



# Wings of Passion





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# Corporate Information

## BOARD OF DIRECTORS

**Mr. Chandrakant Birla**  
(Chairman)

**Mrs. Amita Birla**

**Mr. Rajeev Jhawar**

**Mr. Vinod Kumar Dhall**

**Mr. Rabindranath Jhunjhunwala**

**Mr. Janat Shah**

**Mr. Swapan Dasgupta**

**Mr. I.Y.R. Krishna Rao**

**Mr. Desh Deepak Khetrupal**  
(Managing Director & CEO)

## KEY MANAGERIAL PERSONS

**Mr. Desh Deepak Khetrupal**  
(Managing Director & CEO)

**Mr. Sushil Gupta**  
(Chief Financial Officer)

**Ms. Nidhi Bisaria**  
(Company Secretary)

## STATUTORY AUDITORS

M/s. S.R. Batliboi & Co., LLP  
Chartered Accountants, 22,  
Camac Street, Block C, 3<sup>rd</sup> Floor,  
Kolkata - 700016

## REGISTERED OFFICE

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

## MANUFACTURING PLANTS

### Devapur

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

### 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  
ICICI Bank Limited  
EXIM Bank of India  
Punjab National Bank

## 7<sup>th</sup> ANNUAL GENERAL MEETING

Date : 17<sup>th</sup> day of August, 2018  
Day : Friday, Time : 2:00 P.M.  
Place : Unit-VIII, Plot No. 7, Bhoinagar,  
Bhubaneswar - 751 012 (Odisha)

## Book Closure for AGM

Monday, 13<sup>th</sup> day of August, 2018 to  
Friday, 17<sup>th</sup> day of August, 2018  
(Both days inclusive)

## CORPORATE IDENTIFICATION NO.

L26940OR2011PLC013933

## WEBSITE

[www.orientcement.com](http://www.orientcement.com)





**ORIENT**  
CEMENT

Orient Cement Limited is one of India's most exciting cement companies, and is constantly evolving as an efficient manufacturer, as a valued employer and as a trusted brand.

### Origin

Following a demerger from Orient Paper & Industries Ltd. in 2012, Orient Cement has swiftly evolved to become one of the most exciting cement companies in India today.

### Manufacturing facilities

The Company has three cement manufacturing plants in Devapur (Telangana), Chittapur (Karnataka) and Jalgaon (Maharashtra). The Company has an aggregate cement manufacturing capacity of 8 MTPA with a clinker manufacturing capacity of close to 6 MTPA.

The Company has outlined a clear agenda for growth, intending to reach a capacity of 15 MTPA in 5 years.

### Certifications

The Company is a responsible cement manufacturer accredited with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 standards. The Company regularly modernises its manufacturing infrastructure and equipment with the objective of enhancing operating efficiencies, maintaining product quality, conserving energy and lowering emissions. As a result of its efforts, the Company won the Total Plant Maintenance (TPM) Excellence award from JIPM, Japan, the second company in India to earn this distinction.

### Sustainability

In 2017, the Company joined Cement Sustainability Initiative (CSI), a voluntary global CEO-led business initiative, operating under the umbrella of World Business Council for Sustainable Development (WBCSD). By joining CSI, Orient Cement has voluntarily accepted the responsibility to achieve higher and stringent goals towards environmental and social sustainability and has become part of a global mission to be a responsible contributor to global sustainability.

### Markets

The Company sells its cement predominantly in the states of Maharashtra, Telangana, Karnataka, Andhra Pradesh, and Madhya Pradesh. It also sells cement in the states of Chattisgarh, Gujarat, Goa and Tamil Nadu.

### Brands

The company produces two cement varieties (Ordinary Portland and Pozzolana Portland Cement) under the Birla.A1 Brand. The brand is synonymous with excellent quality, high resilience and robust load bearing capability. The Company has also delivered on its promise to customers of a significantly superior product that was recently launched under the brand Birla.A1 StrongCrete.





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At Orient Cement, people are our biggest asset.

Our people are bringing their passion, pluck and persistence to our table.

This is making us one of the most exciting companies in India's cement industry.

Much of our outperformance is being derived from the fact that Orient Cement is a gender-inclusive company.

This is reflected in a rising proportion of women employees.

We provide our women employees equal opportunities – exciting roles and challenging assignments.

They are enriching our workplace, working together, delivering competently and exceeding expectations.

This Annual Report is dedicated to these outstanding achievers.

They are making our company an outperformer.

Read on for the inspiring stories of women at Orient Cement.

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## StrongCrete: behind the scenes

The project to create an ultra-strong product began with an unusual story of delegation.

In most instances, any management would have assigned the task of developing a case for the new business to experienced and wizened professionals.

The Company instead chose to delegate this breakthrough assignment to two relatively inexperienced women employees instead.

Apprehension prevailed.

'Is the dream worth pursuing?' asked one.

'Are we capable of doing this' countered another.

The two young women stuck it through. They examined various options. They addressed challenges. They dealt with what appeared insurmountable. And above all, they showed the courage to persist.

Following six months of hard

work, their first presentation was a disaster.

But instead of being written off, what they heard was meaningful advice instead:

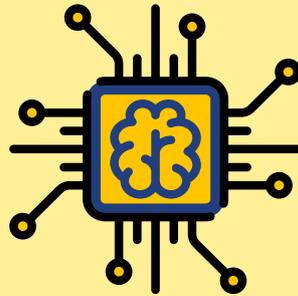
'Make something valuable for the customers; don't take any shortcuts; don't create anything sub-standard.'

This advice was to become their guiding post. Each time they encountered a dilemma, the line clarified their approach and they forged ahead.

The result is brilliant beyond expectations: a superior high-performance product under the Birla.A1 StrongCrete brand. Reflected in positive feedback from customers, influencers and channel partners alike. Recognised by many as the possibly the best in the country.

And all because the management kept faith and encouraged its employees to experiment and excel.





## The next frontier of ‘digital’

At Orient Cement, ‘digital’ has always been a way of life. Over the past few years, the Company has been increasingly leveraging digital solutions across various departments.

Today, digital technologies are pervasive across functions at Orient Cement: manufacturing, logistics, procurement, marketing, sales, technical services, finance and human resources.

More importantly, digitalisation has made a positive difference: enhanced data access, strengthened customer-centricity, increased cost efficiencies and enabled analytics-driven decision-making.

Through prudent selection and efficient implementation of technology, Orient Cement has gained an effective cutting-edge in a competitive marketplace. At the Company, a logistics optimiser enhances logistic efficiencies and optimises distribution costs. A

customer portal, an influencer management system and a sales force automation tool have helped serve customers better. A multi-language brand website, efficient use of social media, utilisation of search engine optimisation and analytics have improved marketing effectiveness. The use of cutting-edge technologies (machine learning, distributed architecture and Cloud) have enhanced the technology architecture.

Today, several of these initiatives are being nurtured and further developed by a dedicated Digital Transformation Team. Helmed equally by men and women, this team is also tasked with pushing the next frontier of ‘digital’. The driving principle isn’t ‘can we’ but ‘how can we’.

Our digital roadmap presents an exciting viewpoint: Orient Cement is addressing tomorrow, today.

“At Orient Cement, we provide opportunities to women as much as we provide them to men. This is because we believe that there is nothing that men can do that women cannot do equally well – or better.”

*- CK Birla, Chairman*

# ‘THERE IS A GREATER FEELING OF ‘I AM ORIENT CEMENT’ THAN EVER BEFORE’

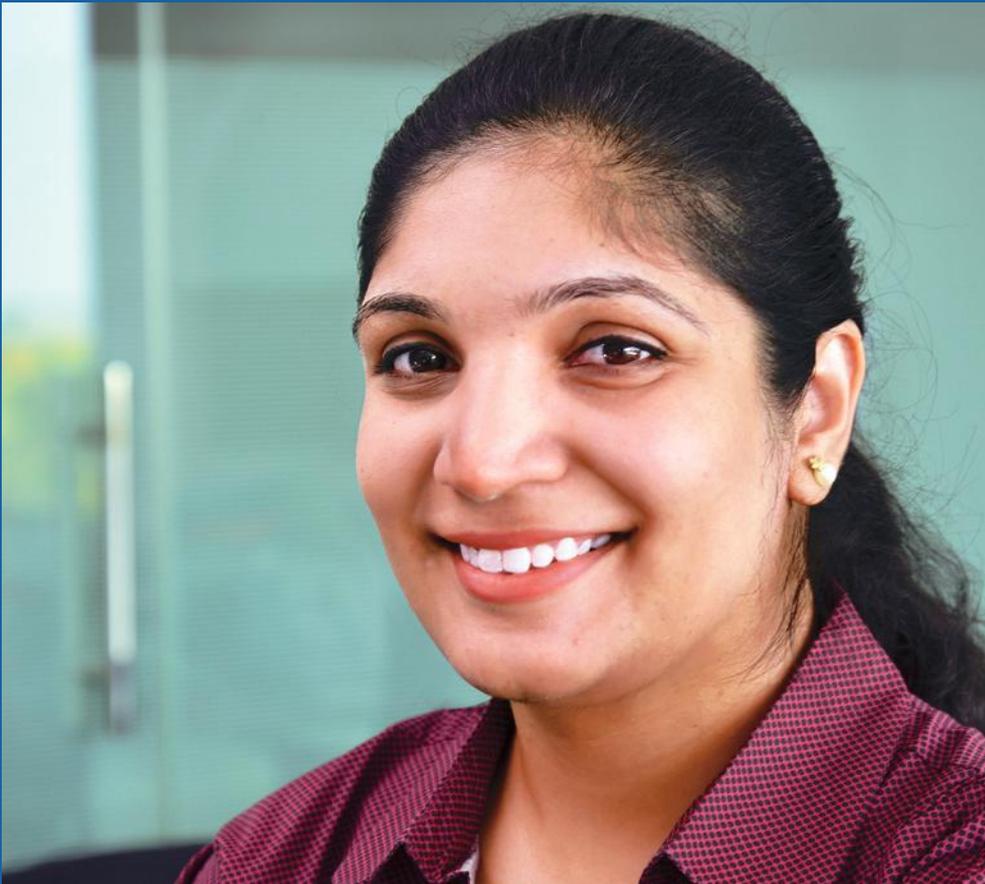
## AISHWARYA M

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Assistant Manager, Internal Communications

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**I** was a newcomer involved in marketing communication, when I was suddenly asked by the management: ‘Help the Company to talk with itself.’ This was initially terrifying. We had never attempted to address internal communication so directly before. In the beginning, I grappled with the confusion. But gradually, I began to trust my instinct. While being relatively inexperienced; I ensured we did not follow a template. The combination of empowerment and instinct showed the way: I helped establish novel communication channels like Large Format Displays (LFD), Workplace at Facebook and leadership connect programmes. Gradually, something fascinating began to emerge: Team members across locations started being more expressive, various topics from social to professional began to get communicated more, recognition from within teams and external organizations started to get shared online, the perceived hierarchies started disappearing and an even stronger culture of coherent cross-functional conversations emerged. Not surprisingly, what started out as a small experiment has led to a greater feeling of ‘I am Orient Cement’ than ever before– and all because the Company told a few freshers to ‘go out and explore’.



# ‘ORIENT CEMENT APPRECIATES A YOUNG EMPLOYEE’S CONTRARIAN PERSPECTIVE

## AKHILA DOBBALI

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Assistant General Manager, Logistics

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**I** was a virtual novice when I was asked to oversee the formulation and execution of a mission-critical project: end-to-end implementation of an algorithmic plant-to-market allocation solution. The aim was two-fold: optimise distribution costs and empower the logistics team to place sourcing supply orders using the optimisation engine. Being a complex task, we engaged the sales, logistics as well as accounts and control functions. We worked together, assessed plant running and logistics costs, formulated an optimal plant-market mix and improved the servicing quotients of our plants. The exercise brought costs down significantly. I am proud of our achievement, realising that Orient Cement strives for inclusive growth and even appreciates the contrarian perspective that a young employee can bring in.



# 'I'M FROM INTERNAL AUDIT AND WAS ENGAGED IN A NEW BRAND LAUNCH!'

## CHANDANA MS

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General Manager, Internal Audit

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**I** joined the organization four years ago in the Internal Audit function. My work profile required me to make various business processes more robust, interact and build strong relationships with stakeholders across locations and build awareness in the areas of processes, risks and compliances. Anyone in my position could have said 'What is so special about this role?' The surprise was when I was selected for the Chairman's Circle Leadership program, which provided me with the opportunity to work on a breakthrough project involving the launch of a new premium cement product. Consider the opportunity – I'm from internal audit and was engaged in a new brand launch! What this surely did for me was to grow me as a professional: provide exposure to varied areas like manufacture of cement, supply chain, market dynamics and brand management. More than anything, it helped me learn the art and the science of making friends and influencing people.



## ‘I WAS THE FIRST WOMAN EMPLOYEE AT THE DEVAPUR PLANT’



### DEVIPRIYA S

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Assistant Manager, Systems

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**I** was brought up in Devapur and I grew up watching my father work for Orient Cement. Soon after, I completed my B Tech in Computer Science and was looking for employment. During some difficult times, the Company provided me with employment – I became the first woman employee at the Devapur plant, working there just like my father! Later, I was nominated as a core team member for SAP implementation and transferred to Hyderabad. There I became a key member in the implementation of Qlik Sense, an analytical tool providing easy access to comprehensive data used by the sales and operations teams. What has been special about my journey from a young girl to today is my connection with Orient Cement and the way it has empowered me to work across locations and enabled interactions with executives from various functions. There are truly no silos here!

# ‘THERE IS JUST ONE WORD TO DESCRIBE ORIENT CEMENT: ‘INCLUSIVE’



## HARITHA S

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Deputy General Manager, Civil

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**I** was involved in the design and commissioning of the Chittapur cement plant along with a team of colleagues. The project would have intimidated anyone: it was a mammoth project that needed to be completed on schedule and within the budgeted cost. We worked hard, collaborated and addressed challenges. Failure was not an option. Those grueling months resulted in the Chittapur plant emerging as a showpiece. This happened only because Orient Cement provided challenging opportunities to all employees - equally. Gender and age were not disqualifications. Ability, enthusiasm and experience scored over everything else! There is just one word to describe Orient Cement: ‘inclusive’.

