

Solid Foundations Sustainable Progress

Orient Cement Limited

Orient Cement Limited

CIN : L26940OR2011PLC013933

Birla Tower, 3rd Floor,
25, Barakhamba Road,
New Delhi - 110 001

Tel.: 011-42092100/42092190

www.orientcement.com



Corporate Information

BOARD OF DIRECTORS

Mr. Chandrakant Birla
(Chairman)

Mr. Desh Deepak Khetrapal
(Managing Director & CEO)

Mrs. Amita Birla

Mr. Rajeev Jhawar

Mr. Vinod Kumar Dhali

Mr. Rabindranath Jhunjhunwala

Mr. Janat Shah

Mr. Swapan Dasgupta
(Appointed as an Additional Director on 4th August, 2015)

KEY MANAGERIAL PERSONS

Mr. Desh Deepak Khetrapal
(Managing Director & CEO)

Mr. Sushil Gupta
(Chief Financial Officer)

Ms. Deepanjali Gulati
(Company Secretary)

STATUTORY AUDITORS

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

REGISTERED OFFICE

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

MANUFACTURING PLANTS

Devapur

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

Jalgaon

Nashirabad,
Dist. Jalgaon (MS)

Chittapur

Village Itaga, Malkhaid Road,
Taluka Chittapur, Dist. Kalburagi,
Karnataka - 585 292

REGISTRAR & TRANSFER AGENT

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

BANKERS

State Bank of India

HDFC Bank Limited

Indian Bank

5th ANNUAL GENERAL MEETING

Date : 23rd July, 2016

Day : Saturday

Time : 2:00 P.M.

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

Book Closure for AGM : 19th July, 2016 to 23rd July, 2016
(Both days inclusive)

CORPORATE IDENTIFICATION NO.

L26940OR2011PLC013933

WEBSITE

www.orientcement.com

The way forward

05-35

CORPORATE OVERVIEW

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Making progress is wonderful. Making consistent, sustained progress is truly gratifying.

Sustainable progress is what we dedicate ourselves to.

Sustainable progress needs solid foundations.

Foundations consisting of a clear vision, uncompromising value-system, competencies, capacities, people, systems, processes.

That sums up the story of Orient Cement.

It is a story of excellence, backed by a lineage of quality and distinctiveness. It is a story of promises made and promises delivered.

It is a story of delivering on today's needs and preparing to meet tomorrow's aspirations.

Powered by our vision to become a relevant, national player through diversified and sustainable growth, we have mapped a proactive strategic growth charter that is structured to benefit from the strong foundations and culture of excellence that we have already built.

And we are continually and dynamically reinventing ourselves to emerge a more energetic and invigorated entity, aggressively reinforcing our core capabilities to support sustainable progress and unlock greater value for our stakeholders in the years ahead.

Read on to discover the strengths on which we are building our solid foundations to engineer sustainable growth for tomorrow.



Value
matters,
but values
make the
difference.



A legacy of values-centric foundations

Orient Cement has emerged as one of India's most respected cement companies, engaged in creating sustainable value for all its stakeholders.

The Company's values are its guiding light and have enabled it to build robust foundations and sustain a legacy of excellence over the years. By leveraging its intrinsic strengths built over time, the Company is able to deliver excellence in execution as well as holistic and inclusive progress in a sustainable manner. Continuous improvement of these competencies as we move forward lies at the core of the strategic growth charter of the Company, and is critical to its success. This is driven by a deep-rooted value system and a values-led business philosophy.

OUR VALUES

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

OUR VISION

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

THE COMPANY'S STRENGTHS ARE ROOTED IN ITS CORE VALUES

Legacy of excellence and value delivery

Strong focus on business value chain
– Procurement, Manufacturing, Marketing, Logistics, Distribution

High level of operational and cost efficiencies, backed by stringent quality control

High customer satisfaction through quality and service

HR policies centred on employee empowerment and engagement

Focus on inclusive, sustainable progress extending beyond business



Map not to scale - for illustrative purposes only.

CREATING QUALITY BENCHMARKS

Our quality thrust and efficiency focus is endorsed by the various certifications earned by the Company.

CERTIFICATIONS

First cement company in South India and second on all-India basis to win the TPM Excellence Award from JIPM, Japan

Certified for both ISO 9001:2008 and ISO 14001:2004, and also OHSAS 18001:2007 from Det Norske Veritas, Netherlands

Our Devapur plant is the first cement plant in Telangana to be certified for ISO 14001:2004 by DNV, in recognition of its outstanding environment management system



Ambitions
are conceived
by vision and
realised through
execution
excellence.

Augmenting growth through Chittapur

Our new Greenfield project at Chittapur (Karnataka) stands out as a shining example of our ability to harness our strong existing capabilities to deliver growth. Standing firm against the headwinds witnessed by the industry, we remained firmly on track to commission and stabilise operations at the new plant, raising our production capacity from 5 million tonnes to 8 million tonnes during the year.

Successfully commissioned in the second quarter of FY 2016 against all odds, our Chittapur plant underlines the strength of our focussed and collaborative efforts to achieve progress through execution excellence.

Built with the best-in-class equipment and competencies, the plant is equipped with technologically advanced machinery to ensure timely delivery of quality product.

Aimed at creating new markets of growth for the Company in the coming quarters, the state-of-the-art manufacturing facility was completed at a project cost of about US\$100 per tonne – significantly better than the current industry benchmarks. A few teething problems notwithstanding, operations at the plant were stabilised within months of the commissioning in September 2015.



The expansion of our manufacturing capacity is aligned to our vision of becoming a relevant national player by FY 2020, thereby delivering sustainable progress and value for all our stakeholders.

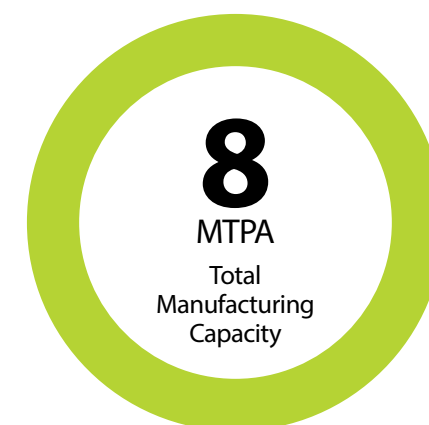
With the distinction of recording 21 million hours without a single safety issue during the construction phase, the new project has been awarded as the safest project site, evidencing our focus on employee safety and resource preservation.



Steering excellence across our manufacturing units

Even as we completed and commissioned the new plant at Chittapur amid a challenging market scenario, we also leveraged our execution excellence to enhance the operational efficiencies at our existing plants at Devapur (Telangana) and Jalgaon (Maharashtra) to deliver even higher efficiencies in resource consumption and savings in operating costs. Strengthening of plant maintenance process, timely upgradation/replacement of equipment,

and improved safety norms also remained high on our agenda during the year. Industry-leading metrics like coal and power consumption, freight cost per tonne and the high proportion of environmentally-responsible blended cement (PPC) are a testament to our ability to retain our core strengths, while striving for expansion and growth.



Reinforcing our strengths to steer sustained excellence

At Orient Cement, we are continuously reinforcing the foundations we have built over the years and creating a robust platform to deliver greater excellence and further progress in the future.



We are now engaged in the strengthening of our organisation and our processes to accelerate and sustain the ambitious growth path that we have chosen to traverse.

Almost every organisational process is being revisited and rejuvenated to sustain the expansion we seek.



Unlocking
potential
through
empowerment.

Empowering our people

We believe that impactful and sustainable progress is possible only in a collaborative environment, encompassing people beyond hierarchical boundaries. It is our firm conviction that sustainable organisational growth is inexorably linked to the growth of its people.

Our process of accelerating our growth momentum is, thus, rooted in our employee skill enhancement and engagement initiatives.

NURTURING THE GROWTH OF OUR EMPLOYEES

With our thrust on enabling an impactful mindset change that is aligned with the evolving organisation and market environment, we are nurturing an environment of transformation across our HR culture, structures, systems, processes and skills.

We have, in the last one year, triggered a systemic change across our various functions to facilitate the development of more evolved social systems to nurture our people strength. As part of our customer-centric approach, we also invested in the training of all our sales personnel to align them better with the evolving customer needs.

OTHER PEOPLE-LINKED INITIATIVES UNDERTAKEN DURING THE YEAR INCLUDED:

- Intensive training programmes and skill upgrade of our entire sales force
- Increased job rotation to build cross-functional strengths
- Technical training, as well as weekly product & knowledge sharing sessions at plants
- Regular theme-led sales conferences for solving emerging challenges
- Talent identification and nurturing programmes to build the pipeline of future leaders

In the locations of our manufacturing plants, we set up schools, dispensaries, cultural clubs, sports facilities, women clubs etc. for the welfare of our employees, as well as the people in neighbouring villages. Festivals and mini social events are celebrated in a spirit of bonding throughout the year.

Our employees remain central to our sustainable growth agenda and we remain committed to honing their skills and creating more opportunities for leveraging their intrinsic strengths and talent.





The only
colour
we see is
GREEN.

Reinventing strategically to deliver green growth

“Sustainability” is the mantra at Orient Cement and we are progressively aligning our business model and actions to the requirements of a safe and sustainable future. Our teams and efforts are consistently focussed on sustainable practices towards better resource management, environmental conservation and emission reduction to deliver enhanced green efficiencies. A strong safety culture is also a key element of this effort and an area we are looking to upgrade through continued initiatives.

During the year under review, we scaled up our efficiencies to create a business eco-system designed for total safety and exemplary environmental protection.

USING ALTERNATIVE FUELS, PROMOTING ENVIRONMENTAL SAFETY

With our renewed thrust on sustainability, we are increasingly shifting towards the use of alternative fuels, including pet coke. This is in line with our business philosophy, which is geared towards creating an ecologically favourable environment to nurture our future generations. During the year, we strengthened our green approach to ensure further optimisation of resources and improved environmental quality in the regions of our presence.

OUR ENVIRONMENTAL INITIATIVES INCLUDE:

- Increased use of alternate fuels, such as pet coke, rice husk, carbon black
- Increased focus on production of environment-friendly PPC
- Use of sub-grade limestone through process improvement
- Upgradation of cement dispatch points to reduce environmental dust
- Conservation activities and infrastructure development at mining sites
- Plantation of trees and saplings at sites

In an industry-pioneering initiative, we keep our raw materials covered at all times, including during transportation, to reduce fugitive emissions. Water conservation also remains a key thrust area of our environmental efforts, and the live ponds at our mining sites are contributing significantly to nurture the biodiversity in the areas. In pursuit of our objective of sustainable development, we also plan to join the Cement Sustainability Initiative - a global effort by major cement producers towards sustainable development under the auspices of the World Business Council for Sustainable Development.

CREATING A HAZARD-FREE ENVIRONMENT FOR HUMAN SAFETY

Safety is integral to our business agenda and we are continuously scaling up our safety efforts to keep our people, and those living around our plants, completely protected. From hazard assessment to safety induction and training modules, we have a robust safety framework in place at our manufacturing plants. Our Tool Box Talk programme is aimed at creating awareness among our workforce about the precautions to be taken on the job. We have also installed the Lock-Out-Tag-Out-Test-Out industrial safety procedure to ensure

isolation of hazardous energy sources prior to maintenance or servicing work on equipment.

Our decision to join the World Safety Organisation (WSO) endorses our commitment to occupational and environmental safety, as well as accident prevention.

Our Chittapur site has received the Best Safe Project Site Award 2015-16.

As a responsible corporate citizen, we are committed to a green agenda of growth, which we are continuously implementing through new initiatives.

With our strategic shift towards increased PPC production, we see significant benefits coming forth not just in terms of profitability but also environment conservation.

Technology is the future - we are ready.



Leveraging IT to deliver sustainable growth

As a dynamic and responsive organisation, Orient Cement is working on a change agenda centred on leveraging new technology enablers to streamline processes and enhance operational excellence.

During the year under review, we implemented an organisation-wide digital campaign, consisting of a roadmap for digitisation of various functions and processes. As part of this overall plan, we undertook several initiatives to integrate our functions on a single technological platform.



INTEGRATED SYSTEMS THROUGH SAP

During the year, we launched the SAP enterprise resource planning software across all functions of the Company. Furthermore, we have begun the implementation of a business intelligence analytics platform that harnesses the SAP system to provide useful information and analysis to the management for better decision-making. Our digital empowerment extends to the HR domain, where we have launched a cloud-based HR Success Factors programme to benchmark our people policies to international standards.

LEVERAGING TECHNOLOGY FOR COMPLIANCE

Compliance continued to be a hallmark of our excellence focus and, in tandem with our SAP implementation, we also implemented online software to monitor compliances across the organisation. This initiative is aimed at strengthening our corporate governance structure to bring greater transparency into the system.

TOWARDS HIGHER PROGRESS

Cognizant of the power of technology, we shall focus on expanding the ambit of our digital programme to other facets of our business operations going forward. To strengthen our sales function, we are working on initiatives like a digital customer relationship management tool while also exploring the possibility of augmenting our delivery platform through e-commerce portals. Feasibility of real-time monitoring of critical equipment at plants is also under study. We believe that mobile technology will

play a pivotal role in our technological upgradation going forward. Besides on-boarding analytics on mobile, our endeavour will be to bring customers, dealers and our sales force on a common platform through a mobile app.

These are some of the on-going initiatives that will enable us to be better prepared to scale up operations effectively in response to our growth plans, while remaining "best-in-class" in the adoption of such new technologies.

It is our endeavour to use technology platforms to make our processes more reliable and more efficient, and thus strengthen our inherent capabilities through such enablers and innovations.

Technological empowerment is a key strategic driver of our plans for sustainable progress.

Strengthening of the supply chain begins with the first link.



Improving our procurement process

With procurement a key pillar of our solid foundations, we are continuously striving to streamline and strengthen the processes involved in ensuring timely procurement of quality material.

With the establishment of a Central Procurement Cell (CPC) during the year, we took a key step to strengthen our supply chain and thus enable improved efficiencies.

The Cell, which manages the procurement requirements of all the manufacturing facilities including the recently commissioned Chittapur plant, has yielded significant cost benefits for the Company. The initiative has given us the ability to reduce costs across procurement of raw materials, fuel and logistics through a centralised team.

This improvement in capability and process will also position the Company favourably with respect to future growth in manufacturing capacities, operations and procurement volumes.



What you see is only half the measure of our strength. The rest lies in...



Our expanding reach and strengthening markets

At Orient Cement, we have embarked on a journey of excellence that is aligned to the evolving consumer needs and aspirations. As we enter new markets, we have aimed at building our brand strength to take our customer outreach to higher levels, and provide us with another lever to attain sustainable progress going forward.

STRENGTHENING BRAND EQUITY

Our strategic focus through the year was on creating an unparalleled experience for our consumers through our brand. Steered by our commitment to provide unmatched products and solutions to consumers, we further invested in the equity of our brand Birla A1. Positioned as a strong regional brand associated with credibility and reliability, Birla A1 reached out to new markets during the year through our judicious and targeted marketing communication. We also focussed our efforts to engage with and strengthen our relationships with specifiers and influencers who play a critical role in promoting our brand.

GOING DEEPER AND CLOSER

Sustainable progress necessitates an expanded geographic reach as well as deep penetration of chosen markets and we are perpetually striving to grow the ambit of our presence. Our market reach primarily spans the key markets of Maharashtra, Karnataka, Andhra Pradesh, Telangana, with Madhya Pradesh, Gujarat, Tamil Nadu and Chhattisgarh as secondary markets. During the year under review, we strategically worked towards a more systemic approach to strengthen our marketing and sales networks. This helped us facilitate deeper and closer engagement with consumers, especially in rural and semi-urban markets which constitute our core thrust area for future expansion.

POWERING DISTRIBUTION CHANNELS

As our distribution channels and influencers play a pivotal role in strengthening our brand salience, we have significantly boosted our efforts to engage more closely with them through multi-faceted initiatives. We have set up 70 distribution stock points at key locations across our key markets. These stock points are identified through an elaborate market mapping exercise and are designed to serve our core markets.

The strength of our brand equity will always remain a key imperative for our business and we shall continue to consolidate it through bold initiatives.

The growing connectivity and aspirations of India's rural and semi-urban areas will drive our future expansion.

Based on consumer insights, we are working on our Brand Strategy 2020 to create a strong differentiator for Birla A1, while strengthening its equity.

2200+
Active dealers

70
Stock points

Our ability to make every function front-facing

Efficient and on-time customer service remained central to our objectives during the year gone by and we remained dedicatedly focussed on ensuring closer customer engagement. We understand and appreciate the criticality of logistics to customer satisfaction.

From proper storage to handling and transporting cement, we have aligned every aspect of our logistics function to ensure that our customers are happy and satisfied with our products and services.

LEVERAGING THE LOGISTICS STRENGTH

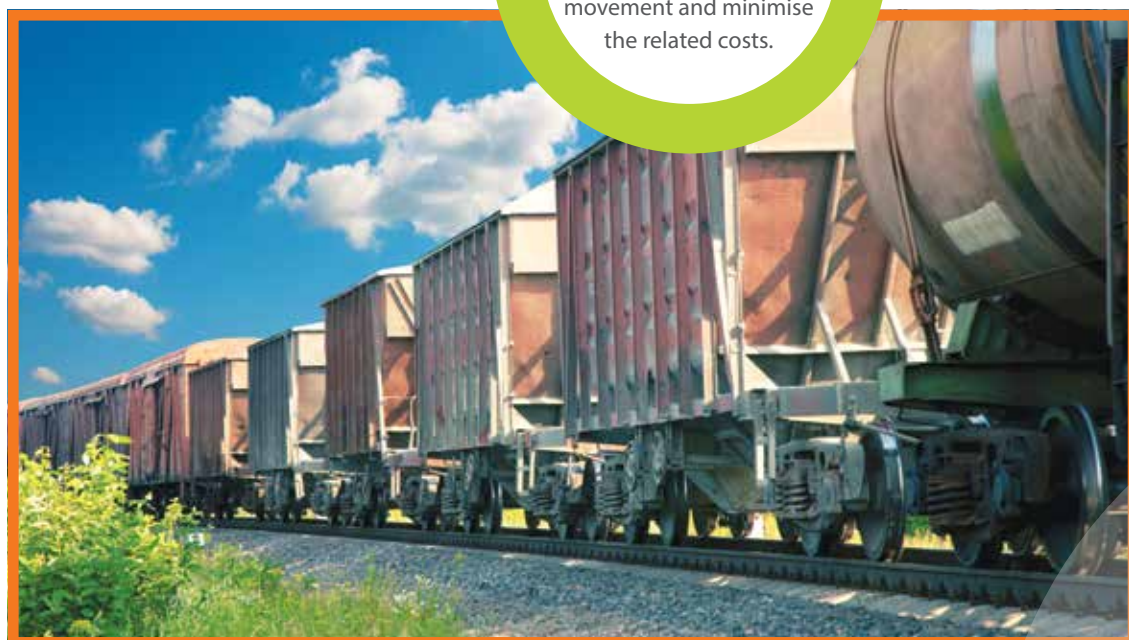
Logistics is a critical component of the cement supply chain, and is one of the largest components of cost in the cement business. Similar to procurement, we are continuously working towards optimisation of our logistics function.

While leveraging the location advantage of our plants, which are situated in limestone-rich belts, we are now also prudently focussing on strengthening our mine-to-plant-to-market-to-customer linkages. We are consistently working

on improving the transportation services through enhanced coordination between the plants and the sales teams. Incentives to transporters, optimal rail-road transportation ratio and strategic management of freight movement based on predictability of trends are some of the key enablers of our logistics strength.

Efficient and effective logistics management will continue to contribute to the strength of our efficiencies as we move towards scaling higher levels of customer satisfaction.

A judicious and proactive strategic approach has enabled us to optimise our freight movement and minimise the related costs.



Our power to drive inclusive progress

It is our constant endeavour to empower the communities in which we live and operate through focussed CSR initiatives, encompassing healthcare, education and rural development. We are committed to expanding our social outreach to deliver deeper and more meaningful engagement with those whose lives we impact, in any way.

OUR CSR AGENDA ENCOMPASSES:

- Promoting education and preventive healthcare
- Ensuring pure drinking water supply in the villages around our plants
- Improving the sanitation facilities for the villagers
- Electrification of roads and streets in the villages
- Programmes to empower women and children through skill development to enhance their employability
- Eradication of hunger, poverty and malnutrition

Promoting education & healthcare, building rural infrastructure and community development programmes are at the core of our CSR activities.

As we take the next big leap into our progressive journey of sustainable progress, we shall make concerted efforts to promote a culture of oneness, imbued with the spirit of collective growth.



A few words from the Chairman

Dear Shareholders,

At Orient Cement, we do not think only progress. We think sustainable progress.

As a forward-looking organisation, standing firm on the solid foundations we have built over the years, we think of progress that is mapped to tomorrow's needs. We believe in following a business philosophy that is focussed not just on growth but on driving valuable, inclusive growth that extends beyond the contours of profitability and numbers. It is with this vision of the future that we are building on our strong foundations, and creating capacities and competencies that prepare us to keep progressing in a sustainable manner.

At the beginning of FY16, as we embarked on another challenging year of operations, we looked deeper and more closely at our operational systems and processes, and found new ways of improving our efficiencies. Led by our sustained focus on

execution excellence, and driven by the strength of our brand, we further optimised our business processes to deliver greater efficiencies across the value chain.

Continuously realigning our growth strategy to meet the demands of the transforming industry landscape, we strengthened our foundations to further boost our brand equity. We reinvented ourselves as a leaner and fitter organisation geared to take on the challenges of tomorrow. We remained on track to realise our vision to become a relevant national player, with the successful commissioning of our Chittapur plant. This has augmented our capacities to prepare us for addressing the future demand likely to emerge as investments in housing, infrastructure and industry gain momentum.

Technological/Digital enablement and people empowerment are at the core

of our strategic mandate for the future, as we move proactively towards viable organisational growth and higher stakeholder value. We have already taken several initiatives to streamline our systems and processes, which we see as key enablers for the next phase of growth for the Company.

The future is replete with opportunities, with the structural external and internal challenges of the past year slowly giving way to renewed positivity in the macroeconomic environment. And we are well poised to take full advantage of these opportunities. Solid foundations are in place and we are ready to take the leap into the next phase of progress and sustain it.

CK. Birla
Chairman



“

We believe in following a business philosophy that is focussed not just on growth but on driving valuable, inclusive growth that extends beyond the contours of profitability and numbers ”

A review by the Managing Director & CEO

Dear Shareholders,

The last 12 months have been a very satisfying experience for all of us at Orient Cement. While the macro-environment has provided its fair share of challenges this year, it was also one in which we achieved significant progress in our journey to excellence and relevance. Thus, while the year did challenge us, yet it did offer us the opportunities to test and prove our mettle.

Subdued growth in housing, construction and infrastructure segments across India, coupled with a second consecutive year of drought in Maharashtra, one of our key markets, pulled market demand lower. Excess capacity in the industry resulted in very low levels of capacity utilisation, more acutely in our core areas of operation.

While we did not remain insulated from industry problems in this challenging environment, we refused, however, to succumb to them. Against this difficult backdrop, we continued to pursue growth

through the successful commissioning of our greenfield integrated cement plant at Chittapur, Karnataka. This was achieved despite several challenges and the subdued market environment. The stabilisation of operations at this unit has increased our production capacity to 8 MTPA. More importantly, it has given us the ability to benefit from the opportunities we see emerging in the near future. We, thus, remain well on track towards the realisation of our Vision 2020.

We also used this opportunity to build stronger and enabling foundations for the next phase of our growth. We proactively initiated vigorous measures to streamline operations and boost operational and cost efficiencies. We also continued to strengthen our talent pool to create a more collaborative and growth-oriented people culture, augment our adherence to best practices in corporate governance and leverage technology to drive these efforts.

Resource optimisation has been as a key driver of our sustainability focus and, together with our zeal for energy efficiency, drove us to increase use of alternate fuels and waste products to conserve natural resources. We have also reduced our power and fuel consumption and continue to promote PPC production to boost efficiencies and remain environment-friendly.

We intend to continue to drive excellence in operations, enhance the strength of our brand and people and capitalise on our strong service quotient to diversify into new markets. This provides us with an ideal foundation as we progress further in our quest for national relevance.

D.D. Khetrapal

Managing Director & CEO

“
Against this difficult backdrop, we continued to pursue growth through the successful commissioning of our greenfield integrated cement plant at Chittapur, Karnataka. This was achieved despite several challenges and the subdued market environment”



Endorsing the strength of our foundations

The awards and accolades we won during the year stand testimony to the strength of our solid foundations.

