Risks: The Cement Industry is intensely competitive with large number of players and significant overcapacity. To mitigate this risk, the Company is leveraging its strengths to increase market share, enhance brand equity and visibility, enlarge product portfolio and service offerings. It will also leverage its infrastructure and distribution reach and depth, for deeper market penetration. Strengths are also being built to address the large institutional customers.

Occupational Health & Safety Risks: The safety of our employees and other assets is of utmost importance to the Company. To reinforce the safety culture in the Company, it has identified Occupational Health & Safety as a focus area of paramount importance. The Company already has a robust approach to tackle this risk through various programmes at all its locations.

Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has established adequate internal control systems, which provide reasonable assurances with regard to safeguarding Company's assets, promoting operational efficiencies and ensuring compliance with various statutory provisions. The internal audit function regularly reviews 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.

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, the adequacy and effectiveness of the internal controls and systems followed by the Company. The Audit Committee's observations and suggestions were acted upon by the Management.

Discussion on Financial Performance with respect to Operational Performance

Despite a very challenging business environment, your Company has done well on almost all parameters, which are considered manageable or controllable. Despite the depressed markets, your Company has achieved record volume sales of 42.04 lakh tons during the financial year 2013-14, which means 3% growth over the previous financial year. This also represents capacity utilisation of 84% for the year, which is unmatched for a Company operating in Southern India. However, due to the lower prevailing prices in the market (average realisation this year approximately ₹ 3450/MT, a drop of about 7% from about ₹ 3,700/MT in financial year 2013), the revenues of the Company were at ₹ 1646.72 crore, lower by approximately 4% from the previous year's revenues of ₹ 1716.70 crore.

While the market inflation could not be wished away, the increase in costs at your Company has been managed well with the cost increases at much lower levels than the market inflation. Not only have the variable costs like energy costs (mentioned earlier) and freight costs been managed well, the fixed costs in absolute terms are in fact lower than previous year. This has been possible only through strong internal management of efficiencies and costs. Our management of product-mix (with PPC sales comprising 75% of our total sales) and market-mix (in terms of deeper penetration into our core markets) has been supported by improvement in efficiencies and better procurement processes. All these achievements have enabled your Company to report a performance, which, although lower than previous year, is amongst the sector's best performances for the year. The sole reason for profitability being at levels lower than last year has been the low prevailing prices, which has hurt every cement manufacturer.

The Captive Power Plant at Devapur unit, with capacity of 50 MW, has also stabilised and has supported our cement manufacturing adequately. Though we had some surplus power for sale during some periods during the year, we could not take advantage of the opportunity, as the price available for power was lower than our variable cost of generation. Because of this lack of opportunity to sell power profitably, the PLF, at 74% remained lower than what we could have achieved. This lower PLF also put an impact on the coal consumption. With the plant performance stabilised, we are well prepared to increase the PLF and efficiencies of the power plant as the demand and price of power improve.

The markets are now beginning to show signs of a turnaround with the new Government in place. A positive, supportive policy framework will certainly improve the demand scenario for cement and with our focus on efficiencies and better management of products and markets, we are now looking forward to reaping the benefits of the expected strength in the market.

The expansion plan of your Company, through addition of 3 million ton per annum, Greenfield integrated plant near Chittapur, Gulbarga District in Karnataka is well under way. After the environmental clearance for the industry was received and other relevant permissions granted by the Karnataka Government, the construction activity has been proceeding well and the financial closure too has been achieved with State Bank of India, HDFC Bank and Indian Bank sanctioning an aggregate rupee term loan of ₹ 1,200 cr to part-finance this project. This Greenfield project to be commissioned early in financial year 2015-16, will take the installed capacity of your Company from the current 5 million tons per annum to 8 million tons.

Your Company also relaunched its brand Birla A1, with a new, refreshed logo. The new logo, the new improved packing and the new campaign has been received well by the markets and has helped us in strengthening our brand presence.

Material developments in Human Resources / Industrial Relations front, including number of people employed

The Company recognises people as its most valuable assets and a focussed approach has been adopted to create an environment where performance is rewarded, customers are respected and employees get opportunities to realise their potential. The Company's strong human resource strategies supported its business in a challenging environment and have helped in building an open, transparent and meritocratic culture to nurture profitable growth. While meeting the current business challenge has been the focus, there is a clear mandate and resolve to not only 'weather the storm' but to prepare and equip "Orient Cement" for a healthy future as a leading global cement Company.

As on March 31, 2014, total employee strength was 971.

During the course of the year, the Company undertook various HR initiatives to strengthen the HR process framework and the internal organisation structure like:

- Adoption of a progressive policy to develop its human resources through continuous training and motivation, to achieve greater efficiencies through improved competencies.

- Taking concrete steps for improving organisation health by creating focused management teams with specific targets for growth in volumes and profitability while building and retaining talent.

- Organisation Development initiatives focusing on overcoming specific challenges that the business or function faced, to enhance performance and productivity. Initiatives were also taken up by the organisation for strengthening cultures that drive and value good performance, enhance customer delight and deepen the impact of strong values that we collectively espouse and cherish. To drive performance dialogues "Performance Appraisal and Feedback System" were facilitated by HR team before annual appraisal and reward exercise.

- The Company has been successful in building a performance driven culture through a systematic performance appraisal process, influencing total compensation and rewards. All senior level employees had their deliverables defined and captured in online goal sheets. Assessments and feedbacks were conducted and employees were differentiated based on their performance. Rewards have been linked to performance thus building a fair and transparent process and further promoting our "Pay for Performance" compensation philosophy.

- In our endeavour to attract the right talent at all levels, we have built various recruitment channels to meet specific talent requirements at various levels in cost effective ways. Our rigorous assessment process ensures that prospective candidates are evaluated on various competencies including cultural fit.

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

Forward looking / Cautionary statement

Certain statements in the Management Discussion & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future event, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting domestic demand supply conditions, raw material prices, changes in Government Regulations and Tax regime etc. The Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.

CORPORATE GOVERNANCE REPORT

for the financial year 2013-14

In the volatile economic environment and with the spread-out operations in the interior parts of the country, like our Company's, corporate governance acquires a deeper sense of responsibility and awareness, going beyond what is mandated by the statutes. As part of our commitment to run a values-driven and processes-managed company, this responsibilty is taken up with highest discipline and vigilance by the Company's Board of Directors and its management team .

In the fast changing business scenario, good corporate governance helps in building in robustness and sustainability in the achievement of long term corporate goals of enhancing stakeholders' value, with a deep sense of ethics, values and discipline embedded into business processes and operations. This framework of good corporate governance includes corporate structures, culture, policies and processes through which the corporate entity deals with various stakeholders, with transparency and consistency being the key word. Thus, timely, adequate and accurate disclosure of information on the performance and ownership forms the cornerstone of our approach to corporate governance.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

With the current growth mode in which our Company is, the Company actively pursues and adopts the 'best practices' that are followed in the area of corporate governance too. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of all its stakeholders. The Board considers itself a Trustee of its shareholders and acknowledges its responsibilities towards them for creating, enhancing and safeguarding their wealth.

Our Board of Directors, guided by the above philosophy, formulates strategies and policies that are focused on optimising value for various stakeholders including shareholders, customers, consumers, vendors, employees and the society at large.

2. BOARD OF DIRECTORS

A. Board's composition and category

The Composition of Board of Directors of the Company is in conformity with the requirements of Clause 49 of the Listing Agreement. As on March 31, 2014, the Board of the Company consists of five (5) Directors comprising of one (1) Managing Director, and four (4) Non-Executive Directors. The Non-Executive Directors comprise of three (3) Independent Directors and one (1) Non-Independent Director.

The details relating to composition & category of Directors, Directorships held by them in other Companies and their Membership and Chairmanship on various Committees of Board of other Companies, as on March 31, 2014 are as follows:

Sl. No.	Name of Director	Category	No. of directorships held in other companies (other than in Orient Cement Limited)	No. of Memberships/ Chairmanships in various other Board Committees (other than in Orient Cement Limited)	
				Member	Chairman
1.	Mr. C.K Birla	Chairman, Non-Executive Director	6	Nil	Nil
2.	Mr. Desh Deepak Khetrapal	Managing Director, Executive Director	1	1	Nil
3.	Mr. Rajeev Jhawar	Independent, Non-Executive Director	7	2	Nil
4.	Mr. Vinod Kumar Dhall	Independent , Non-Executive Director	5	3	3
5.	Mr. Rabindranath Jhunjhunwala	Chairman, Non-Executive Director	2	Nil	Nil

Notes:

(i) The Independence of a Director is determined by the criteria stipulated under clause 49 of the Listing Agreement.

(ii) The Directorships held by the Directors, as mentioned above do not include the alternate Directorships, Directorships held in Private Limited Companies, Foreign Companies and Companies under section-25 of the Companies Act, 1956.

(iii) The Committees considered for the purpose are those prescribed under clause 49(I)(C)(ii) of the Listing Agreement(s) viz. Audit Committee and Shareholders/Investors Grievance Committee.

(iv) None of the Directors are related to each other.

(v) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement) across all the Public Companies in which the person is a Director. Necessary disclosures regarding Committee positions in other Public Limited Companies as on March 31, 2014 have been made by the Directors.

B. BOARD MEETINGS & ATTENDANCE

During the financial year 2013-14, four (4) Board Meetings were held: May 2, 2013, August 12, 2013, October 25, 2013 and January 31, 2014. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 1956 and clause 49 of the Listing Agreement.

The last Annual General Meeting was held on August 7, 2013.

Details of attendance of Directors at various Board Meetings and at the Annual General Meeting held during the financial year 2013-14 are as under:

Name of Director	No. of Board Meetings attended	Whether attended last AGM
Mr. C.K Birla	4	No
Mr. Desh Deepak Khetrapal	4	Yes
Mr. Rajeev Jhawar	2	No
Mr. Vinod Kumar Dhall	4	Yes
Mr.Rabindranath Jhunjhunwala	3	No

Information placed before the Board

Information placed before the Board of Directors broadly covers the items specified in clause 49 of the Listing Agreement, section 292 of the Companies Act, 1956 and such other items which are necessary to facilitate meaningful and focused deliberations on issues concerning the Company and taking decision in an informed and efficient manner. Besides, the Directors on the Board have complete access to all information of the Company, as and when necessary.

C. SHAREHOLDING OF EXECUTIVE DIRECTOR

The shareholding of Executive Director of the Company as on March 31, 2014 is as follows:

Sl. No.	Name of Director	Number of Equity Shares held
1.	Mr. Desh Deepak Khetrapal	Nil

3. COMMITTEES OF THE BOARD

There are four (4) Board level Committees – Audit Committee, Remuneration Committee, Investors' Relations Committee and Management Committee.