# ‘ORIENT CEMENT TAKES PEOPLE FROM WHAT THEY ARE TO WHAT THEY CAN BE’

## NANDINI BHATTACHARJEE

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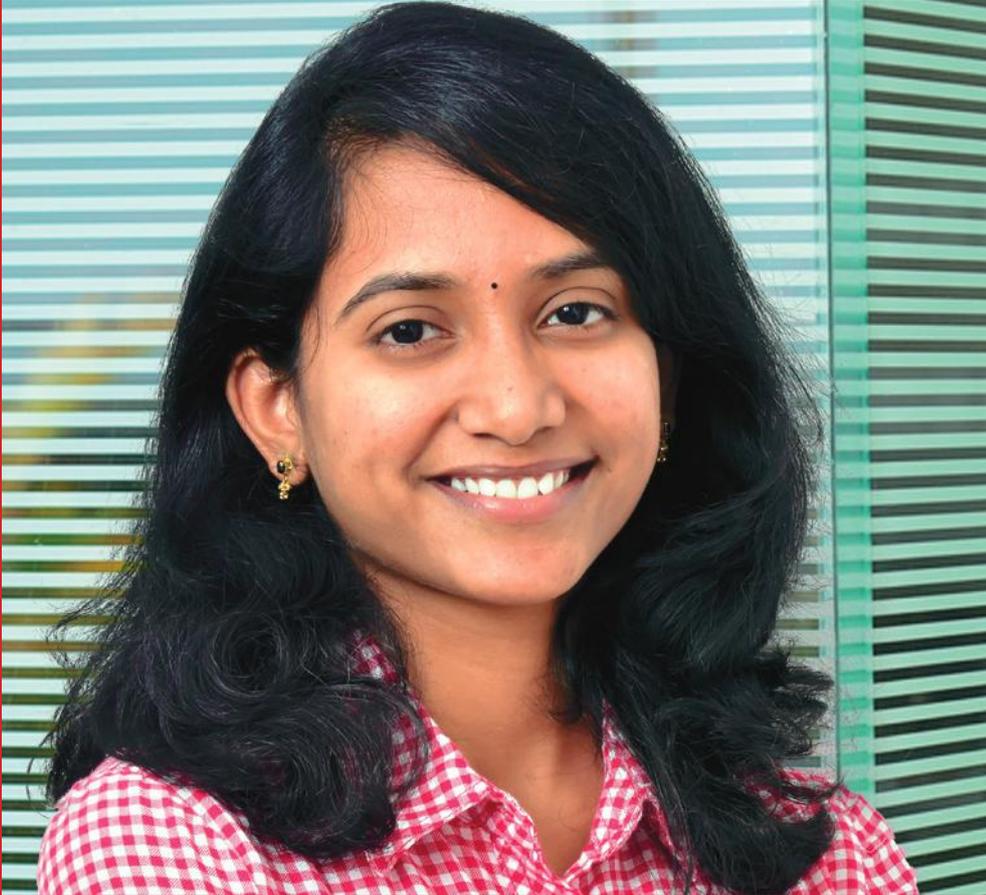
Deputy Manager, Human Resources

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**I** began my journey as a Management Trainee at Orient Cement four years ago, and what a journey it has been! The best thing about the Company is the balance between autonomy and handholding. I have had a rich learning experience in diverse fields like Learning & Development, Performance Management as well as Compensation & Talent Management. However Campus Recruitment & Engagement are the areas that I find most enjoyable and challenging. My colleagues and I engage with the recruits through creative collaterals, induction orientation and project assignment. Their smooth integration into the organisation enhances their productivity. Besides, the Company has also rolled out significant policy updates like ‘Work From Home’. The intent of all this is to create a greater inclusiveness and sensitise the workplace around women-friendliness, be it in the office or at the plants. My big take-home is that Orient Cement takes people from the level of what they are to the level of what they can be.



# 'IN A TRADITIONALLY MALE DOMINATED BUSINESS, WOMEN ARE EQUAL TO MEN!'



## PALLAVI GADUPUDI

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Engineer, Production

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**I**mmediately after I joined Orient Cement, I was asked to collate daily production volumes and power consumption reports to arrive at an analysis and deeper understanding of raw material work flow and inventory requirements. I wondered: 'why would a large company like this give this assignment to a trainee? What if I made a mistake? What if I could not meet the deadline? What if I failed to collate actionable data?' I geared up to give it my best shot, when something amazing happened: my colleagues helped; we fostered interdepartmental collaboration and the senior management encouraged my efforts. Who would have thought that in a traditionally male dominated business, women are equal to men! If my team succeeded, it is because this place is different!

# ‘THERE IS NO GLASS CEILING AT ORIENT CEMENT’

## PRANJAL D YADAV

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Area Sales Manager

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One aspect of my experience at Orient Cement that fills me with pride is that I am one of the few frontline sales women across the cement industry. What is even more fulfilling about this feather in my cap is that it has never been a limitation in any way. From generating cement sales to launching new incentive schemes, from building relationships across the distribution channel to fostering team spirit within our office, I have had a thoroughly enjoyable experience at Orient Cement. Not just that, I have also been recognized within the company as a potential leader through my selection into its esteemed “CEO Circle” leadership development programme. What does this say about the Company? It says that there is no glass ceiling here. There is nothing that can impede my growth here. I can be whoever I wish to be..



## ‘I DISCOVERED THAT I COULD PUSH LIMITS WHEN CHALLENGED’



### SALONI KULSHRESTHA

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Officer, Legal

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**I**n my early days at the Company, I was assigned to work on a case related to entry taxes. I was required to research legalities, precedent cases and probable arguments. The project was challenging on account of my being new to this space. We needed to research relevant details, find appropriate case laws and facts and meet senior officials in person to present our facts, findings and interpretations. Gradually, we resolved differences, modified processes to respond with agility and removed differences of opinion through proactive interaction. What I discovered of myself was that I could push limits when challenged. Imagine a cement company making it possible for me to realise that. Says something about this cement company!

‘I AM **REALLY EXCITED** ABOUT THE NEXT FEW PROJECTS’

## TANMAYEE VARPE

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Senior Officer, Branding

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As a management trainee, I was tasked with the development of corporate presentations that captured audience attention while conveying product characteristics. This was a challenge. I was the sole woman member to attend influencer meets with my colleagues in remote locations and smaller towns, understand the flow of presentations and observe audience responses. Based on their feedback, the presentations were structured around pictorial / audio-visual content. We engaged extensively with the technical team. The branding team provided their observations. The result was when the presentations were used, they flew. I am really excited about the next few projects!



# ‘WHEN A COMPANY TRUSTS AN INDIVIDUAL, THAT TRUST IS REPLICATED TEN-FOLD’

## TRIPTI JAIN

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Senior Manager, Branding

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When I was told it was high time that Orient Cement revamped its online presence, I was pleasantly surprised. However, a still bigger surprise lay in store. I was told that I would have to play a key role in content development and brand promotion on the newly envisaged brand website. The objective: reach out to modern tech-savvy consumers. The challenge: convincing various stakeholders that digital marketing was imperative even in the cement industry today. The result: thanks to unflagging team support, we carried out the project flawlessly. It was a remarkable experience for a newcomer like me: it demonstrated that when a company trusts an individual, that trust is replicated ten-fold!



‘MY EXPERIENCE CAN ONLY BE DESCRIBED IN ONE WORD: **EMPOWERING**’



## UTKALIKA MOHANTY

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Assistant General Manager, Business Excellence

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**M**

y colleagues and I were provided an opportunity to develop a super-strong and high quality premium product to deliver to our customers. We needed to ensure three things: the product had to be manufactured without large operational dislocations; we had to launch a new brand positioning consistent with the superior product; and we were required to generate critical volumes even with the significantly higher prices compared to the standard product. The challenges were numerous: detailed planning, engagement with multiple stakeholders, various implications in making minor process changes in the old plant; managing marketability etc. There was a time when things seemed doomed. And then things turned: my courage and hard work paid off. The launch was an outstanding success. My experience can only be described in one word: empowering.



# Orient Cement: A case study in gender inclusion

Many companies are driven by men.

*Orient Cement is driven by both — women and men.*

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At many companies, women are provided safe mundane roles.

*At Orient Cement, women are provided challenging opportunities.*



In many companies, women are provided challenging projects when they have spent a long time at the Company.

*At Orient Cement, we empower even the inexperienced to go out and achieve, irrespective of gender.*

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In many companies, it would be usual to pay women less than what men receive in equivalent positions.

*At Orient Cement, we are an equal pay and opportunity providing company.*

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In many companies, even when women are assigned projects, they are seldom out in team-leading positions.

*At Orient Cement, there are a number of projects that are led by women.*



# 10 ways in which we have made Orient

## 1

Vision 2020

*The Company is driving diversity with the objective to have 20% of its employee base comprising women by 2020*

## 2

Created an inclusive workplace with mutual sensitivity and respect

*The Company believes in diversity, providing equal opportunities for men and women*

## 3

We are an equal opportunity employer with zero discrimination

*Merit is the key word at Orient Cement; employees are provided opportunities regardless of their gender, race or religion.*

## 4

Encouraging social responsibility

*The Company works closely and also encourages engagement with Chaitanya Mahila Mandali, an NGO that cares for young female victims of trafficking*

## 5

Flexibility in workplace timings

*The Company practices a flexible approach on a need / case basis for women related to work timings, helping balance professional and personal lives*



# Cement a women-friendly company

6

Work from home flexibility

*The Company permits ALL women to work from home two days a month, helping balance personal and professional responsibilities*

7

Sabbatical leave availability

*The Company permits women employees to avail a sabbatical leave on a need / case basis to address personal/ family needs*

8

Health and wellness

*The 'doctor at work' programme comprises a full-time woman doctor employed at all plants and a visiting woman doctor at the Hyderabad office to address the medical needs of women employees*

9

Strong policy support to enforce safety and offer conveniences

*The Company instituted a robust Prevention of Sexual Harassment (POSH) policy coupled with a dedicated Internal Complaints Committee to address concerns. The company provides statutory maternity leave of 26 weeks, surrogacy and adoption leave of 12 weeks and crèche arrangements to enhance assistance*

10

Three-tier safety for women at the workplace

*The Company ensures personal safety - special provisions for night shifts, mandatory home drops after 9pm and CCTV monitoring at key workplace locations. The Company provides POSH and gender sensitivity training to all employees, special care for women to stay in guesthouses/hotels (even when not covered under their eligibility). The Company provides display of emergency contact numbers, self-defence classes and etiquette training*



## CHAIRMAN'S OVERVIEW



Chandrakant Birla, Chairman

# This annual report – a dedication to the women who have helped build Orient Cement – is our way of saying that we are indeed grateful.



t Orient Cement, we have created an exciting workplace.

This workplace is influenced by fresh ideas, the ability to challenge the old and a new way of doing business.

The result is that the operative words at the Company are not ‘How much can we produce?’ but ‘How differently can we perform?’

When you extend this yardstick across every initiative, role, function, geography and hierarchy, you get the makings of a differentiated company.

One of the things that we take pride in at Orient Cement is in being an ‘opportunity enabler.’ This is about opening opportunities for people – challenging them with what they think they can not do, providing them with the confidence that seeds within them the idea that they can, networking them across teams that enhance the individual and finally get them to deliver in line with a raised benchmark.

At Orient Cement, we provide opportunities to women as much as we provide them to men. This is because we believe that there is nothing that men can do that women cannot do equally well – or better.

One of the big changes that we have made in the last few years is to consciously increase the number of women working with us. We are positioning them in decision-making roles, we are investing responsibilities in them and we are providing them with empowering opportunities.

The women of Orient Cement have only validated what we always believed – that empowered women drive change, decisiveness and prosperity.

This annual report – a dedication to the women who have helped build Orient Cement – is our way of saying that we are indeed grateful.



## MANAGING DIRECTOR'S OVERVIEW

Experience will always be important but a few years ago we felt that we needed more workplace enthusiasm.

**M**uch of the country's cement industry is seen as conventional: rules prevail over creativity, convention prevails over the untried and there is a premium for experience over enthusiasm. At Orient Cement, we attempted to create a balance: experience will always be important but a few years ago we felt that we needed more workplace enthusiasm.

We increased the recruitment of young talent and more

specifically, young women. This is reflected in the numbers: our average age has trended from 42.5 in 2014-15 to 37.2 today; the average age of new recruits has been 31.1 during this period; the proportion of women as new recruits has been rising.

The result is that we now are college campus by enthusiasm, factory shopfloor by seriousness and laboratory by the way we experiment. This youth and diversity helps us drive key changes at Orient Cement

### **The technology infusion**

At Orient Cement, if there is a fundamental change between how we used technology in the past and now, it is the widespread democratisation of technology within: there are teams working on enhancing the proportion of procurement through the e-auction route, optimising costs; there are teams focused on creating superior logistics routes to reach markets working with analytics; there are teams reaching out to primary customers through

various social media; there are teams working on a range of possibilities to increase use of alternative fuels; there is a greater respect for what numbers are telling us in terms of demand cycles, competitive action and own performance. This is a completely new way of working and I am happy to communicate that the number of business gains being generated are increasing every year.

## Transforming our brand

At Orient Cement, we believe that our brands must deliver a superior performance in the hands of our consumers; our brands must also generate superior realisations in line with this performance.

This intent is reflected in the development of Birla.A1 StrongCrete, our most decisive product launch ever. The launch of Birla.A1 StrongCrete promises to be a game-changer, which within a short time has impressed customers, influencers and channel partners.

I am proud of the fact that the launch of Birla.A1 StrongCrete was driven by young professionals and the result is that Birla.A1 StrongCrete can completely transform the Company's marketplace presence: graduate Orient Cement's brand to the top of the table, create a new premium price point and through a rub-off, lift the existing established brand too – this is the power of the distinctive youthfulness within our company.

## Caring and sharing

At Orient Cement, we believe that our sense of caring and sharing completes us. We invest in our neighbourhood communities through initiatives in education, health & hygiene, infrastructure development, employability and livelihoods.

While we have run a high-quality school for around 1600 tribal children in our old plant in Telangana, we are now establishing a new school at our plant in Karnataka, demonstrating our commitment to building society from the grassroots.

We afforested areas, enhanced plant safety, provided truckers (employees of contractors) with resting amenities, funded the construction of dispensaries and toilet blocks and provided scholarships to the deserving. Besides, we funded the construction of the Chittapur – Itaga road, which we believe will improve rural access to commercial nodes in the district, enhancing employment and market access, strengthening the rural economy.

## Overview

I cannot but keep emphasising the point that at Orient Cement, we believe that we can't wait for the markets to offer us attractive platforms; we have to go out and create opportunities, create brands and create markets.