DEVAPUR PLANT:

- Best Management Award from Telangana Government
- National Energy Management Award – 2014 from Society of Energy Engineers and Managers
- “Golden Peacock Environment Management Award” 2015
- GREENTECH Safety GOLD Award-2015 in cement sector by GREENTECH Foundation – New Delhi
- Greentech Environment Award-2015 in GOLD category
- Mines Safety Awards
 - Mine Lighting & Electrical installations - **1st Prize**
 - Publicity & Propaganda - **1st Prize**
 - Safe Mine Working - **2nd Prize**
 - Risk Assessment, Safety Management Plan & SOPs - **2nd Prize**
 - Overall Performance - **2nd Prize**
- Mines Environment & Mineral Conservation Award
 - Management of Sub Grade Mineral - **1st Prize**
 - Waste Dump Management - **2nd Prize**
 - Community Development - **2nd Prize**
 - Overall Performance - **2nd Prize**



CHITTAPUR PLANT:

- “Best Safe Project Site Award 2015-16” by a committee formed by the Department of Factories, Boilers, Industrial Safety & Health
- Overall Mines Performance - **2nd Prize**

ASIAMONEY AWARDS

- “Best Run Company from India (Small Cap Category)” by ASIAMONEY, a Hong Kong based financial journal



Directors' Profile

Details of directors as on the date of issuance of notice of Annual General Meeting

Name	Mr. CK. Birla
Date of Birth	9 th January, 1955
Date of Appointment	23 rd July, 2011
DIN	00118473
Qualification	Bachelor of Arts
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. National Engineering Industries Limited 3. AVTEC Limited 4. HIL Limited 5. Birla Brothers Private Limited 6. Birlasoft (India) Limited 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 other than Orient Cement Limited	1. National Engineering Industries Limited Nomination & Remuneration Committee
Shareholding in the Company	28,97,570 No. of equity shares

Name	Mr. Desh Deepak Khetrpal
Date of Birth	5 th July, 1955
Date of Appointment	2 nd April, 2012
DIN	02362633
Qualification	Honors 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	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	1. HIL Limited 2. Oriental Bank of Commerce

Memberships/ Chairmanships of Committees other than Orient Cement Limited	1. HIL Limited - Nomination & Remuneration Committee - Corporate Social Responsibility Committee - Audit Committee 2. Oriental Bank of Commerce - IT Strategy Committee - HR Committee - Customer Service Committee - Stakeholders Relationship Committee of Board - Special Committee of Board for monitoring of Large Value Frauds - Supervisory Committee of Directors on Risk Management - Remuneration Committee - CSR Committee - Audit Committee - Management Committee of Board - Share Issue and Allotment Committee
Shareholding in the Company	Nil

Name	Mrs. Amita Birla
Date of Birth	7 th December, 1956
Date of Appointment	27 th March, 2015
DIN	00837718
Qualification	GCE-A Level
Occupation	Industrialist
Expertise in specific functional areas	Expertise in Management and Operation of diverse nature of business
Directorships held in other Companies	1. Hindusthan Discounting Co. Limited 2. Birlasoft (India) Limited 3. Neosym Industry Limited 4. National Engineering Industries Limited 5. Birlasoft INC. USA 6. Birlasoft (U.K.) Limited, London
Memberships/ Chairmanships of Committees other than Orient Cement Limited	1. National Engineering Industries Limited - CSR Committee 2. Birla Soft (India) Limited - Nomination and Remuneration Committee
Shareholding in the Company	2,60,000

Name	Mr. Vinod Kumar Dhall
Date of Birth	20 th February, 1944
Date of appointment as Independent Director	9 th August, 2014
DIN	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 Life Insurance Company Limited 2. ICICI Prudential Pension Funds Management Company Limited 3. ICICI Prudential Trust Limited 4. Scheider Electric Infrastructure Limited 5. Advani Hotels and Resorts (India) Limited 6. ICICI Securities Limited
Memberships/ Chairmanships of Committees other than Orient Cement Limited	1. ICICI Prudential Life Insurance Company Limited - Board Audit Committee - Board Corporate Social Responsibility Committee - Board Customer Service & Policyholders’ Protection Committee - Board Nomination & Remuneration Committee - Share Transfer Committee 2. ICICI Prudential Pension Funds Company Limited - Board Nomination & Remuneration Committee - Board Risk Management & Audit Committee 3. ICICI Prudential Trust Limited - Audit Committee 4. ICICI Securities Limited - Audit Committee - Nomination & Remuneration Committee 5. Advani Hotels & Resorts (India) Limited - Audit Committee 6. Scheider Electric Infrastructure Limited - Audit Committee - Nomination & Remuneration Committee
Shareholding in the Company	Nil

Name	Mr. Rabindranath Jhunjunwala
Date of Birth	16 th March, 1973
Date of appointment as Independent Director	9 th August, 2014
DIN	0050729
Qualification	B.A., LL.B (Hons) from National Law School of India University, Bangalore

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. TCPL Packaging Limited 16. Vallonne Vineyards Private Limited
Memberships/ Chairmanships of Committees other than Orient Cement Limited	1. TCPL Packaging Limited Stakeholders Relationship Committee
Shareholding in the Company	Nil

Name	Mr. Rajeev Jhawar
Date of Birth	11 th November, 1964
Date of appointment as Independent Director	9 th August, 2014
DIN	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. Redtech Network India Private Limited 4. Neutral Publishing House Limited 5. Jhawar Venture Management Private Limited 6. Usha Breco Limited 7. Pars Consultancy & Services Private Limited 8. KGVK Social Enterprises Limited 9. Usha Breco Realty Limited

Memberships/ Chairmanships of Committees other than Orient Cement Limited	1. Usha Martin Limited • Investment & Strategy Committee • Risk Management Committee 2. Usha Martin Education & Solutions Limited • Shareholders Committee • Remuneration Committee
Shareholding in the Company	Nil

Name	Mr. Janat Shah
Date of Birth	22 nd September, 1958
Date of appointment as Independent Director	30 th April, 2014
DIN	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 Future Supply Chain Solutions Limited
Memberships/ Chairmanships of Committees other than Orient Cement Limited	Nil
Shareholding in the Company	Nil

Name	Mr. Swapan Dasgupta
Date of Birth	3 rd October, 1955
Date of Appointment	4 th August, 2015
DIN	07113693
Qualification	PhD from the School of Oriental & African Studies (London) and a former Fellow of Nuffield College, Oxford
Occupation	Writer, broadcaster and public policy analyst and Member of Parliament
Expertise in specific functional areas	Writing and public policy analysing
Directorships held in other Companies	1. Larson & Toubro Limited (Nominee director of SUUTI)
Memberships/ Chairmanships of Committees other than Orient Cement Limited	Nil
Shareholding in the Company	Nil

Orient Cement Limited
CIN:L26940OR2011PLC013933
Registered Office: Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha-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 | www.orientcement.com

Notice

NOTICE is hereby given that the 5th Annual General Meeting (AGM) of the Members of Orient Cement Limited (CIN:L26940OR2011PLC013933) will be held on Saturday, 23rd day of July, 2016 at 2:00 P.M at Unit –VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012, (Odisha) to transact the following businesses:

Ordinary Business

1.

To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2016, including the audited Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors(the Board) and Auditors thereon.
2.

To declare a final dividend of ₹ 1 per equity share of face value of ₹ 1 each for the financial year ended 31st March, 2016.
3.

To appoint a director in place of Mrs. Amita Birla (DIN 00837718), who retires by rotation and being eligible, seeks re-appointment.
4.

To ratify the appointment of Statutory Auditors as required under section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 and to authorise the Board of Directors to fix their remuneration.

Special Business

Item No. 5-Appointment of Mr. Swapan Dasgupta (DIN 07113693) 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. Swapan Dasgupta (DIN 07113693), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th August, 2015 and who holds office up to 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. Swapan Dasgupta (DIN 07113693) 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 3rd August, 2020, not liable to retire by rotation.

Item No. 6- Fixing of remuneration of Mr. Desh Deepak Khetrupal (DIN 02362633), Managing Director & CEO of the Company

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

“RESOLVED THAT pursuant to the provisions of sections 196, 197 and any other applicable provisions of the Companies Act, 2013 (**“Companies Act”**) and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for time being in force), subject to all guidelines for managerial remuneration issued by the Central Government from time to time, and subject to approval of Central Government and/ or approval of other Government/ regulatory authorities/ agencies, if required, and as recommended by the Nomination & Remuneration cum Compensation Committee, the approval of the Shareholders’ of the Company be and is hereby accorded for payment of below mentioned remuneration to Mr. Desh Deepak Khetrupal (DIN 02362633), Managing Director & CEO (**“MD & CEO”**) of the Company with effect from 1st April, 2016:

Particulars	P. M. (₹)	P. A. (₹)
Basic Salary/ Basic Pay	17,36,000	2,08,32,000
Allowances and perquisites:		
Personal Allowance/ Pay	8,20,000	98,40,000
Special Allowance/ Pay	8,46,380	1,01,56,560
Medical Allowance/ Reimbursements		1,00,000
LTA		17,36,000
Gross Salary	34,02,380	4,26,64,560

- A. In addition to the above, the MD & CEO shall be provided suitable Company leased accommodation/ house rent allowance of ₹ 4,00,000/-(four lacs) per month and Company car (fully maintained and chauffeur driven) for official use.
- B. The MD & CEO shall also be entitled to an annual performance linked compensation up to ₹ 1,21,50,000/- (Rupees one crore twenty one lacs fifty thousand only).
- C. Entitlement of shares of the Company in accordance with the Employees Stock Option Scheme as adopted by the Company
- D. Contribution to Provident Fund, Gratuity and Superannuation Fund will be as per the Rules of the Company.
- E. Encashment of un-availed leave at the end of the tenure or at specified intervals will be as per the Rules of the Company and does not form part of the abovementioned compensation
- F. Appointment will be terminable by either party by giving three months notice or salary in lieu thereof.

RESOLVED FURTHER THAT the aggregate salary, perquisites, bonus, benefits, allowances and other payments shall continue to be paid to Mr. Khetrapal (DIN 02362633), MD & CEO of the Company, notwithstanding the loss or inadequacy of profit during the year.

RESOLVED FURTHER THAT the aggregate salary, perquisites, bonus, benefits, allowances and other payments payable to Mr. Khetrapal shall be subject to revision with effect from 1st April, 2017.

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

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

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

“**RESOLVED THAT** pursuant to the provisions of section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Audit fees amounting to ₹ 80,000/- (Rupees Eighty thousand only) plus out of pocket expenses to be paid to

Mr. Somnath Mukherjee, Cost Accountant in practice (M.NO.-F5343), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2016-17, required to be audited under the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), be and is hereby ratified and approved.

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

By order of the Board of Directors

D. Gulati

Place: New Delhi
Date: May 4, 2016

Company Secretary
(M. No. FCS-5304)

NOTES

1. The relative Explanatory Statements pursuant to section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the Notice are annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
3. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business

hours (between 10:00 A.M. and 5:30 P.M.) of the Company, provided that not less than three days of notice in writing is given to the Company.

5. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting
8. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 19th July, 2016 to Saturday, 23rd July, 2016, both days inclusive, for annual closing and determining the entitlement of the shareholders to the final dividend for 2015-16.
9. The dividend on Equity Shares, if declared at the AGM, will be credited / dispatched by 5th August, 2016 to those members whose names shall appear on the Company's Register of Members as on book closure date and in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on the close of business hours on Monday 18th July, 2016.
10. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. The Members holding shares in physical form are requested to advise any change of address and / or bank mandate immediately to M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110020.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110020 or to the Company.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any

change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

13. Details under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms an integral part of the notice. The directors have furnished the requisite declarations for their appointment/ re-appointment.
14. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
15. Pursuant to section 101 and section 136 of the Companies Act, 2013 read with relevant Rules issued thereunder, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of Orient Cement Limited to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110020. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.
16. Copies of the Annual Report 2015-2016 are being sent by electronic mode only to the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2015-2016 are being sent by the permitted mode.
17. The Notice of the 5th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same.

For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

18. Members may also note that the Notice of the 5th AGM and the Annual Report 2015-16 will be available on the Company's website www.orientcement.com.

19. In accordance with the provisions of section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agent M/s. MCS Share Transfer Agent Limited and have it duly filled and sent back to them.

20. Members wishing to claim dividends, which remain unclaimed are requested to correspond with M/s. MCS Share Transfer Agent Limited, F-65, Okhla Industrial Area, Phase I, New Delhi – 110020 or with the Company at Birla Tower, 3rd Floor, 25, Barakhamba Road, New Delhi-110 001.

21. The route map to the venue of the meeting is separately attached for the convenience of the members.

22. Voting through electronic means

- In compliance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 '(Amended Rules 2015') and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 5th Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 20th July, 2016 (9:00 A.M.) and ends on 22nd July, 2016 (5:00 P.M.). During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 18th July, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner of remote e-voting are as under:

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

- Open the e-mail and also open PDF file attached with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for remote e-voting. Please note that the password is an initial password.
- Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- Click on **Shareholder-Login**
- Put user ID and password as an initial password/ PIN noted in step (i) above. Click Login.
- Password Change Menu** appears, change the password/ PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Home page of remote e-voting opens. Click on remote e-voting: **Active Voting Cycles**.
- Select the **EVEN (E-Voting Event Number)** of Orient Cement Limited.
- Now you are ready for remote e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on "**Submit**" and also "**Confirm**" when prompted.
- Upon confirmation, the message " Vote cast successfully' will be displayed.
- Once you have voted on the resolution, you will not be allowed to modify your vote.
- Institutional shareholders (i.e other than individuals, HUF, NRIs, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant board

resolution / authority letter, etc., together with the attested specimen signature(s) of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer via email at: scrutinizerocl@gmail.com, with a copy marked to evoting@nsdl.co.in.

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

- Initial password is provided with the copy of this notice in separate sheet.
- Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- In case of any query, you may refer the Frequently Asked Questions (FAQ's) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).
- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date of 18th July, 2016.
- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e 18th July, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

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

viii. A member may participate in the Annual General Meeting even after exercising his/ her right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

ix. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote

e-voting as well as voting at the Annual General Meeting through ballot paper.

- Mr. Atul Kumar Labh, Practicing Company Secretary (Membership No. FCS - 4848 / CP - 3238), has been appointed as Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within 48 hours of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.orientcement.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the stock exchanges at which the shares of the Company are listed.

By order of the Board of Directors

D. Gulati

Place: New Delhi
Date: May 4, 2016

Company Secretary
(M.No.FCS-5304)

UPDATION OF EMAIL ID

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

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

Item No. 5

Mr. Swapan Dasgupta (DIN 07113693) was appointed as an Additional Director by the Board with effect from 4th August, 2015,

pursuant to section 161 of the Companies Act, 2013, read with the Articles of Association of the Company. Pursuant to the provisions of section 161 of the Companies Act, 2013, Mr. Swapan Dasgupta (DIN 07113693) will hold office up to the date of the ensuing Annual General Meeting of the Company. The Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Swapan Dasgupta (DIN 07113693) for the office of an 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. Swapan Dasgupta (DIN 07113693), an Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder.

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. Swapan Dasgupta (DIN 07113693) as an Independent Director.

Mr. Swapan Dasgupta (DIN 07113693) is directly concerned and interested in this resolution, as it relates to his appointment. Except Mr. Swapan Dasgupta (DIN 07113693), no other Director or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution.

Mr. Swapan Dasgupta (DIN 07113693) along with his relatives does not hold any shares in the Company and has no relationship with any of the other Directors of the Company.

The resolution seeks the approval of members for the appointment of Mr. Swapan Dasgupta (DIN 07113693) as an Independent Director of the Company pursuant to section 160 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 Ordinary resolution set forth in Item no. 5 of the Notice for the approval of the members.

Item No. 6

Taking into consideration the duties and responsibilities cast on the MD & CEO, to be commensurate with industry norms on the payment of the remuneration to the MD & CEO, and considering his knowledge of various aspects relating to the Company's affairs, and on the recommendation of the Nomination & Remuneration cum Compensation Committee of the Company, the Board at their meeting held on 4th May, 2016 revised Mr. Khetrpal's (DIN 02362633) remuneration with effect from 1st April, 2016, subject to the approval by the Shareholders' of the Company and such other consents and approvals that may be required.

All documents relevant for remuneration are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) during normal business hours (between 10:00 A.M. and 5:30 P.M.) upto date of the Annual General Meeting.

Mr. Khetrpal (DIN 02362633) is a non-executive Director of HIL Limited and Non-Executive Independent Director of Oriental Bank of Commerce. Mr. Khetrpal along with his relatives does not hold any shares in the Company nor has any relationship with any of the Directors of the Company.

Mr. Khetrpal (DIN 02362633) is directly concerned and interested in this resolution, as it relates to his remuneration. Except Mr. Khetrpal (DIN 02362633), no other Director or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution.

The Board recommends the Special resolution set forth in Item no. 6 of the Notice for the approval of the members.

Item No. 7

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

On the recommendation of the Audit Committee at its meeting held on 4th May, 2016, the Board has approved the re-appointment of Mr. Somnath Mukherjee, Cost Accountant in practice (M.NO.-F5343), as Cost Auditors of the Company for conducting the audit of the cost records of the Company for the financial year ending 31st March, 2016, required to be audited under the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), at a Cost Audit fees of ₹ 80,000/- (Eighty thousand only) plus out of pocket expenses.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Cost Audit fees to be paid to the Cost Auditors of the Company has to be approved by the shareholders of the Company. Accordingly, the Members are requested to approve the remuneration of the Cost Auditors for the FY16-17 as set out in the Resolution for the aforesaid services to be rendered by him.

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

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

Directors' Report



Dear Members,

The Directors are pleased to present the Fifth Annual Report on the business and operations of your Company together with the audited accounts for the financial year ended 31st March, 2016.

SUMMARY OF FINANCIAL PERFORMANCE

(₹ in Crores)		
Particulars	2015-16	2014-15
Gross Sales	1,738.39	1,768.83
Total Revenue (Net of Excise)	1,516.74	1,553.11
Earnings before Interest, Depreciation, Amortisation & Taxation	190.91	312.80
Interest / Finance Costs	54.36	14.29
Profit before Depreciation and Taxation	136.55	298.51
Depreciation and Amortization Expenses	76.33	47.33
Net Profit before Taxation	60.22	251.18
Taxation	(2.02)	56.40
Net Profit	62.24	194.78
Profit brought forward from last year	244.49	92.73
Profit available for Appropriations	306.73	287.51
Appropriations		
Transfer to Debenture Redemption Reserve	-	-
Transfer to General Reserve	-	-
Dividend on Equity Shares	20.49	35.85
Corporate Dividend Tax	4.25	7.17
Balance carried to Balance Sheet	281.99	244.49
EPS	3.04	9.51

BUSINESS AND FINANCIAL PERFORMANCE

2015-16 proved to be a challenging year globally, across most sectors. While India's GDP grew at around 7.6% during the year, the manufacturing and infrastructure sectors failed to perform to expectation. The cement sector reported subdued growth at below 5%. Low consumption from the housing & construction sectors, along with lack of pick-up in industrial and infrastructure development were the primary factors for the weak cement

demand. To add to the industry woes, excess capacity led to lower capacity utilisation, with all India capacity utilisation remaining around 70%.

In the backdrop of this macro environment, the key business and financial highlights for the Company for FY16 are as under:

- Successfully commissioned the 3 million tonne Greenfield cement plant at Chittapur (Gulbarga, Karnataka) in

- September, 2015. After initial teething troubles, the plant operations are stabilising fast, with significant ramping up of production and dispatches.
- Total cement sales volume for the year stood at 44.19 lac tonnes (including 4.26 lac tonnes from the new plant), against 40.71 lac tonnes in FY15.
 - Sustained focus on PPC cement promotion in line with your Company's commitment to environmental sustainability; 78% of cement volume was sold as PPC from existing operations, with concurrent scaling-up of PPC sale from new operations during the year.
 - Net sales realisation for the year was ₹ 3,399 PMT, as against ₹ 3,771 PMT in the previous fiscal. Decline in realisation was attributable mainly to low prevailing prices in the markets serviced by the Company. Subdued demand resulting from poor monsoon, low spending by the government on infrastructure projects, and additional volumes from the new capacities added during the year further impacted the realisation.
 - Production costs remained under control on account of weak commodity prices and sharp focus on operational efficiencies. Though the costs incurred at the new plant are still not optimised, increased capacity utilisation and equipment stabilisation are expected to help control these costs.
 - Despite an extremely challenging environment, capacity utilisation at the Company's existing plants was at 80% during FY16.
 - EBITDA for the year was ₹ 191 Crores as against ₹ 313 Crores in FY 15, primarily due to decline in realisation.

- Higher finance costs and depreciation charges for FY16 as compared with FY15, as a result of the commissioning of Chittapur plant in September 2015.
- Profit before tax for the year was ₹ 60 Crores, as against ₹ 251 Crores in the previous year.

DIVIDEND

Your Directors have recommended a final dividend of ₹ 1 (i.e. 100%) per equity share amounting to ₹ 2,465.75 lacs (inclusive of taxes) for the FY 15-16. The dividend payout is subject to the approval of the members at the ensuing AGM. The dividend will be paid to the members whose names appear in the Register of Members as on close of business hours on Monday 18th July, 2016 and in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

CHANGES IN DIRECTORS

Pursuant to the provisions of section 152 of the Companies Act, 2013, and in terms of Articles of Association of the Company, Mrs. Amita Birla (DIN 00837718), a Non-Executive Director of the Company, is liable to retire by rotation at the ensuing AGM of the Company and being eligible, offers herself for re-appointment. The Board of Directors recommends her re-appointment.

Mr. Desh Deepak Khetrapal (DIN 00086164) was re-appointed as Managing Director & CEO of the Company w.e.f. 1st April, 2015 for a period of 5 years. However his remuneration is subject to revision w.e.f. 1st April, 2016. On the recommendation of Nomination & Remuneration cum Compensation Committee, the Board of Directors in their meeting held on 4th May, 2016, subject

to approval of Central Government, if required, recommended revision in Mr. Desh Deepak Khetrapal's remuneration for shareholders' approval. The resolution seeking Mr. Desh Deepak Khetrapal's remuneration has been included in the Notice of the AGM. The Board of Directors recommends the resolution for your approval.

On the recommendation of Nomination & Remuneration cum Compensation Committee, the Board of Directors in their meeting held on 4th May, 2015 appointed Mr. Swapan Dasgupta (DIN 07113693) as an Additional Director in the category of an Independent Director of the Company for a period of five years, w.e.f. 4th August, 2015. As an Additional Director, Mr. Swapan Dasgupta holds office up to the date of the ensuing AGM and is eligible to be appointed as an Independent Director of the Company. The Company has received a notice in writing from shareholders along with the deposit of requisite amount under section 160 of the Companies Act, 2013 supporting Mr. Swapan Dasgupta's candidature for the office of the Director of the Company. The resolution seeking Mr. Swapan Dasgupta's appointment has been included in the Notice of the AGM. The Board of Directors recommends the resolution for your approval.

A brief profile and other details relating to the Directors, who are to be appointed / re-appointed as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard issued by ICSI, are furnished in the Annual Report.

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

DECLARATION BY INDEPENDENT DIRECTORS

Mr. Vinod Kumar Dhall (DIN 02591373), Mr. Rabindranath Jhunjhunwala (DIN 00050729), Mr. Rajeev Jhavar (DIN 00086164), Mr. Janat Shah (DIN 01625535) and Mr. Swapan Dasgupta (DIN 07113693) are Independent Directors on the Board of the Company. All the Independent Directors have given their declarations under section 149 (6) and section 149 (7) of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board, the Independent Directors fulfill the conditions relating to their status as an Independent Director as specified in section 149 of the Companies Act, 2013 read with rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

KEY MANAGERIAL PERSONNEL

In terms of the provisions of section 203 of the Companies Act, 2013, Mr. Desh Deepak Khetrapal - Managing Director &

CEO (DIN 00086164), Mr. Sushil Gupta - Chief Financial Officer (FCA 044924) and Mrs. Deepanjali Gulati - Company Secretary (FCS 5304) are the Key Managerial Personnel of the Company.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has established a robust Vigil Mechanism for reporting of genuine concerns through the Whistle Blower Policy of the Company. Adequate safeguards are provided against victimization to those who avail of the mechanism and access to the Chairman of the Audit Committee in exceptional cases. The details of the Vigil Mechanism are also provided in the Corporate Governance Report. The Whistle Blower Policy is available on Company's website and can be accessed through the weblink: <http://orientcement.com/investors/>.

AWARDS AND RECOGNITIONS

In recognition of its constant quest for growth and achievement, your Company has been honoured and recognised at various forums. During the year, your Company has been judged as the "Best Run Company from India (Small Cap Category)" by ASIAMONEY, a Hong Kong based financial journal. The other prominent awards are listed below for your reference.

Devapur Plant:

- Best Management Award from Telangana Government.
- National Energy Management Award – 2014 from Society of Energy Engineers and Managers.
- "Golden Peacock Environment Management Award" 2015.
- GREENTECH Safety GOLD Award – 2015 in cement sector by GREENTECH Foundation– New Delhi.
- Greentech Environment Award-2015 in GOLD category.
- Mines Safety Awards
 - ♦ Mine Lighting & Electrical installations - 1st Prize
 - ♦ Publicity & Propaganda - 1st Prize
 - ♦ Safe Mine Working - 2nd Prize
 - ♦ Risk Assessment, Safety Management Plan & SOPs - 2nd Prize
 - ♦ Overall performance - 2nd Prize
- Mines Environment & Mineral Conservation Award
 - ♦ Management of Sub Grade Mineral - 1st Prize
 - ♦ Waste Dump Management - 2nd Prize
 - ♦ Community Development - 2nd Prize
 - ♦ Overall performance - 2nd Prize



Chittapur

- “Best Safe Project Site Award 2015–16” by a committee formed by the Department of Factories, Boilers, Industrial Safety & Health.
- Overall Mines Performance – 2nd Prize

Beside this, your Company was felicitated as “Top Assessee” by the Commissioner of Customs, Central Excise & Service Tax, Hyderabad zone.

STATUTORY AUDITORS

At the AGM held in the year 2014, M/s S.R. Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration Number 301003E/E300005) Statutory Auditors of the Company were re-appointed by the shareholders to hold office as Statutory Auditors from the conclusion of AGM held in the year 2014 till the conclusion of Eighth AGM of the Company to be held in the year 2019, subject to ratification of their appointment at every AGM.

Under section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company is required to place the matter relating to Statutory Auditor’s appointment for ratification by members at every AGM.

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

Based on the recommendations of the Audit Committee, the Board of Directors of the Company recommend the ratification of appointment of M/s S.R. Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration Number 301003E/E300005), as Statutory Auditors of the Company by the shareholders at the ensuing AGM.

The observations made by the Statutory Auditors on the Financial Statements of the Company in their Report for the financial year ended 31st March, 2016 read with the explanatory notes therein, are self- explanatory and therefore, do not call for any further explanation or comments from the Board under section 134(3)(f) of the Companies Act, 2013. The Auditors’ Report does not contain any qualification, reservation or adverse remark.

Further, in terms of section 143 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, Notifications / Circulars issued by the Ministry of Corporate Affairs from time to time, no fraud has been reported by the auditors of the Company where they have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company.

COST AUDITORS

Pursuant to the provisions of section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended, Notifications / Circulars issued by the Ministry of Corporate Affairs from time to time, your Board has appointed Mr. Somnath Mukherjee, Cost Accountant, (M.No.-F5343) as the Cost Auditor to conduct the Cost Audit of the Company for the FY16-17 at a remuneration as mentioned in the Notice convening the AGM.

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

SECRETARIAL AUDITORS

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. Ranjeet Pandey and Associates, Company Secretaries (Registration No. F-5922), to conduct the Secretarial Audit for the FY15-16. The Secretarial Audit Report issued by M/s. Ranjeet Pandey and Associates, Company Secretaries, for the FY15-16 forms part of this Report and is set out in **Annexure 1** to this Report. The said report is self-explanatory and does not call for any comments. The Secretarial Auditors’ Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given loans or guarantee, made investments and provided securities covered under the provisions of section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year under review were on an arm’s length basis and were in the ordinary course of business. No materially significant related party transactions were made by the Company which may have a potential conflict with the interest of the Company at large. All related party transactions were placed before the Audit Committee and also for the Board approval, wherever required. Prior omnibus approval of the Audit Committee was obtained for the transactions that were of a foreseen and repetitive nature, these transactions were reviewed by the Audit Committee on a quarterly basis. The policy on related party transactions as approved by the Board is available on the Company’s website and can be accessed through the weblink: <http://orientcement.com/investors/>.