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

(a) Audit Committee

(i) Composition

The Composition of the Audit Committee of the Board as on March 31, 2014 is as under:

Sl. No.	Name of Member	Position
1.	Mr. Vinod Kumar Dhall	Chairman
2.	Mr. Desh Deepak Khetrapal	Member
3.	Mr. Rajeev Jhawar	Member
4.	Mr. Rabindranath Jhunjhunwala (w.e.f August 12, 2013)	Member

The Composition of the Committee meets the requirements of Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement.

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

(ii) Terms of Reference

Primarily, the Audit Committee is responsible for:

- Oversight 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.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

  – Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956

– Changes, if any, in accounting policies and practices and reasons for the same

– Major accounting entries involving estimates based on the exercise of judgment by management

– Significant adjustments made in the financial statements arising out of audit findings

– Compliance with listing and other legal requirements relating to financial statements

– Disclosure of any related party transactions

– Qualifications in the draft audit report

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors on any significant findings and follow up there on
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Whistle Blower mechanism, in case the same is existing
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate

(ii) Meetings and attendance during the year

During the financial year 2013-14, four (4) meetings of the Audit Committee were held: May 2, 2013, August 12, 2013, October 25, 2013 and January 31, 2014

The attendance of Members at the meetings of the Committee held during the year was as follows:

Name of Member	No. of meetings attended
Mr. Vinod Kumar Dhall	4
Mr. Desh Deepak Khetrapal	4
Mr. Rajeev Jhawar	2
Mr.Rabindranath Jhunjhunwala	2

Chief Finance Officer and representatives of the Statutory and Internal Auditors normally attend the Audit Committee meetings by invitation.

b) Remuneration Committee

(i) Composition

The composition of the Remuneration Committee as on March 31, 2014 is as under:

Sl. No.	Name of Member	Position
1.	Mr. Rajeev Jhawar	Chairman
2.	Mr. Vinod Dhall	Member

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

(ii) Terms of Reference

Primarily, the Remuneration Committee is responsible for:

- Appointment, fixation of remuneration and granting of increments of the senior executives
- Framing suitable policies and systems to ensure that there is no violation by any employee of the Company, of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Insider Trading) Regulations, 1992; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities market) Regulations, 1995
- Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payments
- Perform such functions as are required to be performed under clause 5 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee

(iii) Meetings and attendance during the year

During the financial year 2013-14, one (1) meeting of the Committee was held on May 2, 2013.

The attendance of Members at the meeting of the Committee held during the year was as follows:

Name of Member	No. of meetings attended
Mr. Rajeev Jhawar	1
Mr. Vinod Dhall	1

(iv) Remuneration of Executive Director

Remuneration of Executive Director is decided by the Board based on recommendation of Remuneration Committee within the ceiling fixed by the shareholders and permissible under the Companies Act, 1956.

Remuneration paid to the Executive Director for the year ended March 31, 2014 and the disclosure as per the requirement of Schedule XIII of the Companies Act, 1956, are as follows:

Name of Director	Salary & Allowances (₹)	Commission payable (₹)	Perquisite (₹)	Retiral Benefits (₹)	Total (₹)	Stock Options granted
Mr. Desh Deepak Khetrapal	2,23,80,000	50,00,000	42,96,864	34,02,000	3,50,78,864	Nil

(v) Remuneration of Non-Executive Directors

Non-Executive Directors including Independent Directors do not have any pecuniary relationship or transactions with the Company. They were paid commission and sitting fees for attending the meetings of the Board of Directors within the limits as prescribed under the Companies Act, 1956.Details of remuneration paid to Non-Executive Directors during financial year 2013-14 and their shareholding in the Company as at 31st March 2014 are as follows:

Sl. No.	Name of Director	Sitting fees (₹)	Commission (₹)	Shareholding in the Company
1.	Mr. C.K Birla	80,000	1,00,00,000	28,97,570
2.	Mr. Rajeev Jhawar	1,20,000	12,50,000	Nil
3.	Mr. Vinod Kumar Dhall	2,00,000	12,50,000	Nil
4.	Mr. Rabindranath Jhunjhunwala	1,00,000	12,50,000	Nil

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

c) Shareholder's/ Investors' Relation Committee

(i) Composition

The Shareholder's/ Investors' Relation Committee has been constituted to specifically look into the redressal of shareholders and investors complaints and other shareholders related issues.

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

(ii) Terms of Reference

Primarily, the Shareholder's/ Investor's Relation Committee is responsible for:

- Maintaining investor relations and the redressal of shareholders & investors complaints like transfer of shares, non-receipt of balance sheet, annual report, non-receipt of declared dividends
- Approve requests for share transfers, transmission and those pertaining to rematerialisation of shares/ sub-division/ consolidation/ issue of renewed and duplicate share certificates etc
- Monitoring transfers, transmissions, dematerialisation, rematerialisation, splitting and consolidation of shares and bonds issued by the Company
- Such other matters as may be required

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.

(iii) Meetings during the year

During the year ended March 31, 2014, one (1) meeting of the Committee was held on January 31, 2014.

The details of investor complaints received and resolved during the period April 1, 2013 to March 31, 2014 are as under:

No. of Investors complaints received from April 1, 2013 to March 31, 2014	No. of Investors complaints resolved from April 1, 2013 to March 31, 2014	No. of Investors complaints pending at the end of March 31, 2014
6	6	Nil

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent/ issues resolved usually within 15 days from the date of receipt.

The Company Secretary of the Company acts as Compliance Officer of the Company.

4. GENERAL BODY MEETINGS

(A) Annual General Meetings

Details of the Annual General Meetings held in previous years:

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 , Orissa.	Yes*
2012-13	August 7, 2013	Wednesday	2:00 P.M	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012 , Orissa.	No

* 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

No Special Resolution was put through Postal Ballot at the last Annual General Meeting nor is proposed at the ensuing Annual General Meeting.

During the period under review, no Extra-ordinary General Meeting was held.

(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 of the best efforts of the Registrar to Issue or 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 requirements the Company opened a separate Demat Suspense Account in the name and style of " ORIENT CEMENT LTD-UNCLAIMED SUSPENSE ACCOUNT" and the shares lying unclaimed as on that date were transferred to the above said suspense account.

The details of such equity shares as on March 31, 2014 are as follows:

Sl. 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	Nil
4.	Number of shares transferred from Suspense Account to Beneficiary Account during the year	Nil
5.	Total number of shareholders in the Suspense Account at the end of the year	171 shareholders
6.	Total number of outstanding equity shares in the Suspense Account lying at the end of the year	7,36,910 equity shares

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

5. **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 & CEO 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 April 30, 2014.

6. MEANS OF COMMUNICATION

The Company regularly intimates un-audited as well as audited financial results to the stock exchanges immediately after these are approved by the Board. These financial results are published in the leading newspaper of the country viz. The Economic Times and regional language newspaper viz. Utkal Mail Odisha and are displayed on the website of the Company i.e. www.orientcement.com.

The Company has designated an e-mail ID called investors@orientcement.com for redressal of Shareholders complaints / grievances.

7. SHAREHOLDERS INFORMATION

(i) Annual General Meeting

Day :	Saturday
Date :	August 9, 2014
Time :	2:00 P.M.
Venue :	Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Orissa - 751012

(ii) 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, 2015 are as follows:

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

(iii) Book Closure

Saturday, August 9, 2014 to Saturday, August 9, 2014

(iv) Listing

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.

(v) Scrip Symbol / Code

NSE ORIENTCEM

BSE 535754

(vi) Market Price Data from the date of listing

Month	Bombay Stock Exchange (BSE)	
	High (₹)	Low (₹)
July	60.00	29.60
August	38.75	30.40
September	40.15	32.00
October	45.85	36.05
November	43.50	37.10
December	44.00	38.00
January	41.90	34.00
February	45.35	36.00
March	49.00	37.10

(vii) Registrar & Transfer Agent

MCS Limited
77/2A, Hazra Road, Kolkata-700 029
Telephone: 033 4072 4052/4053
Fax: 033 2454 1961
Email: mcskol@rediffmail.com

(viii) Share Transfer System

The Company's shares which are in compulsory dematerialised (demat) list are transferable through the depository system. Shares received in physical mode are processed by the Registrars and Transfer Agent, MCS Limited and approved by the Investors' Relation Committee of the Company. The shares received for transfer are transferred expeditiously, provided the documents are complete and the relative shares are not under any dispute. The share certificates duly endorsed in favour of the transferees are returned promptly to shareholders. Confirmations in respect of the request for dematerialisation of shares are expeditiously sent to the respective depositories i.e. NSDL and CDSL.

(ix) Shareholding Pattern as on March 31, 2014

Sl. No.	Category	No. of shares held	Percentage of shareholding (%)
(A)	**Shareholding of Promoter and Promoter Group**		
1.	Indian	7,68,29,922	37.50
2.	Foreign	0	0
	Total Shareholding of Promoter and Promoter Group	**7,68,29,922**	**37.50**
(B)	**Public Shareholding**		
1.	Institutions	7,16,79,933	34.99
2.	Non-Institutions	5,63,58,905	27.51
	Total Public Shareholding	**12,80,38,838**	**62.50**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**		
1.	Promoter and Promoter Group	0	0
2.	Public	0	0
	TOTAL (A) + (B) + (C)	**20,48,68,760**	**100**

(x) Distribution of Shareholding as on March 31, 2014

From-To	Number of Shareholders	Percentage of total Shareholders	Number of shares	Percentage of total Shares
1-500	13,530	70.05	21,23,446	1.04
501-1000	2,081	10.77	17,54,429	0.86
1001-2000	1,453	7.52	22,49,229	1.10
2001-3000	634	3.28	16,67,139	0.81
3001-4000	304	1.57	11,19,440	0.55
4001-5000	254	1.32	12,02,608	0.59
5001-10000	541	2.80	40,09,135	1.96
10001-50000	363	1.88	72,66,635	3.55
50001-100000	55	0.28	36,80,865	1.79
Above 100001	100	0.53	17,97,95,834	87.75

(xi) 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).

As on March 31, 2014, 20,30,35,400 equity shares of the Company, forming 99.11.% of the equity share capital of the Company were in dematerialised form.

The ISIN No. of the Company is INE 876N01018 (with NSDL and CDSL)

(xii) Plant Locations

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

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

(xiii) Code of Conduct

The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and the same has been posted on the website of the Company i.e. www.orientcement.com. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2014.

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

(xiv) Address for Correspondence with the Company

For securities held in physical form

MCS Limited
77/2A, Hazra Road,
Kolkata-700 029
Telephone: 033-4072 4052/4053
Fax: 033-2454 1961
Email: mcskol@rediffmail.com

For Securities held in Demat form

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

Any query on Annual Report

MCS Limited

77/2A, Hazra Road,

Kolkata-700 029

Telephone: 033-4072 4052/4053

Fax: 033-2454 1961

Email: mcskol@rediffmail.com

Or

Ms. Deepanjali Gulati

Company Secretary

Birla Tower,

25, Barakhamba Road,

New Delhi-110 001

Telephone: 011-42092253

Email: investors@orientcement.com

CEO CERTIFICATION

I, Desh Deepak Khetrapal, Managing Director & CEO of Orient Cement Limited, hereby certify that:

(a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2014 and that to the best of my knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing Accounting Standards, applicable laws and regulations.