I must end with the Persian quote: 'Tafawut ast main-i-shanidan-i-man-o-to. Tu bastan-i-dar, o, man fatahe-bab me shanwam.' (What you and I hear are different: You hear the sound of closing doors. But I of doors that open).

My sentiments exactly.

**Deepak Khetrupal**  
*Managing Director*

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I cannot but keep emphasising the point that at Orient Cement, we believe that we can't wait for the markets to offer us attractive platforms; we have to go out and create opportunities, create brands and create markets.

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# HOW WE HAVE SELECTED TO DO **BUSINESS**

## **Culture reflected in values**

We empower employees with controls, have the foresight and persistence to face challenges and make choices amidst difficulties.

## **Diversity**

We drive inclusive growth at Orient Cement. Women undertake diverse responsibilities at the Company and their proportion in the workforce is expected to grow significantly.

## **Open communication and interaction**

We drive engagement and foster co-operation and harmony among employees through open platforms such as sports & cultural events and Workplace by Facebook

## **Investing in people**

We continuously invest in our people, nurture talent, recognise and reward achievements and run programs for career development.

## **Investment in communities**

We consciously invest in communities around our locations with a focus on health, education, infrastructure and social support to make lives better.

## **Capacity growth**

The Company has outlined a clear agenda for growth, intending to reach a capacity of 15 MTPA in 5 years.

## **Operational excellence**

We have one of the best operating costs in industry today, driven by a passion to do more with less and achieve the best operating metrics.

## **Customer focus**

We have launched a new product (Birla.AI StrongCrete), offered better service levels through direct dispatches and improved turn-around time.

## **Investment in brand and channels**

We consolidated our position in our core markets and expanded into new markets like Karnataka and MP in the last few years.

We have used television commercials to connect with local audiences and used social media extensively to connect with customers, dealers and influencers alike.

## **Streamlined processes using technology**

We used digital tools to optimise processes, drive efficiencies across the value chain and reach our customers better.

# Financial highlights

### Net Revenue (₹ cr)

**19% growth over the last year**

FY	Revenue (₹ cr)
FY15	1510.1
FY16	1470.0
FY17	1887.0
FY18	<b>2242.6</b>

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**Definition**  
Total revenue after deducting excise duties/GST.

**Why we measure**  
This measure reflects our ability to understand market trends and service customer requirements with our products, through responsive manufacturing and competent supply chain management.

**Performance**  
Our net revenue increased 19% per cent to ₹2242.6 cr in FY 18, driven by additional volumes from our newest plant and better prices.

**Value impact**  
Creates a robust growth engine on which to build profits

### Net Profit (₹ cr)

**Returned to profitability this year**

FY	Profit (₹ cr)
FY15	195
FY16	62
FY17	(32)
FY18	<b>44</b>

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**Definition**  
Profit reported during the year after deducting all expenses and provisions.

**Why we measure**  
It highlights the strength in the business model in generating ultimate value for its shareholders.

**Performance**  
The company reverted back to net profitability this year, even after accounting for depreciation and interest cost linked to capacity expansion. The commissioned capacities are now fully operational and with a recovery in market demand, net profit is expected to grow further in the years ahead.

**Value impact**  
Direct correlation to value attributable to shareholders and available to support further investment in growth.

### EBITDA (₹ cr)

**71% growth over the last year**

FY	EBITDA (₹ cr)
FY15	313
FY16	193
FY17	190
FY18	<b>325</b>

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**Definition**  
Earning before the deduction of interest, depreciation, extraordinary items and tax.

**Why we measure**  
It is a parameter that showcases the Company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

**Performance**  
Previously the decline in EBITDA was due to adverse movement of prices in specific regions and costs related to the optimization of new capacity. Specific initiatives along with a recovery in prices in our core markets has enhanced the EBITDA to ₹325 crore this year.

**Value impact**  
Measure of the cash produced by the operating business, before interest or depreciation that is internally available to fund further capital expenditure and investments in the business going forward, before requiring external funding.

### EBITDA Margin (%)

**442 bps increase over the last year**

FY	EBITDA Margin (%)
FY15	20.7
FY16	13.1
FY17	10.1
FY18	<b>14.5</b>

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**Definition**  
EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. Higher the operating margin, better for the Company.

**Why we measure**  
The EBITDA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

**Performance**  
The company reported a 442 bps increase in EBITDA margin in FY18.

**Value impact**  
Demonstrates the efficiency of a company's core operations relative to revenue generated in the market.

## ROCE (%)

585 bps increase over the last year

FY15		31.2
FY16		7.6
FY17		3.1
FY18		9.0

### Definition

It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

### Why we measure

ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

### Performance

The company reported a 585 bps growth in ROCE in FY18 on the back of better operating profits as described above.

### Value impact

Enhanced ROCE can potentially drive valuations and perception.

## Debt cost (%)

80 bps reduction over the last year

FY15		9.9
FY16		10.0
FY17		10.1
FY18		9.3

### Definition

This is derived through the calculation of the average cost of the consolidated debt on the Company's books.

### Why we measure

This indicates the confidence of bankers and other debt providers in the robustness of our business model, translating into a

progressively lower debt cost (potentially leading to higher profit margins).

### Performance

The company's debt cost has reduced by 80 bps in FY18.

### Value impact

Strengthened ability to service debt, enhanced credit rating for successive declines in debt cost.

## Interest cover (x)

Increased over the last year

FY15		4.7
FY16		1.7
FY17		1.5
FY18		2.7

### Definition

This is derived through the division of EBITDA by interest outflow.

### Why we measure

Interest cover indicates the Company's comfort in servicing interest, the highest the better.

### Performance

The company's interest

cover has improved this year both on account of better operating profits and slightly lower debt cost.

### Value impact

Higher number indicates strengthened ability to service debt reflecting either improved cash flows or reduced interest costs or both.

## Gearing (x)

Strengthened over the last year

FY15		1.1
FY16		1.2
FY17		1.3
FY18		1.2

### Definition

This is derived through the ratio of debt to net worth (less revaluation reserves).

### Why we measure

This is one of the defining measures of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better). In turn, it indicates the

ability of the Company to sustain growth in profits, margins and shareholder value.

### Performance

The Company's gearing strengthened from 1.31 in FY17 to 1.24 in FY18.

### Value impact

Enhanced shareholder value by lowering liabilities.

# COMMUNITY ENGAGEMENT AT ORIENT CEMENT

At Orient Cement, engagement goes beyond our people and customers.

A responsible organisation, the Company actively engages with the local communities around its manufacturing locations to make their lives better.

A dedicated CSR committee makes recommendations for welfare and development activities under themes of education, health & hygiene, infrastructure development and employability and livelihood.

At Devapur, the Company has a school imparting education in English & Telugu. Material help was also extended for the construction of government schools in Devapur. A free bus service was provided for students of schools & colleges at Mancherla and a scholarship scheme was announced for meritorious students.

Orient Cement operates a free to use dispensary at Devapur providing medical facilities, arranging transport for patients from villages and conducting many medical camps in Devapur and surrounding villages.

During the Vanam Manam event, 2215 tree saplings were planted near Devapur. In line with 'Swachh

Bharat', numerous cleaning activities were organised and conducted by employees to improve health and hygiene and motivate the community. Toilet blocks were constructed in government schools, in Sircherla and the Company helped with the maintenance of a Sulabh complex.

At Chittapur, Orient Cement improved infrastructure, engaged in community development and offered scholarships to deserving and meritorious students in nearby schools.

The six kilometre stretch of Chittapur-Itaga road was reconstructed with concrete. The Company engaged with anganwadis and self-help groups to impart soft skill training to children, distribute sewing machines to women, distribute uniforms to students at anganwadis, conduct teacher's development training at Gulbarga and conduct awareness activities on waste management.

It is through such initiatives that the Company extends its engagement with communities and strives to make a positive difference in the lives of people.

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## Development activities focus on education, health & hygiene, infrastructure development and employability and livelihood.

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# Our Board of Directors

## **Mr. Chandrakant Birla** (*Chairman*)

Date of Birth: 9<sup>th</sup> January, 1955

Date of appointment: 23<sup>rd</sup> 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

## **Mr. Desh Deepak Khetrpal** (*Managing Director & CEO*)

Date of Birth: 5<sup>th</sup> July, 1955

Date of appointment: 2<sup>nd</sup> April, 2012

DIN: 02362633

Qualification: Honours degree in Business & Economics and Master's 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 organizations, across various Industries including services, industrials, consumer and retail businesses.

## **Mrs. Amita Birla** (*Non-Executive Director*)

Date of Birth: 7<sup>th</sup> December, 1956

Date of appointment: 27<sup>th</sup> 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

## **Mr. Vinod Kumar Dhall** (*Independent Director*)

Date of Birth: 20<sup>th</sup> February, 1944

Date of appointment: 9<sup>th</sup> August, 2014

DIN: 02591373

Qualification: Law degree from the University of Delhi and Master's 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.

## **Mr. Rabindranath Jhunjhunwala** (*Independent Director*)

Date of Birth: 16<sup>th</sup> March, 1973

Date of appointment: 9<sup>th</sup> August, 2014

DIN: 00050729

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).

## **Mr. Rajeev Jhavar** (*Independent Director*)

Date of Birth: 11<sup>th</sup> November, 1964

Date of appointment: 9<sup>th</sup> 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.

## **Mr. Janat Shah** (*Independent Director*)

Date of Birth: 22<sup>nd</sup> September, 1958

Date of appointment: 30<sup>th</sup> 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.

## **Mr. Swapan Dasgupta** (*Independent Director*)

Date of Birth: 3<sup>rd</sup> October, 1955

Date of appointment: 4<sup>th</sup> 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, public policy analyst and Member of Parliament

Expertise in specific functional areas: Writing and public policy analysing.

## **Mr. I.Y.R Krishna Rao** (*Independent Director*)

Date of Birth: 22<sup>nd</sup> January, 1956

Date of appointment: 5<sup>th</sup> May, 2017

DIN: 00481367

Qualification: M.A. (Economics)

Occupation: Retired IAS- Chief Secretary, Andhra Pradesh

Expertise in specific functional areas: Administration, Economics & Finance.

## 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, 3<sup>rd</sup> Floor, 25, Barakhamba Road, New Delhi-110 001

Tel: 011-42092100, 011-42092190

investors@orientcement.com I www.orientcement.com

## Notice

**NOTICE** is hereby given that the 7<sup>th</sup> Annual General Meeting (AGM) of the Members of Orient Cement Limited (CIN:L26940OR2011PLC013933) will be held on Friday 17<sup>th</sup> August, 2018 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 31<sup>st</sup> March, 2018, including the audited Balance Sheet as at 31<sup>st</sup> March, 2018, 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 and Auditors thereon.
2. To declare a final dividend of ₹0.75/- per equity share of face value of ₹1 each for the financial year ended 31<sup>st</sup> March, 2018.
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 M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 301003E/E300005), Statutory Auditors as required under section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### Special Business

#### Item No. 5-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 ₹85,000/- (Rupees Eighty five 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 2018-19, 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."

#### Item No. 6 Approval of the terms of remuneration of Mr. Desh Deepak Khetrapal, Managing Director & CEO (DIN 02362633)

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

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Schedule V to the Act and the Rules made thereunder, as amended from time to time, and subject to such approvals as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such approval(s) and as agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any Committee thereof or any person authorized by the Board in this behalf), the consent of the Members of the Company be and is hereby accorded for paying remuneration to Mr. Desh Deepak Khetrapal-Managing Director & CEO (DIN 02362633) for the period from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019, including the remuneration to be paid in the event of loss or inadequacy of profits in the financial year, as set out in the Explanatory Statement annexed to the Notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all such steps as may be necessary for obtaining necessary approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be necessary, proper, expedient or incidental for giving effect to this resolution."

**Item No. 7 Raising of funds through issuance of securities**

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 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 along with Rules enacted thereunder ("**Companies Act**") (including any amendment(s), statutory modification(s) or re-enactment thereof), enabling provisions of the Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") read with the listing agreements entered into by the Company with the stock exchanges where equity shares of the Company of face value ₹1/- each are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("SEBI (ICDR) Regulations"), Foreign Exchange Management Act, 1999 as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and clarifications issued thereon from time to time and subject to other required rules, regulations, guidelines, notifications and circulars issued by the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Government of India ("GOI"), the stock exchanges, Department of Industrial Policy & Promotion and / or any other competent authorities from time to time to the extent applicable, subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, stock exchanges, RBI, Foreign Investment Promotion Board, GOI and/or any other concerned statutory or other relevant authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/or sanctions which may be agreed to by the Board of Directors of the Company ("Board" which term shall include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board in its absolute discretion to offer, issue and allot equity shares ("Equity Shares") and /or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") ("Securities") in the course of domestic and / or international offerings representing either equity shares or a combination of the foregoing for an amount not exceeding ₹500 crores (Rupees five hundred crores only), inclusive of permissible green shoe option, for cash and at such premium / discount, as applicable, as the Board deems fit to all eligible investors including but not limited to existing equity shareholders as on record date, residents and / or non-residents, whether institutions, incorporated bodies, foreign institutional investors, qualified institutional buyers, banks, mutual funds, insurance companies, pension funds, trusts, stabilizing agents and / or otherwise and / or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company, in the course of domestic and / or international offerings through public issue and / or private placement and /or rights issue and / or qualified institutional placement ("QIP") and / or any other permitted modes through prospectus and/or an offer document and / or private placement offer letter and/or such other documents/writings/ circulars / memoranda in such manner, by way of cash at such time or times in such tranche or tranches and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed by the Company, so as to enable the Company to list on any Stock Exchange in India and / or Luxembourg and /or London and /or New York and /or Singapore and /or Hong Kong and / or any of the Overseas Stock Exchanges as may be permissible.

**RESOLVED FURTHER THAT** the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by the applicable laws.

**RESOLVED FURTHER THAT** in the event of issue of GDRs / ADRs, the pricing shall be determined in compliance with principles and provisions set out in the Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and other applicable provisions, as amended from time to time.

**RESOLVED FURTHER THAT** in the event the equity shares are issued in the course of QIP under Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time, the pricing shall be determined in compliance with principles and provisions set out in Regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, as amended from time to time. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time.

**RESOLVED FURTHER THAT** in the event the equity shares are issued in the course of QIP under Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time, the relevant date for the purpose of the pricing of the equity shares shall be the meeting in which the Board decides to open the issue.