The details of transactions entered into with related parties are attached as **Annexure 2** in form AOC-2 that forms an integral part of this Report.

RISK MANAGEMENT

The Company has constituted a Risk Management Committee to review the risk management plan / process of your Company. The Risk Management Committee identifies potential risks, assesses their potential impact and takes timely action to mitigate the same.

The Company has a Risk Management Policy which has been approved by the Board. The aim of the Company’s risk management policy is to create awareness of predictable risks and consequently limit, control and manage them, while safeguarding business opportunities and strengthening profitability. Through its well formulated strategy, the Company ensures that the risk exposure remains at the defined appropriate levels, while the overall management of the risks is integrated and embedded in the everyday business operations and activities. There are no risks identified by the Board which may threaten the existence of the Company.

The detailed Risk Review is provided in the Management Discussion & Analysis section forming part of the Annual Report.

INTERNAL FINANCIAL CONTROLS

The Company has identified and documented all key internal financial controls, which impact the financial statements, as part of its Standard Operating Procedures (SOP). The SOP’s are designed for all critical processes across all plants, warehouses and offices wherein financial transactions are undertaken. The SOP’s cover the standard processes, risks, key controls and each process is identified to a process owner. The financial controls are tested for operating effectiveness through ongoing monitoring and review process of the management and independently by the Internal Auditors. In our view the Internal Financial Controls, affecting the financial statements are adequate and are operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

Continuing on the path that we are committed to, we have created a holistic impact on the society through a range of Corporate Social Responsibility (CSR) activities. Your Company has been taking initiatives under CSR for society at large, well before it was prescribed through the Companies Act, 2013. The Company has constituted a Corporate Social Responsibility (CSR) Committee and has a well-defined Policy on CSR which is available on the Company’s website and can be accessed through the weblink: <http://orientcement.com/investors/>.

The CSR Policy laid down by the Company ensures that:

1. The CSR agenda is integrated with the business
2. Focused efforts are made in the identified community development areas to achieve the expected outcome
3. It contributes towards nation-building through its CSR activities. In terms of CSR Policy the Company shall focus in the areas of:

- Education
- Healthcare

CSR Report, pursuant to clause (o) of subsection (3) of section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 forms part of this Report as **Annexure 3**.

The core areas for Orient Cement Limited’s CSR programmes are education and healthcare support. During the FY15-16, the Company has, like in the previous years, made required contributions towards promotion of education and social good by providing primary healthcare support in the vicinity of its plants. The Company has felt that it will be worthwhile to carry forward the unspent amount, required to be spent under section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 to the next financial year to complete some of the initiatives which are under active consideration and for which preparatory work is at hand. With focus on making real impact through its CSR activities, the Company endeavors to spend on CSR activities in accordance with the prescribed rules and limits.

PARTICULARS OF EMPLOYEES, DIRECTORS & KEY MANAGERIAL PERSONNEL

The information required pursuant to section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure 4** and forms an integral part of this Report.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was ₹ 20,48,68,760. During the year under review, there is no change in the share capital of the Company.

EXTRACT OF THE ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year ended 31st March, 2016 is annexed as **Annexure 5**.

EMPLOYEES STOCK OPTION SCHEMES

The Company has an operative Employees Stock Option Scheme 2015 (ESOS-2015) which provides for grant of Stock Options to eligible employees of the Company.

The Shareholders have approved ESOS-2015 at the 4th AGM of the Company held on 25th July, 2015. Nomination & Remuneration cum Compensation Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees’ Stock Option Scheme of the Company in accordance with the Securities and Exchanges Board of India (Share Based Employee

Benefits) Regulations, 2014 (“SEBI Regulations”). Details as required under the SEBI Regulations, for Orient Cement Limited Employees Stock Option Scheme, 2015 has been uploaded on the website of the Company and can be accessed through the weblink <http://orientcement.com/investors/>. There is no change in the ESOS scheme of the Company during the year.

Certificate from M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 301003E/E300005), Statutory Auditors of the Company confirming that the scheme has been implemented in accordance with the SEBI Regulations will be placed at the forthcoming Annual General Meeting of the Company for inspection by the members.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your Company is an equal opportunity provider and believes in providing opportunity and key positions to women professionals. At the same time, it has been an endeavour of the Company to support women professionals through a safe, healthy and conducive working environment by creating and implementing proper policies to tackle issues relating to safe and proper working conditions for them.

As per the provisions of section 21 and 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the report on the details of the number of cases filed under Sexual Harassment and their disposal, during the calendar year 2015 is as under:

Number of cases pending as on the beginning of the financial year	Nil
Number of complaints filed during the financial year	Nil
Number of cases pending as on the end of the financial year	Nil

CORPORATE GOVERNANCE

Your Company always places intense focus on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an organisation's corporate governance philosophy directly impacts its performance.

The Company is committed to adopt and adhere to the best corporate governance practices. The Company understands and respects its fiduciary role and responsibility towards all its stakeholders and society at large, and strives to serve their interests in a balanced manner, resulting in creation of value and wealth for all its stakeholders.

The corporate governance philosophy of the Company is driven by the interest of its stakeholders and business needs of the organisation. Aligning itself to this philosophy and in order to sustain the stakeholder's trust, the Company has placed corporate governance on a high priority. In terms of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations

and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, the Corporate Governance Report along with certificate from M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 301003E/E300005), Statutory Auditors of the Company, certifying the compliance with the conditions of Corporate Governance is annexed as **Annexure 6** forming an integral part of this Report. The Corporate Governance Report, inter-alia, contains the following disclosures:

1. Number of Board Meetings
2. Composition of Audit Committee
3. Composition of Corporate Social Responsibility Committee
4. Appointment & Remuneration Policy (for Directors, Key Managerial Personnel, Senior Management Personnel of the Company)
5. Performance Evaluation criteria of the Board, its Committees & individual Directors

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A detailed report on the Management Discussion and Analysis is provided as a separate section in the Annual Report which forms part of the Directors Report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a framework of the Board Performance Evaluation has been formulated. In terms of this framework, the Nomination & Remuneration cum Compensation Committee and the Board has carried out an annual performance evaluation of its own performance, the performance of the various Committees of the Board, individual Directors and the Chairman. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report. The details of programme for familiarisation of the Independent Directors of your Company is available on the Company's website and can be accessed through the weblink: <http://orientcement.com/investors/>.

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 FY16-17 have been paid to these exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(3)(c) of the Companies Act, 2013, the Board of Directors hereby state that:

1. In the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

2. We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2016 and of the profit and loss of the Company for the year ended on that date;
3. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. We have prepared the annual financial statements on a going concern basis;
5. We have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
6. We have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report and there has been no change in the nature of business.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information relating to the conservation of energy and technology absorption, as stipulated under section 134(3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014, for the year ended 31st March, 2016, is attached as **Annexure 7** and form an integral part of this Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year the Company has not earned any foreign exchange.

The total foreign exchange outgo during the year was ₹ 1,370.26 lacs.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the FY15-16, the Company has no Subsidiary, Associate or Joint Venture company.

GENERAL

Your Directors state that no disclosure or reporting is required with respect to the following items as there were no transactions

related to these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issues of shares (including sweat equity shares) to employees of the Company under any scheme save and except the options granted under Employees Stock Option Scheme referred to in this Report.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

HUMAN RESOURCE

Employees are our vital and most valuable assets. We have created a favourable work environment that encourages innovation and meritocracy. It is important for us that organisational culture and organisational strategy are well aligned. We have developed a strong culture of transparency through constant employee communication and have developed strong performance management practices wherein best in class reward and recognition systems are deployed. We have also set up a scalable recruitment and human resources management process which enables us to attract and retain high caliber employees. To make employee processes more system driven and to prevent aberrations, the Company has implemented SAP in the past few months and has successfully gone live on SAP.

Your Company's organisational culture upholds professionalism, integrity and continuous improvement across all functions, as well as efficient utilisation of the Company's resources for sustainable and profitable growth.

ACKNOWLEDGEMENTS

The Directors acknowledge the support and assistance extended to the Company by the Government of India, various State Governments and Government Departments, bankers, community, shareholders and investors at large, and look forward to having the same support in the Company's future endeavors. We very warmly thank all our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

By order of the Board of Directors
For Orient Cement Limited

CK. Birla
Chairman
(DIN 00118473)

Place: New Delhi
Date: May 4, 2016

Annexure-1

Secretarial Audit Report

For the financial year ended on 31st March, 2016

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of Orient Cement Limited’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (erstwhile The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- v) The following legislations specifically applicable to the Company, being Cement manufacturing Company:-
 - a) The Atomic Energy Act, 1962 read with Atomic Energy (Radiation Protection) Rules, 2004;
 - b) Indian Boilers Act, 1923 read with Andhra Pradesh Boiler Rules, 1967;
 - c) The Petroleum Act, 1934;
 - d) The Explosive Rules, 2008;
 - e) The Static & Mobile Pressure Vessels (Unfired) Rules, 1981;
 - f) Cylinder Rules, 2004;
 - g) Ammonium Nitrate Rules, 2012;
 - h) Mines Act, 1952;
 - i) Cement (Quality Control) Order, 2003;
 - j) Limestone And Dolomite Mines Labour Welfare Fund Act, 1972;
 - k) Mines and Minerals (Development And Regulation) Act, 1957;
 - l) Mineral Conservation and Development Rules, 1988;
 - m) Metalliferous Mine Regulations, 2012;
 - n) The Explosives Act, 2008 read with rules made thereunder

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

- 1. The Company is carrying out related party transactions in the ordinary course of business and at arms’ length price.
- 2. The members of the Company at the Annual General Meeting held on 25th July, 2015 have approved “remuneration” to be paid to Managing Director and CEO even in case of loss or inadequacy of profit, which was paid during the FY15-16. The said remuneration was in excess of 5 (five) percent of the net profits of the Company.
- 3. The Company has incurred CSR expenditure below the limit prescribed under the provisions of section 135 of the Companies Act, 2013 for the FY15-16.

We further report that:

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

Adequate notice has been given to all directors to schedule the Board Meetings during the financial year under review, agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that, during the audit period, the Company has:

- (i) declared and paid dividend and necessary compliances of the Companies Act, 2013 was made.
- (ii) obtained the approval of members for the creation, offer, issuance and allotment of Options under Employee Stock Option Scheme and necessary compliances of the Companies Act, 2013 and SEBI Regulations were made.

For Ranjeet Pandey & Associates
Company Secretaries

Place: New Delhi
Date: May 4, 2016

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

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

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

Annexure-I

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

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

For Ranjeet Pandey & Associates
Company Secretaries

Place: New Delhi
Date: May 4, 2016

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

Form No. AOC-2

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

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

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

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

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

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

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

(b) Nature of contracts/arrangements/transactions

- Orient Paper & Industries Limited - Rent
- Khaitan & Co., LLP, New Delhi - Professional fees
- Khaitan & Co., LLP, Kolkata - Professional fees
- Khaitan & Co., Mumbai - Professional fees

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

- Orient Paper & Industries Limited - Perpetual
- Khaitan & Co., LLP, New Delhi - Need based
- Khaitan & Co., LLP, Kolkata - Need based
- Khaitan & Co., Mumbai - Need based

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

- Orient Paper & Industries Limited - ₹ 12,00,000/-
- Khaitan & Co., LLP, New Delhi - ₹ 6,00,000/-
- Khaitan & Co., LLP, Kolkata - ₹ 1,95,000/-
- Khaitan & Co., Mumbai - ₹ 6,26,335/-

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

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

By order of the Board of Directors
For Orient Cement Limited

CK. Birla
Chairman
(DIN 00118473)

Place: New Delhi
Date: May 4, 2016

Annexure-3

Annual Report on CSR activities

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

A brief outline of the Company’s CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company’s CSR Policy framework details the mechanisms for undertaking various projects/ programmes in accordance with section 135 of the Companies Act, 2013 for the benefit of the community. The Company will primarily focus on education, healthcare and rural development.

CSR Policy is stated on Company’s website and can be accessed through the weblink: <http://orientcement.com/investors/>

The Composition of the CSR Committee

1. Mr. Janat Shah- Chairman
2. Mr. Desh Deepak Khetrapal- Member
3. Mr. Rabindranath Jhunjhunwala-Member

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

Average net profit of the Company for last three financial years: ₹ 21,826 lacs

Prescribed CSR Expenditure (two per cent of the average net profit): The Company is required to spend ₹ 436.53 lacs towards CSR during the FY15-16

Details of CSR spent during the FY15-16.

(a) Total amount to be spent for the FY15-16: ₹ 436.53 lacs

(b) Amount unspent, if any: ₹ 85.13 lacs

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programmes wise (₹ in lacs)	Amount spent on the projects or programmes Sub – heads: (1) Direct expenditure on projects or programmes (2) Overheads (₹ in lacs)	Cumulative expenditure up to the reporting period (₹ in lacs)	Amount spent: Direct or through implementing agency
1.	School Infrastructure/ Expenses	Education	Devapur, Dist-Adilabad, State – Telangana	346.00	277.95	277.95	Direct
2.	Running of Medical Dispensary and organising medical camps	Healthcare	Devapur, Dist-Adilabad, State – Telangana	66.00	60.53	60.53	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount outlay (budget) project or programmes wise (₹ in lacs)	Amount spent on the projects or programmes Sub – heads: (1) Direct expenditure on projects or programmes (2) Overheads (₹ in lacs)	Cumulative expenditure up to the reporting period (₹ in lacs)	Amount spent: Direct or through implementing agency
3.	Other projects						
i.	Fencing for protecting the plantation and other rural development work	Rural Development Project	Devapur, Dist-Adilabad, State – Telangana Nashirabad, Jalgaon	25	2.42	2.42	Direct
ii.	Borewell work at village Yapa & Devapur	Safe drinking water	Devapur, Dist-Adilabad, State – Telangana		2.23	2.23	Direct
iii.	Grant for Chennai drought affected people and Grant to Vanavasi Kalyan Parishad	Hunger, poverty and malnutrition	Devapur, Dist-Adilabad, State – Telangana		2.00	2.00	Direct
iv.	Swach Bharat, Sanitation work	Sanitation	Nashirabad Jalgaon and Devapur, Dist-Adilabad, State – Telangana		6.27	6.27	Direct
TOTAL				437.00	351.40	351.40	Direct

The Company has always taken up social and community development initiatives at its establishments and project sites and has been contributing in the areas of health care, education and rural development. Apart from the above expenditure, the Company has also spent ₹ 274.54 lacs on projects related to building rural infrastructure and community development programmes which are not covered under section 135 of the Companies Act, 2013.

Our CSR responsibilities

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the projects and activities in compliance with our CSR objectives.

Janat Shah
(Chairman CSR Committee)
DIN 01625535

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

R.N. Jhunjhunwala
(Member)
DIN 00050729

Place: New Delhi
Date: May 4, 2016

Details pertaining to remuneration
As required under section 197 (12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the FY15-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY15-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for FY 15-16 (₹ in lacs)	% Increase / (Decrease) in remuneration in the FY15-16	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1.	Mr. CK. Birla –Chairman	8.50	(95.53%)	1.37	
2.	Mr. Desh Deepak Khetrapal - Managing Director & CEO	543.88	23.83%	87.86	8.74% of the net profit
3.	Mrs. Amita Birla-Director	8.50	100.00%	1.37	
4.	Mr. Vinod Kumar Dhall-Director	8.50	(43.33%)	1.37	
5.	Mr. Rabindranath Jhunjhunwala-Director	8.50	(43.33%)	1.37	
6.	Mr. Rajeev Jhawar-Director	8.50	(43.33%)	1.37	
7.	Mr. Janat Shah-Director	8.50	(43.33%)	1.37	
8.	Mr. Swapan Dasgupta (appointed with effect from 4 th August, 2015)	8.50	N.A.	1.37	
9.	Mr. Sushil Gupta-Chief Financial Officer	140.15	10.00%	-	2.25% of the net profit
10.	Ms. Deepanjali Gulati-Company Secretary	15.83	12.05%	-	0.25% of the net profit

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

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 6.19 Lacs p.a;
- (iii) In the financial year, there was an increase of 9% in the median remuneration of employees;
- (iv) There were 816 permanent employees on the rolls of the Company as on 31st March, 2016;
- (v) Relationship between average increase in remuneration and Company performance:- The following factors are considered while giving increase in the remuneration:
- (a) Financial performance of the Company,
- (b) Comparison with peer companies, and
- (c) Industry benchmarking and consideration towards cost of living adjustment/ inflation.
- (vi) Comparison of the remuneration of the Key Managerial Personnel(s) against the performance of the Company:- For the FY15-16 Key Managerial Personnel were paid 11.24.% of the net profit of the Company;
- (vii) (a) Variation in market capitalization of the Company: The market capitalization as on 31st March, 2016 was ₹ 3,12,424.86 lacs (₹ 3,64,871.26 lacs as on 31st March, 2015);
- (b) Price Earnings ratio of the Company was 50.16 as at 31st March, 2016 and was 18.73 as at 31st March, 2015;
- (c) Percent increase or decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year: The Company was listed pursuant to demerger of cement division of Orient Paper & Industries Limited. There has not been any public offer by Orient Cement Limited.

- (viii) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e 2015-16 was 9.69% whereas the percentile increase in the managerial remuneration for the same financial year was 23.83%;
- (ix) (a) The key parameters for the variable component of remuneration availed by the Executive Director is based on his performance and Company's performance ;
- (b) The key parameter for the commission paid to Directors other than Executive Director is based on profit of the Company and is subject to the ceiling fixed by Board and also the ceilings provided under the Companies Act, 2013;
- (x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :- Not applicable; and
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

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

Name of Employee	Designation of the employee	Remuneration received* (₹)	Qualifications	Experience (No. of years)	Date of commencement of employment	Age (years)	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company
Desh Deepak Khetrpal	Managing Director & CEO	5,00,08,800	B Com (H), MBA	40	02.04.2012	61	Jumbo Electronics, Dubai, Group CEO	Nil
Rahul R Deshmukh	Chief Operating Officer	1,27,17,478	B. E - Production, EMBA	25	28.06.2014	46	FL Smidth Pvt Ltd Vice President & Business Head Cement Project Division India	Nil
Sushil Gupta	Chief Financial Officer	1,30,22,132	FCA	25	21.07.2014	49	Essar Offshore Sub-Sea Limited CFO & Director (Finance)	Nil
Shyam B Asawa	President (Projects)	1,57,69,308	B.E(Mechanical) Diploma In Business Management	34	01.11.2012	56	Reliance Cement Company Pvt Ltd Director Projects	Nil
Shiva Kant Pandey	President - Works	1,23,51,028	B. E - Electrical	32	21.07.2014	53	Heidelberg Cement Additional Director (Technical) & Unit Head	Nil
Pramod K Singhania	Senior Vice President (Works)	79,96,048	B. E - Mechanical	35	16.09.2013	58	Jaypee Cement – Joint President – Technical	Nil
Vishal Sood	Senior Vice President - Sales & Marketing	1,07,77,934	B. E - Mechanical, MBA - Marketing, MDP	24	25.09.2014	44	Pidilite Industries Limited President - Sales Management	Nil
N. S. Srinivas	Vice President – Human Resources	77,28,889	MSW - HRM, LLB	20	13.02.2014	43	KEC International Limited – Vice President – Human Resources	Nil
Tejendrasingh B Gohel	Vice President (Techno Commercial)	70,30,800	B. E - Mechanical	22	21.09.2012	43	Essar Power Limited - Joint GM - Procurement (Projects)	Nil

Name of Employee	Designation of the employee	Remuneration received* (₹)	Qualifications	Experience (No. of years)	Date of commencement of employment	Age (years)	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company
Y Srinivasa Rao	Vice President (Marketing & Business Development)	63,72,543	M. Tech - Civil, MBA	22	05.09.2011	49	Bharathi Cement Corporation Pvt Ltd, Chief General Manager- Marketing	Nil

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

Name of Employee	Designation of the employee	Remuneration received* (₹)	Qualifications	Experience (No. of years)	Date of commencement of employment	Age (years)	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company
								Nil

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

Name of Employee	Designation of the employee	Remuneration received* (₹)	Qualifications	Experience (No. of years)	Date of commencement of employment	Age (years)	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company
								Nil

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

Notes:

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

By order of the Board of Directors
For Orient Cement Limited

CK. Birla
Chairman
(DIN 00118473)

Place: New Delhi
Date: May 4, 2016

Annexure-5

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

Form No. MGT-9

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Cement	Group : 239 Class : 2394 Sub-Class : 23941	99.98.%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Sections
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The Company has no holding, subsidiary and associate company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Change during the year
A. Promoters									
(1) Indian									
a) Individual/HUF	73,71,250	-	73,71,250	3.60	73,71,250	-	73,71,250	3.60	Nil
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	6,94,58,672	-	6,94,58,672	33.90	6,94,58,672	-	6,94,58,672	33.90	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	7,68,29,922	-	7,68,29,922	37.50	7,68,29,922	-	7,68,29,922	37.50	Nil
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	7,68,29,922	-	7,68,29,922	37.50	7,68,29,922	-	7,68,29,922	37.50	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4,10,06,116	2,000	41,008,116	20.02	4,86,90,248	2,000	4,86,92,248	23.77	3.75
b) Banks / FI	79,010	93,460	1,72,470	0.08	69,810	93,460	1,63,270	0.08	-
c) Central Govt/ State Govt.	-	4,000	4,000	0.00	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	1,99,24,678	-	1,99,24,678	9.73	1,77,72,024	-	1,77,72,024	8.67	-1.06
g) FIs	1,25,08,292	-	1,25,08,292	6.11	-	-	-	-	-6.11
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Investors	-	-	-	-	1,27,80,922	-	1,27,80,922	6.24	6.24
Sub-total (B)(1)	7,35,18,096	95,460	7,36,13,556	35.93	7,93,13,004	95,460	7,94,08,464	38.76	2.83
2. Non-Institutions									
a) Bodies Corp.	53,93,933	3,52,000	57,45,933	2.81	31,93,890	3,32,430	35,26,320	1.72	-1.09
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	1,55,99,506	12,35,125	1,68,34,631	8.22	1,51,60,619	11,66,735	1,63,27,354	7.97	-0.25
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	58,46,552	-	58,46,552	2.85	25,00,000	-	25,00,000	1.22	-1.63
c) Others									
- Trust & Foundations	37,395	-	37,395	0.02	-	-	-	-	-0.02
- Non-Resident Individual	7,86,581	27,350	8,13,931	0.40	11,04,440	26,420	11,30,860	0.55	0.15
- OCB	36,82,240	-	36,82,240	1.80	36,82,240	-	36,82,240	1.80	-
- Cooperative Societies	2,14,64,600	-	2,14,64,600	10.48	2,14,63,600	-	2,14,63,600	10.48	-
Sub-total (B)(2)	5,28,10,807	16,14,475	5,44,25,282	26.57	4,71,04,789	15,25,585	4,86,30,374	23.74	-2.83
Total Public Shareholding (B)=(B)(1)+ (B)(2)	12,63,28,903	17,09,935	12,80,38,838	62.50	12,64,17,793	16,21,045	12,80,38,838	62.50	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	20,31,58,825	17,09,935	20,48,68,760	100.00	20,32,47,715	16,21,045	20,48,68,760	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Central India Industries Limited	4,91,43,627	23.99	2.00	4,91,43,627	23.99	2.83	-
2	Shekhavati Investments and Traders Limited	1,23,20,865	6.01	2.93	1,23,20,865	6.01	-	-
3	Ms. Nirmala Birla	36,73,680	1.79	-	36,73,680	1.79	-	-
4.	Mr. Chandrakant Birla	28,97,570	1.41	-	28,97,570	1.41	-	-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
5.	Hindustan Discounting Company Limited	22,31,000	1.09	-	22,31,000	1.09	-	-
6.	Gwalior Finance Corporation Limited	15,92,500	0.78	-	15,92,500	0.78	-	-
7.	Amer Investments (Delhi) Limited	14,22,000	0.69	0.23	14,22,000	0.69	-	-
8.	Universal Trading Company Limited	8,44,280	0.41	-	8,44,280	0.41	-	-
9.	National Engineering Industries Limited	5,37,400	0.26	-	5,37,400	0.26	-	-
10.	Rajasthan Industries Limited	5,04,000	0.24	-	5,04,000	0.24	-	-
11.	Mr. Shyam Sunder Jajodia	2,80,000	0.14	-	2,80,000	0.14	-	-
12.	Ashok Investment Corporation Limited	2,60,000	0.13	-	2,60,000	0.13	-	-
13.	Mrs. Amita Birla	2,60,000	0.13	-	2,60,000	0.13	-	-
14.	Jaipur Finance and Diary Product Pvt. Ltd.	2,08,000	0.10	-	2,08,000	0.10	-	-
15.	India Silica Magnesite Works Limited	2,00,000	0.10	-	2,00,000	0.10	-	-
16.	Bengal Rubber Company Limited	1,95,000	0.10	-	1,95,000	0.10	-	-
17.	Ms. Avani Birla	1,30,000	0.06	-	1,30,000	0.06	-	-
18.	Ms. Avanti Birla	1,30,000	0.06	-	1,30,000	0.06	-	-
Total		7,68,29,922	37.50	5.16	7,68,29,922	37.50	-	-

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	No change during the year			
	Date wise increase / decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	No change during the year			
	At the end of the year	No change during the year			