(b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

(d) I have indicated to the Auditors and the Audit Committee –

  (i) that there has not been any significant changes in internal control over financial reporting during the year under reference;

  (ii) that there has not been any significant changes in accounting policies during the year under review;and

  (iii) the instance of the fraud committed during previous years which came to light during this financial year and the involvement therein of employees having significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date: April 30, 2014

D. D. Khetrapal
Managing Director & CEO
(DIN No. 02362633)

DECLARATION BY MANAGING DIRECTOR & CEO UNDER CLAUSE 49 (1D) OF THE LISTING AGREEMENT

I hereby confirm that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management, as approved by the Board, for the financial year ended March 31, 2014.

Place: New Delhi
Date: April 30, 2014

D. D. Khetrapal
Managing Director & CEO
(DIN No. 02362633)

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, 2014, 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 *except for the initial constitution of the Shareholders/Investors Relation Committee on March 15, 2013 wherein Managing Director of the Company was Chairman,* which, however has been re-constituted by the Board on April 30, 2014.

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: April 30, 2014

FINANCIAL STATEMENTS

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, 2014 and 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

Management is responsible for 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 notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Basis for qualified opinion

As indicated in Note 27 to the financial statements, no provision has been made towards stamp duty liability payable against Immovable Assets of Cement Undertaking of the Demerged Company transferred to the Company, pursuant to the Scheme of Arrangement approved by Hon'ble Orissa High Court, as the amount has not yet been ascertained by the management. Consequently, we are unable to comment on the possible effects of the above on the financial statements.

Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matter stated in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Companies Act, 1956 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) *Except for the matter stated in the Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
   (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

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

Place: New Delhi
Date: April 30, 2014

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, 2014)

(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.

(c) There was no disposal of a substantial part of fixed assets during the year.

(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) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

(b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (e) to (g) 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) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under the above section, have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs entered into during the financial year, are at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposit from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) 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 209(1)(d) of the Companies Act, 1956 in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) *Except for the amount of stamp duty on transfer of immovable assets to the Company (refer Note 27 to the financial statements)*, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty 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, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty 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, *except for the amount of stamp duty on transfer of immovable assets to the Company (refer Note 27 to the financial statements).*

(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 & cess on account of any dispute, are as follows :-

Name of the statute	Nature of dues	Period to which the amount relates	Amount (Rs. 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 Mar-14	3586.05	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	239.11	Asst Commissioner/Appellate Dy. Commissioner/Sales Tax/ Appellate Tribunal/High Court
Tamil Nadu/Karnataka/ Maharashtra VAT Act	Sales tax on stock transfer, non submission of forms, penalty etc.	1996-97, 2004-05 & 2009-10	25.08	Joint Commissioner/Appellate Tribunal

(x) 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.

(xi) 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, banks or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society and therefore, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) 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.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which these were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that Rs.13816 lacs raised on short term basis have been used for long-term investment (without considering permanent capital) representing mainly acquisition of fixed assets.*

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, the Company had created security in respect of debentures issued in earlier years. The said debentures have been redeemed during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) *We have been informed that certain senior employees of the Company had misappropriated funds amounting to Rs.422.69 lacs in earlier years. The Company has initiated criminal proceedings against the said employees and the matter is under investigation (also refer Note 34 to the financial statements).*

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

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

Place: New Delhi
Date: April 30, 2014

Balance sheet as at 31st March, 2014

₹ *In Lacs*

	Notes	31st March 2014	31st March 2013
Equity and liabilities			
Shareholders' funds			
Share capital	3	2,048.69	2,048.69
Reserves and surplus	4	80,827.63	73,625.97
		82,876.32	**75,674.66**
Non-Current liabilities			
Long term borrowings	5	4,530.53	4,624.67
Deferred Tax Liabilities (Net)	14	12,659.54	12,931.95
Other long-term liabilities	6	4,635.05	3,084.53
Long-term provisions	7	1,163.54	911.78
		22,988.66	**21,552.93**
Current liabilities			
Short term borrowings	8	28,234.71	-
Trade payables	9	8,798.80	7,663.86
Other current liabilities	9	11,081.62	15,744.22
Short-term provisions	7	2,146.14	5,210.54
		50,261.27	**28,618.62**
TOTAL		**156,126.25**	**125,846.21**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	81,835.72	84,518.73
Intangible assets	11	726.16	857.62
Capital work-in-progress		26,070.15	1,033.59
Expenditure on New projects (pending allocation)	12	6,685.74	2,939.15
Non-current investments	13	0.54	0.43
Long-term loans and advances	15	11,216.30	2,537.19
Other Non Current assets	16.2	597.83	-
		127,132.44	**91,886.71**
Current assets			
Inventories	17	7,127.40	8,691.71
Trade receivables	16.1	6,468.81	7,645.20
Cash and bank balances	18	8,159.12	7,625.76
Short-term loans and advances	15	4,766.23	8,048.26
Other current assets	16.2	2,472.25	1,948.57
		28,993.81	**33,959.50**
TOTAL		**156,126.25**	**125,846.21**
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: April 30, 2014

For and on behalf of the board of directors

C.K.Birla
Chairman
(DIN NO. 00118473)

D.D.Khetrapal
Managing Director & CEO
(DIN NO. 02362633)

D.Gulati
Company Secretary
(FCS-5304)

Statement of Profit and Loss for the year ended 31st March, 2014

₹ In Lacs

	Notes	31st March 2014	31st March 2013
Income			
Revenue from operations (gross)	19	164,672.33	171,669.86
Less: excise duty		20,827.00	21,517.60
Revenue from operations (net)		**143,845.33**	**150,152.26**
Other income	20	927.34	475.28
Total revenue (I)		**144,772.67**	**150,627.54**
Expenses			
Cost of raw materials consumed	21	24,711.47	23,168.06
(Increase)/ decrease in inventories of finished goods and work-in-progress	22	1,155.73	(545.40)
Employee benefits expense	23	5,820.67	5,222.20
Other expenses	24	90,683.97	90,442.99
Total (II)		**122,371.84**	**118,287.85**
Earnings before finance cost, tax, depreciation and amortization (EBITDA) (I) - (II)		**22,400.83**	**32,339.69**
Depreciation and amortization expense	25	5,638.21	5,605.28
Finance costs	26	1,438.56	1,870.33
Profit before tax		**15,324.06**	**24,864.08**
Tax expenses			
Current tax		5,494.50	7,940.00
Deferred tax charge/(credit)		(272.41)	757.14
Total tax expense		**5,222.09**	**8,697.14**
Profit for the year		**10,101.97**	**16,166.94**
Earnings per equity share [nominal value of share ₹1]	**28**		
Basic & Diluted (₹)		**4.93**	**7.89**
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: April 30, 2014

For and on behalf of the board of directors

C.K.Birla
Chairman
(DIN NO. 00118473)

D.D.Khetrapal
Managing Director & CEO
(DIN NO. 02362633)

D.Gulati
Company Secretary
(FCS-5304)

Cash Flow Statement for the year ended 31st March, 2014

₹ *In Lacs*

	31st March 2014	31st March 2013
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	15,324.06	24,864.08
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and Amortisation expenses	5,638.21	5,605.28
Finance costs	1,438.56	1,870.33
Loss on sale/discard of fixed assets (net)	67.71	52.71
Bad debts / advances written off (net of reversals)	17.07	21.62
Provision for doubtful debts & advances	75.36	16.13
Unspent Liabilities and Unclaimed Balances adjusted	(254.75)	(235.34)
Provision no longer required written back	-	(4.50)
Interest Income	(372.12)	(84.58)
Operating Profit before Working Capital Changes :	**21,934.10**	**32,105.73**
Increase in trade payables	1,389.70	2,194.54
Increase in long-term provisions	251.76	377.61
Increase/(Decrease) in short-term provisions	35.61	(77.95)
(Decrease) in other current liabilities	(76.10)	(42.35)
Increase in other long-term liabilities	1,183.70	551.03
Decrease/(Increase) in trade receivables	1,127.22	(164.53)
Decrease/(Increase) in inventories	1,564.31	(835.19)
(Increase) in long-term loans and advances	(1,544.45)	(776.01)
(Increase) in short-term loans and advances	(842.25)	(850.42)
(increase)/Decrease in other current assets	(295.94)	1,595.01
(Increase) in other Non current assets	(75.63)	-
CASH GENERATED FROM OPERATIONS:	**24,652.03**	**34,077.47**
Direct Taxes Paid	(5,435.10)	(7,777.22)
NET CASH FROM OPERATING ACTIVITIES	**19,216.93**	**26,300.25**
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from sale of Tangible Assets	12.59	30.71
Purchase of long term Investments	(0.11)	(0.20)
Fixed Deposits	(9.95)	-
Loans Given	-	(4,655.98)
Loans Given received back	4,655.98	-
Purchase of Fixed Assets including Capital Work in Progress and Capital Advances	(32,974.41)	(4,394.19)
Interest Received	376.83	101.91
NET CASH FROM /(USED IN) INVESTING ACTIVITIES	**(27,939.07)**	**(8,917.75)**

ORIENT CEMENT

Cash Flow Statement *(contd.)* for the year ended 31st March, 2014

₹ *In Lacs*

	31st March 2014	31st March 2013
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Long Term Loans	(10,265.85)	(9,586.68)
Proceeds/(Repayments) from Short Term Borrowings (Net)	28,234.71	(2,150.02)
Interest Paid	(1,539.75)	(1,656.25)
Other Borrowing Cost	(627.12)	(57.17)
Dividend Paid	(5,598.95)	-
Dividend Tax Paid	(957.49)	-
NET CASH FROM /(USED IN) FINANCING ACTIVITIES	**9,245.55**	**(13,450.12)**
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	**523.41**	**3,932.39**
Cash & Cash Equivalents at the beginning of the year	**7,625.54**	**5.00**
Add: Cash & Cash equivalent transferred pursuant to the scheme of arrangement	**-**	**3,688.15**
Cash & Cash Equivalents at the end of the year *	**** 8,148.95**	**7,625.54**

* Represents Cash and Bank Balances as indicated in Note 18 and excludes ₹10.17 lacs (31st March, 2013 : ₹0.22 lacs) being balances with maturity of more than 3 months.

** Includes ₹34.98 lacs (31st March, 2013 : Nil) lying in unpaid dividend account.

Notes:

1. The above cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements notified under the Companies (Accounting Standard) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated 4th April, 2014 issued by the Ministry of Corporate Affairs.

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: April 30, 2014

For and on behalf of the board of directors

C.K.Birla
Chairman
(DIN NO. 00118473)

D.D.Khetrapal
Managing Director & CEO
(DIN NO. 02362633)

D.Gulati
Company Secretary
(FCS-5304)

Note 1 CORPORATE INFORMATION

Orient Cement Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. 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 Andhra Pradesh and Jalgaon in Maharashtra. The Company is also setting up a Greenfield Cement Project at Chittapur.