**RESOLVED FURTHER THAT** the Company may enter into any arrangement with any agencies or bodies as are authorized by the Board for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and / or international practice and regulations, and under the norms and practices prevalent in the domestic/ international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the consent of the Company be and hereby accorded to the Board to do all such acts, deeds, matters and things including but not limited to finalization and approval of the offer documents(s), private placement offer letter, determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, fixing the record date, execution of various transaction documents, as the Board may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the proceeds as it may in its absolute discretion deem fit.

**RESOLVED FURTHER THAT** the Securities to be created, issued, allotted and offered in terms of this Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** the equity shares shall be listed with the stock exchanges, where the existing Equity Shares of the Company are listed and the same shall rank pari passu with the existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** in the event the Equity Shares are issued in the course of rights issue, the Board shall be authorized to determine the rights entitlement ratio, issue price, issue size, number of Equity Shares, record date, issue period, any other terms of rights issue or any matters pertaining to the rights issue.

**RESOLVED FURTHER THAT** in the event the Equity Shares are issued in the course of rights issue, if the Equity Shares are not subscribed, the same may be disposed of by the Board in such manner which is not dis-advantageous to the shareholders and the Company.

**RESOLVED FURTHER THAT** the approval of the Company is hereby accorded to the Board to appoint merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts/ agreements, memorandum, documents, etc., with such agencies, to seek the listing of Securities on one or more recognized stock exchange(s), to affix common seal of the Company on any arrangements, contracts/ agreements, memorandum, documents, etc. as may be required.

**RESOLVED FURTHER THAT** the issue of Securities, which are convertible into Equity Shares at a later date, shall be, inter alia, subject to the following terms and conditions:

- (a) In the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- (b) In the event of the Company making rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the

entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which they are offered to the existing shareholders;

- (c) In the event of merger, amalgamation, takeover or any other re-organization or restructuring or any such corporate action, the number of Equity Shares, the price, and the time period as aforesaid shall be suitably adjusted; and
- (d) In the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the Securities into other Securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board in consultation with the merchant banker(s), advisors and/or other intermediaries as may be appointed by the Company in relation to the issue of Securities, be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Securities and listing thereof with the stock exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to the any of the aforesaid or otherwise in relation to the issue of Securities.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any officer of the Company.”

**By order of the Board of Directors**

Place: New Delhi  
Date: May 3, 2018

**Nidhi Bisaria**  
Company Secretary  
(M.No.FCS-5634)

## NOTES:

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out the details relating to Special Business at the meeting, is annexed hereto.
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 TO 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 50 (fifty) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
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 Monday, 13<sup>th</sup> day of August, 2018 to Friday, 17<sup>th</sup> day of August, 2018, both days inclusive, for annual closing and for determining the entitlement of the shareholders to the final dividend for financial year 2017-18.
9. The dividend on Equity Shares, if declared at the AGM, will be credited / dispatched by the 30<sup>th</sup> day of August, 2018 to those members whose names will appear on the Company's Register of Members as on the book closure date.
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. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. 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. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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/es either with the Company or with the Depository Participants. 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 2017-18 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 2017-18 are being sent by the permitted mode.
17. The Notice of the 7<sup>th</sup> 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 7<sup>th</sup> AGM and the Annual Report 2017-18 will be available on the Company's website [www.orientcement.com](http://www.orientcement.com).
19. In accordance with the provisions of section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agent, M/s. MCS Share Transfer Agent Limited and have it duly filled and send 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, 3<sup>rd</sup> 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
  - I. In compliance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration ) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the members, facility to exercise their right to vote on resolutions proposed to be considered at the 7<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through Ballot Paper shall be made available at the Annual General Meeting and the members

attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.

- III. The members who 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 14<sup>th</sup> August, 2018 (9:00 A.M.) and ends on 16<sup>th</sup> August, 2018 (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 i.e. 10<sup>th</sup> August, 2018, 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 (1) 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)):**

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

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

- i. Initial password is provided with the copy of this notice in separate sheet.
  - ii. Please follow all steps from Sl. No ii to Sl. No. xii above, to cast vote.
- (2) i. In case of any query, you may refer the Frequently Asked Questions (FAQ's) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - ii. 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.
  - iii. 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).

iv. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut off date i.e. 10<sup>th</sup> August, 2018.

v. 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 10<sup>th</sup> August, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto:Issuer/RTA).

vi. 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. Shareholders who forgot the User Details/ Password can use "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

In case shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+Client ID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No. + Folio No.).

vii. 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.

viii. 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.

ix. 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.

x. 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.

xi. 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.

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

**By order of the Board of Directors**

**Place: New Delhi**  
**Date: May 3, 2018**

**Nidhi Bisaria**  
**Company Secretary**  
**(M.No. FCS-5634)**

**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**

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 3<sup>rd</sup> May, 2018, 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 31<sup>st</sup> March, 2019, 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 ₹85,000/- (Rupees eighty five 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 financial year 2018-19 as set out in the resolution for the aforesaid services to be rendered by him.

None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the proposed resolution.

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

**Item No. 6**

The Members at their Annual General Meeting held on 25<sup>th</sup> July, 2015 re-appointed Mr. Desh Deepak Khetrapal (DIN 02362633) as Managing Director & CEO ("MD & CEO") of the Company for a period of 5 years w.e.f 1<sup>st</sup> April, 2015, subject to revision in his remuneration every year. Taking into consideration the duties and responsibilities cast on 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 3<sup>rd</sup> May, 2018 revised Mr. Khetrapal's (DIN 02362633) remuneration with effect from 1<sup>st</sup> April, 2018, subject to the approval by the Shareholders' of the Company and such other consents and approvals that may be required.

Pursuant to the Notification no. S.O.2922(E) dated 12<sup>th</sup> September, 2016 issued by the Ministry of Corporate Affairs ("Notification"), the Company with the approval of Members by passing special resolution can pay the remuneration to the MD & CEO in case it has no profit or inadequacy of profit, without the approval of Central Government if, the managerial person is:-

- (i) not having any interest in the capital of the Company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures and not having any direct or indirect interest or
- (ii) not related to the directors or promoters of the Company or its holding company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment and possesses graduate level qualification with expertise and specialized knowledge in the field in which the Company operates.

Mr. Khetrapal fulfills the conditions mentioned in the aforesaid Notification.

Mr. Khetrapal is a professional and he holds Honours Degree in Business & Economics and Masters Degree in Business Administration in Marketing & Finance from the Delhi University.

The information as required by second provision of Paragraph B of Section-II of Part-II of Schedule V of the Companies Act, 2013, is given below:-

## I. General Information:

### (1) Nature of industry

The Company is primarily engaged in the manufacture and sale of cement and its manufacturing facilities at present are located at Devapur in Telangana, Chittapur in Karnataka and Jalgaon in Maharashtra.

### (2) Date or expected date of commencement of commercial production

Devapur – 16<sup>th</sup> September, 1982

Jalgaon – 28<sup>th</sup> November, 2000

Chittapur- 26<sup>th</sup> September, 2015

### (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable

### (4) Financial performance based on given indicators

	(₹ in crores)		
Particulars	2017-18	2016-17	2015-16
Gross Sales	2310.85	2,170.89	1,691.63
Earnings before interest, depreciation, amortisation & taxation	325.41	190.39	193.11
Net Profit before taxation	70.03	(66.48)	60.85
Net profit	44.22	(32.10)	62.36
Dividend on equity shares	10.24	20.49	20.49
<b>EPS</b>	<b>2.16</b>	<b>(1.57)</b>	<b>3.04</b>

### (5) (1) Foreign investments or collaborations, if any.

Nil

## II. Information about the appointee:

### (1) Background details

Mr. Khetrpal, aged 62, holds Honours Degree in Business & Economics and Masters Degree in Business Administration in Marketing & Finance from Delhi University. He has vast work experience in service, industrial, consumer and retail businesses.

Before joining Orient Cement Limited, Mr. Khetrpal was the Group Chief Executive Officer of Jumbo Group of Companies. He has also worked with Raymond Limited as Chief Operating Officer.

### (2) Past remuneration (p.a)

	(Amount in ₹)		
Particulars	2017-18	2016-17	2015-16
Salary	2,58,24,000	2,08,32,000	1,68,00,000
<b>Allowance and Perquisites :</b>			
Personal allowance/ Pay	1,29,60,000	98,40,000	72,96,000
Special allowance/ Pay	1,33,76,520	1,01,56,560	75,48,000
Medical allowance	1,00,000	1,00,000	1,00,000
LTA	21,52,000	17,36,000	14,00,000
Driving allowance	-	-	-
Performance bonus	1,50,00,000	1,21,50,000	99,00,000
Company leased accommodation/ House rent allowance	48,00,000	48,00,000	48,00,000
Leave Encashment	8,68,000	7,00,000	-
<b>Total</b>	<b>7,50,80,520</b>	<b>6,03,14,560</b>	<b>4,78,44,000</b>

In addition to the above, the MD & CEO was:

- (i) Provided Company's car (fully maintained and chauffeur driven) for official use.
- (ii) Entitled to the shares of the Company in accordance with the Employees Stock Option Scheme as adopted by the Company.
- (iii) Entitled for contribution to Provident Fund, Gratuity and Superannuation Fund as per the Rules of the Company.
- (iv) Entitled for encashment of un-availed leave at the end of the tenure or at specified intervals as per the Rules of the Company .

### (3) Recognition or awards

Under the dynamic leadership of Mr. Desh Deepak Khetrpal (DIN 02362633) as MD & CEO, the Company was awarded several prestigious awards including the following Awards to name a few:

#### Financial year 2017-18

##### Devapur Plant:

- (a) Best Management Award, issued by Labour Department, Govt. of Telangana on May Day 2017
- (b) National Energy Management Gold Award from Society of Energy Engineers & Energy Managers (SEEM) -2016
- (c) National Award for Excellence in Energy Management 2017 from CII
- (d) Mines Safety Week 2017 Awards by Director General of Mines Safety
  - Overall performance – 2<sup>nd</sup> Prize
  - Electrical Installation – 1<sup>st</sup> Prize
  - Best Practices in Mines – 1<sup>st</sup> Prize
  - Crusher & Belt Conveyor – 1<sup>st</sup> Prize
  - Swatch Bharat - 2<sup>nd</sup> Prize
  - Safe Mine Workings – 2<sup>nd</sup> Prize

##### Chittapur Plant:

- (a) Safety awards from the Mines Safety Association Karnataka (MSAK) 2017-18
  - Contractual Work vis Safety is my responsibility cards 1<sup>st</sup> Prize
  - Publicity & Propaganda & Innovation 1<sup>st</sup> Prize
  - Safety Management System 2<sup>nd</sup> Prize
  - Maintenance of Mining Machinery & Crusher 2<sup>nd</sup> Prize
  - Swachh Bharat Abhiyan 3<sup>rd</sup> Prize
- b. Mines Environment & Mineral Conservation Week Awards 2017-18 by Indian Bureau of Mines
  - Waste Dump Management 3<sup>rd</sup> Prize
  - Reclamation and Rehabilitation 3<sup>rd</sup> Prize
- c. Best Safe Performance of Plant, Best Training & Resources Award by KRISC (Kalburgi Regional Industrial Safety Committee) under the aegis of Department of Factories, Boilers, Industrial Safety & Health.

### (4) Job profile and his suitability

Taking into consideration the size of the Company, the complex nature of its operations, and Mr. Khetrpal's broad functional and general management skills, his rich experience of over 40 years, the Board re-appointed Mr. Desh Deepak Khetrpal (DIN 02362633) as MD & CEO for a period of 5 years w.e.f 1<sup>st</sup> April, 2015, subject to revision in his remuneration every year.

Mr. Khetrpal, MD & CEO of the Company is the driving force behind the Company. Mr. Khetrpal is a man with a vision to create a business of excellence and is the inspiration for all, as he spearheads the Company's management and operations; strategizing and directing it through its next phase of growth. Mr. Khetrpal is a professional business leader with a track record of leading and transforming large and diversified organisations, across various industries including service, industrial, consumer and retail businesses.

## (5) Remuneration proposed

(from 1<sup>st</sup> April, 2018-31<sup>st</sup> March, 2019)

Particulars	Monthly (₹)	Annual (₹)
Basic salary/ Basic pay	26,00,000	3,12,00,000
Allowances and perquisites:		
Personal allowance/ pay	13,50,000	1,62,00,000
Special allowance/ pay	13,58,986	1,63,07,830
Medical allowance/ reimbursements	10,000	1,20,000
LTA	2,16,667	26,00,000
<b>Gross Salary</b>	<b>55,35,653</b>	<b>6,64,27,830</b>

In addition to the above:

- (i) provision of suitable Company leased accommodation/ house rent allowance of ₹4,00,000/-(four lacs only) per month and Company car (fully maintained and chauffeur driven) for official use.
- (ii) entitled to an annual performance linked compensation up to ₹1,80,00,000/- (Rupees one crore eighty lacs only). The performance linked pay can be paid upto 120% of ₹1,80,00,000/-on achieving certain additional performance criteria as specified by the Nomination & Remuneration cum Compensation Committee of the Company from time to time.
- (iii) Entitlement to the shares of the Company in accordance with the Employees Stock Option Scheme as adopted by the Company.
- (iv) Contribution to Provident Fund, Gratuity and Superannuation Fund will be as per the Rules of the Company.
- (v) 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.

Appointment will be terminable by either party by giving three months notice or salary in lieu thereof.

### (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The proposed remuneration is comparable considering the industry, size of the Company, the managerial position, the credentials and responsibilities of the MD & CEO.

### (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Except the remuneration and perquisites as stated above, Mr. Desh Deepak Khetrapal has no direct or indirect pecuniary relationship with the Company or managerial personnel. Further, he does not hold any shares in the Company.

## III. Other information

### (1) Reasons of loss or inadequate profits

The country's cement industry is witnessing increasing competition on account of the geographic concentration of cement plants, supply overhang and low levels of capacity utilization. Increased competition can create pressure on margins, market share etc. Increase in the costs of raw material, power and fuel due to inflation or global price trends may impact profitability. Further, the Indian cement industry is labour-intensive; it is exposed to health and injury risks due to accidents or negligence. As a result of which there are likely to be losses or inadequate profits during his tenure of appointment.

### (2) Steps taken or proposed to be taken for improvement

- (a) The Company is leveraging its expertise and experience, investing continuously in enhancing the equity of its Birla A1 brand by focusing on quality, cost, timely delivery, customer service, advertising and brand promotion. The

Company is investing in marketing and promotions to sustain brand equity in its areas of operation, strengthen brand salience in new markets and enhance its competitiveness.