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

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (1.4.2015 to 31.3.2016)	
		No. of shares at the beginning (1.4.2015)/ end of the year (31.3.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Company Limited A/C RELIA	99,59,083	4.86	1.4.2015				
				10.4.2015	-5,025	Transfer	99,54,058	4.86
				1.5.2015	25,000	Transfer	99,79,058	4.87
				8.5.2015	25,000	Transfer	1,00,04,058	4.88
				15.5.2015	-3,88,000	Transfer	96,16,058	4.69
				29.5.2015	-5,00,000	Transfer	91,16,058	4.45
				5.6.2015	-57,481	Transfer	90,58,577	4.42
				19.6.2015	24,150	Transfer	90,82,727	4.43
				28.8.2015	-1,00,000	Transfer	89,82,727	4.38
				9.10.2015	26,600	Transfer	90,09,327	4.40
				30.10.2015	16,000	Transfer	90,25,327	4.41
				27.11.2015	-8,97,084	Transfer	81,28,243	3.97
				11.12.2015	-3,00,000	Transfer	78,28,243	3.82
				18.12.2015	-21,900	Transfer	78,06,343	3.81
				31.12.2015	50,000	Transfer	78,56,343	3.83
				8.1.2016	-4,75,000	Transfer	73,81,343	3.60
				22.1.2016	86,600	Transfer	74,67,943	3.65

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (1.4.2015 to 31.3.2016)	
		No. of shares at the beginning (1.4.2015)/ end of the year (31.3.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
				29.1.2016	-1,72,000	Transfer	72,95,943	3.56
				5.2.2016	12,884	Transfer	73,08,827	3.57
				12.2.2016	49,715	Transfer	73,58,542	3.59
				26.2.2016	43,500	Transfer	74,02,042	3.61
				4.3.2016	50,000	Transfer	74,52,042	3.64
				11.3.2016	40,000	Transfer	74,92,042	3.66
				18.3.2016	-2,60,000	Transfer	72,32,042	3.53
		72,32,042	3.53	31.3.2016				
2	National Insurance Company Limited	51,50,010	2.51	1.4.2015				
				15.5.2015	-1,00,000	Transfer	50,50,010	2.46
				16.10.2015	-1,00,000	Transfer	49,50,010	2.42
				27.11.2015	-82,120	Transfer	48,67,890	2.38
				4.12.2015	-13,246	Transfer	48,54,644	2.37
		48,54,644	2.37	31.3.2016				
3	Government Pension Fund Global	49,38,935	2.41	1.4.2015				
				5.6.2015	-19,70,000	Transfer	29,68,935	1.45
		29,68,935	1.45	31.3.2016				
4	Life Insurance Corporation of India	47,56,159	2.32	1.4.2015				
				11.9.2015	-2,88,782	Transfer	44,67,377	2.18
				18.9.2015	-19,911	Transfer	44,47,466	2.17
				25.9.2015	-1,20,379	Transfer	43,27,087	2.11
				30.9.2015	-1,01,275	Transfer	42,25,812	2.06
		42,25,812	2.06	31.3.2016				
5	ICICI Prudential Value Discovery Fund	41,67,817	2.03	1.4.2015		Nil movement during the year	41,67,817	0.00
		41,67,817	2.03	31.3.2016				0.00
6	ICICI Prudential Life Insurance Company Limited	40,09,379	1.96	1.4.2015				
				10.4.2015	-78,000	Transfer	39,31,379	1.92
				29.5.2015	-5,00,000	Transfer	34,31,379	1.67
				26.6.2015	-27,400	Transfer	34,03,979	1.66
				17.7.2015	-50,650	Transfer	33,53,329	1.64
				24.7.2015	-50,000	Transfer	33,03,329	1.61
				7.8.2015	-645	Transfer	33,02,684	1.61
		33,02,684	1.61	31.3.2016				
7	HDFC Standard Life Insurance Company Limited	35,80,746	1.75	1.4.2015				
				10.4.2015	70,500	Transfer	36,51,246	1.78
				17.4.2015	25,368	Transfer	36,76,614	1.79
				24.4.2015	834	Transfer	36,77,438	1.80
				5.6.2015	1,92,367	Transfer	38,69,805	1.89
				12.6.2015	-9,279	Transfer	38,60,526	1.88
				19.6.2015	-1,849	Transfer	38,58,677	1.88
				26.6.2015	-1,090	Transfer	38,57,587	1.88
				3.7.2015	-12,603	Transfer	38,44,984	1.88
				10.7.2015	-1910	Transfer	38,43,074	1.88
				31.7.2015	20,898	Transfer	38,63,972	1.89
				14.8.2015	-8,070	Transfer	38,55,902	1.88
				11.9.2015	1,100	Transfer	38,57,002	1.88
				18.9.2015	-8,089	Transfer	38,48,913	1.88
				9.10.2015	-14,688	Transfer	38,34,225	1.87
				16.10.2015	-1,50,000	Transfer	36,84,225	1.80
				23.10.2015	-4,970	Transfer	36,79,255	1.80
				30.10.2015	-7,186	Transfer	36,72,069	1.79
				13.11.2015	-18,983	Transfer	36,53,086	1.78
				22.1.2016	18,565	Transfer	36,71,651	1.79
		36,71,651	1.79	31.3.2016				

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in share-holding	Reason	Cumulative Shareholding during the year (1.4.2015 to 31.3.2016)	
		No. of shares at the beginning (1.4.2015)/ end of the year (31.3.2016)	% of total shares of the Company				No. of shares	% of total shares of the Company
8	Birla Institute of Technology and Science	35,19,850	1.72	1.4.2015	0	Nil movement during the year		
		35,19,850	1.72	31.3.2016			35,19,850	1.72
9	Rukmani Birla Educational Society	34,72,140	1.70	1.4.2015	0	Nil movement during the year		
		34,72,140	1.70	31.3.2016			34,72,140	1.69
10	Shri Jaggnath Educational Institute	31,70,000	1.55	1.4.2015	0	Nil movement during the year		
		31,70,000	1.55	31.3.2016			31,70,000	1.55
11	India Capital Fund Limited	24,71,382	1.21	1.4.2015				
				15.5.2015	2,99,990	Transfer	27,71,372	1.35
				22.5.2015	95,604	Transfer	28,66,976	1.40
				29.5.2015	10,23,610	Transfer	38,90,586	1.90
		38,90,586	1.90	31.3.2016				
12	Franklin Templeton Mutual Fund A/c Franklin India	20,44,614	1.00	31.3.2015				
				24.4.2015	1,65,960	Transfer	22,10,574	1.08
				1.5.2015	39,426	Transfer	22,50,000	1.10
				15.5.2015	2,50,000	Transfer	25,00,000	1.22
				5.6.2015	3,00,000	Transfer	28,00,000	1.37
				11.9.2015	2,00,000	Transfer	30,00,000	1.46
				30.9.2015	3,00,000	Transfer	33,00,000	1.61
				27.11.2015	3,00,000	Transfer	36,00,000	1.76
				11.12.2015	1,00,000	Transfer	37,00,000	1.81
		37,00,000	1.81	31.3.2016				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Chandrakant Birla				
	At the beginning of the year	28,97,570	1.41	28,97,570	1.41
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	28,97,570	1.41	28,97,570	1.41
2	Mrs. Amita Birla				
	At the beginning of the year	2,60,000	0.13	2,60,000	0.13
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	2,60,000	0.13	2,60,000	0.13

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Mr. Desh Deepak Khetrpal				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
4	Mr. Rajeew Jhawar				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
5.	Mr. Vinod Kumar Dhall				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
6.	Mr. Rabindranath Jhunjunwala				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
7.	Mr. Janat Shah				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
8	Mr. Swapan Dasgupta				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
9	Mr. Sushil Gupta				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
10	Ms. Deepanjali Gulati				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lacs)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	1,05,649.64	-	-	1,05,649.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	819.08	-	-	819.08
Total (i+ii+iii)	1,06,468.72	-	-	1,06,468.72

Change in Indebtedness during the financial year				
• Addition	18,915.63	30,000.00	-	48,915.63
• Reduction	-	30,000.00	-	30,000.00
Net Change	18,915.63	-	-	18,915.63
Indebtedness at the end of the financial year				
i) Principal amount	1,24,565.27	-	-	1,24,565.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	214.03	-	-	214.03
Total (i+ii+iii)	1,24,779.30	-	-	1,24,779.30

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in lacs)

Sl. No.	Particulars of Remuneration	Managing Director & CEO	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	478.44	478.44
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	25.49	25.49
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-
2	Stock Option (in number)	8,31,900 Options	8,31,900 Options
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others	-	-
5	Others		
	- Employers' Contribution to Provident Fund	20.16	20.16
	Total (A)	524.09	524.09

B. Remuneration to other Directors (₹ in lacs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. CK. Birla	Mrs. Amita Birla	Mr. Rajeev Jhawar	Mr. Vinod Kumar Dhall	Mr. Rabindranath Jhunjunwala	Mr. Janat Shah	Mr. Swapan Dasgupta	
1.	Independent Directors								
	• Fee for attending board / committee meetings	-	-	2.00	9.50	5.50	8.00	6.00	31.00
	• Commission	-	-	8.50	8.50	8.50	8.50	8.50	42.50
	• Others	-	-	-	-	-	-	-	-
	Total (1)	-	-	10.50	18.00	14.00	16.50	14.50	73.50
2.	Other Non-Executive Directors								
	• Fee for attending board / committee Meetings	3.00	2.50	-	-	-	-	-	5.50
	• Commission	8.50	8.50	-	-	-	-	-	17.00
	• Others	-	-	-	-	-	-	-	-
	Total (2)	11.50	11.00	-	-	-	-	-	22.50
	Total (B)=(1+2)	11.50	11.00	10.50	18.00	14.00	16.50	14.50	96.00
	Total Managerial Remuneration(A+B)								620.09
	Overall ceiling as per Act	₹ 670.23 lacs being 11% of Net Profit of the Company calculated as per section 198 of the Companies Act, 2013							

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

(₹ in lacs)				
Sl. No.	Particulars of Remuneration	Chief Financial Officer	Company Secretary	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	131.20	14.77	145.97
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2.	Stock Option (in number)	1,73,700 Options	-	1,73,700 Options
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others	-	-	-
5.	Others			
	- Employers' Contribution to Provident Fund	6.39	0.76	7.15
	Total (C)	137.59	15.53	153.12

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Auditors’ Certificate

To
The Members of Orient Cement Limited

We have examined the compliance of conditions of Corporate Governance by Orient Cement Limited (“the Company”), for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement (“Listing Agreement”) of the Company with the stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing regulations)” as referred to in Regulation 15(2) of the Listing Regulations, for the period 1st December, 2015 to 31st March, 2016.

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 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/ Listing Regulations, as applicable.

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**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

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

Place: New Delhi
Date: May 4, 2016

Conservation of energy and technology absorption

A Conservation of energy:		
(i)	the steps taken or impact on conservation of energy	Devapur - Product recovery is achieved with the modifications in SKS separator rejects, partially diverting to V-Separator in Cement Mills circuit, which has resulted in increase in productivity as well as power saving. - L-1 Kiln speed increased from 2.8 to 3.6 rpm, which contributed in reducing the volumetric load on kiln and resulted in improvement in clinker quality and increase in productivity. - The existing two chambers in Cement Mill-1 have been modified with mono chamber which has resulted in increase in output rate and saving in power consumption. - Worn out Hi-chrome grinding media in both the Cement Mills replaced with Vega Hard Special grinding media, which resulted in production optimization and power saving. - Process optimization carried out in Raw Mills, resulted in increase in output rate as well as power saving. - Bottleneck due to kiln feed restriction in kiln stream of L-1 Kiln is overcome by modifying the swivel gate, which resulted in Energy conservation. - Compressed air system is optimized by re-routing the pipe lines and stopping the under loaded reciprocating compressors, which resulted in reduced usage of compressed air and also power saving. - Coal dosing system replaced with Smart Coal dosing system (Coriolis) for smooth operation. Jalgaon - Controlling high voltage thus high power consumption during night hours by connecting AVR supply to remote locations AAQMS Stations.
(ii)	The steps taken by the Company for utilizing alternate sources of energy	Devapur - Usage of petcoke is initiated in L-1 & L-2 Kilns. - Initiated the usage of petcoke in CPP. - Usage of alternative fuel in Kiln I & III. - Usage of rice husk as alternate fuel in CPP.
(iii)	The capital investment on energy conservation equipments	Devapur - Upgradation of Pollution Control Equipment, as per new guidelines of MoEF – ₹ 277.43 Lacs. - Installing the loss-in-weight system – ₹ 252.33 Lacs. - Energy Conservation Projects as proposed by third party mandatory energy audit. The proposed expenses in 2016-17 is ₹ 52.43 Lacs and ₹ 857.20 Lacs in 2017-18. - Dense phase system amounting ₹ 5.31 Lacs for cement transport is introduced in place of FK pump. Jalgaon - Replacement of Metal Halide light fittings with LED light fittings initiated (40 Nos.) – ₹ 4.48 Lacs.

B	Technology absorption:	
(i)	The efforts made towards technology absorption	Devapur - Successful trial for raw mix optimization of fuel mix and additives. - Pet coke usage in all three Kilns within MoEF emission norms. Jalgaon - Online MRP printing and bag counting machines installed at Packing Plant - Upgradation of Cement silo extraction system from Seimens S5 to Allen Bradley control logic - Installation of acoustic enclosure at 720 KW DG set to reduce noise. Chittapur - Installation of XRF, Robo Lab and cross belt analyser (CBA).
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Devapur - Raw Mix proportioning with different fuel combinations compatability established for raw mix burnability. - Replacement of Coal with Pet Coke and reduced Coal Mill run hours optimising raw mix. Chittapur - XRF reduces analysis time & reduces chemical consumption. - CBA provides online test results without usage of chemicals. - Robo Lab reduces the manpower intervention and provides the sample prepared automatically.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Not applicable
	(a) the details of technology imported	Not applicable
	(b) the year of import	Not applicable
	(c) whether the technology been fully absorbed	Not applicable
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Not applicable
(iv)	the expenditure incurred on Research and Development	Devapur - Feasibility Study for raw mix optimisation – ₹ 17.68 Lacs. Chittapur - Setting up laboratory – ₹ 491.40 Lacs.

By order of the Board of Directors
For Orient Cement Limited

CK. Birla
Chairman
(DIN 00118473)

Place: New Delhi
Date: May 4, 2016

Management Discussions & Analysis Report

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian economy has certainly performed creditably compared to the most developed and emerging markets of the world in the past year, growing in excess of 7% in FY16. Macroeconomic conditions are stable, consumer price inflation is well under control and the wholesale price inflation is in negative territory. The latest estimates of the Central Statistical Organisation and the IMF suggest that India's GDP growth in FY17 will be at around 7.5%, which is highest amongst the emerging economies. All this augurs well for the cement industry.

The Indian cement industry, with a total capacity of around 400 million tonnes (MT), is the 2nd largest after China, accounting for about 8% of the total global production. Cement is a cyclical commodity with a high correlation with GDP. Cement is indispensable for nation building and has direct linkage with the nation's growth and standard of living. However, despite the economy growing at around 7.6% in FY16, cement production remained subdued, growing at below 5%. The progress made by the economy failed to translate into positive impact on demand revival and improved corporate earnings.

Cement demand remained weak primarily due to low consumption by the end-user sectors (housing & construction) and slowdown in industrial and infrastructure development. Two consecutive weak monsoon seasons have left the rural sector under a lot of stress, and investment in infrastructure and industrial projects is also yet to revive. Large unsold inventories held by the real-estate firms are keeping new projects at bay, putting the cement industry under pressure.

Thus, the cement industry in India is confronted with large excess capacity, resulting in low capacity utilisation of around 70% on a pan-India basis. The capacity utilisation of plants in South India is, in fact, even less - at under 60%. This gap between demand and supply has put severe pressure on the prevailing market prices of cement.

As a result, the cement industry is currently witnessing consolidation due to excess capacity, coupled with rising cost and longer gestation period of building greenfield capacity. Building of greenfield capacity has also slowed down considerably due to the demand-supply gap, challenges in securing limestone mines, land acquisition and also the time taken in getting various government clearances.

BUSINESS AND FINANCIAL PERFORMANCE

PARTICULARS		2015-16	2014-15
Capacity	Lac Tons	80.00	50.00
Cement sales quantity	Lac Tons	44.19	40.71
Cement sales quantity increased	%	8.5	
Capacity utilised			
- Older operations	%	80	82
- All operations (with new plant)	%	74	
Statement of profit and loss			
Net sales	₹ Crores	1,501.84	1,535.34
Other operating income	₹ Crores	7.35	11.66
Total operating income	₹ Crores	1,509.19	1,547.00
Operating expenses	₹ Crores	1,325.83	1,240.30
Operating income	₹ Crores	183.36	306.70
Other income	₹ Crores	7.55	6.10
EBITDA	₹ Crores	190.91	312.80
Depreciatoin and amortisation	₹ Crores	76.33	47.33
EBIT	₹ Crores	114.58	265.47
Interest	₹ Crores	54.36	14.29
Profit before tax	₹ Crores	60.22	251.18
Tax expense	₹ Crores	(2.02)	56.40

PARTICULARS		2015-16	2014-15
Profit after tax	₹ Crores	62.24	194.78
Ratios			
EBITDA margin	%	12.71	20.37
Debt equity ratio	Times	1.23	1.09

BUSINESS AND FINANCIAL PERFORMANCE REVIEW

Capacity Utilisation

During the year under review, the cement production capacity of your Company increased from 5 MTPA to 8 MTPA with the commissioning of the new 3 MTPA greenfield plant at Chittapur (Gulbarga, Karnataka) on 26th September 2015. The new plant at Chittapur had registered total volume of 4.26 Lacs MT upto 31st March, 2016. Though the project faced some teething challenges, as is usual with projects of this size and complexity, the plant operations are fast stabilising, and production and sales volumes are being ramped up with the collaborative efforts of the various teams.

Product Mix

In line with its commitment to environmental sustainability and increased utilisation of waste products like flyash to conserve more energy-intensive natural resources, your Company sustained its strong focus on promoting PPC during the year. Of the total volume sold during the year, 78% came from the PPC manufactured at the existing plants. PPC sale from the new operations is also being scaled up, with improved availability of flyash.

Sales

During the year, your Company registered volume growth of 8.5%, underlined by cement sale of 44.19 Lacs MT as compared to 40.71 Lacs MT in the previous year. Net sales revenue of cement stood at ₹ 1501.84 Crores as compared to ₹ 1535.34 Crores during the previous year. Low prevailing prices in the Company's core markets contributed to revenue depression despite a creditable volume growth.

Operating Costs

On the cost front, your Company has continued its intense focus on increasing efficiencies and also exploring all avenues for cost optimization through improved procurement process. The Company has also been working on optimizing the fuel mix to obtain maximum benefits from the dynamic fuel market and also on developing the capabilities to switch to most economical fuel mix and reducing its dependence on coal.

During the year, Government has notified District Mineral Foundation levy @ 30% of royalty in case of mining leases executed before 12th January, 2015 and 10% of Royalty in case of mining leases executed on or after 12th January, 2015. Further, the Government has also imposed 2% Cess on Royalty towards

National Mineral Exploration Trust (NMET). These levies have resulted in total additional cost of around ₹ 13 Crore for the FY 2015-16.

To mitigate the increasing costs, with a sharp focus on improving operational efficiencies, your Company has been able to reduce the power and fuel consumption in its operations through many improvement initiatives taken during the year.

The falling commodity prices also helped in reducing the freight and packing costs.

Depreciation and finance Cost

Depreciation charge and finance cost in FY16 were higher as compared to the previous year due to the commissioning of the Chittapur project.

Tax Expense

Tax expense for FY16 was low due to Investment Allowance benefits available under section 32 AC of the Income Tax Act, 1961.

Net Profit

Net Profit for the year declined from ₹ 194.78 crores in the previous year to ₹ 62.24 crores in the year under review, mainly due to low prevailing prices of cement in the addressed markets and additional charge of interest and depreciation due to commissioning of the Chittapur plant.

OUTLOOK

As the second largest producer of cement in the world, India holds a leadership position in the global cement industry. A vital part of the country's economy, providing employment to more than a million people, directly or indirectly, the Indian cement industry has attracted huge investments from domestic and foreign investors ever since its deregulation in 1982.

The potential for the industry's expansion and progress is immense, considering the opportunities that are expected to emerge in the infrastructure and constructions sectors in the coming years. The Government thrust on these sectors offers excellent growth prospects for these sectors, which are the key demand drivers of the cement industry. Some of the recent major government initiatives, such as development of 100 smart cities, are expected to provide a major boost to the construction sector. The near normal monsoon predicted for 2016 is also expected to

result in a spurt in housing construction, especially in the rural areas. The government's initiatives focusing on investment in infrastructure are also expected to facilitate faster growth of the economy. Policies such as "Make in India" and increased budgetary allocation for the development of roads, railways, irrigation, ports and urban infrastructure will help cement demand. Other ambitious Government programmes such as "Housing for All by 2022" and "Swachh Bharat Abhiyan" also reflect a huge opportunity for the cement sector. These projects are expected to augment the demand for cement considerably in the years ahead.

The housing sector is the biggest demand driver of cement, accounting for about 67% of the total consumption in India. The other major consumers of cement include infrastructure at 13%, commercial construction at 11% and industrial construction at 9%. With the current cement consumption in India at well below the world average, there is large room for growth as the country catches up with its housing and infrastructure needs.

OPPORTUNITIES

Infrastructure is emerging as a key area of focus for development from the various Government pronouncements and initiatives. Many other schemes being announced, also augur well for the cement sector:

Housing for all by 2022: Urbanisation in India is expected to grow at a rapid rate over the next few decades due to the changing demographics and large-scale migration of rural people to cities for livelihood on account of growing scarcity of farming land. A KPMG study estimates that India's urban population is expected to reach about 81 crores by 2050, with more than 1 crore population getting added annually to urban areas, creating huge demand for housing in the cities. Cognizant of the importance of the housing issue in the country, the Central Government has launched a massive campaign to provide housing to all its citizens by the year 2022. Construction of new houses under the programme will generate robust demand for cement in India.

Make in India: In order to make India a global manufacturing hub, the Government has embarked upon an ambitious campaign, termed popularly as "Make in India". The Government has identified 25 key sectors, including Automobiles, Chemicals, IT, Pharmaceuticals, Textiles, Ports, Aviation, Railways, Leather, Hospitality & Tourism, in which India can excel in world trade and manufacturing. The programme, aimed at easing the business environment, improving the country's infrastructure and increasing foreign investment in India, envisages the manufacturing sector to grow over 10% on a sustainable basis in the long run. This will require massive construction work for these industries, thereby leading to huge demand creation for cement and other building materials, auguring well for the building material industry.

Swachh Bharat Mission: Swachh Bharat Mission is a comprehensive programme to ensure sanitation facilities in rural areas, with the broader goal of eradicating the practice of open defecation by 2019. Swachh Bharat Mission is currently running in all the 607 districts across the country. To give a boost to the programme, the Government has brought it in convergence with the rural housing scheme - Indira Awaas Yojana, and sought financial and technical support from the World Bank, besides asking corporates to undertake the project as part of their corporate social responsibility initiatives. Swachh Bharat Mission is also expected to give a significant boost to the cement industry.

Infrastructure: The Government rolled out a new policy paradigm by shifting its focus to increase public expenditure in capital formation, which is central to its road map for economic growth in line with the recommendations of the Economic Survey.

Besides the opportunities on the market demand side, your Company continuously scouts for potential opportunities for improvement in the areas of sourcing and consumption of raw materials, energy efficiency and conservation, logistics optimisation, market segmentation based on research, imbibing best practices in manufacturing and other areas, leading to productivity and efficiency improvement.

To drive greater momentum in growth, the Company will strengthen focus on the following parameters of performance:

- Streamlining processes and systems (including digitisation) for further cost efficiencies
- Expanding market presence through channel penetration
- Further strengthening the supply chain to meet business expansion
- Leveraging marketing and innovation to build strong brands
- Augmenting infrastructure to meet future requirements
- Developing a professional and skilled human resource pool

RISKS & CONCERNS AND THREATS

Risk management is an integral part of the corporate strategy at Orient Cement. Your Company, through its risk management process, makes a serious effort to identify risks to various aspects of its operations, and evolve mitigation plans to deal with any adverse events that pose a risk to the Company. The Company has laid down a well-defined risk management mechanism covering aspects such as risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is carried out to identify, evaluate, manage and monitor both business and non-business risks. The Audit Committee periodically reviews the risks and suggests steps to control and mitigate the same through a well-defined framework. In line with the new regulatory requirements, the Company has formally framed a

Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure. A Governance Risk and Compliance Committee (“GRCC”), consisting of Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Head-Human Resource, has also been constituted to oversee the risk management process in the Company and to ensure effective roll-out of the risk management programme. The key risks identified by the Company are:

Economic Factors: The change in macroeconomic conditions, such as slowdown in GDP, interest rate trends, inflation, draught etc. can have an adverse impact on the Company’s performance. To manage these risks, the Company is continuously monitoring the external environment and proactively formulating strategies to minimise the impact on its business.

Credit Exposure: Delay in payments from the customers may lead to shortfall in cash flow, and also add to cost with increased working capital. To mitigate this risk, the Company has balanced its business between institutional and retail clients. This reduces the risk of a longer working capital cycle and an unhealthy concentration of debtors.

Cost Concerns: With rising inflation, the costs of raw material, power and fuel may impact profitability. The Company is using various means to reduce such impact and also evolve dynamic fuel mix to take full advantage of low pet coke prices and other alternate fuels. The focus on achieving better efficiencies, and reducing coal and power consumption continues to be a way of life.

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

Competition Risk: The country’s cement industry is presently facing intense competition on account of supply overhang and low levels of capacity utilization. Increased competition can create pressure on margins, market share etc. To mitigate this risk, the Company is leveraging its expertise and experience, making continuous efforts to enhance the equity of its brand “Birla A1” by focusing on quality, cost, timely delivery and customer service, backed by appropriate advertising and brand promotion. The Company is investing its marketing and promotional efforts to sustain its brand equity in its areas of operation, and to create a strong brand salience in the new markets it is now entering and

also to create a strong competitive edge in a highly competitive market environment.

Industrial Safety, Employee Health and Safety Risk: Cement industry is labour-intensive and is exposed to health and injury risks due to accidents, human negligence etc. To reinforce the safety culture in the organisation and mitigate this risk, the Company has taken numerous steps and initiatives. The Company already has a robust approach to tackle this risk through regular safety and health awareness campaigns at all its locations. The various measures taken by the Company include development and implementation of critical safety standards across the units and project sites, establishment of processes for safety training across all levels, promotion of a culture of safety not just for staff members but also for contract workers, and adequate insurance coverage.

Human Resources Risk: The Company’s ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent/resources can affect the performance of the Company. The Company is continuously benchmarking itself to the best HR practices across the industry, and is carrying out necessary improvements to attract and retain talent. For this purpose the Company is regularly reviewing, implementing and monitoring personal development plans for high performers and high potential employees.