Note 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 the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated 4th April, 2014, issued by the Ministry of Corporate Affairs. 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.

Note 2.1 Summary of significant accounting policies

(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.

(b) Tangible fixed assets

Fixed Assets are stated at cost less accumulated depreciation/amortisation and 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.

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 Method (except for furniture, fixtures and vehicles valuing ₹1,261.11 lacs (31st March, 2013: ₹1,093.51 lacs) where Written Down Value method is followed) at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at the rates based on the useful lives of the assets estimated by the management, whichever is higher. Based

Note 2.1 Summary of significant accounting policies *(contd.)*

on this, the Company has depreciated its assets based on rates prescribed in Schedule XIV of the Companies Act, 1956.

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

(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 affect 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.

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.

Note 2.1 Summary of significant accounting policies *(contd.)*

(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.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

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.

(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.

Note 2.1 Summary of significant accounting policies *(contd.)*

(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. Work-in-progress and finished goods are 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.

Certified Emission Reduction Credits

Income from Certified Emission Reduction credits are accounted for at the lower of cost or net realizable value.

Claims / Refunds

Insurance & other claims / refunds, due to uncertainty in realisation, are accounted for on acceptance 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 not intended for trading or speculation purpose but entered into to hedge foreign currency risk of an existing asset / liability

Note 2.1 Summary of significant accounting policies *(contd.)*

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 absesnces 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 setllement beyond 12 months after the 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 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 not recognized

Note 2.1 Summary of significant accounting policies *(contd.)*

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.

Note 3 SHARE CAPITAL

₹ In Lacs

	31st March 2014	31st March 2013
Authorized shares (No. in lacs)		
5000 (31 March 2013: 5000) Equity Shares of ₹1/- each	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, subscribed and fully paid-up Shares (No. in lacs)		
2048.69 (31 March 2013: 2048.69) Equity Shares of ₹1/- each	2,048.69	2,048.69
Total issued and subscribed capital	**2,048.69**	**2,048.69**

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

Equity shares	31st March 2014		31st March 2013	
	No. in lacs	₹ in Lacs	No. in lacs	₹ in Lacs
At the beginning of the year	2,048.69	2,048.69	5.00	5.00
Shares cancelled pursuant to scheme of arrangement	-	-	(5.00)	(5.00)
Issued during the year	-	-	2048.69	2,048.69
Outstanding at the end of the year	**2,048.69**	**2,048.69**	**2,048.69**	**2,048.69**

(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, 2014, the amount of per share dividend recognised as distribution to equity shareholders was ₹1.50 per share (including interim dividend ₹0.75 per share) (31st March, 2013: ₹2 per share).

Notes to financial statements *(contd.)* for the year ended 31st March, 2014

Note 3 SHARE CAPITAL *(contd.)*

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

Name of the shareholder	31st March 2014		31st March 2013	
	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
Reliance Capital Trustee Company Limited A/c Reliance Growth Fund	140.11	6.84	133.42	6.51
Shekhavati Investments and Traders Limited	123.21	6.01	123.21	6.01

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.

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

No. in lacs

	31st March 2014	31st March 2013
Equity shares allotted to the shareholders of the Demerged Company pursuant to scheme of arrangement	2,048.69	2,048.69

Note 4 RESERVES AND SURPLUS

₹ In Lacs

	31st March 2014	31st March 2013
Capital reserve		
Balance as per the last financial statements	5.00	-
Add: Arisen pursuant to the Scheme of Arrangement	-	5.00
	5.00	**5.00**
Debenture Redemption Reserve		
Balance as per the last financial statements	2,500.00	-
Add: Amount transferred from surplus balance in the statement of profit and loss	-	2,500.00
Less: Amount transferred to General Reserve	2,500.00	-
	-	**2,500.00**
General reserve		
Balance as per the last financial statements	65,855.11	-
Add: Arisen pursuant to scheme of arrangement	*695.07	62,355.11
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	3,500.00
	71,550.18	**65,855.11**
Surplus in the statement of profit and loss		
Balance as per last financial statements	5,265.86	(107.35)
Profit for the year	10,101.97	16,166.94
Less: Appropriations		
Interim equity dividend (amount per share ₹0.75 (31st March, 2013 ₹ Nil))	1,536.55	-
Tax on Interim equity dividend	261.14	-
Proposed final equity dividend (amount per share ₹0.75 (31st March, 2013 ₹2 per share))	1,536.55	4,097.38
Tax on proposed equity dividend	261.14	696.35
Transfer to General Reserve	2,500.00	3,500.00
Transfer to debenture redemption reserve	-	2,500.00
Net surplus in the statement of profit and loss	**9,272.45**	**5,265.86**
Total reserves and surplus	**80,827.63**	**73,625.97**

* 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.

Note 5 LONG-TERM BORROWINGS *₹ In Lacs*

	Non-current portion		Current maturities	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Debentures (Privately Placed) (Secured)				
- (31 March 2013: 10,000 lacs) 12.45% Non-Convertible Debentures of ₹10 lacs each	-	-	-	10,000.00
Other loans and advances (unsecured)				
Deferred sales tax loan	4,530.53	4,624.67	94.14	265.85
	4,530.53	**4,624.67**	**94.14**	**10,265.85**
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(94.14)	(10,265.85)
Net amount	**4,530.53**	**4,624.67**	**-**	**-**

1. 12.45% Non-Convertible Debentures of ₹10 lacs each have been redeemed during the year. These Debentures were secured by first mortgage/charge ranking pari-passu with each other on the movable and immovable properties at Devapur and Jalgaon units. Further, the debentures were also secured by first mortgage/charge ranking pari-passu with each other on the movable and immovable properties pertaining to demerged Company's paper plants at Amlai and Brajrajnagar and a first charge on freehold land of demerged Company at Mehsana, Gujarat.
2. Deferred sales tax loan is interest free and payable in 26 unequal instalments, starting from February, 2012 and ending on January, 2023.

Note 6 OTHER LONG-TERM LIABILITIES *₹ In Lacs*

	31st March 2014	31st March 2013
Retention Money	440.80	73.98
Trade & Other Deposits	4,194.25	3,010.55
	4,635.05	**3,084.53**

Note 7 PROVISIONS *₹ In Lacs*

	Long-term		Short-term	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Provision for employee benefits				
Provision for gratuity (note 29)	791.36	587.54	230.01	207.48
Provision for leave benefits	333.98	286.04	59.63	46.55
	1,125.34	**873.58**	**289.64**	**254.03**
Other provisions				
Provision for Mining Restoration Costs	38.20	38.20	-	-
Provision for Taxation (Net)	-	-	58.81	162.78
Proposed Equity dividend	-	-	1,536.55	4,097.38
Provision for tax on proposed equity dividend	-	-	261.14	696.35
	38.20	**38.20**	**1,856.50**	**4,956.51**
	1,163.54	**911.78**	**2,146.14**	**5,210.54**

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 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.

Note 7 PROVISIONS *(contd.)*

₹ In Lacs

	31st March 2014	31st March 2013
At the beginning of the year	38.20	-
Add: Transfer pursuant to scheme of arrangement	-	38.20
At the end of the year	**38.20**	**38.20**
Current portion	-	-
Non-current portion	38.20	38.20

Note 8 SHORT TERM BORROWINGS

₹ In Lacs

	31st March 2014	31st March 2013
Cash Credit from a bank (Secured)	8,234.71	-
Other Loans & Advances:- (Unsecured)		
Short Term Loan From a Bank	10,000.00	-
Commercial Papers		
From others	10,000.00	-
	28,234.71	-

1. 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% to 10.95%
2. Short term loan from a bank is repayable within one year in 10 equal monthly instalments of ₹9 crores each and 1 instalment of ₹10 crores. The same carries interest @10.75% p.a.
3. Commercial papers from others carry interest @ 9.50% p.a. to 11.25% p.a and are repayable between a period of 84 days to 182 days.

Note 9 OTHER CURRENT LIABILITIES

₹ In Lacs

	31st March 2014	31st March 2013
Trade payables (refer note 35 for details of dues to micro and small enterprises)	**8,798.80**	**7,663.86**
Other liabilities		
Payables against purchase of Fixed Assets	7,356.97	1,649.84
Current maturities of long-term borrowings (note 5)	94.14	10,265.85
Interest accrued but not due on borrowings	-	156.90
Advance against Sales	1,422.11	1,380.95
Unpaid Dividend	34.98	-
Others		
Trade & Other Deposits	13.58	13.22
Statutory dues payable	2,130.52	2,258.23
Other Miscellaneous	29.32	19.23
	11,081.62	**15,744.22**
	19,880.42	**23,408.08**

Note 10 TANGIBLE ASSETS ₹ *In Lacs*

	Freehold Land (a)	Factory Buildings	Non-Factory Buildings	Railway Sidings	Plant and equipment	Furniture and fixtures	Office Equipments	Vehicles	Total	
Cost										
At 1 April 2012	-	-	-	-	-	-	-	-	-	
Transferred pursuant to scheme of arrangement	8,245.88	2,323.64	3,106.45	1,988.56	106,454.07	493.63	142.20	290.71	123,045.14	(b)
Additions	964.13	130.76	504.24	309.80	1,136.98	253.22	11.18	65.36	3,375.67	
Disposals/Deductions	-	2.51	3.33	-	89.44	9.41	-	-	104.69	
At 31 March 2013	**9,210.01**	**2,451.89**	**3,607.36**	**2,298.36**	**107,501.61**	**737.44**	**153.38**	**356.07**	**126,316.12**	
Additions	1,770.82	56.61	377.16	15.20	678.63	190.75	6.90	17.17	3,113.24	
Disposals/Deductions	0.26	4.53	-	-	1,376.47	34.19	6.21	6.14	1,427.80	
At 31st March, 2014	**10,980.57**	**2,503.97**	**3,984.52**	**2,313.56**	**106,803.77**	**894.00**	**154.07**	**367.10**	**128,001.56**	
Depreciation										
At 1 April 2012	-	-	-	-	-	-	-	-	-	
Transferred pursuant to scheme of arrangement	-	669.59	555.71	1,467.24	33,006.20	321.30	81.81	242.99	36,344.84	
Charge for the year	-	79.04	58.06	56.41	5,207.87	42.56	9.07	20.81	5,473.82	
Disposals/Deductions	-	-	-	-	14.74	6.53	-	-	21.27	
At 31 March, 2013	-	**748.63**	**613.77**	**1,523.65**	**38,199.33**	**357.33**	**90.88**	**263.80**	**41,797.39**	
Charge for the year	-	81.09	61.84	63.95	5,200.25	95.58	6.81	23.20	5,532.72	
Disposals/Deductions	-	0.10	-	-	1,131.98	22.66	4.49	5.04	1,164.27	
At 31st March, 2014	-	**829.62**	**675.61**	**1,587.60**	**42,267.60**	**430.25**	**93.20**	**281.96**	**46,165.84**	
Net Block										
At 31 March, 2013	**9,210.01**	**1,703.26**	**2,993.59**	**774.71**	**69,302.28**	**380.11**	**62.50**	**92.27**	**84,518.73**	
At 31st March, 2014	**10,980.57**	**1,674.35**	**3,308.91**	**725.96**	**64,536.17**	**463.75**	**60.87**	**85.14**	**81,835.72**	

a. Includes ₹721.00 lacs (31st March, 2013: ₹38.55 lacs), the registration whereof in the Company's name is pending.

b. Mutation of Immovable assets transferred to the Company pursuant to the scheme of arrangement is pending (Refer Note 27).