- (a) The Company is employing various means to reduce the impact of rising costs through better fuel sourcing processes, dynamic fuel mix capabilities to capitalise on emerging price trends and the use of alternative fuels.
- (b) As regards labour problems, the Company has implemented various measures which include the development and implementation of critical safety standards across units and project sites, establishment of processes for safety training across levels, promotion of a safety culture for staff members, and contract workers with appropriate insurance coverage.

### **(3) Expected increase in productivity and profits in measurable terms**

The renewed push by the government in various construction and infrastructure initiatives, augurs well for the sector in the years ahead. It is expected that given the outlook for cement demand, the Company will witness robust growth led by demand recovery. Existing plants in Jalgaon, Devapur and Chittapur are expected to gain from price improvement across the markets. With the expected demand recovery and the Company being one of the low cost cement producers, it is expected that the profitability in the coming year is likely to improve.

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 Orient Electric 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 has been granted 8,31,900 stock options convertible into equivalent number of equity shares of the Company in terms of the Employees Stock Option Scheme 2015.

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 proposed 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**

The Company, in accordance with its vision statement, proposes to achieve 15 Million Ton per annum cement capacity. Towards this objective, the Company is continuously looking at organic and inorganic growth opportunities. In order to fund the growth, there would be need to raise funds through issue of equity shares or equity linked securities. The Company proposes to raise the capital for the purpose of capital expenditure for ongoing and future expansion projects, acquisition(s), working capital, repayment of loans and for general corporate purposes.

In this regard, the Company has been exploring various avenues for raising funds by way of issue of equity shares ("Equity Shares") and /or Global Depository Receipts ("GDRs") and /or American Depository Receipts ("ADRs") ("Securities") to all eligible investors including but not limited to existing equity shareholders as on record date, residents and / or non-residents, whether institutions, incorporated bodies, foreign institutional investors, qualified institutional buyers, banks, mutual funds, insurance companies, pension funds, trusts, stabilizing agents and / or otherwise and / or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company in the course of domestic and / or international offerings through public issue and / or private placement and /or rights issue and / or qualified institutional placement ("QIP") and / or any other permitted modes through prospectus and/or an offer document and / or private placement offer letter and/or such other documents/writings/ circulars / memoranda in such manner, at such time or times in such tranche or tranches for an amount not exceeding ₹500 crores (Rupees five hundred crores only), inclusive of permissible green shoe option, for cash and at such premium / discount, as applicable, as the Board deems fit and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors. The Equity Shares shall rank pari passu with the existing equity shares of the Company.

In the event of the issue of the Equity Shares as aforesaid by way of QIP, it will be ensured that:

- a) The relevant date for the purpose of pricing of the Equity Shares would, pursuant to Chapter VIII of the SEBI (ICDR) Regulations, be the date of the meeting in which the Board or duly authorised committee thereof decides to open the proposed issue of Equity Shares;
- b) The pricing for this purpose shall be in accordance with regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time;
- c) The issue and allotment of Equity Shares shall be made only to Qualified Institutional Buyers (QIBs) within the meaning of SEBI (ICDR) Regulations and such Equity Shares shall be fully paid up on its allotment;
- d) The total amount raised in such manner and all previous QIPs made by the Company in a financial year would not exceed 5 times of the Company's net worth as per the audited balance sheet for the previous financial year;
- e) The Equity Shares shall not be eligible to be sold for a period of 1 year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI (ICDR) Regulations.
- f) The Equity Shares shall be allotted within 12 months of the date of passing of the shareholders resolution.

For making any further issue of shares to any person(s) other than existing equity shareholders of the Company approval of members is required to be obtained by way of passing a special resolution, in pursuance to section 62 (1) (c) of the Companies Act.

The proposed issue is in the interest of the Company and your Directors commend the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the proposed resolution, except to the extent of their respective shareholdings in the Company, if any.

Therefore, the Board recommends the Special resolution set forth in Item No. 7 of the Notice for the approval of the members.

**Details of Directors seeking appointment and re-appointment at the Annual General Meeting pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings**

Particulars	Mrs. Amita Birla	Mr. Desh Deepak Khetrpal
DIN	00837718	02362633
Age	61	63
Qualifications	GCE-A Level	Honours Degree in Business & Economics and Masters Degree in Business Administration in Marketing & Finance from the Delhi University
Experience	37 years	40 years
Terms and conditions of appointment/re-appointment	Re-appointment upon retirement by rotation.	-
Date of first appointment on the Board	27 <sup>th</sup> March, 2015	2 <sup>nd</sup> April, 2012
Occupation	Industrialist	Managing Director & CEO
Expertise in specific functional areas	Expertise in Management and Operation of diverse nature of business	Marketing, Finance and Business Administration
Directorships held in other bodies corporates	<ol style="list-style-type: none"> <li>Hindusthan Discounting Co. Ltd</li> <li>Birlasoft India Ltd</li> <li>Neosym Industry Limited</li> <li>National Engineering Industries Ltd</li> <li>Birlasoft INC. USA</li> <li>Birlasoft (U.K) Limited, London</li> </ol>	<ol style="list-style-type: none"> <li>HIL Limited</li> <li>Oriental Bank of Commerce</li> <li>Orient Electric Limited</li> </ol>
Memberships/ Chairmanships of Committees other than Orient Cement Limited	<ol style="list-style-type: none"> <li>Birla (Soft) India Ltd – Nomination &amp; Remuneration Committee –Member</li> <li>National Engineering Industries Ltd – CSR Committee –Member</li> </ol>	<ol style="list-style-type: none"> <li><b>HIL Limited</b> – Audit Committee-Member – Nomination &amp; Remuneration Committee – Member – Corporate Social Responsibility Committee –Chairman</li> <li><b>Oriental Bank of Commerce</b> – IT Strategy Committee of Board- Chairman – HR Committee of Board-Member – Management Committee of the Board –Member – Special Committee of Board for monitoring of Large Value Frauds - Member – Supervisory Committee of Directors on Risk Management - Member – Appellate &amp; Reviewing Authority Committee of Board - Member – Review Committee of Board on Non-Cooperative Borrowers &amp; Wilful Defaulters – Member</li> <li><b>Orient Electric Limited</b> – Audit Committee-Member – Nomination &amp; Remuneration Committee –Member – Corporate Social Responsibility Committee –Member</li> </ol>
Shareholding in the Company	3,88,000 No. of Shares (as on March 31, 2018)	Nil
Number of Board Meetings attended during the year	4 meetings out of 6 meetings	All the 6 meetings

# Directors' Report

*Dear members*

Your directors are pleased to present the 7<sup>th</sup> Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended 31<sup>st</sup> March, 2018.

## SUMMARY OF FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2018 is summarised below:

Particulars	(₹ in Lacs)	
	2017-18	2016-17
Gross Sales	2,31,084.51	2,17,089.12
Total Revenue (Net of excise)	2,24,256.96	1,88,703.06
<b>Earnings before interest, depreciation, amortisation &amp; taxation</b>	<b>32,540.70</b>	<b>19,039.04</b>
Interest / finance costs	12,920.96	13,533.51
<b>Profit before depreciation and taxation</b>	<b>19,619.74</b>	<b>5,505.53</b>
Depreciation and amortization expenses	12,616.62	12,153.59
<b>Net Profit before taxation</b>	<b>7,003.12</b>	<b>(6,648.06)</b>
Taxation	2,580.98	(3,438.21)
<b>Net profit</b>	<b>4,422.14</b>	<b>(3,209.85)</b>
Profit brought forward from last year	24,794.09	30,576.30
<b>Profit available for appropriations</b>	<b>29,216.23</b>	<b>27,366.45</b>
<b>Appropriations</b>		
Other Comprehensive Income	(49.01)	(106.61)
Dividend on equity shares	1,024.34	2,048.69
Corporate dividend tax	208.53	417.06
Balance carried to balance sheet	27,934.35	24,794.09
<b>EPS</b>	<b>2.16</b>	<b>(1.57)</b>

## BUSINESS AND FINANCIAL PERFORMANCE

Post demonetisation, the cement demand from the housing sector continued to remain subdued and was further aggravated by introduction of policies like RERA and GST. The ban on the sand mining in several states also impacted cement demand. However, the Government's push on execution of large infrastructure projects revived the demand in the second half of the year and coupled with the low base from demonetisation last year, contributed to an overall demand growth of over 6% for the full year.

On the cost front, fuel prices continued to rise during the year as a consequence of the increase in the global energy prices, adversely impacting the profit margins of the industry as a whole.

In this backdrop, the key business and financial highlights of your Company for FY18 are as under:

- Total sales volume for the year stood at 57.46 Lac tons against 55.52 Lac tons in FY17, a growth of around 3.5%.
- We continue to focus on PPC cement production in line with your Company's commitment to environmental

sustainability. 75% of cement volume was sold as PPC from the old operations and while PPC sales from relatively new operations are also scaling up steadily to reach 47% for the year.

- Net sales realisation for the year was ₹3858 per ton, higher as compared to ₹3369 per ton last year.
- Variable production cost was higher largely on account of higher fuel prices.
- Despite an extremely challenging year in terms of demand, the overall capacity utilisation of the Company stood at 72% for the year as compared to 69% during last year.
- EBITDA for the year was ₹32541 Lac as compared to ₹19039 Lac during the previous year largely driven by better sales realisation.
- Net profit for the year was ₹4422 Lac compared to net loss of ₹3210 Lac during the last year.

The construction work for the Chittapur railway siding and the township for employees started during the year and is expected to complete in the second half of FY19. We are also evaluating the setting up of waste heat recovery plants at both Devapur and Chittapur to optimise power cost and reduce our dependence on the fossil fuel.

## DIVIDEND

Your Directors are pleased to recommend a final dividend amounting to ₹0.75/- (75%) per equity share of face value of Re. 1/- each for the year ended 31<sup>st</sup> March, 2018, subject to approval of shareholders at the forthcoming annual general meeting of the Company as against dividend of ₹0.50/- (50%) per equity share paid in the immediately preceding year.

The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 13<sup>th</sup> day of August, 2018 to Friday, 17<sup>th</sup> day of August, 2018, both days inclusive, for determining the entitlement of the shareholders to the final dividend for financial year 2017-18.

## BOARD OF DIRECTORS, ITS COMMITTEES AND MEETINGS THEREOF

The Company has a professional Board with an optimum combination of executive, non-executive and independent directors (including one woman director) who bring to the table the right mix of knowledge, skills and expertise. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders. The Board is also supported by four Committees of directors' viz. the Audit Committee, the Nomination & Remuneration cum Compensation Committee, the Corporate Social Responsibility Committee and the Stakeholders' Relationship Committee.

One meeting of the Board of Directors is held in each quarter. Additional meetings of the Board/Committees are convened as may be necessary for the proper management of the business operations of the Company. A separate meeting of independent directors is also held at least once in a calendar year to review the performance of non-independent directors, the Board as a whole and the Chairman.

During the financial year ended 31<sup>st</sup> March, 2018, the Board of Directors met 6 (six) times viz. on 5<sup>th</sup> May 2017, 26<sup>th</sup> July 2017, 8<sup>th</sup> August 2017, 2<sup>nd</sup> November 2017, 29<sup>th</sup> January 2018 and 27<sup>th</sup> March, 2018. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A detailed update on the Board and its Committees' composition, number of meetings held during the financial year 2017-18 and attendance of the directors at these meetings is provided in the Report on Corporate Governance.

## CHANGES IN DIRECTORS

In terms of the provisions of section 152 of the Companies Act, 2013 and in terms of the 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 Annual General Meeting of the Company and being eligible, offers herself for re-appointment. The Board of Directors recommends her re-appointment for the consideration of the members of the Company at the ensuing Annual General Meeting.

Mr. Desh Deepak Khetrpal (DIN 02362633) was re-appointed as Managing Director & CEO of the Company w.e.f. 1<sup>st</sup> April, 2015 for a period of 5 (five) years. However, his remuneration was subject to revision every year. On the recommendation of the Nomination & Remuneration cum Compensation Committee, the Board of Directors in their meeting held on 3<sup>rd</sup> May, 2018, recommended revision in Mr. Khetrpal's remuneration for shareholders' approval. The resolution seeking consideration of Mr. Khetrpal's remuneration has been included in the Notice of the Annual General Meeting. The Board of Directors recommends the resolution for your approval.

During the financial year, there was no change in the constitution of the Board of Directors of the Company except Mr. I.Y.R. Krishna Rao (DIN 00481367) was appointed as an Additional Director w.e.f. 5<sup>th</sup> May, 2017. The appointment of Mr. I.Y.R. Krishna Rao as an Independent Director not liable to retire by rotation was confirmed by the shareholders in the Annual general Meeting held on 23<sup>rd</sup> September 2017.

A brief profile and other details relating to the Directors 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

All independent directors of the Company have declared and confirmed that they meet with the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### KEY MANAGERIAL PERSONNEL

During the year under review, Mrs. Deepanjali Gulati – Company Secretary (FCS-5304) resigned from the services of the Company with effect from the close of business hours of 31<sup>st</sup> October, 2017 and Mrs. Nidhi Bisaria (FCS-5634) was appointed as the Company Secretary of the Company with effect from 23<sup>rd</sup> November, 2017.

In addition, in terms of the provisions of section 203 of the Companies Act, 2013, Mr. Desh Deepak Khetrapal - Managing Director & CEO (DIN 02362633) and Mr. Sushil Gupta - Chief Financial Officer (FCA-044924) continue to hold their respective offices during the current financial year as Key Managerial Personnel.

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

Your Company has formulated a vigil mechanism through a Whistle Blower Policy to deal with instances of illegal 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. The details of the Whistle Blower Policy are explained in the Corporate Governance Report. The Whistle Blower Policy is available on Company's website and can be accessed through the web link: <http://orientcement.com/investors/>.

### AUDIT COMMITTEE

The Company has a duly constituted Audit Committee in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Committee met four (4) times during the year. Detailed information pertaining to the Audit Committee has been provided in the Report on Corporate Governance.

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company endeavours to have an appropriate mix of executive, non-executive and independent directors, so as to

have independence on the Board and separate its function of governance from that of management. The selections and appointments on the Board of the Company are done on the recommendation of the Nomination & Remuneration cum Compensation Committee. The appointments are based on meritocracy and the candidates are considered against objective criteria, having due regard to the benefits of diversity on the Board. While evaluating the candidature of an independent director, the Committee abides by the criteria for determining independence as stipulated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of re-appointment of directors, the Board takes into consideration the results of the performance evaluation of the directors.