Cyclical & Political Conditions: Though these risks exist for every industry, currently everyone is expecting these risks to be low to moderate, as the investment growth cycle and political situation appear to be more favourable than what the industry has experienced in recent years. However, the risk of poor monsoon leading to lower rural demand or higher inflation remains an area of concern, notwithstanding the recent predictions.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In order to ensure orderly and efficient conduct of business, the Company has put in place necessary internal control systems, considering its business requirements, scale of operations and applicable statutes. The systems include policies and procedures, IT systems, delegation of authority, segregation of duties, internal audit and review framework etc.

The Company has designed necessary internal financial controls and systems with regard to adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. The compliance with these controls and systems is periodically reviewed by the Internal Audit function and exceptions are reported. The Company has engaged the services of a professional Chartered Accountancy firm to carry out its internal audit. It also has an in-house Internal Audit department manned by qualified professionals to carry out, coordinate and

monitor audit activities, and also follow up on compliance and actions taken. All material audit observations and follow-up actions thereon are reported to the Audit Committee for its review.

Internal Audit Approach & Methodology

PLANNING	FIELDWORK	REPORTING	QUALITY
• Risk Assessment • Developing Audit Plan and its approval by Audit Committee • Scope finalisation • Audit Timelines	• Preparing Audit Programme • Execution • Documentation of Observations	• Detailed Reporting to Management • Follow-up of Audit Issues • Presentation to Audit Committee on key findings and action taken	• Measuring Audits against Performance Metrics • Obtaining feedbacks from Process Owners

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

Your Company has also implemented SAP ERP during the year to further strengthen the internal controls, segregation of duties and access to system. The Company also has a well-established Risk Management Policy. The Governance Risk and Compliance Committee (“GRCC”) of the Company monitors and carries out periodical reviews of the robustness of the Risk Management framework. The Committee presents a mitigation plan of the risks faced by the Company to the Audit Committee and the Board of Directors. Internal Audit (IA) is entrusted with the responsibility to review and provide independent assurance on overall effectiveness and efficiency of the Risk Management processes.

The Company continuously invests in strengthening its internal control processes. These systems provide a reasonable assurance of accuracy of financial and operational information, compliance with applicable statutes and safeguarding of assets.

Financial policies, processes, standards and delegation of authority have been cascaded and periodically reinforced within various functions and departments. Procedures to ensure conformance with the policies, standards and delegation of authority have been put in place through control self-assessment and internal audit procedures.

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

Human Resource Development is critical in delivering the strategic agenda of the Company. In line with the Company’s philosophy of nurturing talent from within, the Company has a robust process

The Audit Committee of the Board also reviews the performance of the audit and compliance functions, and reviews the effectiveness of controls and compliance with regulatory guidelines.

towards generating a reservoir of talent and leaders for managing its planned growth in the coming years. Some of the noteworthy HR initiatives and focus areas are:

- Continuous improvements through strong performance management system, and strong linkage between performance and rewards have resulted in improving people accountability & achievement orientation, and have created healthy internal competition for superior performance. Your Company has been promoting leadership development through a structured talent management framework, ensuring robust leadership pipeline for all key and critical positions. A systemic and systematic talent review by the senior team has ensured trust and confidence amongst talented employees regarding addressing their growth needs and aspirations. During FY15-16, as part of leadership development initiatives, young and talented employees with growth potential have been hand-picked for developing future senior leaders for the Company through a programme titled “CEO Circle”. While undergoing this programme, the identified talented employees will be provided intensive developmental inputs and also assigned “Mentors” from Company’s senior leadership team, who will take ownership to develop these talented employees for taking on leadership roles in the coming years. These identified employees will also be put on their Individual Development Plans (IDPs) and assigned Action Learning Projects (ALPs) based on the strategic objectives of the Company.
- Manpower optimisation for better productivity through redeployment, restructuring and rationalisation of jobs has been a major focus area for your Company. This has not only enabled meeting resource requirements but has also helped many managers in their career advancement and in assuming challenging opportunities.
- Your Company has always laid emphasis on hiring young and talented professionals. Robust plans are in place to draw

- leadership talent from the pool of young talent available in the Company.
- Building and maintaining proactive relations has been the Company's forte, which resulted in cordial industrial relationships throughout the year. Continuous efforts have been made to remove restrictive practices, and provide direction and growth to all strata of employees.

Going forward, your Company has to proactively address further strengthening of performance management systems, best practices benchmarking in the areas of talent development, compensation management and career management. This will enable and prepare the Company to address future challenges for growth through effective sustainable competitive advantage by harnessing people potential.

As on March 2016, the Company has over 816 employees working towards the goal of making it the most preferred cement company to work for in India. The Company has implemented a new online initiative in February 2016 across all its locations called **Sahayog || सहयोग ||** - SAP Success Factors, which provides a holistic approach to human capital management, integrating end-to-end processes from recruitment to performance management processes, learning and development, talent management and succession planning, workforce analytics and employee self-service, in line with international best HR Practices.

The Company is hopeful that this implementation will bring in a major cultural shift at the workplace, faster decision making and improved business results through transforming HR processes. The Company intends making this tool a real business enabler and improve productivity by enabling people to complete their transactions effortlessly, using all the talent management modules. The social collaboration module of this implementation will help the Company in bringing all employees on one platform to connect, share their thoughts, ideas, opinions, and to have structured and meaningful conversations.

FORWARD LOOKING/ CAUTIONARY STATEMENT

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include domestic demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes and economic developments within India. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events or otherwise.

Corporate Governance
Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance means the system of rules, practices and processes by which a company is directed, monitored and managed. It is about ensuring transparency, consistency, accountability and fairness. It is aimed at ensuring:

- Adequate and timely disclosures and effective decision making to achieve corporate objectives;
- Transparency in business transactions;
- Statutory and legal compliances;
- Protection of shareholders' interests;
- Commitment to values and ethical conduct of business

Corporate governance essentially ensures balancing the interests of all stakeholders in a company, including its shareholders, customers, suppliers, financiers, government, management team, employees and the community.

Aligning itself to this philosophy, and in order to sustain the stakeholders' trust, Orient Cement Limited has always placed Corporate Governance on top priority. The Company's Corporate Governance structure is based on the following principles:

- **Trusteeship:** A transparent and independent Board with a balanced composition and size provides effective leadership to the Company. The Board acts as the trustee for all stakeholders.
- **Governance:** Empowerment with accountability, effective internal surveillance, legal compliance and governing rules and procedures drive the Company's Corporate Governance.
- **Entrepreneurship:** The Company empowers the management and employees, to take ownership, drive innovation and have passion to excel and lead.
- **Creating value:** The Company undertakes efficient resource management to enhance enterprise value and return on investment.
- **Concern and respect for people and environment:** The Company works for the society, with strong emphasis on sustainability and contribution to community.

The Company is committed to ensuring that interests of all its stakeholders' are protected. The Company aims at achieving not only the highest possible standards of legal and regulatory compliances, but also of effective management. While working

to enhance the enterprise value of the Company in the medium to long term, we place the highest importance on strengthening and further developing our corporate governance initiatives. Our corporate structure and business and disclosure practices have been aligned to our Corporate Governance philosophy of transparency, accountability, fairness and intensive communication with stakeholders. We believe in performance oriented systems.

Orient Cement believes in adopting and adhering to the best corporate governance practices through benchmarking itself with best reported practices. The Company understands and respects its fiduciary role and responsibility towards its stakeholders and strives hard to meet their expectations.

The Company has infused the philosophy of corporate governance into all its activities.

Our Board of Directors, guided by above philosophy, formulate strategies and policies having focus on optimising value for various stakeholders.

A report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

GOVERNANCE STRUCTURE

Orient Cement's Governance structure comprises of the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This structure brings about a judicious blend in governance as the Board sets out the overall corporate objectives and provides direction and autonomy to the Management Team to achieve these corporate objectives within a prescribed framework.

Board of Directors - The Board of Directors play a fundamental role in upholding and nurturing the principles of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its members and other stakeholders and the utilization of resources for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company. The Board's composition and size is

robust and enables it to deal competently with emerging business issues and exercise independent judgement. All the Directors on the Board have considerable expertise and experience in their respective fields.

Committees of Directors - Recognizing the immense contribution that committees make in assisting the Board of Directors in discharging its duties and responsibilities and with a view to have a close focus on various facets of the business, the Board has constituted the following Committees viz. Audit Committee, Nomination & Remuneration cum Compensation Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility (CSR) Committee.

Management Structure - Management Structure for the day-to-day business operations and management of the Company is in place with appropriate delegation of powers and responsibilities. This broadly is as under:

- Managing Director & CEO** - The Managing Director & CEO oversees the overall operations and is responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees.
- Management Committees** - With a view to have a close focus on various facets of the business risks and compliances, the management has constituted the following Committees

Composition, names of members and attendance during the year:

Name of the Director	No. of shares held	No. of Board meetings during the FY15-16		Number of Directorship(s) held in Indian public limited companies (including Orient Cement Limited)	Number of Committee positions held in Indian public companies (including Orient Cement Limited)	
		Held	Attended		Member	Chairman
Mr. CK. Birla (DIN: 00118473) Chairman, Non-Executive	28,97,570	4	4	7	-	-
Mr. Desh Deepak Khetrpal (DIN: 02362633) Managing Director & CEO-Executive	Nil	4	4	3	5	-
Mrs. Amita Birla (DIN: 00837718) Non-Executive	2,60,000	4	3	5	-	-
Mr. Rajeev Jhawar (DIN: 00086164) Non-Executive-Independent	Nil	4	1	7	3	-
Mr. Vinod Kumar Dhall (DIN: 02591373) Non-Executive-Independent	Nil	4	4	7	4	5

viz Governance, Risk & Compliance Committee (GRCC), comprising of the Managing Director & CEO, Chief Financial Officer, Chief Operating Officer and Head- Human Resource, responsible for ensuring effective roll-out of the Risk Management Programme; and Steering Committee comprising of Chief Operating Officer, Chief Financial Officer, Head Human Resource, Chief Compliance Officer and Company Secretary, responsible for ensuring effective roll-out of the Compliance Management Programme.

BOARD OF DIRECTORS

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

The Company has a balanced Board, comprising of Executive and Non-Executive Directors which includes independent professionals. As on 31st March, 2016, your Company's Board comprises of 8 Directors, having considerable professional experience in their respective fields. Out of them, 5 are Independent Directors, 2 are Non-Executive Directors and 1 is an Executive Director. The composition of the Board is in conformity with the SEBI Regulations.

The total number of Directorships held by the Directors and the position of Membership / Chairmanship on Committees is given below. All the Directors are compliant with the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and "SEBI Regulations" in this regard.

Name of the Director	No. of shares held	No. of Board meetings during the FY15-16		Number of Directorship(s) held in Indian public limited companies (including Orient Cement Limited)	Number of Committee positions held in Indian public companies (including Orient Cement Limited)	
		Held	Attended		Member	Chairman
Mr. Rabindranath Jhunjhunwala (DIN: 00050729) Non-Executive-Independent	Nil	4	3	3	2	-
Mr. Janat Shah (DIN: 01625535) Non-Executive-Independent	Nil	4	4	2	1	-
Mr. Swapan Dasgupta (DIN: 07113693) Non-Executive-Independent	Nil	3	3	2	2	-

Notes:

- Mr. Swapan Dasgupta was appointed as an additional director in the category of Independent Director w.e.f 4th August, 2015.
- Number of Committee positions held in Indian Public Companies considered is Audit Committee & Stakeholders' Relationship Committee including that of Orient Cement Limited. Committee Membership(s) & Chairmanships are counted separately.
- Except Mrs. Amita Birla, a Non-Executive Director of the Company, who is the spouse of Mr. CK. Birla, Chairman of the Company, no other director is related to each other.
- No director is a member in more than ten committees or is chairman of more than five Committees across all listed entities in which he/ she is director

During the FY15-16, 4 (four) Board Meetings were held. The intervening period between the Board Meetings were within the maximum time gap prescribed under the Act and SEBI Regulations. All material information were circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board under SEBI Regulations.

Attendance of Directors at Board Meetings and AGM

Name of the Director	Attendance at the Board Meetings held on				Attendance at the AGM held on 25 th July, 2015
	8 th May, 2015	4 th August, 2015	19 th October, 2015	3 rd February, 2016	
Mr. CK. Birla	Y	Y	Y	Y	N
Mr. Desh Deepak Khetrpal	Y	Y	Y	Y	Y
Mrs. Amita Birla	Leave of absence	Y	Y	Y	N
Mr. Rajeev Jhawar	Leave of absence	Y	Leave of absence	Leave of absence	N
Mr. Vinod Kumar Dhall	Y	Y	Y	Y	Y
Mr. Rabindranath Jhunjhunwala	Y	Y	Leave of absence	Y	N
Mr. Janat Shah	Y	Y	Y	Y	N
Mr. Swapan Dasgupta	N.A	Y	Y	Y	N.A

Information given to the Board

The Company's Board is presented with detailed notes, along with the agenda papers. The Board periodically reviews the compliance status of all laws applicable to the Company, as certified by Chief Compliance Officer, as well as steps undertaken to rectify instances of non-compliances. The Company provides the following information to the Board through the agenda papers, presentations and discussions:

- Annual operating plans and budgets and any update thereof;
- Capital budgets and any updates thereof;
- Annual Accounts, Half-yearly and Quarterly results for the Company and operating divisions and business segments;
- Updates on all projects, formation of new special purposes vehicles and any new business being undertaken;

- Minutes of the meetings of the Audit Committee and other Committees of the Board;
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary;
- Materially important show cause, demand, prosecution notices and penalty notices;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.;
- Sale of material nature of investments, assets, which is not in the normal course of business;

Composition, names of members and attendance during the year

As on 31st March, 2016, the Audit Committee comprised of 6 (six) members.

Name of the Member	Position	No. of meetings during the FY15-16	
		Held	Attended
Mr. Vinod Kumar Dhall	Chairman	4	4
Mr. Desh Deepak Khetrapal	Member	4	4
Mr. Rajeev Jhawar	Member	4	1
Mr. Rabindranath Jhunjhunwala	Member	4	3
Mr. Janat Shah	Member	4	4
Mr. Swapan Dasgupta*	Member	2	2

Note:

- (i) *Mr. Swapan Dasgupta was appointed as Audit Committee Member by the Board on 4th August, 2015.

Primarily, the Audit Committee is responsible for:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing the scope of the Statutory Auditors, the Annual Audit Plan and the Internal Audit Plan with a view to ensure adequate coverage.

- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.;
- Declaration of Dividend;
- General notices of interest of Directors

COMMITTEES OF DIRECTORS

The Board has constituted the following Committees viz. Audit Committee, Nomination & Remuneration cum Compensation Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. Each of these Committees has the requisite expertise to handle issues relevant to their field. These Committees spend considerable time and give focused attention to the various issues placed before them. The guidance provided by these Committees lend immense value and enhance the decision making process of the Board. The Board reviews the functioning of these Committees from time to time.

(a) Audit Committee

The purpose of the Audit Committee is to assist the Board with its oversight responsibilities. Section 177 of the Act states that the Audit Committee of the Company shall act in accordance with the 'Terms of Reference' specified by the Board. In accordance of the above provisions of the Act and also taking into account the provisions of the SEBI Regulations, the Audit Committee is responsible for the matters arising from 'Terms of Reference', approved by the Board of Directors.

- Reviewing the significant audit findings from the Statutory and Internal audits carried out, the recommendations and management's response thereto.
- Reviewing and recommending to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approving such additional services to be rendered by the Statutory Auditors except those enumerated in section 144 of the Act and payment for such services.
- Recommending to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- Discussing with the Statutory Auditors/ Internal Auditors any significant difficulties encountered during the course of the Audit.

- Reviewing annual Cost Audit Report submitted by the Cost Auditor.

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

4 (Four) Audit Committee Meetings were held during the financial year ended 31st March, 2016 and the gap between two meetings did not exceed one hundred twenty days. The Composition of the Audit Committee as at 31st March, 2016 and details of the members' participation at the meetings of the Committee are as under:

Attendance of Members at Audit Committee Meetings

Name of the Member	Attendance at the Audit Committee Meetings held on			
	8 th May, 2015	4 th August, 2015	19 th October, 2015	3 rd February, 2016
Mr. Vinod Kumar Dhall	Y	Y	Y	Y
Mr. Desh Deepak Khetrapal	Y	Y	Y	Y
Mr. Rajeev Jhawar	Leave of absence	Y	Leave of absence	Leave of absence
Mr. Rabindranath Jhunjhunwala	Y	Y	Leave of absence	Y
Mr. Janat Shah	Y	Y	Y	Y
Mr. Swapan Dasgupta	N.A.	N.A.	Y	Y

The Chairman of the Audit Committee, who is an Independent Director, was present at the AGM of the Company.

have attended all the meetings during the financial year.

(b) Nomination & Remuneration cum Compensation Committee

The Nomination & Remuneration cum Compensation Committee establishes the principles for the selection of candidates to the Board of Directors, selects candidates for the election or re-election to the Board of Directors and prepares recommendations for the Board of Directors.

Composition, names of members and attendance during the year

As on 31st March, 2016, the Nomination & Remuneration cum Compensation Committee comprised of 5 (five) members.

Name of the Member	Position	No. of meetings during the FY15-16	
		Held	Attended
Mr. Rabindranath Jhunjhunwala	Chairman	2	2
Mr. Rajeev Jhawar	Member	2	1
Mr. Vinod Kumar Dhall	Member	2	2
*Mr. Janat Shah	Member	2	2
**Mr. Swapan Dasgupta	Member	N.A	N.A

Notes:

- (i) *Mr. Janat Shah was appointed as a member of the Nomination & Remuneration cum Compensation Committee by the Board on 8th May, 2015.
- (ii) **Mr. Swapan Dasgupta was appointed as a member of the Nomination & Remuneration cum Compensation Committee by the Board on 4th August, 2015.

Primarily, the Nomination & Remuneration cum Compensation Committee is responsible for:

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

positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other Senior Management.

- Devising a policy on Board diversity.

2 (Two) Nomination & Remuneration cum Compensation Committee Meetings were held during the financial year ended 31st March, 2016. The Composition of the Nomination & Remuneration cum Compensation Committee as at 31st March, 2016 and details of the members' participation at the meetings of the Committee are as under:

Attendance of Members at Nomination & Remuneration cum Compensation Committee Meetings

Name of the Member	Attendance at the Nomination & Remuneration cum Compensation Committee Meetings held on	
	8 th May, 2015	4 th August, 2015
Mr. Rabindranath Jhunjhunwala	Y	Y
Mr. Rajeev Jhawar	Leave of absence	Y
Mr. Vinod Kumar Dhall	Y	Y
Mr. Janat Shah	Y	Y
Mr. Swapan Dasgupta	N.A	N.A

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

(c) Stakeholders Relationship Committee

The Company has constituted a Stakeholders Relationship Committee of Directors to look into the redressal of complaints of investor such as transfer or credit of shares, non-receipt of dividend/ notices/ annual reports, etc.

Composition, names of members and attendance during the year

As on 31st March, 2016, the Stakeholders Relationship Committee comprised of 4 (four) members.

Name of the Member	Position	No. of meetings during the FY15-16	
		Held	Attended
Mr. Vinod Kumar Dhall	Chairman	4	4
Mr. Desh Deepak Khetrapal	Member	4	4
Mr. Rajeev Jhawar	Member	4	1
Mr. Swapan Dasgupta*	Member	2	2

Note:

- (i) *Mr. Swapan Dasgupta was appointed as a member of the Stakeholders Relationship Committee by the Board on 4th August, 2015.

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

The Committee reviews investor related issues and recommends measures to improve Investor Services.

Primarily, the Stakeholders Relationship Committee is responsible for:

- Maintaining investors (including security holders) relations and monitoring the work of Registrar and Transfer Agent of the Company with regard to redressing of security holders' complaints like transfer of security, non-receipt of balance sheet, annual report, non-receipt of declared dividends / interest etc.,

- Monitoring the work of Registrar and Transfer Agent of the Company with regard to approving of requests for security transfers, transmission and those pertaining to re-materialization of security / sub-division / consolidation / issue of renewed and duplicate certificates etc.,
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of securities issued by the Company.

4 (Four) Stakeholders Relationship Committee Meetings were held during the financial year ended 31st March, 2016. The Composition of the Stakeholders' Relationship Committee as at 31st March, 2016 and details of the members' participation at the meetings of the Committee are as under:

Attendance of Members at Stakeholders' Relationship Committee Meetings

Name of the Member	Attendance at the Stakeholders' Relationship Committee Meetings held on			
	8 th May, 2015	4 th August, 2015	19 th October, 2015	3 rd February, 2016
Mr. Vinod Kumar Dhall	Y	Y	Y	Y
Mr. Desh Deepak Khetrapal	Y	Y	Y	Y
Mr. Rajeev Jhawar	Leave of absence	Y	Leave of absence	Leave of absence
Mr. Swapan Dasgupta	N.A	N.A	Y	Y

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

Contact details of Secretary:

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

Telephone: 011 42092253

Email for investors: investors@orientcement.com

The details of investors' complaints received and resolved during the financial year ended 31st March, 2016 are as under:

No. of Investors' complaints received from 1 st April, 2015 to 31 st March, 2016	No. of Investors' complaints resolved from 1 st April, 2015 to 31 st March, 2016	No. of Investors' complaints pending as at 31 st March, 2016
1	1	Nil

(d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board has been constituted to oversee the CSR Policy of the Company and to recommend projects/ activities and the expenditure to be incurred on the activities, in accordance with the Schedule VII of the Act.

Composition, names of members and attendance during the year

As on 31st March, 2016, the Corporate Social Responsibility Committee comprised of 3 (three) members.

Name of the Member	Position	No. of meetings during the FY15-16	
		Held	Attended
Mr. Janat Shah	Chairman	1	1
Mr. Desh Deepak Khetrapal	Member	1	1
Mr. Rabindranath Jhunjhunwala	Member	1	1

Primarily, the Corporate Social Responsibility Committee is responsible for:

- Formulating and recommending to the Board, a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the Company.
- Recommending the amount of expenditure to be incurred on the Corporate Social Responsibility activities.

- Monitoring the Corporate Social Responsibility Policy of the Company and its effective implementation from time to time.

1 (one) Corporate Social Responsibility Committee Meeting was held during the financial year ended 31st March, 2016. The Composition of the Corporate Social Responsibility Committee as at 31st March, 2016 and details of the Members participation at the Meetings of the Committee are as under:

Attendance of Members at Corporate Social Responsibility Committee Meeting

Name of the Member	Attendance at the Corporate Social Responsibility Committee Meetings held on
	8 th May, 2015
Mr. Janat Shah	Y
Mr. Desh Deepak Khetrpal	Y
Mr. Rabindranath Jhunhunwala	Y

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

The Corporate Social Responsibility Policy of your Company is available on the Company's website and can be accessed through the weblink: <http://orientcement.com/investors/>.

The Corporate Social Responsibility Policy has been annexed at the end of this Report.

MANAGEMENT COMMITTEES

(a) The Governance Risk and Compliance Committee

The Company has in place a mechanism to inform the Audit Committee and Board members about the risk assessment and mitigation plans and periodical reviews through the Governance Risk and Compliance Committee ("GRCC") to ensure that critical risks are monitored and mitigated by the management.

The GRCC has been constituted to identify and periodically review all the risks faced by the Company and to provide operational and policy guidance to the Company for effective risk management.

The GRCC is headed by the Managing Director & CEO and comprises of the Chief Financial Officer, the Chief Operating Officer, Head-Human Resources and Chief Risk Officer (the Chief Financial Officer has been nominated as the Chief Risk Officer) responsible for ensuring effective roll-out of the risk management programme.

Primarily the GRCC is responsible for:-

- Better understanding of various risks which could impact the Company

- Understanding and better managing the uncertainties which impact Company's performance.
- Identifying risks and promoting a pro-active approach to mitigate / manage such risks.
- Contributing to safeguarding Company's interests and those of its various stakeholders.
- Ensuring that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk.
- Improving compliance with good corporate governance guidelines and practices as well as laws & regulations.
- Allocating adequate resources to mitigate and manage risks and minimise their adverse impact on outcomes.
- Optimising risk situations to manage adverse exposure on deliverables and bring them in line with acceptable risk appetite of the Company.
- Striving towards strengthening the risk management system through continuous learning and improvement.
- Delineating Business Continuity Processes and Disaster Management Plans for unforeseen exigencies and keeping the organisation's constituents prepared to appropriately and adequately deal with such circumstances in the eventuality of such happenings.
- Complying with all relevant laws and regulations across its areas of operation.
- Communicating this policy to the concerned stakeholders through suitable means and periodically reviewing its relevance in a continuously changing business environment.

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

(b) Steering Committee

Recognizing the importance of compliance with various laws and regulations, the Company constituted a Steering Committee on 8th May, 2015.

The Steering Committee plays important role in building a regime of zero tolerance to any form of non-compliance.

The Steering Committee comprises of Chief Operating Officer, Chief Financial Officer, Head - Human Resource, Chief Compliance Officer and Company Secretary.

Primarily the Steering Committee is responsible for:-

- Identification of necessary compliances
- Prioritization of compliances and fixing ownership of compliances
- Monitoring of compliances
- Remedial actions in case of non-compliances

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The Nomination & Remuneration cum Compensation Committee has adopted a Policy which, *inter alia*, deals with the manner of selection of Board of Directors, Key Managerial Personnel & Senior Management and their remuneration. The Nomination & Remuneration Policy for Directors, Key Managerial Personnel & Senior Management Personnel has been annexed at the end of this Report.

Criteria of selection of Directors

- The Nomination & Remuneration cum Compensation Committee identifies and ascertains the integrity,

qualification, expertise and experience of the person for appointment as Director and ensures that the candidate identified possesses adequate qualification, expertise and experience for the appointment as a Director.

- The Nomination & Remuneration cum Compensation Committee ensures that the candidate proposed for appointment as Director is compliant with the provisions of the Act and of the SEBI Regulations.
- The candidate's appointment as recommended by the Nomination & Remuneration cum Compensation Committee requires the approval of the Board.
- In case of appointment of Independent Directors, the Nomination & Remuneration cum Compensation Committee satisfies itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The Nomination & Remuneration cum Compensation Committee ensures that the candidate identified for appointment as a Director is not disqualified for appointment under section 164 of the Act.