Note 11 INTANGIBLE ASSETS ₹ *In Lacs*

	Computer Software	Mining Rights	Total
Gross block			
At 1 April 2012	-	-	-
Transferred pursuant to scheme of arrangement	27.03	1,314.60	1,341.63
Additions	-	-	-
At 31 March 2013	**27.03**	**1,314.60**	**1,341.63**
Additions	-	-	-
At 31st March, 2014	**27.03**	**1,314.60**	**1,341.63**
Amortization			
At 1 April 2012	-	-	-
Transferred pursuant to scheme of arrangement	27.03	325.52	352.55
Charge for the year	-	131.46	131.46
At 31 March 2013	**27.03**	**456.98**	**484.01**
Charge for the year	-	131.46	131.46
At 31st March, 2014	**27.03**	**588.44**	**615.47**
Net block			
At 31 March 2013	-	**857.62**	**857.62**
At 31st March, 2014	-	**726.16**	**726.16**

Notes to financial statements *(contd.)* for the year ended 31st March, 2014

Note 12 DETAILS OF EXPENDITURE ON NEW PROJECTS: (PENDING ALLOCATION)

₹ In Lacs

	31st March 2014	31st March 2013
Pre-Operative Expenses:		
Rent & Hire Charges	58.48	58.93
Salary & Wages	943.62	482.79
Contribution to Provident & Other Funds	48.01	30.94
Employees Welfare Expenses	25.40	19.50
Consultancy charges	1595.41	313.25
Interest	561.47	-
Depreciation	25.97	-
Miscellaneous Expenses	488.23	184.33
	3,746.59	**1,089.74**
Add: Transferred pursuant to scheme of arrangement	-	1,849.41
Add: Brought forward from previous year	2939.15	-
Balance carried to Balance Sheet	**6,685.74**	**2,939.15**

Note 13 NON-CURRENT INVESTMENTS

₹ In Lacs

	31st March 2014	31st March 2013
Government securities (unquoted)		
6 Years National Savings Certificates	0.54	0.43
	0.54	**0.43**
Aggregate amount of unquoted investments	**0.54**	**0.43**

Government Securities of the Face Value of ₹0.54 lac (31 March 2013: ₹0.43 lac) are lodged with Government Departments as Security Deposits.

Note 14 DEFERRED TAX LIABILITY (NET)

₹ In Lacs

	31st March 2014	31st March 2013
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	13,451.34	13,519.57
Gross deferred tax liability	**13,451.34**	**13,519.57**
Deferred tax asset		
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	737.03	557.88
Provision for doubtful debts and advances	41.78	16.75
Provision for mining restoration cost	12.99	12.99
Gross deferred tax asset	**791.80**	**587.62**
Net deferred tax Liability	**12,659.54**	**12,931.95**

Note 15 LOANS AND ADVANCES

₹ In Lacs

	Non-current		Current	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Unsecured, considered good, except otherwise stated				
Capital advances				
Unsecured, considered good	7,249.51	114.84	-	-
Doubtful	43.27	-		
	7,292.78			
Less: Provision for Doubtful advances	43.27	-		
(A)	**7,249.51**	**114.84**	**-**	**-**
Trade & Other Deposits	2,438.16	1,951.21	84.16	47.57
(B)	**2,438.16**	**1,951.21**	**84.16**	**47.57**
Loan to Demerged Company	-	-	-	4,655.98
(C)	**-**	**-**	**-**	**4,655.98**
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered Good	31.23	62.61	2,726.87	1,820.36
Doubtful	8.92	8.92	-	-
	40.15	71.53	2,726.87	1,820.36
Less: Provision for Doubtful advances	8.92	8.92	-	-
(D)	**31.23**	**62.61**	**2,726.87**	**1,820.36**
Other loans and advances				
Prepaid Expenses	10.09	12.32	298.71	168.71
Deposits against demand under dispute	450.13	323.02	-	-
Advance payment of Income Tax and Tax deducted at source after adjusting provisions	-	-	531.71	-
Balances with Excise, Customs, Port Trusts and Other Government Authorities	1,037.18	73.19	1,124.78	1,355.64
(E)	**1,497.40**	**408.53**	**1,955.20**	**1,524.35**
Total (A+B+C+D+E)	**11,216.30**	**2,537.19**	**4,766.23**	**8,048.26**
Advances due by officers of the Company.				
Advances due by officers of the Company	-	-	1.02	0.09

Note 16 TRADE RECEIVABLES AND OTHER ASSETS

16.1 Trade receivables

₹ In Lacs

	Current	
	31st March 2014	31st March 2013
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	2.50	7.78
Unsecured, considered good	80.30	41.97
Doubtful	70.73	40.36
	153.53	90.11
Provision for doubtful trade receivables	70.73	40.36
(A)	**82.80**	**49.75**
Other receivables		
Secured, considered good	794.29	956.54
Unsecured, considered good	5,591.72	6,638.91
(B)	**6,386.01**	**7,595.45**
(A+B)	**6,468.81**	**7,645.20**

Notes to financial statements *(contd.)* for the year ended 31st March, 2014

Note 16 TRADE RECEIVABLES AND OTHER ASSETS *(contd.)*

16.2 Other assets

₹ In Lacs

	Non-current		Current	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Unsecured, Considered good				
Non Current Bank Balances (Note 18)	75.63	-		
Interest accrued on Investments	-	-	0.16	0.16
Interest accrued on Loans, Deposits etc.	0.79	-	38.93	44.43
Unamortized Ancillary cost of arranging the borrowings	521.41	-	50.00	-
Assets held for disposal	-	-	183.23	-
Claims & Refunds Receivable	-	-	2,168.43	1,875.87
Certified Emission Reduction Credit	-	-	31.50	28.11
	597.83	**-**	**2,472.25**	**1,948.57**

Note 17 INVENTORIES

₹ In Lacs

	Notes	31st March 2014	31st March 2013
Valued at Lower of Cost and Net Realisable Value			
Raw materials	21	646.18	590.29
Work-in-progress	22	710.75	1,333.57
Finished goods	22	386.60	1,014.97
Stores and spares parts etc.		5,318.78	5,672.70
At Estimated Realisable Value			
Scrap	22	65.09	80.18
		7,127.40	**8,691.71**
The above includes stock in transit:			
Raw Materials		9.47	9.48
Work-in-progress		108.24	106.30
Stores and spares Parts etc.		141.90	28.34
		259.61	**144.12**

Note 18 CASH AND BANK BALANCES

₹ In Lacs

	Non-current		Current	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Cash and cash equivalents				
Balances with banks:				
– On current accounts			7,043.48	3,999.11
– On Cash Credit accounts			405.46	1,647.40
– On Unpaid Dividend Account			34.98	-
Cheques on hand			661.67	1,976.48
Cash on hand			3.36	2.55
			8,148.95	**7,625.54**
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 12 months	75.63	-	10.00	0.05
	75.63	**-**	**10.17**	**0.22**
Total	**75.63**	**-**	**8,159.12**	**7,625.76**
Amount disclosed under non-current assets (note 16.2)	**(75.63)**	**-**		
	-	**-**	**8,159.12**	**7,625.76**

* Receipts/Pass Books for ₹75.80 lacs (31 March 2013: ₹0.22 lacs) are lodged with Government Departments/Banks as security.

Note 19 REVENUE FROM OPERATIONS

₹ In Lacs

	31st March 2014	31st March 2013
Revenue from operations		
Sale of products		
Finished goods	165,879.57	169,968.28
Semi-Finished goods	1,509.82	1,951.32
	167,389.39	**171,919.60**
Less: Cash Discount, Rebates etc.	3,544.53	1,962.11
	163,844.86	**169,957.49**
Other operating revenue		
Scrap sales	294.77	320.36
Sale of Power	270.71	736.78
Industrial Promotion / Sales Tax Subsidy	261.99	655.23
Revenue from operations (gross)	**164,672.33**	**171,669.86**
Less: Excise duty #	20,827.00	21,517.60
Revenue from operations (net)	**143,845.33**	**150,152.26**

Excise duty on sales amounting to ₹20,827.00 lacs (31st March 2013: ₹21517.60 lacs) has been reduced from sales in statement of profit & loss and excise duty on decrease/ (increase) in stock amounting to (₹110.55 lacs) (31st March 2013 ₹69.45 lacs) has been considered as (income)/ expense in note 22 of financial statements.

Detail of products sold

₹ In Lacs

	31st March 2014	31st March 2013
Finished goods sold		
Portland Cement	162,335.04	168,006.17
Semi Finished Goods Sold		
Clinker	1,509.82	1,951.32
	163,844.86	**169,957.49**

Note 20 OTHER INCOME

₹ In Lacs

	31st March 2014	31st March 2013
Interest income on		
Debts, deposits, advances etc.	372.12	84.58
Insurance & Other Claims	159.76	14.35
Rent & Hire Charges	3.13	3.61
Unspent Liabilities and Unclaimed Balances adjusted	254.75	235.34
Provision no longer required written back	-	4.50
Gain on Exchange Rate Fluctuations (net)	-	0.82
Other Miscellaneous Income	137.58	132.08
	927.34	**475.28**

Note 21 COST OF RAW MATERIALS CONSUMED

₹ In Lacs

	31st March 2014	31st March 2013
Inventory at the beginning of the year	590.29	-
Add: Stocks transferred pursuant to scheme of arrangement	-	590.35
Add: Purchases & procurement expenses	24,767.36	23,168.00
[inclusive of Royalty & Cess ₹2,824.05 lacs (31st March 2013: ₹2,780.50 lacs)]		
	25,357.65	**23,758.35**
Less: inventory at the end of the year	646.18	590.29
	24,711.47	**23,168.06**

Notes to financial statements *(contd.)* for the year ended 31st March, 2014

Note 21 COST OF RAW MATERIALS CONSUMED *(contd.)*

Details of raw materials consumed

₹ In Lacs

	31st March 2014	31st March 2013
Lime Stone	6,819.50	6,235.85
Clinker *	10,336.88	9,170.15
Pozzolona Material	3,321.80	3,360.97
Gypsum	2,164.00	2,010.20
Aluminous Laterite	1,209.31	1,301.15
Laterite	858.62	1,039.78
Miscellaneous Items #	1.36	49.96
	24,711.47	**23,168.06**

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

It is not practicable to furnish item wise details in view of the number of items which differ in size and nature, each being less than 10% in value of the total.