The copy of the Nomination & Remuneration Policy for Directors, KMPs and Senior Management is attached as **Annexure 'I'** to the Corporate Governance Report.

### AWARDS AND RECOGNITIONS

In recognition of its constant quest for growth and achievement, your Company has been honoured and recognised at various forums. The prominent awards are listed below for your reference:

#### Devapur Plant:

1. Best Management Award, issued by Labour Department, Govt. of Telangana on May Day 2017
2. National Energy Management Gold Award from Society of Energy Engineers & Energy Managers (SEEM) -2016
3. National Award for Excellence in Energy Management 2017 from CII
4. Mines Safety Week 2017 Awards by Director General of Mines Safety
  - Overall performance 2<sup>nd</sup> Prize
  - Electrical Installation 1<sup>st</sup> Prize
  - Best Practices in Mines- 1<sup>st</sup> Prize
  - Crusher and Belt Conveyor 1<sup>st</sup> Prize
  - Swatch Bharat 2<sup>nd</sup> Prize
  - Safe Mine Workings 2<sup>nd</sup> Prize

#### Chittapur Plant:

1. Safety awards from the Mines Safety Association Karnataka (MSAK) 2017-18
  - Contractual Work and Safety is my responsibility cards 1<sup>st</sup> Prize
  - Publicity & Propaganda and Innovation 1<sup>st</sup> Prize
  - Safety Management System 2<sup>nd</sup> Prize
  - Maintenance of Mining Machinery and Crusher 2<sup>nd</sup> Prize
  - Swachh Bharat Abhiyan 3<sup>rd</sup> Prize

2. Mines Environment & Mineral Conservation Week Awards 2017-18 by Indian Bureau of Mines
  - Waste Dump Management 3<sup>rd</sup> Prize
  - Reclamation and Rehabilitation 3<sup>rd</sup> Prize
3. Best Safe Performance of Plant, Best Training and Resources Award by KRISC (Kalburgi Regional Industrial Safety Committee) under the aegis of Department of Factories, Boilers, Industrial Safety and Health.

## STATUTORY AUDITORS

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

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

Based on the recommendation of the Audit Committee and as per the provisions of section 139(1) of the Companies Act, 2013, the Board of Directors of your Company proposes to ratify the appointment of M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 301003E/ E300005) as the Statutory Auditors of the Company for the financial year 2017-18.

Auditors' Report is self-explanatory and therefore, does not require further comments and explanation.

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

In terms of the section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain Cost Accounting records and get them audited every year. The Board appointed Mr. Somnath Mukherjee, Cost Accountant (M.No.-F5343), as Cost Auditors of the Company for the financial year 2018-19 at a fee of ₹85,000/- (Eighty five thousand only) plus out of pocket expenses subject to the ratification of the said fees by the shareholders at the ensuing Annual General Meeting.

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

## SECRETARIAL AUDITORS

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Ranjeet Pandey and Associates, Company Secretaries (Registration No. F-5922), were appointed to conduct the Secretarial Audit of the Company for the financial year 2017-18.

The Secretarial Audit Report is annexed to this report as **Annexure '1'**. The Secretarial Auditor's report is self-explanatory and therefore, does not require further comments and explanation.

The Board has re-appointed M/s Ranjeet Pandey and Associates, Company Secretaries, (Registration No. F-5922), as Secretarial Auditor of the Company for the financial year 2018-19.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the financial year under review, your Company has not given any loan or guarantee, made investments and provided securities which are covered under the provisions of section 186 of the Companies Act, 2013.

## RELATED PARTY TRANSACTIONS

The Company has adequate procedures for identification and monitoring of related party transactions. All transactions entered into with related parties during the financial year were on an arm's length basis. All related party transactions were placed before the Audit Committee and also the Board for approval, wherever required. Prior omnibus approval of the Audit Committee and Board 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.

There were no materially significant related party transactions made by the Company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

For details on related party transactions, members may refer to the notes to the financial statement. The Policy on related party transactions as approved by the Board is available on the Company's website and can be accessed through the web link: <http://orientcement.com/investors/>.

Particulars of contract or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in

the prescribed Form AOC-2, is annexed as **Annexure '2'** to the Report.

## CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company during the year under review.

## RISK MANAGEMENT

The Company has constituted a Risk Management Committee to review the risk management plan / process of the 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 Risk Management Policy acts as an overarching statement of intent and establishes the guiding principles by which key risks are managed across the organization. The Board monitors and reviews periodically the implementation of various aspects of the Risk Management Policy through a duly constituted Risk Management Committee (RMC). The RMC assists the Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall Business Risk Management Framework.

There are no risks identified by the Board which may threaten the existence of the Company.

## INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

As per the provisions of section 134(5)(e) of the Companies Act, 2013, the directors have an overall responsibility for ensuring that the Company has implemented robust systems/ framework of internal financial controls to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls with regard to reporting, operational and compliance risks. To enable the directors to meet these responsibilities, the management has devised systems/ frameworks which are operating within the Company. In line with best practice, the Audit Committee and Board regularly review the internal control system to ensure that it remains effective and fit for the purpose. Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls and these are in turn reviewed at regular intervals. The systems/ frameworks include proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, internal audit framework, ethics framework, risk management framework and adequate segregation of duties.

Your Company's management has established and maintained internal financial controls based on the internal control over financial reporting criteria established in

the integrated framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) (the COSO criteria), which considers 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. Based on information provided, nothing has come to the attention of directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review.

The Internal Auditor of the Company reports functionally to Audit Committee of Board, which reviews and approves risk based annual internal audit plan. Audit Committee periodically reviews the performance of internal audit function.

## CORPORATE SOCIAL RESPONSIBILITY

The basic concept of Company's CSR is to serve the interest of society in a just and equitable manner along with taking the responsibility for the impact of business activities on various stakeholders in all aspects of Company's operations. Your Company has been taking several initiatives under Corporate Social Responsibility ('CSR') for society at large, well before it has been prescribed through the Companies Act, 2013.

The Company has constituted a CSR Committee and has a well-defined Policy on CSR as per the requirement of section 135 of the Companies Act, 2013 which covers the activities as prescribed under Schedule VII of the Companies Act, 2013. Detailed information pertaining to the CSR Committee has been provided in the Report on Corporate Governance.

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. The Company contributes towards nation-building through its CSR activities.

As part of its initiatives under CSR, the Company has contributed for healthcare, infrastructure development and education for the year under review.

Corporate Social Responsibility Report, pursuant to section 134(3)(o) 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 CSR Policy of the Company is placed on the website of the Company and can be accessed through the web link: <http://orientcement.com/investors/>.

## PARTICULARS OF EMPLOYEES, DIRECTORS AND KEY MANAGERIAL PERSONNEL

The information required pursuant to section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel)

Rules, 2014 is attached as **Annexure '4'** forming an integral part of this Report.

### SHARE CAPITAL

During the year under review, the Issued, Subscribed and Paid up Share Capital of the Company was 20,48,68,760 shares of ₹1 each. There was no change in the capital structure of the Company.

### EXTRACT OF THE ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, relevant extract of annual return for the financial year 2017-18 is given as **Annexure '5'** to this Report.

### EMPLOYEES STOCK OPTION SCHEME

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

During the financial year 2017-18, no options were granted under ESOS-2015. The applicable disclosures under SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") as at 31<sup>st</sup> March, 2018 has been uploaded on the website of the Company and can be accessed through the web link <http://orientcement.com/investors/>. There is no change in the ESOS scheme of the Company during the financial 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, would be placed at the ensuing Annual General Meeting of the Company for inspection by the members.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment.

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 2017 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

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Management Discussion and Analysis Report is presented in a separate section forming part of the Annual report.

### CORPORATE GOVERNANCE

Corporate Governance ensures fairness, transparency and integrity of the management. As a part of its strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself a Trustee of the Company's shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth. The Company is committed to high levels of ethics and integrity in all its business dealings that avoids conflicts of interest. In order to conduct business with these principles, the Company has created a corporate structure based on business needs and maintains a high degree of transparency through regular disclosures with a focus on adequate control systems.

A detailed report on Corporate Governance forms an integral part of Annual Report and is set out as separate section therein.

The certificate of M/s S.R. Batliboi & Co. LLP (ICAI Firm Registration Number 301003E/ E300005), Chartered Accountants, the Statutory Auditors of the Company certifying compliance with the conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with the Report on Corporate Governance. The Auditors' certificate for financial year 2017-18 does not contain any qualification, reservation or adverse remark.

### PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual directors was carried out for the financial year 2017-18. The performance evaluation was done using individual questionnaires,

covering amongst others, composition of Board, receipt of regular inputs and information, functioning, performance and structure of Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board meetings, leadership etc.. The performance evaluation of the respective Committees and that of independent and non-independent directors was done by the Board excluding the director being evaluated.

The performance evaluation of non-independent directors, the Chairman and the Board was done by the independent directors.

### **LISTING WITH STOCK EXCHANGES**

The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The annual listing fees for the financial year 2018-19 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 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. They 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 31<sup>st</sup> March, 2018 and of the profit and loss of the Company for the year ended on that date;
3. They 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. They have prepared the annual financial statements on a going concern basis;
5. They have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively.
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial statements relate and till the date of this Report.

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The Company values the significance of conservation of energy and technology absorption and remains conscious about the environment impact of its business operations. During the financial year, the Company undertook a variety of energy conservation measures across all its plants, making continuous efforts for judicious use of energy at all levels of operations by utilizing energy efficient system and processes. Some steps taken towards energy conservation are the result of technology absorption. Our new integrated cement manufacturing unit at Chittapur has been installed with new state of the art technology and latest energy efficient equipment.

The particulars required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption are enclosed as **Annexure '6'** forming 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 ₹1863.47 lacs.

### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

During the financial year 2017-18, the Company had no Subsidiary, Associate or Joint Venture company.

### **DEPOSITS**

During the financial year under review, the Company did not accept deposits covered under Chapter V of the Companies Act, 2013.

### **SIGNIFICANT AND MATERIAL ORDERS**

No significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

### **BUSINESS RESPONSIBILITY REPORT**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates inclusion of Business Responsibility Report as part of Annual Report for top 500 listed entities based on market capitalization. The Company falls under the top 500 listed companies by market capitalization. Accordingly, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is

presented in a separate section forming part of the Annual report..

### **DIVIDEND DISTRIBUTION POLICY**

Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires top 500 listed Companies based on the market capitalization to formulate Dividend Distribution Policy. In compliance of the said requirement, the Company has formulated the Dividend Distribution Policy. The Dividend Distribution Policy of the Company is enclosed as **Annexure –7** to this Report and is also placed on the website of the Company. This can be accessed through the web link: <http://orientcement.com/investors/>.

### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

### **OTHER STATUTORY DISCLOSURES**

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. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issues of sweat equity shares
3. Provision of money for purchase of its own shares by employees or by trustees for the benefit of employees

### **ACKNOWLEDGEMENT**

Your Directors place on record their appreciation for assistance and co-operation received from various Ministries and Departments of Government of India and other State Governments, banks, shareholders of the Company etc. Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

**By order of the Board of Directors  
For Orient Cement Limited**

**Place: New Delhi  
Date: 3<sup>rd</sup> May, 2018**

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

## Annexure-1

# Secretarial Audit Report

For the financial year ended on 31<sup>st</sup> March, 2018

[Pursuant to section 204 (i) 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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018, 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;
  - 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) As confirmed by the management, 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. Based on letter received from Ministry of Corporate Affairs, Government of India, in response to the Company's application for waiver of excess remuneration paid to Managing Director during the year ended on 31<sup>st</sup> March,

2017, the Company is of the view that since the Managing Director is working in the professional capacity, no Central Government is required in terms of the amended provisions of Schedule V of the Companies Act, 2013;

2. On the basis of legal opinion from Khaitan & Co., the Company has passed the resolution for creation of charge in the general meeting. As per legal opinion, the mortgage will not come under the purview of sale. Therefore, the same can be passed in the general meeting.

**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 including committee 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 were made;
- (ii) obtained the approval of members for conversion of loan into equity;
- (iii) obtained the approval of members for creation of Charges / Mortgages on the movable and immovable properties of the Company, both present and future, in respect of borrowings;
- (iv) obtained the approval of members for increase in borrowing limits of the Company upto ₹5,000/- (Rupees Five Thousand Crore);
- (v) obtained the approval of members for raising of funds through issuance of securities.

**For Ranjeet Pandey & Associates  
Company Secretaries**

**Place: New Delhi  
Date: 03/05/2018**

**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.*

**Annexure-I**

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

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

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations 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: 03/05/2018**

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

Annexure-2

**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 along with his relatives holding more than 2% shares in Orient Paper & Industries Limited
● Orient Electric Limited	-Director of the Company along with his relatives holding more than 2% shares in Orient Electric 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
● Orient Electric Limited	-Purchase of goods

● 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
● Orient Electric Limited	-Need based
● 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/-
● Orient Electric Limited	-₹56,35,500/-
● Khaitan & Co, LLP, New Delhi	-₹12,23,587/-
● Khaitan & Co, LLP, Kolkata	-₹1,00,000/-
● Khaitan & Co., Mumbai	-₹23,14,320/-

**(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

Place: New Delhi  
Date: 3<sup>rd</sup> May, 2018

CK. Birla  
Chairman  
(DIN 00118473)

## Annexure-3

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

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

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

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 primarily focuses on education, healthcare, rural development and infrastructure 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
4. Mr. I. Y.R. Krishna Rao-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:** ₹8211 lacs.

**Prescribed CSR Expenditure (two per cent of the average net profit):** The Company was required to spend ₹164.22 lacs towards CSR during the financial year 2017-18.

### Details of CSR spent during the financial year 2017-18:

(a) Total amount spent for the financial year 2017-18: ₹443.95 lacs

(b) Amount unspent, if any: Nil

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

(1) S. No.	(2) CSR project [or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise  (₹ in lacs)	(6) Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in lacs)	(7) Cumulative expenditure up to the reporting period  (₹ in lacs)	(8) Amount spent : Direct or through implementing agency
1.	School Infrastructure/ Expenses	Education	Devapur, Dist. Adilabad, State-Telangana	370.00	335.68	335.68	Direct
2.	Running of Medical Dispensary and organizing Medical Camps	Healthcare	Devapur, Dist. Adilabad, State-Telangana	73.00	68.37	68.37	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 programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹ in lacs)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in lacs)	Cumulative expenditure up to the reporting period (₹ in lacs)	Amount spent : Direct or through implementing agency
3.	Other Projects						
i.	Grant to Vanvasi Kalyan Parishad	Hunger, poverty and malnutrition	Devapur, Dist. Adilabad, State-Telangana		1.86	1.86	Direct
ii.	Swatch Bharat Sanitation work	Sanitation	Devapur, Dist. Adilabad, State –Telangana		3.04	3.04	Direct
iii.	Toilet blocks in Govt. Schools Sirsilla Dist.		Devapur, Dist. Adilabad, State –Telangana	40.00	25.00	25.00	Direct
iv.	Promotion & development of traditional arts and handicrafts	Promotion and development	Delhi		10.00	10.00	Direct
<b>TOTAL</b>				<b>483.00</b>	<b>443.95</b>	<b>443.95</b>	

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 education, healthcare and rural development. Apart from the above expenditure, the Company has also spent ₹1034.99 lacs on projects related to building rural infrastructure and community development programs 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.