The Nomination & Remuneration Policy for Directors, Key Managerial Personnel & Senior Management Personnel has been annexed at the end of this Report.

REMUNERATION OF DIRECTORS

Remuneration of Managing Director & CEO

The Company pays remuneration to its Managing Director & CEO by way of salary and other benefits as per the terms agreed with the Company. The remuneration is approved by the Board of Directors and is within the overall limits approved by shareholders of the Company.

Remuneration paid/ accrued to the Manging Director & CEO for the financial year ended 31st March, 2016 is as follows:

Name	Salary and allowances (₹)	Annual performance linked pay (₹) & performance criteria	Perquisite (₹)	Retiral Benefits (₹)	Total (₹)	Stock Options granted	Notice Period	Severance Pay
Mr. Desh Deepak Khetrpal	3,79,44,000/- p.a	99,00,000/- (Managing Director & CEO's performance and Company's performance)	12,00,000/- p.a	53,44,080/- p.a	5,43,88,080/- p.a	8,31,900 No. of options	Three months	Nil

Apart from this Mr. Desh Deepak Khetrpal, Managing Director & CEO is eligible for earned leave/ leave encashment as per policy of the Company.

Remuneration of Non-Executive Directors

Remuneration of the Non-Executive Directors of the Company by way of sitting fees and commission is decided by the Board of Directors. Payment of commission to Non-Executive Directors is determined by the Board and is broadly based on attendance, contribution at the Board Meetings and various Committee Meetings as well as time spent on various issues other than at these meetings.

The Company has not granted stock options to non-executive directors. Details of remuneration paid to Non-Executive Directors during FY15-16 are as follows:

S. No.	Name of the director	Sitting fees (₹)	Commission (₹)
1.	Mr. CK. Birla	3,00,000/-	8,50,000/-
2.	Mrs. Amita Birla	2,50,000/-	8,50,000/-
3.	Mr. Rajeev Jhawar	2,00,000/-	8,50,000/-
4.	Mr. Vinod Kumar Dhall	9,50,000/-	8,50,000/-
5.	Mr. Rabindranath Jhunjhunwala	5,50,000/-	8,50,000/-
6.	Mr. Janat Shah	8,00,000/-	8,50,000/-
7.	Mr. Swapan Dasgupta	6,00,000/-	8,50,000/-

Apart from receiving Directors’ remuneration, no Director except Mr. Rabindranath Jhunjhunwala, who is partner in Khaitan & Co. have any pecuniary relationship with the Company. The details of transactions entered into with Khaitan & Co. are given in Form AOC-2 that forms an integral part of this annual report.

PERFORMANCE EVALUATION

The Act and SEBI Regulations have mandated the need to ensure effectiveness of the Board governance and require a statement indicating the manner in which formal annual evaluation has been carried out by the Board of its own performance and that of its Committees and individual directors. Structured questionnaires/ performance evaluation forms have been prepared for evaluation of the Board and its Committees. The parameters for evaluation include strategic and operational oversight, the dynamics, composition, level of expertise, terms of reference, board support & processes, governance etc. The individual Director’s evaluation is broadly based on parameters such as understanding of the Company’s vision and objective, skills, knowledge and experience, participation and attendance in Board meetings, governance and contribution to strategy, interpersonal skills etc. The performance evaluation of the Chairman of the Company is undertaken by the Independent Directors taking into account the views of Executive Director and Non-Executive Directors. The Independent Directors also assessed the quality, quantity and timeliness of flow of information between the Company’s Management and the Board.

The Directors expressed overall satisfaction with the evaluation process.

BOARD FAMILIARIZATION PROGRAMME

A formal letter of appointment is given to Independent Directors at the time of their appointment detailing the terms and conditions of their appointment, expectations, roles, functions,

duties and responsibilities. At the Board and Committee meetings, the Independent Directors are familiarised with the Company’s business performance, operations, projects, market share, financial parameters, working capital management, fund flows, change in senior management, major litigation(s), compliance(s) etc. They are also appraised about risk assessment and mitigation processes.

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

The details of programmes for familiarization of the Independent Directors of your Company are available on the Company’s website and can be accessed through the weblink: <http://orientcement.com/investors/>.

INDEPENDENT DIRECTORS MEETING

During the calendar year 2015, one separate meeting of the Independent Directors of the Company was held on 19th October, 2015 without the attendance of Non-Independent Directors and Members of management. Independent Directors discussed the matters specified in Schedule IV of the Act and SEBI Regulations viz:

- Performance review of Non-Independent Directors and the Board as a whole.
- Performance review of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

- Evaluation of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties

GENERAL BODY MEETINGS

(a) Location and time of last three AGMs are as under:

Financial year	Date	Day	Time	Venue	Special Resolutions passed
2012-13	7 th August, 2013	Wednesday	2:00 P.M	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar - 751012 , Odisha	No
2013-14	9 th August, 2014	Saturday	2:00 P.M	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar - 751012 , Odisha	Yes*
2014-15	25 th July, 2015	Saturday	2:00 P.M	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar - 751012 , Odisha	Yes**

(AGM 2013-14) * Resolutions pertaining to following matters were passed by special resolutions:

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

(AGM 2014-15) ** Resolutions pertaining to following matters were passed by special resolutions:

1. Re-appointment of Mr. Desh Deepak Khetrpal as the Managing Director & CEO of the Company
2. Create, offer, issue and allot options under Employee Stock Option Scheme

(b) Extraordinary General Meeting (EGM)

During the financial year, no Extraordinary General Meeting was held.

(c) Details of Resolution passed through postal ballot, the person who conducted the postal ballot exercise and details of the voting pattern

During the financial year, no resolution was put through Postal Ballot.

MEANS OF COMMUNICATION

In order to support the ‘Green Initiative’ undertaken by the Ministry of Corporate Affairs, the Company sent Annual Reports, Intimation for dividend payment, Notices related to General Meetings and Postal Ballot by email to those shareholders whose email ids are registered with the Company. Hard copies are sent to those shareholders whose e-mail ids are not registered with the Company.

The Company regularly intimates un-audited Financial Results as well as Audited Financial Statements to the Stock Exchanges immediately after these are approved by the Board in accordance

with the requirements of the SEBI Regulations. These financial results are published in one of the leading newspapers of the country viz: The Economic Times and Utkal Mail, in vernacular language. Besides, the Company also places its quarterly, half yearly, annual report, notices to shareholders, announcements, press releases on the website of the Company: www.orientcement.com.

There is a separate dedicated section under “Investors Relations” on the Company’s website which gives information on unclaimed dividends, quarterly compliance reports / communications with the Stock Exchanges and other relevant information of interest to the investors / public.

In compliance with the SEBI Regulations, the quarterly results, shareholding pattern, compliance report on corporate governance, other quarterly compliances and all other corporate communication signed by Compliance Officer of the Company to the Stock Exchanges viz. BSE are filed electronically on BSE’s on-line portal, likewise the said information is also filed electronically with NSE through NSE’s NEAPS portal. The Board of Directors has also approved a Policy for determination of materiality of events or information for the purpose of making disclosure to the stock exchanges.

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

GENERAL SHAREHOLDER INFORMATION

(a) AGM

Day	:	Saturday
Date	:	23 rd July, 2016
Time	:	2:00 P. M.
Venue	:	Unit - VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012, Odisha

(b) Financial Calendar

The financial year covers the period starting from 1st April and ending on 31st March. The tentative dates of meeting of Board of Directors for consideration of financial results for the financial year ending 31st March 2017 are as follows:

Board Meeting for consideration of unaudited quarterly results for the financial year ended 31 st March, 2017	Within forty five days from the end of the quarter, as stipulated under the SEBI Regulations.
Board Meeting for consideration of audited results for the current financial year ending 31 st March, 2017	Within sixty days from the end of the last quarter, as stipulated under the SEBI Regulations

(c) **Book Closure:** Tuesday, 19th July, 2016 to Saturday, 23rd July, 2016 (both days inclusive)

(d) Dividend Payment Date

The Board has recommended final dividend of ₹ 1 per equity share (100% of face value of equity share) for the period under review. The dividend on equity shares, if declared at the Annual General Meeting, be credited/despached by 5th August, 2016 to those members whose names appear on the Company's Register of Members as on book closure date and in respect of the equity shares held in dematerialized form, the dividend be paid to Members whose names are furnished by National Securities Depository Limited and

Central Depository Services (India) Limited as beneficial owners as on the close of business hours on Monday, 18th July, 2016

(e) Listing on Stock Exchanges and Stock Code

Equity Shares of the Company are currently listed at:

BSE Limited (BSE)

1st Floor, New Trading Ring,
Rotunda Building, P.J. Tower,
Dalal Street, Fort,
Mumbai - 400 001

National Stock Exchange of India Limited (NSE)

Exchange Plaza, C-1, Block G,
5th Floor, Bandra-Kurla Complex,
Bandra (E), Mumbai-400 051

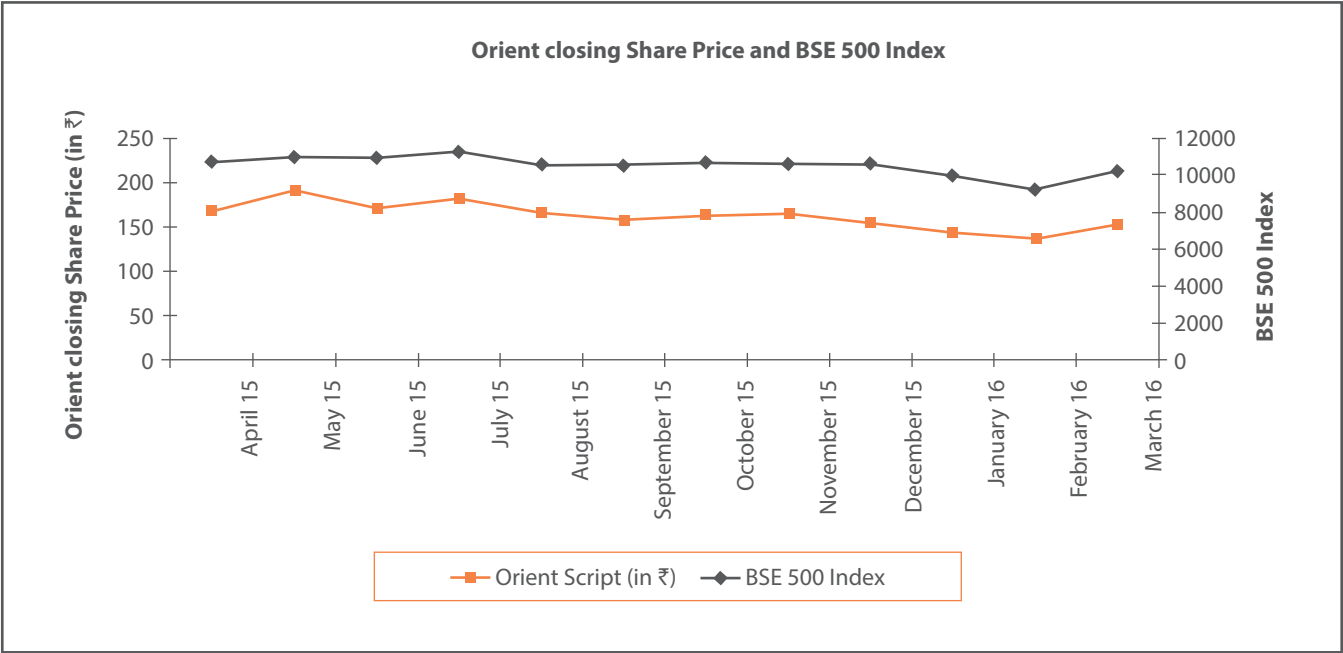
The annual listing fees for the FY15-16, as applicable, have been paid to both BSE and NSE, where the Company's equity shares are listed. The Company's Stock Codes are:

BSE 535754

NSE ORIENTCEM

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

(f) Performance in comparison to BSE Sensex



(g) Market Price Data

Month	Bombay Stock Exchange (BSE)	
	High (₹)	Low (₹)
April	193.00	167.00
May	195.00	167.00
June	198.85	154.30
July	190.00	172.45
August	188.00	153.85
September	171.05	150.55
October	184.00	158.00
November	171.90	156.00
December	169.00	152.55
January	156.50	134.35
February	149.00	128.95
March	155.00	132.60

(h) Registrar & Transfer Agent

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

Telephone: 011-41406149-52

Email: admin@mcsdel.com

(i) Share Transfer System and other related matters

The Company's shares are traded in the Stock Exchanges compulsorily in dematerialized mode. Physical shares which are lodged with the RTA and/or Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under SEBI Regulations, subject to documents being found valid and complete in all respects. The dematerialized shares are transferred directly to the beneficiaries by the depositories.

The Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee(s), members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form from Registrar & Transfer Agent of the Company. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in Practice as required under SEBI Regulations and

files a copy of the certificate with the Stock Exchanges on or before the due date.

As required by SEBI, quarterly audit of the Company's share capital is being carried out by Company Secretary in Practice with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Company files this audit report with the Stock Exchanges on or before the due date.

(j) Unclaimed Shares

Unclaimed equity shares have been transferred to **"ORIENT CEMENT LTD-UNCLAIMED SUSPENSE ACCOUNT"** of the Company and shall be transferred to the concerned shareholder upon making a claim to the Company or its' Registrar & Transfer Agent. Details of the account are as under:

S. No.	Description	Number of Shares / Shareholders
1.	Total number of shareholders in the Suspense Account at the beginning of the financial year	169
2.	Total number of outstanding equity shares in the Suspense Account lying at the beginning of the financial year	7,34,410
3.	Number of shareholders who approached the Company for transfer of shares and to whom shares were transferred from Suspense Account during the financial year	1
4.	Number of shares transferred from Suspense Account to Beneficiary Account during the financial year	1,000
5.	Total number of Shareholders in the Suspense Account at the end of the financial year	168
6.	Total number of outstanding equity shares in the Suspense Account lying at the end of the financial year	7,33,410

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

Members may note that the lawful claimant in respect of these shares will be able to claim such shares and the dividend thereof till such time they remain in the **"ORIENT CEMENT LTD-UNCLAIMED SUSPENSE ACCOUNT"**.

(k) Shareholding Pattern as on 31st March, 2016

S. 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	7,94,08,464	38.76
2.	Central Government/ State Government(s)/ President of India	0	0
3.	Non-Institutions	4,86,30,374	23.74
	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	100.00

(l) Distribution of Shareholding as on 31st March, 2016

From-To	No. of shares	Percentage of total no. of shares
	Number	%
1-500	19,09,081	75.79
501-1000	14,80,933	9.67
1001-2000	16,65,639	5.86
2001-3000	10,83,058	2.26
3001-4000	7,67,977	1.14
4001-5000	8,60,721	0.98
5001-10000	26,28,146	1.96
10001-50000	58,43,458	1.53
50001-100000	26,03,453	0.21
Above 100001	18,60,26,294	0.60

(m) Dematerialization of shares and liquidity

Trading in equity shares of the Company is permitted only in dematerialised form. The Company has entered into agreements with both NSDL and CDSL. The Company's equity shares are available for trading under dematerialized form with both NSDL and CDSL.

As on 31st March, 2016, 99.21% of the equity shares of the Company have been dematerialized.

(n) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on equity

As on 31st March, 2016, a total of 16,48,900 Options were outstanding under "Orient Cement Employee Stock Option Scheme 2015". Each Option is convertible into one equity share of ₹ 1 each. The Company had not issued any GDRs/ ADRs/ Warrants etc. during the FY16.

(o) Commodity Price Risk or Foreign Exchange Risk and hedging activities

The Company is exposed to foreign exchange risk towards unhedged open Letters of Credit / confirmed forex obligations against import to the extent of Euro 89,164.50 and USD 21,500.00.

The Company is not exposed to Commodity Price Risk and is not carrying out any hedging activities.

(p) Plant Locations

The Company's plants are located at:

Devapur:

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

Jalgaon:

Nashirabad,
Dist. Jalgaon (MS)

Chittapur:

Village : Itaga, Malkhaid Road,
Taluka Chittapur, Dist. Kalburagi,
Karnataka - 585292

(q) Address for Correspondence with the Company

For Securities held in Physical form:

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

Telephone: 011-41406149-52

Email: admin@mcsdel.com

For Securities held in Demat form:

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

(r) Any query on Annual Report

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

Telephone: 011-41406149-52

Email: admin@mcsdel.com

Or

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

Telephone: 011 42092253

Exclusive Email id for investors: investors@orientcement.com

(s) Register e-mail address

To contribute towards greener environment, the Company proposes to send documents like Shareholders Meeting Notice/other Notices, Audited Financial Statements, Directors' Report, Auditors' Report or any other document, to Members in electronic form at e-mail address provided by them and/ or available to the Company by the Depositories.

Members who have not yet registered their e-mail address (including those who wish to change their already registered e-mail address) may get the same registered/updated either with their depository participants or by writing to the Company.

DISCLOSURES

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and did not attract the provisions of section 188 of the Act. During the financial year, the Company has not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on Related Party Transaction Policy & Procedure.

Suitable disclosure as required by the Accounting Standard has been made in the notes to the financial statements. The policy on related party transactions as approved by the Board is available on Company's website and can be accessed through the weblink: <http://orientcement.com/investors/>.

(b) Disclosures on material, financial and commercial transactions, where Senior management have personal interest that may have a potential conflict with the interest of the Company

No transaction has been entered during the financial year where senior management has personal interest that may have a potential conflict with the interest of the Company

(c) Non-compliance by the Company, penalties, strictures imposed by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years

The Company has complied with all the requirements of regulatory authorities. No penalties or strictures were imposed on it by the stock exchanges or SEBI or any statutory authority, on any matter related to capital market during the last three years.

(d) Details of establishment of Vigil Mechanism

The Company is committed to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. The Company has adopted Whistle Blower Policy in line with the objective of strengthening the governance mechanism and to report to the Audit Committee instances of illegal or unethical practices, unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. Adequate safeguards are provided against victimization to those who avail of the mechanism and access to the Chairman of the Audit Committee in exceptional cases is provided to them. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The Whistle Blower Policy is available on Company's website and can be accessed through the weblink: <http://orientcement.com/investors/>.

During the year under review, no person was denied access to the Audit Committee.

The contact details of the Designated Officer for vigil mechanism are:

Company Secretary
E-mail ID-whistleblower@orientcement.com

The contact details of the Chairman of the Audit Committee for vigil mechanism are:

Chairman of the Audit Committee
Birla Tower, 3rd Floor,
25, Barakhamba Road,
New Delhi-110 001

- (e) **Compliance with mandatory requirements**
The Company has complied with all the mandatory requirements of SEBI Regulations.

- (f) **Compliance with non-mandatory provisions**
The Board – The Chairman of the Company is a Non-Executive Director and does not maintain the Chairman's office at the Company's expenses.

Shareholders Rights –As per requirements, the financial results were made available on the Company's website www.orientcement.com.

Audit Qualifications – There were no qualifications by the Auditors on the financial statements of the Company.

Separate posts of Chairman and CEO – The Company has a separate CEO.

Reporting of Internal Auditor – The Audit Committee is briefed through discussions and presentations the observations, review, comments, recommendations etc. through Internal Audit presentation by the Internal Auditor of the Company.

- (g) **Disclosure of accounting treatment in preparation of financial statements**

The Company has followed the guidelines of Accounting Standards notified under the Act and laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements. The significant accounting policies which are consistently applied have been set out in the "Notes to the financial statements".

WEBSITE

The Company is maintaining a functional website viz: www.orientcement.com and is disseminating the following information on its website, as required under SEBI regulations:

- details of its business;
- terms and conditions of appointment of Independent Directors;
- composition of various committees of Board of Directors;
- code of conduct of Board of Directors and Senior Management Personnel;
- details of establishment of Whistle Blower Policy;
- policy on dealing with related party transactions;
- details of familiarization programmes imparted to Independent Directors;
- email address for grievance redressal and contact information of compliance officer;

- financial information including notice of meeting of Board of Directors to be held for discussion of financial results, financial results and annual reports and
- shareholding pattern

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors has laid down a Code of Conduct, which is applicable to all Board Members and Senior Management Personnel of the Company. The Code is available on Company's website and can be accessed through the weblink: <http://orientcement.com/investors/>. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The declaration signed by the Managing Director & CEO affirming compliance to the Code by the Board Members and Senior Management Personnel has been annexed at the end of this Report.

PREVENTION OF INSIDER TRADING CODE

In compliance with the SEBI regulations on prevention of insider trading, the Company has formulated "Code of Conduct to regulate, monitor and report trading by its employees and other connected persons" for Prevention of Insider Trading in the securities of the Company. This Code of Conduct is applicable to Promoters, Directors, Key Managerial Personnel, direct reportees to Chairman and Executive Director, permanent invitees to the meeting of Board of Directors and to Committee Meetings, AGM and above in Finance Department, Group Chief Financial Officer and Group Internal Auditor. The Board at its meeting held on 8th May, 2015 has approved the revised Code of Conduct for prevention of Insider Trading in terms with SEBI (Prohibition of Insider Trading) Regulation, 2015, effective from 15th May, 2015.

The Code of Conduct lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them of consequences of violations.

CEO/CFO CERTIFICATION

The Managing Director & CEO and Chief Financial Officer certification pursuant to SEBI Regulations, certifying inter-alia that the financial statements do not contain any untrue statement and these represent a true and fair view of the affairs of the Company forms part of the Annual Report.

By order of the Board of Directors
For Orient Cement Limited

Place: New Delhi
Date: May 4, 2016
CK. Birla
Chairman
(DIN 00118473)

Corporate Social Responsibility Policy

1. INTRODUCTION

- Corporate Social Responsibility ("CSR") at Orient Cement Limited ("Company" or "OCL") portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, we try to contribute for social and economic development on regular basis. We believe that to succeed, an organisation must maintain highest standards of corporate behaviour towards its employees, consumers and societies in which it operates. We are of opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholder's lives.
- This CSR Policy shall operate as the corporate social responsibility policy of the Company for the purposes of section 135 of the Companies Act, 2013 and the rules made thereunder including the Companies (Corporate Social Responsibility Policy) Rules 2014 ("CSR Rules") as amended from time to time.

2. APPLICABILITY

- Orient Cement Limited CSR Policy has been formulated in consonance with section 135 of the Companies Act, 2013 read with the CSR Rules notified by the Ministry of Corporate Affairs, Government of India.
- This Policy shall apply to all CSR projects / programmes undertaken by the Company in India as per the Companies Act, 2013.
- This policy is adopted by board of directors on 5th November, 2014

3. DEFINITIONS

"Act" means the Companies Act, 2013, as amended from time to time.

"Board" means the Board of Directors of the Company.

"Company" means 'Orient Cement Limited'.

"CSR" means Corporate Social Responsibility.

"CSR Committee" means Corporate Social Responsibility Committee of the Company constituted by the Board.

"CSR Rules" means Companies (Corporate Social Responsibility Policy) Rules 2014 and amendments thereon.

"CSR Policy" means this Policy.

"CSR Expenditure" shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities approved by the Board on the recommendation of its CSR Committee

"Net profit" shall have the meaning ascribed to it in the Act.

"NGO" means non-governmental organisation.

4. VISION AND POLICY STATEMENT

- Through sustainable measures, actively contribute to the social, economic and environmental development of the community in which the Company operates ensuring participation from the community and thereby create value for the nation.
- The CSR Committee will annually recommend the CSR programmes and projects to the Board for its approval. The Board of Directors of the Company through its CSR Committee will plan and monitor the expenditure of CSR activities.

5. CSR PROGRAMMES AND PROJECTS

- The Company proposes to adopt one or more of the following CSR activities as prescribed by applicable laws, including Schedule VII of the Companies Act, 2013, as amended from time to time:
 - eradicating hunger, poverty and malnutrition, promoting health care (including preventive health care) and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
 - promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - promoting gender equality empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
- (x) rural development projects.

6. CSR COMMITTEE

- (a) The CSR policy and programmes shall be implemented, managed and supervised by the CSR committee appointed by the Board.
- (b) The CSR Committee shall comprise at least of such number of directors as is mandatorily required by applicable laws.

- (c) The Committee shall inter alia:
 - (i) Formulate and update the CSR Policy which will be approved by the Board;
 - (ii) Decide the CSR activities to be taken up by the Company in accordance with this Policy;
 - (iii) Decide the amount to be allocated for each project or activity;
 - (iv) Oversee and monitor the progress of the initiatives rolled out under this Policy; and
 - (v) Submit a report, to the Board on all CSR activities undertaken during the financial year
- (d) The Committee shall meet at least once in a financial year.

7. FINANCIAL OUTLAY FOR CSR ACTIVITIES

- (a) Every year, the Company shall with the approval of its Board make a budgetary allocation for CSR activities/ projects for the year. The budgetary allocation will be based on the profitability of the Company and the requirements of applicable laws.
- (b) The Company expects to spend the budgeted amount allocated for CSR activities/ projects planned for each financial year, within that year. If for any reason, the budget of a year remains unutilised, the same would not lapse and would be carried forward to the next year for expenditure on CSR activities, which were planned for implementation in the previous year, but could not be completed due to some reason. The CSR Committee and the Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the CSR activities as planned for that year.
- (c) The amount allocated for emergency needs but not utilised in the year of its allocation may be carried forward to the next year for utilization for CSR activities.
- (d) Any surplus arising out of the CSR activities, projects or programmes shall not form part of the business profits of the Company.

8. IMPLEMENTATION

- (a) The Company will integrate its CSR plans and strategy with its business plans and strategies. For effective implementation, long-term CSR plans will be broken down into medium-term and short-term plans. Each plan recommended by the CSR Committee should specify the CSR activities planned to be undertaken for each year, define the responsibilities of the designated authorities to be engaged in this task, and also

prescribe the measurable and the expected outcome and social/ environmental impact of the CSR activities.

- (b) The Company recognizes that the period of implementation of its long term CSR projects can extend over several years depending upon the expected outcomes/ impact thereof. While planning for such long term projects the CSR Committee would estimate the total cost of each project and recommend to the board of directors of the Company that the Company should commit such amount for long term expenditure till the completion of the project.
- (c) Each long term project will be broken up into annual targets and activities to be implemented sequentially on a yearly basis, and the budget would have to be allocated for the implementation of these activities and achievement of targets set for each successive year, till the final completion of the project.
- (d) Where the CSR activities are closely aligned with the business strategy and the Company possesses core competence to do it, the Company may take up the implementation of CSR project with its own manpower and resources, if the CSR Committee is confident of its organisational capability to execute such projects.
- (e) If in the opinion of the CSR Committee, the implementation of CSR projects requires specialised knowledge and skills, and if the Company does not have such expertise in-house, the wherewithal, and dedicated staff to carry out such activities, the CSR Committee may recommend to avail the services of external specialised agencies for the implementation of such CSR projects.
- (f) In the event an external agency is engaged for the purposes of the CSR initiatives of the Company, the Company will need to enter into an agreement with the relevant executing/implementing external agency, setting out the terms and conditions of the engagement of the external agency.