Details of inventory

₹ In Lacs

	31st March 2014	31st March 2013
Raw materials		
Pozzolona Material	30.82	35.42
Gypsum	349.26	266.93
Aluminous Laterite	105.95	212.61
Laterite	160.15	75.33
	646.18	**590.29**

Note 22 (INCREASE)/ DECREASE IN INVENTORIES

₹ In Lacs

	31st March 2014	31st March 2013
Inventories at the end of the year		
Work-in-progress	710.75	1,333.57
Finished goods	386.60	1,014.97
Scrap	65.09	80.18
	1,162.44	**2,428.72**
Inventories at the beginning of the year		
Work-in-progress	1,333.57	1,079.70
Finished goods	1,014.97	850.38
Scrap	80.18	22.69
	2,428.72	***1,952.77**
	1,266.28	**(475.95)**
(Increase)/decrease of excise duty on inventory	(110.55)	(69.45)
	1,155.73	**(545.40)**

* Represents inventories transferred pursuant to scheme of arrangement.

Details of inventory

₹ In Lacs

	31st March 2014	31st March 2013
Work-in-progress		
Clinker	530.88	1,151.02
Others	179.87	182.55
	710.75	**1,333.57**
Finished goods		
Portland Cement	**386.60**	**1,014.97**

Note 23 EMPLOYEE BENEFITS EXPENSE

₹ In Lacs

	31st March 2014	31st March 2013
Salaries, wages and bonus	4,489.33	3,969.86
Contribution to provident and other funds	320.28	271.75
Gratuity expense (Note 29)	271.19	367.96
Staff welfare expenses	739.87	612.63
	5,820.67	**5,222.20**

Note 24 OTHER EXPENSES

₹ In Lacs

	31st March 2014	31st March 2013
Consumption of stores and spares [after adjusting Sales & Claims ₹1,106.83 lacs (31st March 2013: ₹355.45 lacs)]	3,666.58	3,495.68
Handling & Other charges to contractors	1,163.14	1,080.63
Power and fuel	38,932.29	37,930.64
Packing, Freight and forwarding charges	31,288.11	31,037.13
Rent & Hire Charges	636.07	441.15
Rates and taxes	88.87	97.59
Insurance	156.65	155.10
Repairs and maintenance		
Plant and machinery	3,591.75	4,854.71
Buildings	414.07	422.41
Advertising and sales promotion	6,416.62	6,637.40
Commission on sales	877.44	765.47
Payment to Auditors		
As Auditors:		
Audit fee	25.00	25.00
Limited Review	15.00	-
In other capacity:		
Tax Audit Fee	7.50	-
For certificates & other services	0.87	15.00
Reimbursement of expenses	4.50	3.19
Payment to cost auditor	0.93	0.53
Professional & Consultancy Charges	867.81	790.80
Charity & Donations	100.00	100.00
Director's Commission	137.50	216.23
Directors' sitting fees	5.17	0.40
Bad debts / advances written off (net of reversals)	17.07	21.62
Loss on Exchange Rate Fluctuations (net)	1.62	-
Turnover Tax & Entry Tax etc.	151.73	150.69
Provision for doubtful debts & advances	75.36	16.13
Loss on sale/discard of fixed assets (net)	67.71	52.71
Miscellaneous expenses	1,974.61	2,132.78
	90,683.97	**90,442.99**

Notes to financial statements *(contd.)* for the year ended 31st March, 2014

Note 25 DEPRECIATION AND AMORTIZATION EXPENSE

₹ In Lacs

	31st March 2014	31st March 2013
Depreciation of tangible assets	5,532.72	5,473.82
Amortization of intangible assets	131.46	131.46
	5,664.18	5,605.28
Less: Transfer to Pre-Operative Expenses	25.97	-
	5,638.21	**5,605.28**

Note 26 FINANCE COSTS

₹ In Lacs

	31st March 2014	31st March 2013
Interest	1,382.85	1,813.16
Other Borrowing Cost	55.71	57.17
	1,438.56	**1,870.33**

Note 27

Stamp duty liability against Immovable Assets of Cement Undertaking of the Demerged Company transferred to the Company with effect from 1st April, 2012, pursuant to the Scheme of Arrangement approved by the Honb'le Orissa High Court is yet to be ascertained and provided for. The same will be accounted for as and when the liability is ascertained.

Note 28 EARNINGS PER SHARE (EPS)

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

₹ In Lacs

	31st March 2014	31st March 2013
Profit after tax	10,101.97	16,166.94
Net Profit for calculation of basic and diluted EPS	**10,101.97**	**16,166.94**
Weighted average number of equity shares in calculating basic & diluted EPS	2,048.69	2,048.69
Earnings per equity share [nominal value of share ₹1]		
Basic & Diluted	**4.93**	**7.89**

Note 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 2014	31st March 2013
Current service cost	121.99	121.48
Interest cost on benefit obligation	121.93	90.17
Expected return on plan assets	68.53	55.46
Net actuarial(gain) / loss recognized in the year	95.80	211.77
Net benefit expense	**271.19**	**367.96**
Actual return on plan assets	68.53	50.95

Note 29 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS *(contd.)*

Balance sheet

Benefit asset/ liability

₹ In Lacs

	Gratuity	
	31st March 2014	31st March 2013
Present value of defined benefit obligation	1,664.14	1,524.08
Fair value of plan assets	642.77	729.06
Plan liability/ (asset)	**1,021.37**	**795.02**

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

₹ In Lacs

	Gratuity	
	31st March 2014	31st March 2013
Opening defined benefit obligation	1,524.08	-
Add: Obligation transferred pursuant to scheme of arrangement	-	1,216.66
Current service cost	121.99	121.48
Interest cost	121.93	90.17
Benefits paid	(199.66)	(111.49)
Actuarial (gains) / losses on obligation	95.80	207.26
Closing defined benefit obligation	**1,664.14**	**1,524.08**

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

₹ In Lacs

	Gratuity	
	31st March 2014	31st March 2013
Opening fair value of plan assets	729.06	-
Add: Assets transferred pursuant to scheme of arrangement	-	590.04
Expected return	68.53	55.46
Contributions by employer	-	183.81
Benefits paid	154.83	(95.74)
Actuarial gains / (losses)	-	(4.51)
Closing fair value of plan assets	**642.77**	**729.06**

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:

	Gratuity	
	31st March 2014	31st March 2013
Discount rate	9%	8%
Expected rate of return on assets	9.40%	9.40%
Employee turnover	upto 30 years: 10%	
	31 to 44 years: 5%	
	above 44 years: 1%	1%

Note 29 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS *(contd.)*

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. There has been significant change in expected rate of return on assets due to the change in market scenario.

Amount for the current and previous period is as follows:

₹ In Lacs

	31st March 2014	31st March 2013	31st March 2012
Gratuity			
Defined benefit obligation	1,664.14	1,524.08	-
Plan assets	642.77	729.06	-
Surplus / (deficit)	(1,021.37)	(795.02)	-
Experience adjustments on plan liabilities	80.27	51.90	-
Experience adjustments on plan assets	-	(2.28)	-

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

Defined Contribution Plan :

₹ In Lacs

	31st March 2014	31st March 2013
Contribution to Provident / Pension Funds	304.51	241.25
Contribution to Superannuation Fund	63.78	61.44
	368.29	**302.69**

Note 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 is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases. The leases are cancellable.

₹ In Lacs

	31st March 2014	31st March 2013
Lease payments made for the year	636.07	441.15
Contingent rent recognized in the Statement of Profit & Loss	-	-

Note 31 CAPITAL AND OTHER COMMITMENTS

(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹82,351.39 lacs (31st March, 2013: ₹245.78 lacs)

(b) For commitments relating to lease arrangements, please refer note 30)

Note 32 CONTINGENT LIABILITIES

₹ In Lacs

	31st March 2014	31st March 2013
Demands/claims by various Government authorities and others not acknowledged as debts and contested by the Company:		
Excise Duty	14,016.33	9,327.53
Sales Tax	528.45	485.44
Escot Charges	11,010.60	7,638.60
Others	2,169.14	1,468.49
	27,724.52	**18,920.06**
Against the above, payments have been made under protest and/ or debts have been withheld by respective parties.	450.13	323.02

* 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.

Note 33

The Company has been legally advised that it is eligible to claim credit for Advance tax of ₹1698.15 lacs paid by Orient Paper & Industries Limited (demerged Company) under its PAN during the month of June,2012, being the 1st instalment for the last financial year, in terms of clauses 2.10, 6.1 (h) & (i) and 6.4 of the Scheme of arrangement approved by the Honb'le 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.

Note 34

During the year, the Company has noticed certain misappropriation of funds in earlier years by some senior employees of the Company amounting to ₹422.69 lacs. The Company has initiated criminal proceedings against the said employees and the matter is under investigation. In the meantime, appropriate adjustments have been made in the books of account in respect of the aforesaid amount.

Note 35 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

₹ In Lacs

	31st March 2014	31st March 2013
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	342.36	210.10
Interest due on above	-	-
	342.36	**210.10**
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	-	-

Notes to financial statements *(contd.)* for the year ended 31st March, 2014

Note 36

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.

Note 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) (From 2nd April, 2012) Mr. P.K. Tripathy

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period:

a. Remuneration to key managerial personnel *₹ In Lacs*

		Transaction during the period	Amount owed by related parties	Amount owed to related parties
- Mr.D.D.Khetrapal	31-Mar-14	350.79		16.90
	31-Mar-13	270.05	-	77.16
- Mr. P.K.Tripathy	31-Mar-14	123.90	-	29.83
	31-Mar-13	109.18	-	25.55
Total		**474.69**	**-**	**46.73**
		379.23	**-**	**102.71**

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 *₹ In Lacs*

	Year Ended	Transaction during the period	Amount owed by related parties	Amount owed to related parties
Associate				
- Central India & Industries Ltd.	31-Mar-14	1,351.45	-	-
	31-Mar-13	-	-	-

Note 38

The Company has no derivatives outstanding as on the Balance Sheet date and there is no unhedged foreign currency exposure as at the reporting date.