9. MONITORING

- (a) The Company recognises that monitoring is critical for assessment of the progress as regards timelines, budgetary expenditure and achievement of targets. Monitoring may be done periodically with the help of identified key performance indicators, the periodicity being determined primarily by the nature of key performance indicators.
- (b) Monitoring will be done in project mode with continuous feedback mechanism, and recourse always available for mid-course correction in implementation, whenever required.

- (c) The performance of the Company's CSR activities would be monitored on the basis of their achievement of annual targets and the utilization of their annual budgets for the activities planned and the targets set for each year.
- (d) Implementation and monitoring of the CSR activities will be overseen by the CSR Committee. The monitoring and evaluation may be assigned by the CSR Committee to an independent external agency for the sake of objectivity and transparency.
- (e) If the projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives for this purpose.

10. INFORMATION DISSEMINATION

- (a) The Company's engagement in this domain is disseminated on its website, annual reports and its house journals as and when deem fit.
- (b) Further the contents of the CSR Policy shall be disclosed in the Directors' Report and the same shall also be displayed on the Company's website.

11. GENERAL

- (a) In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.
- (b) All provisions of the CSR Policy would be subject to revision/amendment in accordance with the applicable laws.
- (c) The Company reserves the right to modify, cancel, add, or amend this CSR Policy.

12. REVIEW OF THE POLICY

The CSR Committee shall review the CSR Policy from time to time based on the changing needs and make suitable modifications as may be necessary with the approval of the Board.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Nomination & Remuneration Policy

1. INTRODUCTION

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Agreement as amended from time to time, this policy on nomination and remuneration of Directors (including non-executive directors) on the Board of Directors, the Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel.

2. OBJECTIVE OF THE POLICY

- The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent directors on the Board, KMPs and the Senior Management Personnel of the quality required, while allowing fair rewards for the achievement of key deliverables and enhanced performance. The key objectives of this Policy include:
 - guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
 - evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
 - recommending to the Board the remuneration payable to the Directors, Key Managerial Personnel and setting forth a policy for determining remuneration payable to Senior Management Personnel.
- While determining the remuneration for the Directors (including non-executive directors) and KMPs and the Senior Management Personnel, regard should be had

to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate.

- While designing the remuneration package it should be ensured:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person, to ensure the quality required to run the Company successfully;
 - there is a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company and a strong alignment of interest with stakeholders.
- The Committee may consult with the chairman of the Board as it deems appropriate.
- The Committee shall observe the set of principles and objectives as envisaged under the Companies Act, 2013 ("Act") (including section 178 thereof), rules framed there under and clause 49 of the Listing Agreement including, inter-alia, principles pertaining to determining qualifications, positive attributes, integrity and independence.
- In this context, the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 5th November, 2014.

3. EFFECTIVE DATE

This policy shall be effective from the date of its adoption by the Board.

4. DEFINITIONS

- In this Policy unless the context otherwise requires:
 - 'Board of Directors' or 'Board'**, in relation to the Company, means the collective body of the directors of the Company.

- 'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

- 'Company'** means "Orient Cement Limited".

- 'Independent Director'** means a director referred to in section 149(6) of the Companies Act, 2013 read with clause 49 of the Listing Agreement.

- 'Key Managerial Personnel' (KMP)** shall have the meaning ascribed to it in the Act and the Rules made thereunder.

- 'Non-Executive Directors'** includes Independent Directors.

- 'Policy'** means this Nomination and Remuneration policy.

- 'Senior Management Personnel'** for this purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional heads.

- Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/ Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. APPLICABILITY

This Policy is applicable to:

- Directors, including Non- Executive Directors
- Key Managerial Personnel
- Senior Management Personnel

6. MEMBERSHIP

- The Committee shall consist of such number of directors as is required under applicable laws.
- Membership of the Committee shall be disclosed in the Annual Report and in the website of the Company.
- Term of the Committee shall be continuous unless terminated by the Board of Directors.

7. CHAIRMAN

- Chairman of the Committee shall be an Independent Director.
- Chairperson of the Company (whether executive or non executive) may be appointed as a member of

the Committee but shall not be the Chairman of the Committee.

- Chairman of the Nomination and Remuneration Committee meeting shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

8. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such intervals as may be required.

9. COMMITTEE MEMBERS' INTERESTS

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

10. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

11. QUORUM

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Nomination and Remuneration Committee; whichever is greater.

12. VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

13. RESPONSIBILITY OF THE COMMITTEE

- The Committee is responsible for:
 - formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;
 - advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including Non-Executive Directors), KMPs and the Senior Management;

- (iii) monitoring and evaluating programmes for variable remuneration, both on-going and those that have ended during the year, for the Directors (including Non-Executive Directors), KMPs and the Senior Management;
- (iv) monitoring and evaluating the application of this Policy;
- (v) monitoring and evaluating current remuneration structures and levels in the Company; and
- (vi) any other responsibility as determined by the Board.

14. APPOINTMENT OF DIRECTORS, KMP OR SENIOR MANAGEMENT PERSONNEL

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Directors, KMP and Senior Management level.
- (b) A person should possess adequate qualifications, expertise and experience for the position he/ she is considered for appointment as a Director, Key Managerial Personal or Senior Management Personnel. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- (c) Appointment of Directors, KMP's and Senior Management Personnel are subject to compliance of provisions of the Companies Act, 2013 and compliance of clause 49 of the Listing Agreement.
- (d) The appointment as recommended by the Nomination and Remuneration Committee further requires the approval of the Board.

15. REMUNERATION

(a) Remuneration to Executive Directors, Directors other than Executive Director and KMP :

- (i) The remuneration/ compensation/ commission etc. to Directors and KMP will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- (ii) The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

- (iii) Increments to the existing remuneration/ compensation structure of Directors and KMP shall be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Directors.
- (iv) Where any insurance is taken by the Company on behalf of its Directors and KMP for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(v) Remuneration to Executive Director and KMP.

Fixed pay:

- Executive Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the NRC Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Variable components:

- The Executive Director and KMP participate in a performance linked variable pay scheme which will be based on the individual and Company performance for the year, pursuant to which the Executive Director and KMP are entitled to performance-based variable remuneration.

Remuneration to Directors other than Executive Director:

Sitting Fees:

- The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Limit of Remuneration /Commission:

- Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

(vi) Provisions for excess remuneration:

- If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

(b) Remuneration to Senior Management Personnel:

- (i) The Nomination and Remuneration Committee has authorised the Managing Director to determine from time to time the remuneration payable to Senior Management Personnel including their increments. The powers of the Nomination and Remuneration Committee in this regard have been delegated to the Managing Director.
- (ii) The Board of Directors shall from time to time be intimated of the remuneration payable to the Senior Management Personnel.
- (iii) Where any insurance is taken by the Company on behalf of its Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Fixed pay:

- Senior Management shall be eligible for a monthly remuneration as may be approved by the NRC Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to

P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the NRC Committee.

Variable components:

- The Senior Management Personnel participate in a performance linked variable pay scheme which will be based on the individual and Company performance for the year, pursuant to which the Senior Management are entitled to performance-based variable remuneration.

16. POLICY ON BOARD DIVERSITY

- (a) The Board of Directors shall have the optimum combination of Directors from the different areas/ fields like [production, management, quality assurance, finance, sales and marketing, research and development, Human Resources etc] or as may be considered appropriate.
- (b) The Board shall have at least one Board member who has accounting or related financial management expertise.

17. REMOVAL

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMPs and Senior Management subject to the provisions and compliance of the applicable Act, rules and regulations, if any.

18. DISCLOSURE OF INFORMATION

This Policy shall be disclosed in the Board's report.

19. DEVIATION FROM THE POLICY

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes.

20. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Managing Director & CEO and Chief Financial Officer Certification

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

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2016 and that to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

For **Orient Cement Limited**

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

Place: New Delhi
Date: May 4, 2016

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



Compliance with Code of Conduct

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Directors and Senior Management for the financial year ended 31st March, 2016.

For **Orient Cement Limited**

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

Place: New Delhi
Date: May 4, 2016

Independent Auditors' 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, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 33 regarding remuneration paid/provided to Managing Director during the year ended March 31, 2016 which has exceeded the limit prescribed under section 197 read with Schedule V to the Companies Act, 2013, by ₹ 316.86 lacs. As informed to us, the Company is in the process of filing waiver application with the Central Government for the above excess remuneration and pending application and receipt of the approval, no adjustments to financial statements have been made to show this amount as recoverable.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by section 143 (3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- 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;
- In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements;
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R.Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

Place: New Delhi
Date: May 4, 2016

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

Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Orient Cement Limited as at and for the year ended 31st March, 2016

- (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. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in fixed assets, are held in the name of the Company except title deeds for land (23 cases) aggregating to ₹ 410.03 lacs as on March 31, 2016 which are still held in the name of demerged Company and yet to be transferred in the Company's name.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. Discrepancies noted on physical verification of inventories during the year were not material with respect to consumption of materials during the year. However the same were material with respect to inventories of materials as on the date of physical verification, and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) 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, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of cement, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty on custom, duty of excise and value added tax on account of any dispute, are as follows:
- (viii) According to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or government. The Company did not have any outstanding dues in respect of a financial institutions or debenture holders during the year.

(ix) According to the information and explanations given by the management, term loans were applied for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that due to inadequacy of profit, the remuneration paid/provided to Managing Director during the year ended March 31, 2016 has exceeded the limit prescribed under section 197 read with Schedule V to the Companies Act, 2013, by ₹ 316.86 lacs. As informed, the Company is in the process of filing waiver application with the Central Government and pending such approval, no steps have been taken by the Company for securing refund of the above excess remuneration.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are

not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R.Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Raj Agrawal**
Partner
Place: New Delhi
Date: May 4, 2016
Membership Number: 82028

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Central Excise and Customs Act, 1944	Disallowance of Cenvat Credit on input and capital goods	3,708.46	April 2003 to December 2014	Commissioner (Appeals) / CESTAT
A. P. Sales Tax / A. P. VAT Act / Central Sales Tax Act, 1956	Demand on second sales and freight charges realised separately by raising debit invoices and other matters	206.47	1983-84 to 2004-05	Commissioner / Appellate Dy. Commissioner / Sales tax Appellate Tribunal / High Court
Tamil Nadu / Karnataka / Maharashtra VAT Act	Non-submission of forms, penalty, etc.	53.83	1996-97, 2004-05 and 2008-09	Joint Commissioner

ANNEXURE 2 TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ORIENT CEMENT LIMITED

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

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

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and

operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based

on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Raj Agrawal**

Partner

Place: New Delhi

Date: May 4, 2016

Membership Number: 82028

Balance Sheet

as at 31st March 2016

	Notes	31st March 2016	31st March 2015
(₹ in Lacs)			
Equity and liabilities			
Shareholders' funds			
Share capital	3	2,048.69	2,048.69
Reserves and surplus	4	99,581.29	95,505.58
		1,01,629.98	97,554.27
Non-current liabilities			
Long term borrowings	5	1,24,403.06	1,06,413.93
Deferred tax liabilities (net)	14	12,277.15	12,503.15
Other long-term liabilities	6	6,168.51	4,844.19
Long-term provisions	7	1,497.96	1,825.73
		1,44,346.68	1,25,587.00
Current liabilities			
Short term borrowings	8	4,567.96	4,041.10
Trade payables	9		
• Total outstanding dues of micro enterprises and small enterprises		155.30	163.38
• Total outstanding dues of creditors other than micro enterprises and small enterprises		19,275.47	10,866.13
Other current liabilities	9	13,467.13	15,540.96
Short-term provisions	7	2,885.12	2,815.33
		40,350.98	33,426.90
TOTAL		2,86,327.64	2,56,568.17
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	2,13,217.27	79,219.33
Intangible assets	11	1,752.47	594.70
Capital work-in-progress		19,650.21	1,22,682.40
Intangible assets under development		-	332.51
Expenditure on new projects (pending allocation)	12	4,262.48	8,922.89
Non-current investments	13	0.54	0.54
Long-term loans and advances	15	2360.40	5068.99
Other non current assets	16.2	547.45	523.44
		2,41,790.82	2,17,344.80
Current assets			
Inventories	17	14,100.02	10,990.49
Trade receivables	16.1	9,209.08	8,242.07
Cash and bank balances	18	3,776.78	4,270.68
Short-term loans and advances	15	15,350.36	13,035.73
Other current assets	16.2	2,100.58	2,684.40
		44,536.82	39,223.37
TOTAL		2,86,327.64	2,56,568.17
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 /E300005
Chartered Accountants

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

Place: New Delhi
Date: May 4, 2016

For and on behalf of the board of directors

CK. Birla
Chairman
(DIN 00118473)

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

S.Gupta
Chief Financial Officer
(FCA 044924)

D.Gulati
Company Secretary
(FCS 5304)

Statement of Profit and Loss

for the year ended 31st March 2016

	Notes	31st March 2016	31st March 2015
(₹ in Lacs)			
Income			
Revenue from operations (gross)	19	1,73,839.47	1,76,883.18
Less: excise duty		22,920.47	22,182.94
Revenue from operations (net)		1,50,919.00	1,54,700.24
Other income	20	755.40	610.33
Total revenue (I)		1,51,674.40	1,55,310.57
Expenses			
Cost of raw materials consumed	21	21,074.92	20,556.28
(Increase)/ decrease in inventories of finished goods and work-in-progress	22	(190.90)	(1,709.93)
Employee benefits expense	23	9,037.49	7,132.71
Other expenses	24	1,02,662.19	98,051.51
Total (II)		1,32,583.70	1,24,030.57
Earnings before finance cost, tax, depreciation and amortization (EBITDA) (I)-(II)		19,090.70	31,280.00
Depreciation and amortization expense	25	7,632.81	4,732.73
Finance costs	26	5,436.27	1,428.88
Profit before tax		6,021.62	25,118.39
Tax expenses			
Current tax		1,286.25	5,540.00
Income tax for earlier years		23.61	-
Less: MAT Credit entitlement		(1,286.25)	-
Net current tax expense		23.61	5,540.00
Deferred tax charge/(credit)		(226.00)	100.15
Total tax expense		(202.39)	5,640.15
Profit for the year		6,224.01	19,478.24
Earnings per equity share [nominal value of share ₹1]	28		
Basic		3.04	9.51
Diluted		3.04	9.51
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 /E300005
Chartered Accountants

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

Place: New Delhi
Date: May 4, 2016

For and on behalf of the board of directors

CK. Birla
Chairman
(DIN 00118473)

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

S.Gupta
Chief Financial Officer
(FCA 044924)

D.Gulati
Company Secretary
(FCS 5304)

Cash Flow Statement

for the year ended 31st March 2016

	(₹ in Lacs)	
	31st March 2016	31st March 2015
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	6,021.62	25,118.39
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	7,632.81	4,732.73
Finance costs	5,436.27	1,428.88
(Profit)/loss on sale/discard of fixed assets (net)	(0.46)	2.52
Bad debts / advances written off (net of reversals)	2.45	20.08
Provision for doubtful debts & advances	5.36	49.05
Provision for mining restoration costs	6.22	-
Unspent liabilities and unclaimed balances adjusted	(432.62)	(280.29)
Employee stock option expense	324.90	-
Interest income	(137.57)	(86.15)
Operating profit before working capital changes :	18,858.98	30,985.21
Increase in trade payables	8,833.88	2,720.78
(Decrease)/increase in long-term provisions	(333.99)	488.85
Increase/(decrease) in short-term provisions	31.73	(21.39)
Increase/(decrease) in other current liabilities	1,344.76	(205.29)
Increase in other long-term liabilities	1,324.32	785.72
(Increase) in trade receivables	(974.82)	(1,816.74)
(Increase) in inventories	(3,109.52)	(3,863.09)
Decrease in long-term loans and advances	1,411.25	435.42
(Increase) in short-term loans and advances	(968.31)	(8,269.50)
(Increase)/decrease in other current assets	681.27	(377.79)
Decrease in other non current assets	-	69.97
CASH GENERATED FROM OPERATIONS:	27,099.55	20,932.15
Direct taxes paid	(1,339.31)	(5,336.70)
NET CASH FROM OPERATING ACTIVITIES	25,760.24	15,595.45
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from sale of tangible assets	17.14	204.77
Fixed deposits (net)	(1.84)	(80.92)
Purchase of fixed assets including capital work in progress and capital advances	(36,983.46)	(92,421.54)
Interest received	60.18	68.50
NET CASH FROM /(USED IN) INVESTING ACTIVITIES	(36,907.98)	(92,229.19)

Cash Flow Statement (Contd.)

for the year ended 31st March 2016

	(₹ in Lacs)	
	31st March 2016	31st March 2015
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term loans	18,000.00	1,02,000.00
Repayment of long term loans	(116.60)	(94.14)
Proceeds / (repayment) of short term borrowings (net)	526.87	(24,193.61)
Interest paid	(5,186.90)	(1,358.59)
Other borrowing cost	(116.30)	(65.80)
Dividend paid	(2,038.01)	(3,055.12)
Dividend tax paid	(417.06)	(568.36)
NET CASH FROM FINANCING ACTIVITIES	10,652.00	72,664.38
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	(495.74)	(3,969.36)
Cash & cash equivalents at the beginning of the year	4,179.59	8,148.95
Cash & cash equivalents at the end of the year *	** 3,683.85	4,179.59

* Represents Cash and Bank Balances as indicated in Note 18 and excludes ₹ 92.93 lacs (31st March 2015 : ₹ 91.09 lacs) being balances with maturity of more than 3 months.

** Includes ₹ 63.62 lacs (31st March, 2015 : ₹ 52.94 lacs) 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 per our report of even date

For **S.R.Batliboi & Co. LLP**
Firm registration number: 301003E /E300005
Chartered Accountants

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

Place: New Delhi
Date: May 4, 2016

For and on behalf of the board of directors

CK. Birla
Chairman
(DIN 00118473)

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

S.Gupta
Chief Financial Officer
(FCA 044924)

D.Gulati
Company Secretary
(FCS 5304)

Notes to financial statements
for the year ended 31st March 2016

1. CORPORATE INFORMATION

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

The Company is primarily engaged in the manufacture and sale of Cement and manufacturing facilities at present are located at Devapur in Telangana, Jalgaon in Maharashtra and Chittapur in Karnataka. The Company’s new green field integrated cement plant at Chittapur in Karnataka has commenced commercial production w.e.f. 26th September 2015.

2. BASIS OF PREPARATION

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

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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

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

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

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

(c) Depreciation on tangible fixed assets

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

Notes to financial statements (Contd.)
for the year ended 31st March 2016

Depreciation on fixed assets is provided under Straight Line basis (except for furniture, fixtures and vehicles valuing ₹ 1,758.51 lacs (31st March, 2015: ₹ 1,608.23 lacs) where Written Down Value method is followed) using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

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

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

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

(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

Notes to financial statements (Contd.)
for the year ended 31st March 2016

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.

(g) **Impairment of tangible and intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

(h) **Government grants and subsidies**

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

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

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition

Notes to financial statements (Contd.)
for the year ended 31st March 2016

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.

(j) **Inventories**

Raw materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on annual weighted average method.

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

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

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

(k) **Revenue recognition**

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

Sale of goods

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

Interest

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

Claims / Refunds

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

(l) **Foreign currency translation**

Foreign currency transactions and balances

Initial recognition

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

Notes to financial statements (Contd.)
for the year ended 31st March 2016

Conversion

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

Exchange differences

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

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

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

(m) Retirement and other employee benefits

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

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

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the Balance Sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the 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) Employee stock options

The Employee stock options (ESOP) granted are accounted for as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by Securites and Exchange Board of India and the Guidance note on Accounting for Employee Share Based Payments issued by the ICAI, whereby the fair value of the option is recognised as employee compensation. The employee compensation is charged to the statement of Profit and Loss on the straight line basis over the vesting period of the option.

(o) 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

Notes to financial statements (Contd.)
for the year ended 31st March 2016

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.

(p) 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.

Notes to financial statements (Contd.)
for the year ended 31st March 2016

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.

(q) 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.

(r) 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.

(s) 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 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.

(t) 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.

(u) 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.

(v) 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.

(w) Measurement of EBITDA

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

Notes to financial statements (Contd.)
for the year ended 31st March 2016

3. SHARE CAPITAL

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Authorized shares (No. in lacs)		
5,000 (31st March 2015: 5,000) 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)		
2,048.69 (31st March 2015: 2,048.69) Equity Shares of ₹1/- each	2,048.69	2,048.69
Total issued, subscribed and fully paid up share capital	2,048.69	2,048.69

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

	31st March 2016		31st March 2015	
	No. in lacs	₹ in Lacs	No. in lacs	₹ in Lacs
Equity shares				
At the beginning of the period	2,048.69	2,048.69	2,048.69	2,048.69
Issued during the year	-	-	-	-
Outstanding at the end of the period	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 2016, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 1.00 per share (31st March 2015: ₹ 1.75 per share, including interim dividend of ₹ 0.75 per share)

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

Name of the shareholder	31st March 2016		31st March 2015	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
Equity shares of ₹1 each fully paid				
Central India Industries Limited	491.44	23.99	491.44	23.99
Shekhavati Investments and Traders Limited	123.21	6.01	123.21	6.01

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 2016	31st March 2015
Equity shares allotted to the shareholders of the Demerged Company pursuant to scheme of arrangement	2,048.69	2,048.69

e) For details of shares reserved for issue under the Employee Stock Option (ESOP) plan of the Company, refer note 27.

Notes to financial statements (Contd.)

for the year ended 31st March 2016

4. RESERVES AND SURPLUS

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Capital reserve	5.00	5.00
General reserve		
Balance as per the last financial statements	71,051.95	71,550.18
Less: Adjustment on account of Schedule II of Companies Act, 2013	-	498.23
	71,051.95	71,051.95
Employee Stock Options Outstanding		
Balance as per last financial statements	-	-
Add: Charge for the year (note 27)	324.90	-
	324.90	-
Surplus in the statement of profit and loss		
Balance as per last financial statements	24,448.63	9,272.45
Profit for the year	6,224.01	19,478.24
Less: Appropriations		
Interim equity dividend (amount per share ₹ 0.00 (31st March, 2015 ₹ 0.75 per share))	-	1,536.53
Tax on interim equity dividend	-	307.22
Proposed final equity dividend (amount per share ₹ 1.00 (31st March, 2015 ₹ 1.00 per share))	2,048.69	2,048.69
Tax on proposed equity dividend	424.51	409.62
Net surplus in the statement of profit and loss	28,199.44	24,448.63
Total reserves and surplus	99,581.29	95,505.58

5. LONG-TERM BORROWINGS

	(₹ in Lacs)			
	Non-current portion		Current maturities	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Term loans from banks (Secured)	1,19,997.51	1,02,000.00	-	-
Other loans and advances (unsecured)				
Deferred sales tax loan	4,405.55	4,413.93	8.37	116.60
	1,24,403.06	1,06,413.93	8.37	116.60
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(8.37)	(116.60)
Net amount	1,24,403.06	1,06,413.93	-	-

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

The above loans are repayable in 26 quarterly installments ranging from 2.25% to 5% of the loan amount and repayment starting from June 30, 2017 and ending on September 30, 2023. The above loans carry interest @ 9.85% to 10.55% p.a (31st March, 2015: 10.55%).

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

Notes to financial statements (Contd.)

for the year ended 31st March 2016

6. OTHER LONG-TERM LIABILITIES

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Trade & Other Deposits	6,168.51	4,844.19
	6,168.51	4,844.19

7. PROVISIONS

(₹ in Lacs)				
	Long-term		Short-term	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Provision for employee benefits				
Provision for gratuity (note 29)	1,082.11	1,389.97	66.67	42.38
Provision for leave benefits	371.43	397.56	59.96	52.53
	1,453.54	1,787.53	126.63	94.91
Other provisions				
Provision for mining restoration costs	44.42	38.20	-	-
Provision for taxation	-	-	292.74	262.11
Proposed equity dividend	-	-	2,048.69	2,048.69
Provision for tax on proposed equity dividend	-	-	417.06	409.62
	44.42	38.20	2,758.49	2,720.42
	1,497.96	1,825.73	2,885.12	2,815.33

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.

	(₹ in Lacs)	
	31st March 2016	31st March 2015
At the beginning & end of the year	38.20	38.20
Arising during the year	6.22	-
At the end of the year	44.42	38.20
Current portion	-	-
Non-current portion	44.42	38.20

8. SHORT TERM BORROWINGS

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Cash credit from a bank (Secured)	4,567.96	4,041.10
	4,567.96	4,041.10

- Cash credit from a bank is secured by way of first charge on all the stock and book debts of the Company. The cash credit is repayable on demand and carries interest @ 9.50% to 10.70% p.a. (31st March, 2015: 10.70% to 10.95% p.a.)

Notes to financial statements (Contd.)
for the year ended 31st March 2016

9. OTHER CURRENT LIABILITIES

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Trade payables		
• total outstanding dues of micro enterprises and small enterprises (refer note 34 for details of dues to micro and small enterprises)	155.30	163.38
• total outstanding dues of creditors other than micro enterprises and small enterprises	19,275.47	10,866.13
	19,430.77	11,029.51
Other liabilities		
Payables against purchase of Fixed Assets	7,316.96	10,817.64
Current maturities of long-term borrowings (note 5)	8.37	116.60
Interest accrued but not due on borrowings	997.61	817.98
Advance against Sales	214.03	896.92
Unpaid dividend	63.62	52.94
Others		
Trade & other deposits	720.33	477.84
Statutory dues payable	4,116.81	2,331.44
Other miscellaneous	29.40	29.60
	13,467.13	15,540.96
	32,897.90	26,570.47

10. TANGIBLE ASSETS

	(₹ In Lacs)									
	Freehold Land (a)&(b)	Factory Buildings	Non-Factory Buildings	Railway Sidings	Plant and equipment	Furniture and fixtures	Office Equipments	Vehicles	Computers	Total
Cost or valuation										
At 1st April 2014	10,980.57	2,503.97	3,984.52	2,313.56	1,06,359.12	848.47	146.52	367.10	497.73	1,28,001.56
Additions	2,160.53	-	200.97	-	644.97	194.87	81.33	259.16	229.04	3,770.87
Disposals	-	38.31	15.85	-	1,257.39	42.21	1.29	19.16	3.06	1,377.27
At 31st March 2015	13,141.10	2,465.66	4,169.64	2,313.56	1,05,746.70	1,001.13	226.56	607.10	723.71	1,30,395.16
Additions	754.59	3,417.06	8,037.46	-	1,28,537.01	179.51	53.31	28.82	363.28	1,41,371.04
Disposals	-	-	-	-	-	7.54	0.52	50.51	1.19	59.76
At 31st March 2016	13,895.69	5,882.72	12,207.10	2,313.56	2,34,283.71	1,173.10	279.35	585.41	1,085.80	2,71,706.44
Depreciation										
At 1st April 2014	-	829.62	675.61	1,587.60	41,992.00	428.14	56.79	281.96	314.12	46,165.84
Charge for the year	-	112.46	256.36	190.62	3,822.60	123.90	27.86	28.83	100.16	4,662.79
Charge to general reserves	-	10.13	173.38	20.19	506.21	1.80	20.28	3.55	19.23	754.77
Disposals	-	0.93	1.80	-	359.87	24.29	1.05	16.71	2.92	407.57
At 31st March 2015	-	951.28	1,103.55	1,798.41	45,960.94	529.55	103.88	297.63	430.59	51,175.83
Charge for the year	-	144.74	537.29	149.79	6,056.72	173.62	39.24	75.87	179.15	7,356.42
Disposals	-	-	-	-	-	3.95	0.18	37.91	1.04	43.08
At 31st March 2016	-	1,096.02	1,640.84	1,948.20	52,017.66	699.22	142.94	335.59	608.70	58,489.17
Net Block										
At 31st March 2015	13,141.10	1,514.38	3,066.09	515.15	59,785.76	471.58	122.68	309.47	293.12	79,219.33
At 31st March 2016	13,895.69	4,786.70	10,566.26	365.36	1,82,266.05	473.88	136.41	249.82	477.10	2,13,217.27

- a. Includes ₹ 838.90 lacs (31st March 2015 ₹ 940.76 lacs), the mutation whereof in the Company's name is pending.
- b. Includes ₹ 410.03 lacs (31st March 2015 ₹ 172.19 lacs) which are still in the name of demerged company and yet to be transferred in the Company's name.

Notes to financial statements (Contd.)
for the year ended 31st March 2016

11. INTANGIBLE ASSETS

	(₹ In lacs)		
	Computer software	Mining Rights	Total
Gross block			
At 1st April 2014	27.03	1,314.60	1,341.63
Purchase	-	-	-
At 31st March 2015	27.03	1,314.60	1,341.63
Purchase	577.99	904.33	1,482.32
At 31st March 2016	605.02	2,218.93	2,823.95
Amortization			
At 1st April 2014	27.03	588.44	615.47
Charge for the year	-	131.46	131.46
At 31st March 2015	27.03	719.90	746.93
Charge for the year	146.70	177.85	324.55
At 31st March 2016	173.73	897.75	1,071.48
Net block			
At 31st March 2015	-	594.70	594.70
At 31st March 2016	431.29	1,321.18	1,752.47

12. DETAILS OF EXPENDITURE ON EXPANSION/NEW PROJECTS: (PENDING ALLOCATION)

	(₹ in Lacs)	
	31st March 2016	31st March 2015
A) Pre-operative & trial run expenses:		
Rent & hire charges	76.29	54.65
Salary & wages	1,068.35	1,136.72
Contribution to provident & other funds	60.46	53.52
Gratuity	18.92	16.38
Employees welfare expenses	54.97	60.69
Consultancy charges	280.16	844.04
Insurance	100.07	92.22
Interest	6,716.37	5,749.12
Other borrowing cost	44.04	70.34
Depreciation	48.16	61.52
Mining lease renewal	35.69	648.02
Power & fuel	80.49	-
Miscellaneous expenses	1,167.80	703.36
	9,751.77	9,490.58
b) Add:Balance brought forward from previous year	8,922.89	6,685.74
c) Less: Allocated to fixed assets / capital work-in-progress during the year	14,412.18	7,253.43
d) Balance carried to balance sheet	4,262.48	8,922.89

13. NON-CURRENT INVESTMENTS

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Government securities (unquoted)		
6 Years National Savings Certificates	0.54	0.54
	0.54	0.54
Aggregate amount of unquoted investments	0.54	0.54

Government Securities of the Face Value of ₹ 0.54 lac (31st March 2015: ₹ 0.54 lac) are lodged with Government Departments as Security Deposits.

Notes to financial statements (Contd.)

for the year ended 31st March 2016

14. DEFERRED TAX LIABILITY (NET)

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	26,992.01	13,272.25
Gross deferred tax liability	26,992.01	13,272.25
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	542.13	700.69
Impact of unabsorbed depreciation	14,101.23	-
Provision for doubtful debts and advances	58.28	55.42
Provision for mining restoration cost	13.22	12.99
Gross deferred tax asset	14,714.86	769.10
Net deferred tax liability	12,277.15	12,503.15

15. LOANS AND ADVANCES

	(₹ in Lacs)			
	Non-current		Current	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Unsecured, considered good, except where otherwise stated				
Capital advances				
Unsecured, considered good	265.93	1,563.27	-	-
Doubtful	43.27	43.27	-	-
	309.20	1,606.54	-	-
Less: Provision for doubtful advances	43.27	43.27	-	-
(A)	265.93	1,563.27	-	-
Trade & other deposits				
	1,559.16	2,453.14	-	52.34
(B)	1,559.16	2,453.14	-	52.34
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered good	34.25	35.03	4,515.31	3,216.00
Doubtful	25.65	25.65	-	-
	59.90	60.68	4,515.31	3,216.00
Less: Provision for doubtful advances	25.65	25.65	-	-
(C)	34.25	35.03	4,515.31	3,216.00
Other loans and advances				
Prepaid expenses	15.76	37.05	189.51	244.57
Deposits against demand under dispute	485.30	467.29	-	-
Advance payment of income tax and tax deducted at source after adjusting provisions	-	-	591.79	531.71
MAT Credit entitlement	-	-	1,286.25	-
Balances with excise, customs, port trusts and other government authorities	-	513.21	8,767.50	8,991.11
(D)	501.06	1,017.55	10,835.05	9,767.39
Total (A+B+C+D)	2,360.40	5,068.99	15,350.36	13,035.73

Notes to financial statements (Contd.)

for the year ended 31st March 2016

16. TRADE RECEIVABLES AND OTHER ASSETS

16.1 Trade receivables

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	38.88	12.26
Unsecured, considered good	211.34	80.72
Doubtful	99.49	94.13
	349.71	187.11
Provision for doubtful trade receivables	99.49	94.13
(A)	250.22	92.98
Other receivables		
Secured, considered good	958.13	874.06
Unsecured, considered good	8,000.73	7,275.03
(B)	8,958.86	8,149.09
(A+B)	9,209.08	8,242.07

16.2 Other assets

	(₹ in Lacs)			
	Non-current		Current	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Unsecured, Considered good				
Non current bank balances (Note 18)	5.66	5.66	-	-
Interest accrued on investments	-	-	0.16	0.16
Interest accrued on loans, deposits etc.	-	0.93	134.76	56.44
Unamortized ancillary cost of arranging the borrowings	541.79	516.85	69.20	50.08
Claims & refunds receivable	-	-	1,896.46	2,577.72
	547.45	523.44	2,100.58	2,684.40

17. INVENTORIES

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Valued at Lower of Cost and Net Realisable Value		
Raw materials	850.60	375.16
Work-in-progress	1,640.22	1,874.95
Finished goods	1,528.05	818.90
Stores and spares Parts etc.	9,975.70	7,641.75
At estimated realisable value		
Scrap	105.45	279.73
	14,100.02	10,990.49
The above includes stock in transit:		
Work-in-progress	-	221.23
Stores and spares Parts etc.	107.87	6.08
	107.87	227.31

Notes to financial statements (Contd.)

for the year ended 31st March 2016

18. CASH AND BANK BALANCES

(₹ in Lacs)

	Non-current		Current	
	31st March 2016	31st March 2015	31st March 2016	31st March 2015
Cash and cash equivalents				
Balances with banks:				
– On current accounts			3,615.47	3,534.20
– On unpaid dividend account			63.62	52.94
Cheques on hand			-	590.28
Cash on hand			4.76	2.17
			3,683.85	4,179.59
Other bank balances*				
– On savings bank account	-	-	0.11	0.11
– In Post office savings bank account	-	-	0.06	0.06
– Deposits with original maturity for more than 3 months but less than 12 months	-	-	10.83	10.00
– Deposits with original maturity for more than 12 months	5.66	5.66	81.93	80.92
	5.66	5.66	92.93	91.09
Total	5.66	5.66	3,776.78	4,270.68
Amount disclosed under non-current assets (note 16.2)	(5.66)	(5.66)	-	-
	-	-	3,776.78	4,270.68

* Receipts/Pass Books for ₹ 75.83 lacs (31st March 2015: ₹ 75.83 lacs) are lodged with Government Departments/Banks as security.

19. REVENUE FROM OPERATIONS

(₹ in Lacs)

	31st March 2016	31st March 2015
Revenue from operations		
Sale of products		
Finished goods*	1,79,386.62	1,80,205.86
Semi-finished goods	18.44	198.66
	1,79,405.06	1,80,404.52
Less: Cash discount, rebates etc.	6,300.29	4,687.81
	1,73,104.77	1,75,716.71
Other operating revenue		
Scrap sales	391.12	158.63
Sale of power	343.58	581.82
Industrial promotion / Sales tax subsidy	-	426.02
Revenue from operations (gross)	1,73,839.47	1,76,883.18
Less: Excise duty #	22,920.47	22,182.94
Revenue from operations (net)	1,50,919.00	1,54,700.24

Excise duty on sales amounting to ₹ 22,920.47 lacs (31st March 2015 ₹ 22,182.94 lacs) has been reduced from sales in statement of profit & loss and excise duty on decrease/ (increase) in stock amounting to ₹ 109.24 lacs (31st March 2015 ₹ 101.21 lacs)) has been considered as expenses /(income) in note 22 of financial statements.

* Including items capitalised ₹ 191.63 lacs (31st March 2015 ₹ 138.76 lacs).

Notes to financial statements (Contd.)

for the year ended 31st March 2016

Detail of products sold

(₹ in Lacs)

	31st March 2016	31st March 2015
Finished goods sold		
Portland cement	1,73,086.33	1,75,518.05
Semi finished goods sold		
Clinker	18.44	198.66
	1,73,104.77	1,75,716.71

20. OTHER INCOME

(₹ in Lacs)

	31st March 2016	31st March 2015
Interest income on		
Debts, deposits, advances etc.	137.57	86.15
Insurance & other claims	98.90	79.50
Rent & hire charges	5.43	7.77
Unspent liabilities and unclaimed balances adjusted	432.62	280.29
Profit on sale of fixed assets (net)	0.46	-
Gain on exchange rate fluctuations (net)	-	67.17
Other miscellaneous income	80.42	89.45
	755.40	610.33

21. COST OF RAW MATERIALS CONSUMED

(₹ in Lacs)

	31st March 2016	31st March 2015
Inventory at the beginning of the year	375.16	646.18
Add: Purchases & procurement expenses	21,550.36	20,285.26
	21,925.52	20,931.44
Less: Inventory at the end of the year	850.60	375.16
	21,074.92	20,556.28

Details of raw materials consumed

(₹ in Lacs)

	31st March 2016	31st March 2015
Lime stone	3,397.31	3,037.82
Clinker *	9,098.02	9,889.04
Pozzolona material	3,447.40	3,433.66
Gypsum	3,143.19	2,600.18
Aluminous laterite	995.92	1,117.40
Laterite	431.87	477.23
Bauxite	561.21	-
Miscellaneous items	-	0.95
	21,074.92	20,556.28

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

Notes to financial statements (Contd.)

for the year ended 31st March 2016

Details of Inventory

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Raw materials		
Pozzolona material	37.25	10.40
Gypsum	518.92	249.45
Aluminous laterite	84.16	73.67
Laterite	41.67	41.64
Bauxite	168.60	-
	850.60	375.16

22. (INCREASE)/ DECREASE IN INVENTORIES

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Inventories at the end of the year		
Work-in-progress	1,640.22	1,874.95
Finished goods	1,528.05	818.90
Scrap	105.45	279.73
	3,273.72	2,973.58
Inventories at the beginning of the year		
Work-in-progress	1,874.95	710.75
Finished goods	818.90	386.60
Scrap	279.73	65.09
	2,973.58	1,162.44
	(300.14)	(1,811.14)
(Increase)/decrease of excise duty on inventory	109.24	101.21
	(190.90)	(1,709.93)

Details of inventory

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Work-in-progress		
Clinker	1,301.02	1,564.92
Others	339.20	310.03
	1,640.22	1,874.95
Finished goods		
Portland cement	1,528.05	818.90

23. EMPLOYEE BENEFITS EXPENSE

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Salaries, wages and bonus	7,215.11	5,661.87
Contribution to provident and other funds	421.36	381.07
Gratuity expense (note 29)	386.12	452.07
Employee stock option scheme	324.90	-
Staff welfare expenses	690.00	637.70
	9,037.49	7,132.71

Notes to financial statements (Contd.)

for the year ended 31st March 2016

24. OTHER EXPENSES

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Royalty and cess	5,111.22	3,236.67
Consumption of stores and spares [after adjusting Sales & Claims ₹ 1,154.77 lacs (31st March 2015 ₹ 1,372.77 lacs)]	2,946.46	2,731.78
Handling & other charges to contractors	1,625.43	1,328.75
Power and fuel	39,844.02	40,090.73
Packing, freight and forwarding charges	31,883.57	31,756.12
Rent & hire charges	1,178.68	954.49
Rates and taxes	82.70	69.32
Insurance	164.20	174.99
Repairs and maintenance		
Plant and machinery	5,802.13	5,735.29
Buildings	449.33	428.09
CSR expenditure	351.40	267.73
Advertising and sales promotion	7,794.99	6,326.80
Commission on sales	1,164.82	1,052.42
Payment to auditor		
As Auditor:		
Audit fee	32.50	32.50
Limited review	19.50	19.50
Tax audit fee	8.00	8.00
In other capacity:		
For certificates & other services	13.50	5.50
Reimbursement of expenses	4.50	3.76
Payment to cost auditor	1.35	1.99
Professional & consultancy charges	1,359.51	844.31
Charity & donations	-	300.00
Director's commission	60.00	250.00
Directors' sitting fees	36.56	26.60
Bad debts / advances written off (net of reversals)	2.45	20.08
Loss on exchange rate fluctuations (net)	16.28	-
Turnover tax & entry tax etc.	150.81	163.88
Provision for doubtful debts & advances	5.36	49.05
Provision for mining restoration costs	6.22	-
Loss on sale/discard of fixed assets (net)	-	2.52
Miscellaneous expenses	2,546.70	2,170.64
	1,02,662.19	98,051.51

25. DEPRECIATION AND AMORTIZATION EXPENSE

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Depreciation of tangible assets	7,356.42	4,662.79
Amortization of intangible assets	324.55	131.46
	7,680.97	4,794.25
Less: Transfer to Pre-operative expenses	48.16	61.52
	7,632.81	4,732.73

Notes to financial statements (Contd.)
for the year ended 31st March 2016

26. FINANCE COSTS

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Interest	5,364.03	1,343.13
Other borrowing cost	72.24	85.75
	5,436.27	1,428.88

27. EMPLOYEE STOCK OPTION SCHEME

The Company provides share-based payment scheme to its employees. The Company has formulated an employee stock option scheme, namely Employee Stock Option Scheme 2015 (ESOP) during the year ended 31st March 2015 for grant of ESOP. The relevant details of the scheme and grant are as below:

On 8th May 2015, the Board of Directors approved the Employee Stock Option Scheme 2015 for issue of stock options to the key employees of the Company. According to the scheme, the employee selected by the remuneration committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions viz, continuing employment on the rolls of the Company as on 1st April 2015 as well as new employees who replaces the old eligible employee and joins the employment of the Company before 30th June 2017 and continuing employment till grant date. The other relevant terms of the grant are as below:

Vesting Period	40% vest after 3 years 60% vest after 4 years
Exercise Period	4 Years
Expected Life	5.6 Years
Exercise Price (₹)	135
Market price as on 4th August, 2015 (₹)	183.25

The details of the activity under the scheme are as below:

	No. of options	
	31st March 2016	31st March 2015
Outstanding at the beginning of the year	-	-
Granted during the year	1,648,900	-
Outstanding at the end of the year	1,648,900	-
Exercisable at the end of the year	-	-

The weighted average remaining contractual life for the stock options outstanding as at 31st March 2016 is 4.93 years (31st March 2015 Nil).

The weighted average fair value of the stock options granted during the year was ₹ 105.64. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	31st March 2016	31st March 2015*
Dividend yield (%)	0.96%	*
Expected volatility	44.90%	*
Risk-free interest rate	8%	*
Weighted average share price (₹)	183.50	*
Exercise price (₹)	135	*
Expected life of options granted in years	5.6	*

* Not applicable since no ESOP's were granted during the year.

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

Notes to financial statements (Contd.)
for the year ended 31st March 2016

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 2016	31st March 2015
Profit after tax	6,224.01	19,478.24
Net profit for calculation of basic EPS	6,224.01	19,478.24
Weighted average number of equity shares in calculating basic EPS	2,048.69	2,048.69
Effect of dilution:		
Stock option granted under ESOP	0.88	-
Weighted average number of equity shares in calculating diluted EPS	2,049.57	2,048.69
Earnings per equity share [nominal value of share ₹ 1]		
Basic	3.04	9.51
Diluted	3.04	9.51

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

	Gratuity	
	31st March 2016	31st March 2015
Current service cost	233.74	179.73
Interest cost on benefit obligation	152.83	147.49
Expected return on plan assets	44.45	60.42
Net actuarial(gain) / loss recognized in the year	62.92	201.65
Net benefit expense	*405.04	* 468.45
Actual return on plan assets	32.87	50.20

* Includes ₹ 18.92 lacs (31st March, 2015 : ₹ 16.38 lacs) capitalised as preoperative expenses (refer note 12).

Balance sheet

Benefit asset/ liability

	Gratuity	
	31st March 2016	31st March 2015
Present value of defined benefit obligation	2,155.69	1,953.85
Fair value of plan assets	1,006.91	521.50
Plan liability/ (asset)	1,148.78	1,432.35

Notes to financial statements (Contd.)

for the year ended 31st March 2016

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

	Gratuity	
	31st March 2016	31st March 2015
Opening defined benefit obligation	1,953.85	1,664.14
Current service cost	233.74	179.73
Interest cost	152.83	147.49
Benefits paid	(236.07)	(228.94)
Actuarial (gains) / losses on obligation	51.34	191.43
Closing defined benefit obligation	2,155.69	1,953.85

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

	Gratuity	
	31st March 2016	31st March 2015
Opening fair value of plan assets	521.50	642.77
Expected return	44.45	60.42
Employers contribution	671.42	-
Benefits paid	(218.88)	(171.47)
Actuarial gains / (losses)	(11.58)	(10.22)
Closing fair value of plan assets	1,006.91	521.50

The Company expects to contribute ₹ 374.52 lacs (31st March, 2015 : ₹ 691.13 lacs) to gratuity in the next year.

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

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

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

	Gratuity	
	31st March 2016	31st March 2015
Discount rate	7.80%	7.80%
Expected rate of return on assets	8.00%	8.50%
Employee turnover	upto 30 years: 10% 31 to 45 years: 7% above 45 years: 2%	upto 30 years: 10% 31 to 45 years: 5% above 45 years: 1%

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

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

Amounts for the current and previous period are as follows:

	31st March 2016	31st March 2015	31st March 2014	31st March 2013	31st March 2012
Gratuity					
Defined benefit obligation	2,155.69	1,953.85	1,664.14	1,524.08	-
Plan assets	1,006.91	521.50	642.77	729.07	-
Surplus / (deficit)	(1,148.78)	(1,432.35)	(1,021.37)	(795.02)	-
Experience adjustments on plan liabilities	41.69	(30.21)	80.27	51.90	-
Experience adjustments on plan assets	(11.58)	(10.22)	-	(2.28)	-

Notes to financial statements (Contd.)

for the year ended 31st March 2016

Defined Contribution Plan :

	31st March 2016	31st March 2015
Contribution to Provident / Pension funds	402.73	363.18
Contribution to Superannuation fund	64.52	62.17
	* 467.25	* 425.35

* Includes ₹ 60.46 lacs (31st March, 2015 : ₹ 53.52 lacs) capitalised as preoperative expenses (refer note 12).

30. LEASES

Operating lease: Company as lessee

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

	31st March 2016	31st March 2015
Lease payments made for the year	1,178.68	954.49
Contingent rent recognized in the Statement of Profit & Loss	-	-

31. CAPITAL AND OTHER COMMITMENTS

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 2,519.56 lacs (31st March, 2015 ₹ 16,414.46 lacs).
- The Company has revenue commitment of ₹ 373.43 lacs (31st March, 2015 : Nil) with Karnataka Rural Infrastructure Development Ltd. for construction of road & drains at villages.
- For commitments relating to lease arrangements, please refer note 30.

32. CONTINGENT LIABILITIES

	31st March 2016	31st March 2015
Demands/claims by various Government authorities and others not acknowledged as debts and contested by the Company:		
Excise duty	3,808.80	3,769.59
Sales tax	549.55	549.55
Income tax	98.94	-
Escot charges	17,546.60	14,398.60
Others	2,639.04	2,156.49
	24,642.93	20,874.23
Against the above, payments have been made under protest and/ or debts have been withheld by respective parties.	485.30	467.29

* 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.

- Remuneration paid to Managing Director & CEO of the Company during the financial year ended 31st March, 2016 has exceeded the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

The Company is in the process of applying to Central Government for waiver of excess remuneration amounting to ₹ 316.86 lacs paid to Managing Director & CEO of the Company during the financial year 2015-16. Further, the Company is also in the process of seeking legal opinion towards the applicability of above provisions of the Companies Act, 2013 with regard to requirement of Central Government approval.

Notes to financial statements (Contd.)
for the year ended 31st March 2016

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

	(₹ in Lacs)	
	31st March 2016	31st March 2015
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	155.30	163.38
Interest due on above	-	-
	155.30	163.38
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

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

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

36. Charity and donation includes ₹ Nil (31st March, 2015 : ₹ 200 lacs paid to Satya Electoral Trust, an approved Electoral Trust under the Income Tax Act, 1961).

37. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Associate	Central India Industries Limited
Key management personnel	Mr. D.D.Khetrapal (Managing Director & CEO)
	Mr. Sushil Gupta (Chief Financial Officer) (w.e.f. 07th August, 2014)
	Ms. Deepanjali Gulati (Company Secretary)

Notes to financial statements (Contd.)
for the year ended 31st March 2016

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)			
	Year Ended	Transaction during the period	Amount owed by related parties	Amount owed to related parties
- Mr. D.D.Khetrapal				
Salary, bonus and contribution to PF	31-Mar-16	524.09	-	99.00
ESOP cost	31-Mar-16	163.92	-	-
Salary, bonus and contribution to PF	31-Mar-15	422.65	-	75.00
ESOP cost	31-Mar-15	-	-	-
- Mr. Sushil Gupta, Chief Financial Officer				
Salary, bonus and contribution to PF	31-Mar-16	137.59	-	24.00
ESOP cost	31-Mar-16	34.23	-	-
Salary, bonus and contribution to PF	31-Mar-15	97.32	-	15.72
ESOP cost	31-Mar-15	-	-	-
- Ms. Deepanjali Gulati, Company Secretary				
Salary, bonus and contribution to PF	31-Mar-16	15.53	-	0.80
Salary, bonus and contribution to PF	31-Mar-15	14.03	-	1.16

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-16	491.44	-	-
	31-Mar-15	737.15	-	-

38. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE REPORTING DATE

	(₹ in Lacs)		
	Currency	31st March 2016	31st March 2015
Advances recoverable in cash or kind	Euro	-	7.28
	DKK	-	4.47
Retention payable	USD	14.26	-
		14.26	11.75

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

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Capital goods	547.15	10,520.32
Spare parts	819.63	645.17
	1,366.78	11,165.49

Notes to financial statements (Contd.)

for the year ended 31st March 2016

40. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	(₹ in Lacs)	
	31st March 2016	31st March 2015
Travelling	2.83	10.01
Miscellaneous expenses	0.65	0.49
	3.48	10.50

41. NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

Year of remittance (ending on)	31st March 2016	31st March 2015
Final Dividend		
No. of non-resident shareholders	472	496
Number of equity shares held on which dividend was due	1,68,84,938	1,41,08,412
Amount remitted and/or paid in Indian currency:		
for the period 1st April, 2014 to 31st March, 2015 (1st April, 2013 to 31st March, 2014) (₹ in lacs)	168.85	105.81
Interim Dividend		
No. of non-resident shareholders	-	521
Number of equity shares held on which dividend was due	-	1,59,90,169
Interim dividend for the year ended 31st March, 2016 Nil (31st March, 2015) (₹ in lacs)	-	119.93

42. IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS CONSUMED

	%age of total consumption	Value (₹ in lacs)	%age of total consumption	Value (₹ in lacs)
	31st March 2016	31st March 2016	31st March 2015	31st March 2015
Raw Materials				
Imported	-	-	-	-
Indigenously obtained	100.00	21,074.92	100.00	20,556.28
	100.00	21,074.92	100.00	20,556.28
Spare parts				
Imported	1.67	42.18	20.11	665.40
Indigenously obtained	98.33	2,476.83	79.89	2,644.19
	100.00	2,519.01	100.00	3,309.59

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/E300005

Chartered Accountants

per **Raj Agrawal**

Partner

Membership no.: 82028

Place: New Delhi

Date: May 4, 2016

For and on behalf of the board of directors

CK. Birla

Chairman
(DIN 00118473)

S.Gupta

Chief Financial Officer
(FCA 044924)

D.D.Khetrapal

Managing Director & CEO
(DIN 02362633)

D.Gulati

Company Secretary
(FCS 5304)