Note 39 VALUE OF IMPORTS CALCULATED ON CIF BASIS (INCLUDING THROUGH CANALISING AGENCIES:)

₹ In Lacs

	31st March 2014	31st March 2013
Capital Goods	2,620.56	-
Spares Parts	67.31	286.36
	2,687.87	**286.36**

Note 40 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

₹ *In Lacs*

	31st March 2014	31st March 2013
Professional & Consultancy fees	-	6.56
Travelling	**11.32**	**-**

Note 41 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

Year of remittance (ending on)	31st March 2014	31st March 2013
No. of non-resident shareholders	449	393
Number of equity shares held on which dividend was due	7,664,231	5,899,418
Amount remitted and/or paid in Indian Currency:		
for the period 1st April, 2012 to 31st March, 2013 (₹ in lacs)	153.28	-
interim dividend for the year ended 31st March, 2014 (₹ in lacs)	57.48	-

Note 42 IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS CONSUMED

₹ *In Lacs*

	%age of total consumption	Value (₹ in lacs)	%age of total consumption	Value (₹ in lacs)
	31st March 2014	31st March 2014	31st March 2013	31st March 2013
Raw Materials				
Imported	-	-	-	-
Indigenously obtained	100.00	24,711.47	100.00	23,168.06
	100.00	**24,711.47**	**100.00**	**23,168.06**
Spare parts				
Imported	4.35	121.61	4.83	114.08
Indigenously obtained	95.65	2,675.40	95.17	2,246.18
	100.00	**2,797.01**	**100.00**	**2,360.27**

Note 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: April 30, 2014

For and on behalf of the board of directors

C.K.Birla
Chairman
(DIN NO. 00118473)

D.D.Khetrapal
Managing Director & CEO
(DIN NO. 02362633)

D.Gulati
Company Secretary
(FCS-5304)

ORIENT
CEMENT

Orient Cement Limited
CIN:L26940OR2011PLC013933
Registered Office: Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Orissa-751 012,
Tel: 0674-2396930 I Fax No. 0674 2396364
Corporate Office : Birla Tower, 3rd Floor, 25, Barakhamba Road, New Delhi-110 001
Tel: 011 42092100, 011 42092190
investors@orientcement.com I www.orientcement.com

NOTICE

NOTICE is hereby given that the 3rd Annual General Meeting (AGM) of the Members of Orient Cement Limited will be held on Saturday, August 9, 2014 at 2:00 P.M at Unit –VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012, Orissa to transact the following business:-

Ordinary Business

Item No. 1—Adoption of financial statements

To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2014, including the audited Balance Sheet as at March 31, 2014, 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.

Item No. 2—Declaration of dividend

To declare a final dividend of ₹0.75 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, 2014.

Item No. 3—Appointment of Director

To appoint a director in place of Mr. C.K. Birla (DIN- 00118473), who retires by rotation and being eligible, seeks re-appointment.

Item No. 4-Appointment of Auditors

To re-appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the 8th AGM of the Company to be held in the year 2019(subject to ratification of their appointment at every AGM) and to fix their remuneration and pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT**, pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed there under and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration Number: 301003E) , be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM until the conclusion of the 8th AGM of the Company to be held in the year 2019, subject to ratification of the appointment by the members at every AGM held after this AGM and the Board of Directors be and are hereby authorized to fix such remuneration as may be recommended by the audit committee in consultation with the auditors."

Special Business

Item No. 5-Appointment of Mr. Janat Shah as an Independent 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, 150, 152 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) read with Schedule IV to the Companies Act, 2013, Mr. Janat Shah(DIN No. 01625535), who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 30, 2014 and who holds office upto the date of AGM, 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 Mr. Janat Shah(DIN No. 01625535) as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company up to April 29, 2019, not liable to retire by rotation."

Item No. 6-Appointment of Mr. Rabindranath Jhunjhunwala as an Independent 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, 150, 152 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) read with Schedule IV to the Companies Act, 2013, Mr. Rabindranath Jhunjhunwala (DIN No. 00050729), who was earlier appointed as a Director liable to retire by rotation 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 Mr. Rabindranath Jhunjhunwala (DIN No. 00050729), as a candidate for the office of Director of the

Company , be and is hereby appointed as an Independent Director of the Company to hold office up to August 8, 2019, not liable to retire by rotation."

Item No. 7-Appointment of Mr. Vinod Kumar Dhall as an Independent 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, 150, 152 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) read with Schedule IV to the Companies Act, 2013, Mr. Vinod Kumar Dhall (DIN No. 02591373), who was earlier appointed as a Director liable to retire by rotation 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 Mr. Vinod Kumar Dhall (DIN No. 02591373), as a candidate for the office of Director of the Company , be and is hereby appointed as an Independent Director of the Company to hold office up to August 8, 2019, not liable to retire by rotation."

Item No. 8-Appointment of Mr. Rajeev Jhawar as an Independent 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, 150, 152 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) read with Schedule IV to the Companies Act, 2013, Mr. Rajeev Jhawar (DIN No. 00086164), Director of the Company who retires by rotation at the AGM 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 Mr. Rajeev Jhawar (DIN No. 00086164), as a candidate for the office of Director of the Company , be and is hereby appointed as an Independent Director of the Company to hold office up to August 8, 2019, not liable to retire by rotation."

Item No. 9- Revision in remuneration of Managing Director

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 Section 196,197, 203 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) read with Schedule V to the Companies Act, 2013, subject to approval of Central Government, if required, the approval of the Company be and is hereby accorded for payment of below mentioned revised Remuneration to Mr. Desh Deepak Khetrapal, CEO and Managing Director(DIN No.02362633) of the Company w.e.f. April 1, 2014 for the remaining period of his tenure:-

(i) Salary (Basic) per month: ₹12,00,000

(ii) Other Allowances (per month): Personal allowance ₹4,40,000
Special allowance ₹4,45,000

(iii) Other Perquisites:

(a) Housing: Expenditure by the Company on hiring accommodation for the Managing Director

(b) Medical Allowance/Reimbursement: ₹1,00,000 per annum

(c) Leave: In accordance with the rules framed by the Company

(d) Leave Travel Allowance/ LTC: ₹12,00,000 per annum

(e) Driving Allowance: ₹20,000 per month

(f) Contribution to Provident Fund and Superannuation/ Annuity Fund will be as per the Scheme of the Company.

(g) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per the Scheme of the Company.

(h) Encashment of un availed leave at the end of the tenure or at specified intervals will be as per the Scheme of the Company.

(i) Provision of chauffer driven car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for Private purpose shall be billed by the Company to the Managing Director.

(j) In addition to the above, the Managing Director will be entitled to an Annual performance linked compensation of up to ₹75,00,000 subject to achievement of agreed targets and performance parameters as assigned by the Board of Directors.

The Company or Mr. Desh Deepak Khetrapal be entitled to terminate this appointment by giving three month's notice in writing.

Minimum Remuneration: The remuneration as specified above shall continue to be paid to Mr. Desh Deepak Khetrapal (DIN No.02362633) as and by way of minimum remuneration notwithstanding the loss or inadequacy of profit during the tenure of his office.

FURTHER RESOLVED THAT Mr. Desh Deepak Khetrapal (DIN No.02362633) shall be entrusted with substantial power of management of the whole or substantially the whole of the affairs of the Company subject to superintendence, control and directions of the Board of Directors of the Company and he shall also perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred upon him by the Board.

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

Item No. 10-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 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder and subject to all other approvals, if any required, the Company hereby appoints Mr. Somnath Mukherjee, Cost Accountant in practice (M.NO.-F5343), as its Cost Auditor for conducting the Cost Audit in respect of Cement and Limestone and to pay an amount not exceeding ₹60,000 (Sixty thousand only) plus out of pocket expenses to Mr. Somnath Mukherjee, Cost Accountant in practice (M.NO.-F5343)

RESOLVED FURTHER THAT, in the event applicable laws permit a change in the scope of services, which is required from the Cost Auditor, from the date hereof and until the date of the next AGM, the Board of Directors, be and are hereby empowered to agree to: (1) a revised scope of work with the Cost Auditor as may be required under the applicable law; and (2) a revised reduced fees payable to the Cost Auditor, as may be deemed appropriate by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors 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. 11-Fixing the limit of borrowing

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

"**RESOLVED THAT** in supersession of the Ordinary Resolution approved at the AGM held on August 13, 2012 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board from time to time) to borrow monies, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹3,000 crore (Rupees three thousand crores).

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution."

Item No. 12-Amendment to Articles of Association

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

"**RESOLVED THAT** pursuant to provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 (the "Act") (including any amendment(s), statutory modification(s) or re-enactment thereof for the time being in force) and rules made there under, the existing Articles of Association of the Company be and is hereby altered by insertion of clause 124A in the following manner:

124A- "Notwithstanding anything contrary contained in the Articles, if the Company has availed any loan(s) from any Bank(s), Financial institutions, Non-Banking Finance Company or any other Body Corporate ("Lender(s)") and so long as any monies with respect to such loan(s) granted by such Lender(s) to the Company remain outstanding by the Company to any Lender(s) or so long as the Lender(s) continue to hold debentures in the Company by direct subscription or private placement, or so long as the Lender(s) holds equity shares in the Company as a result of conversion of such loans/debentures, and if the loan agreement of respective Lender(s) provide for appointment of any person or persons as a Director or Directors, (which Director or Directors is /are herein after referred to as "Nominee Director(s)/Observer(s)") on the Board of the Company, the Company shall appoint such person nominated by such Lender(s) as Nominee Director/Observer, in accordance with the terms and conditions specified in the loan agreement executed with the lenders.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question that may arise in this regard."

By order of the Board of Directors

Deepanjali Gulati
(Company Secretary)
(FCS-5304)

Place: New Delhi
Date: June 26, 2014

NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is 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 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. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

3. 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 of the Company, provided that not less than three days of notice in writing is given to the Company.

4. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

6. The Register of Contracts or Arrangements in which Directors are interested, maintained under section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 9th, 2014 to Saturday, August 9th, 2014.

8. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear in the Register of Members as on August 9th, 2014.

9. **The Company has shifted its Registrar & Share Transfer Agent from M/s. MCS Limited, Unit: Orient Cement Limited, 77/2A, Hazra Road, Kolkata-700 029 to M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110020. 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.**

10. 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.

11. 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.

12. 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 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.

13. Copies of the Annual Report 2014 are being sent by electronic

mode only to all 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 are being sent by the permitted mode.

14. The Notice of the 3rd AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, is 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.

15. Members may also note that the Notice of the 3rd AGM and the Annual Report 2014 will be available on the Company's website www.orientcement.com.

16. 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.

17. 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.

18. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

    The e-voting facility is available at the link **https://www.evoting.nsdl.com**

    The instructions for e-voting are as under:

    A. In case a Member receives an e-mail from NSDL (FOR Members whose e-mail addresses are registered with the Company/ Depositories):

    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 for e-voting. Please note that the password is an initial password.

    ii. Open the internet browser and type the following URL:

    URL: http//www.evoting.nsdl.com

    iii. Click on **Shareholder-Login**

    iv. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.

    v. If you are logging in for the first time, please enter the User ID and Password/ PIN provided in the document provided with Annual Report.

    vi. The **Password Change Menu** will appear on your screen. Change to a new Password of your choice, making sure that it contains a minimum of 8 digits of characters or a combination of the two. Please take utmost care to keep your Password confidential.

    vii. Once the e-voting home page opens, click on **e-voting >Active Voting Cycles.**

    viii. Select the **EVEN (E-Voting Event Number)** of Orient Cement Limited. Once you enter the number, the **Cast Vote** page will open. Now you are ready for e-voting.

    ix. Cast your vote by selecting your favoured option and click **Submit**. Also click **Confirm** when prompted.

    x. Upon confirmation, the message **"Vote cast successfully"** will be displayed.

    xi. Please note that once your vote is cast on the selected resolution, it cannot be modified.

    xii. Institutional shareholders (i.e members 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 signatiory(ies) who are authorised to vote, to the Scrutinizer via email at: **scrutinizerocl@gmail.com**, with a copy marked to **evoting@nsdl.co.in.**

    xiii. In case of any queries, please refer to **Frequently Asked Questions (FAQs)** for members and the **e-voting user manual** for members available in the 'Downloads' section of **https://www.evoting.nsdl.com.** You can also contact NSDL via email at **evoting@nsdl.co.in.**

    B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):

    i. Intial User ID and Password is provided with the copy of this notice in separate sheet.

    ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

C. **Other Instructions**

i. The e-voting period commences on August 1, 2014 (9:00 a.m.) and ends on August 3, 2014 (6:00 p.m). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on cut-off date(record date) of July 9th, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

ii. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialised form, as on cut-off date (record date) of July 9th, 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

iii. Mr. Atul Kumar Labh,Practicing Company Secretary (Membership No. FCS - 4848 / CP - 3238), has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

iv. The Scrutinizer shall, with in a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

v. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on July 9th, 2014.

vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.orientcement.com** and on the website of NSDL with in two days of the passing of the resolutions at the 3rd Annual General Meeting of the Company i.e on August 11, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited.

By order of the Board of Directors

Deepanjali Gulati
Place: New Delhi *(Company Secretary)*
Date: June 26, 2014 (FCS-5304)

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

Item No. 5

Mr. Janat Shah (DIN No. 01625535)was appointed as an Additional Director by the Board with effect from April 30, 2014, 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, Mr. Janat Shah will hold office up to the date of the ensuing AGM. 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 Mr. Janat Shah for the office of Independent 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, Mr. Janat Shah, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Janat Shah as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and is desirable to continue to avail services of Mr. Janat Shah as an Independent Director.

No director, key managerial personnel or their relatives, except Mr. Janat Shah, to whom the resolution relates, is interested or concerned in the resolution.

Mr. Janat Shah doesnot hold by himself or for any other person on a beneficial basis, any shares in the Company.

The resolution seeks the approval of members for the appointment of Mr. Janat Shah as an Independent Director of the Company up to April 29, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not 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 and 7

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, earlier appointed Mr. Rabindranath Jhunjhunwala (DIN No. 00050729) and Mr. Vinod Kumar Dhall (DIN No. 02591373) as Independent Directors.

Mr. Rabindranath Jhunjhunwala and Mr. Vinod Kumar Dhall are Directors, whose period of office are liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Rabindranath Jhunjhunwala and Mr. Vinod Kumar Dhall being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors of the Company to hold office up to August 8, 2019, not liable to retire by rotation.

Under the provisions of Section 149 of the Companies Act, 2013, the Company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013, from members along with deposits (₹1,00,000 each for proposing each director) proposing the candidature of Mr. Rabindranath Jhunjhunwala and Mr. Vinod Kumar Dhall respectively for the office of Independent Directors.

In the opinion of the Board of Directors, Mr. Rabindranath Jhunjhunwala and Mr. Vinod Kumar Dhall , the Independent Directors proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and they are independent of the Management. Copies of the draft letters for the appointment of Mr. Rabindranath Jhunjhunwala and Mr. Vinod Kumar Dhall as Independent Directors setting out the terms and conditions are available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that their continued association would be of immense benefit to the Company and is desirable to continue to avail services of Mr. Rabindranath Jhunjhunwala and Mr. Vinod Kumar Dhall as Independent Directors.

No director, key managerial personnel or their relatives, except Mr. Rabindranath Jhunjhunwala and Mr. Vinod Kumar Dhall, to whom the respective resolutions relate, is interested or concerned in the resolutions.

Mr. Rabindranath Jhunjhunwala and Mr. Vinod Kumar Dhall donot hold by themselves or for any other person on beneficial basis, any shares in the Company.

The resolutions seek the approval of members for the appointment of Mr. Rabindranath Jhunjhunwala and Mr. Vinod Kumar Dhall as Independent Directors of the Company up to August 8th, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. They are not liable to retire by rotation.

The Board recommends the resolutions set forth in Item no. 6 and 7 for the approval of the members.

Item No. 8

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, earlier appointed Mr. Rajeev Jhawar (DIN No. 00086164) as an Independent Director.

Mr. Rajeev Jhawar retires by rotation at the ensuing AGM under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Rajeev Jhawar, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company to hold office up to August 8, 2019, not liable to retire by rotation.

Under the provisions of Section 149 of the Companies Act, 2013, the Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with deposit of ₹1,00,000 proposing the candidature of Mr. Rajeev Jhawar for the office of Independent Director.

In the opinion of the Board of Directors, Mr. Rajeev Jhawar, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. Copy of the draft letter for the appointment of Mr. Rajeev Jhawar as Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and is desirable to continue to avail services of Mr. Rajeev Jhawar as an Independent Director.

No director, key managerial personnel or their relatives, except Mr. Rajeev Jhawar, to whom the resolution relate, is interested or concerned in the resolution.

Mr. Rajeev Jhawar does not hold by himself or for any other person on beneficial basis, any shares in the Company.

The resolution seeks the approval of members for the appointment of Mr. Rajeev Jhawar as an Independent Director of the Company up to August 8th, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

The Board recommends the resolution set forth in Item no. 8 for the approval of the members.

Item No. 9

The Board in its meeting held on April 30, 2014 considered the revision in the remuneration of Mr. Desh Deepak Khetrapal, CEO & Managing Director of the Company and recommended the same to the shareholders for their approval. The revision will be effective from April 1, 2014 for the remaining period of his tenure.

In terms of Section 197 read with Schedule V of the Companies Act, 2013, the revision in remuneration of Mr. Desh Deepak Khetrapal requires the consent of the Members.

The terms of revision in the remuneration payable to Mr. Desh Deepak Khetrapal, as stated in Resolution No. 9, may be treated as the abstract under Section 190 of the Companies Act, 2013

Accordingly, consent of the members is sought for passing Special Resolution as set out at Item No. 9 of the Notice.

No director, key managerial personnel or their relatives, except Mr. Desh Deepak Khetrapal, CEO & Managing Director of the Company, is interested or concerned in the resolution.

Mr. Desh Deepak Khetrapal does not hold by himself or for any other person on beneficial basis, any shares in the Company.

The Board recommends the resolution set forth in Item no. 9 for the approval of the members.

Being Managing Director of the Company he would be one of the Key Managerial Personnel.

Item No. 10

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Somnath Mukherjee, Cost Accountants in practice, as Cost Auditors for conducting the audit of the cost records of the Cement and Limestone for the financial year ending March 31, 2015.

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.

Given that the Companies Act, 2013 is in the process of being implemented and new Rules and notifications are being issued thereunder, in the event any relaxation is permitted under applicable laws, from the requirement of conducting a cost audit in respect of the cement and/or the lime stone, the Company may make appropriate reductions to the remuneration payable to the Cost Auditor to align his remuneration with the reduced scope of his services. In this connection, resolution empowers the board to change the scope of services agreed with the Cost Auditor and to reduce the remuneration payable to the Cost Auditor in light of the revised scope of services.

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

The Board recommends the resolution set forth in Item no. 10 for the approval of the members.

Item No. 11

The members of the Company at their AGM held on August 13, 2012 approved by way of Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the amount of such borrowing together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹2,000 crores (Rupees two thousand crores) over and above the aggregate of the paid up capital and free reserves of the Company.

Section 180(1)(c) of the Companies Act, 2013 effective from September 12, 2013 requires, that the Board of Directors shall not borrow monies in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of special resolution.

MCA vide General Circular no. 04/2014 dated March 25th, 2014 clarified that the resolutions passed under section 293 of the Companies Act, 1956 prior to September 12th, 2013 with reference to borrowings (subject to the limits prescribed) will be regarded as sufficient compliance of the requirements of Section 180 of the Act for a period of 1 year from September 12th, 2013

It is, therefore, necessary for the members to pass Special Resolution under Section 180(1) (c) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as set out at Item No. 11 of the Notice.

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

The Board recommends the resolution set forth in Item no. 11 for the approval of the members.

Item No. 12

The Company has availed various credit facilities from Banks/ Financial Institutions / others Lenders ('Lenders') and shall continue to do so in the course of its business. The loan agreement of the Banks / Financial Institutions / other Lenders contain/ may contain provision with regard to appointment of representative of Lender(s) on the Board of Directors of your Company who shall act as the Nominee/Observer of the Lenders.

At present, the Company has executed the Common Rupee Loan Agreement with State Bank of India, HDFC Bank Limited and Indian Bank, which requires the Company to amend its Articles of Association to enable the Lenders of the Company to appoint Nominee Director(s)/Observer(s). In terms of the said loan agreement, the Lenders are entitled to appoint one (1) Nominee Director/ Observer in the event of breach of the loan agreement by the Company.

Accordingly, the Company proposes to amend its Articles of Association to incorporate a provision which enables its Lenders to appoint Nominee Director(s)/ Observer(s).

Accordingly, consent of the members is sought for passing Special Resolution as set out at Item No. 12 of the Notice.

A copy of the Articles of Association of the Company, together with proposed insertion and the Common Rupee Loan Agreement with State Bank of India, HDFC Bank Limited and Indian Bank shall be available for inspection by members at the registered office during normal business hours on working days upto the date of the AGM.

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

The Board recommends the resolution set forth in Item no. 12 for the approval of the members.

NOTES

Corporate information

Board of Directors

Mr. Chandra Kant Birla, *Chairman*

Mr. Desh Deepak Khetrapal, *Managing Director*

Mr. Rajeev Jhawar

Mr. Vinod Kumar Dhall

Mr. Rabindranath Jhunjhunwala

Mr. Janat Shah

Company Secretary

Ms. Deepanjali Gulati

Auditors

M/s. S.R. Batliboi & Co., LLP, Chartered Accountants,
22, Camac Street, Block 'C', 3rd floor,
Kolkata-700016

Registered Office

Unit-VIII, Plot No.7, Bhoinagar,
Bhubaneswar-751012 (Odisha)

Manufacturing Plants

Orient Cement Limited
P.O. Devapur Cement Works
Dist. Adilabad - 504218 (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 - 110020

Bankers of the Company

HDFC Bank Limited

Orient Cement Limited

Marketing office: Hyderabad
5-9-22/57/D, 2nd and 3rd floor
GP Birla Centre, Adarsh Nagar
Hyderabad 500063
Board number: +914023688600
E-mail: edphyd@orientcement.com