Place: New Delhi  
Date: : 3<sup>rd</sup> May, 2018

Janat Shah  
Chairman CSR Committee  
(DIN 01625535)

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

I.Y.R. Krishna Rao  
Member  
(DIN 00481367)

## Annexure-4

## Details pertaining to remuneration

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18:-

S.No.	Name of the Director/ KMP and Designation	Remuneration of Director/ KMP for financial year 2017-18 (₹)	% Increase/ (Decrease) in remuneration in the financial year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. CK. Birla –Chairman	8,50,000	100%	1.17 times
2.	Mr. Desh Deepak Khetrpal - Managing Director & CEO	8,44,95,130	24%	116.38 times
3.	Ms. Amita Birla-Director	8,50,000	100%	1.17 times
4.	Mr. Vinod Kumar Dhall-Director	8,50,000	100%	1.17 times
5.	Mr. Rabindranath Jhunjhunwala-Director	8,50,000	100%	1.17 times
6.	Mr. Rajeev Jhawar-Director	8,50,000	100%	1.17 times
7.	Mr. Janat Shah-Director	8,50,000	100%	1.17 times
8.	Mr. Swapan Dasgupta-Director	8,50,000	100%	1.17 times
9.	Mr. I.Y.R. Krishna Rao -Director	8,50,000	100%	1.17 times
10.	Mr. Sushil Gupta- Chief Financial Officer	1,78,89,652	11%	–
11.	Ms. Deepanjali Gulati* - Company Secretary (resigned w.e.f. 1-11-2017)	16,61,491	–	–
12.	Ms. Nidhi Bisaria – Company Secretary (appointed w.e.f. 23-11-2017)	9,72,673	Not Applicable	–

\* The remuneration is for part of the year and includes the full and final dues paid, hence not comparable with the previous year's remuneration.  
 Note:-

- For this purpose, sitting fees paid to the directors have not been considered as remuneration.
  - The percentage increase in remuneration of Directors except Mr. Desh Deepak Khetrpal is 100% as nil remuneration was paid to them during the financial year 2016-17.
- (ii) The median remuneration of employees of the Company during the financial year was ₹7.26 lac p.a.  
 (iii) In the financial year, there was an increase of 7% in the median remuneration of employees.  
 (iv) There were 906 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2018.  
 (v) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e 2017-18 was 10%. Keeping in view the duties and responsibilities cast on the Managing Director & CEO and considering his knowledge of various aspects relating to the Company's affairs, the percentile increase in the managerial remuneration for the same financial year was 24%.  
 (vi) 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.

(vii) Details of employees employed throughout the year and were in receipt of remuneration at the rate of not less than one crore and two lakh rupees per annum and the details of top ten employees in terms of remuneration drawn:

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
Desh Deepak Khetrapal	Managing Director and CEO	7,92,31,800	B Com (H), MBA	42	02.04.2012	62	Jumbo Electronics, Dubai, Group CEO
Shyam B Asawa	President (Projects)	1,88,46,977	B.E. (Mechanical) Diploma In Business Management	36	01.11.2012	57	Reliance Cement Company Pvt. Ltd. Director - Projects
Shiva Kant Pandey	President - Works	1,73,99,124	B. E - Electrical	34	21.07.2014	54	Heidelberg Cement Additional Director (Technical) & Unit Head
Sushil Gupta	Chief Financial Officer	1,66,63,356	CA	27	21.07.2014	50	Essar Offshore Sub-Sea Limited CFO & Director (Finance)
Rahul R Deshmukh	Chief Operating Officer	1,44,18,036	B. E - Production, EMBA	27	28.06.2014	47	FL Smidth Pvt. Ltd Vice President & Business Head Cement Project Division India
Rahul Bhandari	Head - Strategy	1,13,22,494	B. E – Electronics, PGDM	17	10.09.2015	37	J.P. Morgan and Mitsubishi UFJ based in London and Hong Kong
N S Srinivas	Vice President – Human Resources	1,01,18,759	MSW - HRM, LLB	22	13.02.2014	44	KEC International Limited – Vice President – Human Resources
Avinash Joshi	Senior Vice President - Central Procurement	97,65,170	B. E – Civil	35	13.10.2016	56	Heidelberg Cement as Director Procurement
Pramod K Singhania	Senior Vice President (Works)	98,57,211	B. E - Mechanical	37	16.09.2013	59	Jaypee Cement – Joint President – Technical
Keshav Sharma	Senior Vice President - Marketing & Business Excellence	75,77,554	B.Sc, MBA	31	26.02.2013	52	Orient Paper & Industries Limited- Cement Division Joint Vice President - Marketing

(viii) Employed for a part of the financial year, was in receipt of remuneration at the rate of not less than eight lakh and fifty thousand rupees per month.

Name of Employee	Designation of the employee	Remuneration* received (₹)	Qualifications	Experience (No. of years)	Date of commencement of employment	Age (years)	The last employment held by such employee before joining the Company
Manish Dua	President – sales & Marketing	80,55,420	MBA – Marketing	27	16.11.2017	48	Kesoram Industries Ltd. as Chief Sales & Marketing Officer
Rajendra Mishra	Chief Operating Officer	62,20,210	B.E – Electrical & Electronics	28	01.11.2017	51	Sterlite Technologies Ltd. Chief Technology Officer

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

**Note:**

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

Annexure-5

## Extract of Annual Return

as on the financial year ended on 31<sup>st</sup> March, 2018  
Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(i) of the Companies  
(Management and Administration) Rules, 2014]

### Form No. MGT-9

#### I. REGISTRATION AND OTHER DETAILS:

i) CIN	L26940OR2011PLC013933
ii) Registration Date	22 <sup>nd</sup> 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, Fax No. 0674-2396364
vi) Whether listed company	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 Tel.: 011-41406149-52 Email: admin@mcsregistrars.com

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

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

S. No.	Name and description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Cement	Group : 239 Class : 2394 Sub-Class : 23941	99.75%

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

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
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 shareholding

Category of shareholders	No. of shares held at the beginning of the year 1-4-2017				No. of shares held at the end of the year 31-3-2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	73,71,250	-	73,71,250	3.60	69,63,250	-	69,63,250	3.40	(0.20)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	6,94,58,672	-	6,94,58,672	33.90	6,95,86,672	-	6,95,86,672	33.97	0.07
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>7,68,29,922</b>	<b>-</b>	<b>7,68,29,922</b>	<b>37.50</b>	<b>7,65,49,922</b>	<b>-</b>	<b>7,65,49,922</b>	<b>37.37</b>	<b>(0.13)</b>
<b>(2) Foreign</b>									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-

Category of shareholders	No. of shares held at the beginning of the year 1-4-2017				No. of shares held at the end of the year 31-3-2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) =(A) (1)+(A)(2)</b>	<b>7,68,29,922</b>	<b>-</b>	<b>7,68,29,922</b>	<b>37.50</b>	<b>7,65,49,922</b>	<b>-</b>	<b>7,65,49,922</b>	<b>37.37</b>	<b>(0.13)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	4,06,85,453	2,000	4,06,87,453	19.86	4,57,79,713	2,000	4,57,81,713	22.35	2.49
b) Banks / FI	96,692	93,460	1,90,152	0.09	87,490	93,460	1,80,950	0.09	-
c) Central Govt./ State Govt.	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	1,12,06,645	-	1,12,06,645	5.47	88,29,078	-	88,29,078	4.31	(1.16)
f) FIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)- Foreign Portfolio Investors	1,50,55,632	-	1,50,55,632	7.35	1,42,33,940	-	1,42,33,940	6.95	(0.40)
<b>Sub-total (B)(1):-</b>	<b>6,70,44,422</b>	<b>95,460</b>	<b>6,71,39,882</b>	<b>32.77</b>	<b>6,89,30,221</b>	<b>95,460</b>	<b>6,90,25,681</b>	<b>33.69</b>	<b>0.92</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate	97,95,826	3,32,430	1,01,28,256	4.94	91,23,702	3,32,430	94,56,132	4.62	(0.32)
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹2 lakh	1,93,83,332	11,20,925	2,05,04,257	10.01	1,80,96,718	10,73,685	1,91,70,403	9.36	(0.65)
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	33,10,660	-	33,10,660	1.62	36,56,660	-	36,56,660	1.78	0.16
c) Others									
--NBFC's Registered with RBI	4,25,022	-	4,25,022	0.21	1500	-	1500	0.00	(0.21)
--Trust & Foundations	-	-	-	-	28,000	-	28,000	0.01	0.01
--Non-Resident Individual	13,58,501	26,420	13,84,921	0.68	15,28,632	25,990	15,54,622	0.76	0.08
--OCB	36,82,240	-	36,82,240	1.80	36,82,240	-	36,82,240	1.80	0.00
--Cooperative Societies	2,14,63,600	-	2,14,63,600	10.48	2,17,43,600	-	2,17,43,600	10.61	0.13
<b>Sub-total (B)(2):-</b>	<b>5,94,19,181</b>	<b>14,79,775</b>	<b>6,08,98,956</b>	<b>29.73</b>	<b>5,78,61,052</b>	<b>14,32,105</b>	<b>5,92,93,157</b>	<b>28.94</b>	<b>(0.79)</b>
<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>	<b>12,64,63,603</b>	<b>15,75,235</b>	<b>12,80,38,838</b>	<b>62.50</b>	<b>12,67,91,273</b>	<b>15,27,565</b>	<b>12,83,18,838</b>	<b>62.63</b>	<b>0.13</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>20,32,93,525</b>	<b>15,75,235</b>	<b>20,48,68,760</b>	<b>100.00</b>	<b>20,33,41,195</b>	<b>15,27,565</b>	<b>20,48,68,760</b>	<b>100.00</b>	<b>0.00</b>

**(ii.) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year 1-4-2017			Shareholding at the end of the year 31-3-2018			% change in shareholding 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	2.83	4,91,43,627	23.99	2.83	-

S. No.	Shareholder's Name	Shareholding at the beginning of the year 1-4-2017			Shareholding at the end of the year 31-3-2018			% change in shareholding 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	
2	Shekhavati Investments and Traders Limited	1,23,20,865	6.01	-	1,23,20,865	6.01	-	-
3	Ms. Nirmala Birla	36,73,680	1.79	-	31,61,680	1.54	-	(0.25)
4	Mr. Chandrakant Birla	28,97,570	1.41	-	31,53,570	1.54	-	0.13
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	-	14,22,000	0.69	-	-
8	Universal Trading Company Limited	8,44,280	0.41	-	9,72,280	0.47	-	0.06
9	National Engineering Industries Limited	5,37,400	0.26	-	5,37,400	0.26	-	-
10	Rajasthan Industries Limited	5,04,000	0.25	-	5,04,000	0.25	-	-
11	Mr. Shyam Sunder Jajodia	2,80,000	0.14	-	-	-	-	(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	-	3,88,000	0.19	-	0.06
14	Jaipur Finance and Dairy 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	-	-
	<b>Total</b>	<b>7,68,29,922</b>	<b>37.50</b>	<b>2.83</b>	<b>7,65,49,922</b>	<b>37.37</b>	<b>2.83</b>	<b>(0.13)</b>

### (iii) Change in Promoters' Shareholding

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Ms. Nirmala Birla</b>				
	At the beginning of the year	36,73,680	1.79	36,73,680	1.79
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	(5,12,000) Sale (Inter-se) on 14-04-2017	0.25	31,61,680	1.54
	At the End of the year	31,61,680	1.54	31,61,680	1.54

S. 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
2	<b>Mr. Chandrakant Birla</b>				
	At the beginning of the year	28,97,570	1.41	28,97,570	1.41
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	2,56,000 Purchase (Inter-se) on 14-04-2017	0.13	31,53,570	1.54
	At the End of the year	31,53,570	1.54	31,53,570	1.54
3	<b>Universal Trading Company Limited</b>				
	At the beginning of the year	8,44,280	0.41	8,44,280	0.41
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	1,28,000 Purchase (Inter-se) on 14-04-2017	0.06	9,72,280	0.47
	At the End of the year	9,72,280	0.47	9,72,280	0.47
4	<b>Mrs. Amita Birla</b>				
	At the beginning of the year	2,60,000	0.13	2,60,000	0.13
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	1,28,000 Purchase (Inter-se) on 14-04-2017	0.06	3,88,000	0.19
	At the End of the year	3,88,000	0.19	3,88,000	0.19
5	<b>Shyam Sunder Jajodia</b>				
	At the beginning of the year	2,80,000	0.14	2,80,000	0.14
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	(2,80,000) Sale (gift/ donation) on 30-03-2018	0.14	-	-
	At the End of the year	-	-	-	-

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

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2017 to 31.3.2018)	
		No. of shares at the beginning (1.4.2017)/ end of the year (31.3.2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
1	India Capital Fund Limited	51,35,414	2.51	01-04-2017				
				27-10-2017	18,888	Purchase	51,54,302	2.52
				17-11-2017	4,30,000	Purchase	55,84,302	2.73
				02-03-2018	7,84,023	Purchase	63,68,325	3.11
				09-03-2018	6,29,000	Purchase	69,97,325	3.42
				16-03-2018	4,65,000	Purchase	74,62,325	3.64
		74,62,325	3.64	31-03-2018				
2	Reliance Capital Trustee Co. Ltd. A/c Reliance Small	33,96,526	1.66	01-04-2017				
				07-04-2017	10,00,000	Purchase	43,96,526	2.15
				20-10-2017	13,00,000	Purchase	56,96,526	2.78
		56,96,526	2.78	31-03-2018				

S. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2017 to 31.3.2018)	
		No. of shares at the beginning (1.4.2017)/ end of the year (31.3.2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
3	Franklin Templeton Mutual Fund A/c Franklin India	50,00,000	2.44	01-04-2017				
				30-03-2018	75,000	Purchase	50,75,000	2.48
4	Government Pension Fund Global	42,89,079	2.09	01-04-2017		Nil movement during the year		
		42,89,079	2.09	31-03-2018				
5	Life Insurance Corporation of India	42,25,812	2.06	01-04-2017		Nil movement during the year		
		42,25,812	2.06	31-03-2018				
6	National Insurance Company Limited	42,22,506	2.06	01-04-2017		Nil movement during the year		
		42,22,506	2.06	31-03-2018				
7	Birla Institute of Technology & Science	35,19,850	1.72	01-04-2017		Nil movement during the year		
		35,19,850	1.72	31-03-2018				
8	Rukmani Birla Educational Society	34,72,140	1.69	01-04-2017		Nil movement during the year		
		34,72,140	1.69	31-03-2018				
9	HDFC Trustee Company Limited HDFC Prudence Fund	-	-	01-04-2017				
				21-04-2017	2,00,000	Purchase	2,00,000	0.10
				28-04-2017	1,19,200	Purchase	3,19,200	0.16
				02-06-2017	3,50,000	Purchase	6,69,200	0.33
				09-06-2017	14,87,000	Purchase	21,56,200	1.05
				16-06-2017	8,20,000	Purchase	29,76,200	1.45
				28-07-2017	18,45,000	Purchase	48,21,200	2.35
				15-09-2017	20,00,000	Purchase	68,21,200	3.33
				22-09-2017	12,82,000	Purchase	81,03,200	3.96
				03-11-2017	10,00,000	Purchase	91,03,200	4.44
				24-11-2017	10,00,000	Purchase	1,01,03,200	4.93
				01-12-2017	4,00,000	Purchase	1,05,03,200	5.13
		19-01-2018	3,35,000	Purchase	1,08,38,200	5.29		
		31-03-2018	1,08,38,200					
10	HDFC Trustee Co. Ltd. A/c HDFC Housing Opportunities	-	-	01-04-2017				
				15-12-2017	23,07,000	Purchase	23,07,000	1.13
				05-01-2018	5,500	Purchase	23,12,500	1.13
				19-01-2018	21,000	Purchase	23,33,500	1.14
				26-01-2018	2,39,000	Purchase	25,72,500	1.26
				02-02-2018	5,81,500	Purchase	31,54,000	1.54
				09-02-2018	54,796	Purchase	32,08,796	1.57
				16-02-2018	3,232	Purchase	32,12,028	1.57
				23-02-2018	40,100	Purchase	32,52,128	1.59
				02-03-2018	7,715	Purchase	32,59,843	1.59
				09-03-2018	14,000	Purchase	32,73,843	1.60
		30-03-2018	6,400	Purchase	32,80,243	1.60		
		31-03-2018	32,80,243					

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (1-4-2017)		Cumulative shareholding during the year 31-3-2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Mr. Chandra Kant Birla</b>				
	At the beginning of the year	28,97,570	1.41	28,97,570	1.41
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc): Purchase (Inter-se) on 14-04-2017	2,56,000	-	31,53,570	1.54
	At the end of the year	31,53,570	1.54	31,53,570	1.54
2.	<b>Ms. Amita Birla</b>				
	At the beginning of the year	2,60,000	0.13	2,60,000	0.13
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc): Purchase (Inter-se) on 14-04-2017	1,28,000	0.06	3,88,000	0.19
	At the end of the year	3,88,000	0.19	3,88,000	0.19
3.	<b>Mr. Desh Deepak Khetrpal</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
4.	<b>Mr. Rajeev Jhawar</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
5.	<b>Mr. Vinod Kumar Dhall</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
6.	<b>Mr. Rabindranath Jhunjhunwala</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year (1-4-2017)		Cumulative shareholding during the year 31-3-2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the end of the year	-	-	-	-
7.	<b>Mr. Janat Shah</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
8	<b>Mr. Swapan Dasgupta</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
9	<b>Mr. I.Y.R. Krishna Rao</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
10	<b>Mr. Sushil Gupta</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
11	<b>Ms. Deepanjali Gulati</b>				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
12	<b>Ms. Nidhi Bisaria</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the End of the year	-	-	-	-

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,19,288.92	10,000.00	-	1,29,288.92
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	163.07	-	-	163.07
<b>Total (i+ii+iii)</b>	<b>1,19,451.98</b>	<b>10,000.00</b>		<b>1,29,451.99</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	3,285.06	29,861.87	-	33,146.93
• Reduction	4,800.00	30,000.00	-	34,800.00
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,17,773.98	9,861.87	-	1,27,635.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	156.17	-	-	156.17
<b>Total (i+ii+iii)</b>	<b>1,17,930.15</b>	<b>9,861.87</b>	-	<b>1,27,792.02</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Managing Director & CEO	Total Amount	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	750.81	750.81	
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	39.02	39.02	
	(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	30.99	30.99	
	<b>Total (A)</b>	<b>820.82</b>	<b>820.82</b>	
	Ceiling as per Act	Not Applicable		
	Remuneration paid to the Managing Director & CEO is as per the terms approved by the shareholders' in the Annual General Meeting held on 23 <sup>rd</sup> September, 2017.			

**B. Remuneration to other Directors**

(₹ in lacs)

Particulars of Remuneration	Name of Directors						Total Amount
	Mr. Rajeev Jhavar	Mr. Vinod Kumar Dhall	Mr. Rabindranath Jhunjhunwala	Mr. Janat Shah	Mr. Swapan Dasgupta	Mr I.Y.R. Krishna Rao	
<b>1. Independent Directors</b>							
• Fee for attending board / committee meetings	5.50	13.50	6.00	6.00	13.50	9.50	54.00
• Commission	8.50	8.50	8.50	8.50	8.50	8.50	51.00
• Others	-	-	-	-	-	-	-
<b>Total (1)</b>	<b>14.00</b>	<b>22.00</b>	<b>14.50</b>	<b>14.50</b>	<b>22.00</b>	<b>18.00</b>	<b>105.00</b>
<b>2. Other Non-Executive Directors</b>							
Particulars of Remuneration	Name of Directors		Total Amount				
	Mr. CK. Birla	Mrs. Amita Birla					
• Fee for attending board / committee Meetings	7.00	4.00	11.00				
• Commission	8.50	8.50	17.00				
• Others	-	-	-				
<b>Total (2)</b>	<b>15.50</b>	<b>12.50</b>	<b>28.00</b>				
<b>Total (B)=(1+2)</b>			<b>133.00</b>				
<b>Total Managerial Remuneration (A+B)</b>	<b>₹68.00 lacs</b> (excluding the sitting fees paid to non-executive directors and remuneration paid to the Managing Director & CEO as per the terms approved by the shareholders' in the Annual General Meeting held on 23 <sup>rd</sup> September, 2017)						
<b>Overall ceiling as per Act</b>	11% of the net profits of the Company, i.e., ₹779.50 lacs.						

**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
			Deepanjali Gulati Resigned w.e.f. 1-11-2017	Nidhi Bisaria Appointed w.e.f.23-11-2017	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	160.67	15.99	9.21	185.87
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option (in number)	1,73,700 Options	-	-	1,73,700 Options
3.	Sweat equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5.	Others				
	- Employer's Contribution to Provident Fund	8.16	0.62	0.37	9.15
	- NPS	6.80	-	-	6.80
	<b>Total (C)</b>	<b>175.63</b>	<b>16.61</b>	<b>9.58</b>	<b>201.82</b>

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

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

 By order of the Board of Directors  
 For Orient Cement Limited

 Place: New Delhi  
 Date: 3<sup>rd</sup> May, 2018

 CK. Birla  
 Chairman  
 (DIN 00118473)

Annexure-6

## Conservation of Energy and Technology Absorption

A)	Conservation of energy:	
(i)	the steps taken or impact on conservation of energy	<p><b>Devapur:</b></p> <ul style="list-style-type: none"> <li>● Installed GRR for Speed control of SEPOL Separator Fan in Raw Mill-1.</li> <li>● Reducing 2 no's bends in PC &amp; Kiln firing circuit of Line-1</li> <li>● Power saving due to speed optimisation in PC coal conveying system of Line-1</li> <li>● Stoppage of K-2 ESP Booster fan.</li> <li>● Power saving due to stoppage of one no. bag filter in RABH section of Line-3</li> <li>● Stoppage of idle running in RABH hot dust conveying system.</li> <li>● Optimising frequency of air blaster operation at Cooler-3 inlet.</li> <li>● CM-2 clinker feed belt bag filter fan interlock with level sensor and Idle running avoided.</li> <li>● Stoppage of one no. of Air slide blower in CM-2.</li> <li>● Modification of Cement silos 1 &amp; 2 aeration system during silo cleaning.</li> <li>● Selectivity of compressor capacity based on the load in packing plant.</li> <li>● Replacement of energy efficient ballast- 323 no's in place of conventional ballast.</li> </ul> <p><b>Jalgaon:</b></p> <ul style="list-style-type: none"> <li>● Replacement of Cement Mill-01 diaphragm and shell liners</li> <li>● Replacement of Cement mill -01 discharge bucket elevator</li> <li>● Modification of Flyash unloading system (Intermediate bin)</li> <li>● Partial replacement of LED light fittings</li> <li>● Partial Transfer of semi ground material from line-02 to line-01</li> <li>● Removal of line-01 Mill Sepol fan inlet damper</li> <li>● VFD installed at mill Sepol bag filter fan</li> </ul> <p><b>Chittapur:</b></p> <ul style="list-style-type: none"> <li>● Utilisation of Maximum pet coke in place of fossil fuel for conservation of high grade lime stone and also for conserving the fossil fuel for future generations.</li> <li>● All cooler fans, ESP fans and pre calciner coal firing system are operating with PID auto control mode for saving energy.</li> <li>● Kiln coal firing blower pulley change to reduce power consumption by 400 kWh/day</li> <li>● Stacker travel drive motor has been replaced by higher rating motor. To achieve the maximum availability of lime stone stacker operation up to the rated capacity that has reflected in reduction in specific power consumption.</li> <li>● Boiler feed pump operation control has been put- up in auto mode that has resulted reduction in power consumption of 800 kWh/day.</li> <li>● ACC fans into auto loops &amp; got a saving of 380 kWh/day.</li> <li>● Modification of ash handling system logic &amp; got saving of 400 kWh/day</li> <li>● Disconnecting excess lighting in boiler &amp; resulted 126 kWh/day</li> <li>● Optimizing the lighting usage of CHP Conveyor belts &amp; resulted in 40 kWh/day.</li> <li>● Estimated Savings up-to 312kwh/day by introducing VFD for turbine Condensate Extraction Pump (CEP).</li> </ul>

(ii) The steps taken by the Company for utilising alternate sources of energy;	<b>Devapur:</b> <ul style="list-style-type: none"> <li>• Usage of alternative fuels (Biomass) in all the three Kilns.</li> </ul>
(iii) The capital investment on energy conservation equipments	<b>Chittapur:</b> <ul style="list-style-type: none"> <li>• VFD for turbine Condensate Extraction Pump (CEP) ₹5 Lac.</li> </ul>
<b>(B) Technology absorption:</b>	
(i) The efforts made towards technology absorption	<b>Devapur:</b> <ul style="list-style-type: none"> <li>• Mineral Conservation: Low grade Limestone has been consumed on continuous basis with optimized fuel mix and additives.</li> <li>• Usage of pet coke in all three Kilns within MoEF emission norms.</li> <li>• Installation of 3 phase rectifier transformers in ESP's of all the CPP to comply/ meet new CPCB/MoEF stack emission guidelines.</li> <li>• Line-I top cyclone modification and increase height of PC vessel.</li> <li>• Plant performance studies by FLS, KHD, CII, NCBM, LNVV etc.</li> </ul>
	<b>Jalgaon:</b> <ul style="list-style-type: none"> <li>• Replacement of conventional chain bucket elevator by Belt elevator at Cement mill-01 discharge</li> </ul>
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	<b>Devapur:</b> <ul style="list-style-type: none"> <li>• Mineral conservation has increased the life of mining with low grade lime stone usage.</li> </ul> <b>Chittapur:</b> <ul style="list-style-type: none"> <li>• Using the low cost additive material in consumption like chemical gypsum, laterite, lithomarge and use of Maximum pet coke.</li> <li>• Cost saving by developing alternate vendors.</li> <li>• Used low grade lime stone of 4.0 lakh Tones in limestone stock pile.</li> </ul>

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a) the details of technology imported	
(b) the year of import	Not Applicable
(c) whether the technology been fully absorbed	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv) the expenditure incurred on research and development	<p><b>Devapur:</b></p> <ul style="list-style-type: none"> <li>• <b>New Product Development – Birla A1: “STRONG CRETE”:</b> Based on market study &amp; customer requirements, new premium product Birla A1 “STRONGCRETE”(with min. 22.0 MPa compressive strength at 1 day) will be launched soon (All the trials taken). Estimated Cost ₹6 Lacs.</li> <li>• <b>Usage of low grade Additive (Laterite-2):</b> Partial replacement of High cost Laterite -3 (Aluminous Laterite), keeping Limestone stock pile SiO<sub>2</sub>% at 13.60%, and to match the Raw Mix design was successful. During the trial 1272 MT of Laterite-2 was used in Line-3 Kiln and 0.40% Laterite -3 was replaced with 0.40% of Laterite-2. Estimated cost ₹10 lacs.</li> </ul>

By order of the Board of Directors  
For Orient Cement Limited

Place: New Delhi  
Date: 3<sup>rd</sup> May, 2018

CK. Birla  
Chairman  
(DIN 00118473)

## Annexure-7

## Dividend Distribution Policy

### 1. BACKGROUND, PURPOSE, OBJECTIVES AND SCOPE

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. SEBI vide its Notification No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Policy in place by the top five hundred listed companies based on their market capitalization. Considering the provisions of the aforesaid Regulation 43A, the Board of the Company recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders. The intent of the Policy is to broadly specify the following:

- (a) The circumstances under which the shareholders of the Company may or may not expect dividend;
- (b) Internal and external factors including financial parameters that shall be considered while declaring dividend;
- (c) Policy as to how the retained earnings shall be utilized;
- (d) Parameters that shall be adopted with regard to various classes of shares.

Any deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board.

The Board of Directors of the Company in its meeting held on 4<sup>th</sup> February, 2017 has approved this Dividend Distribution Policy of the Company which endeavors for fairness, consistency and sustainability while distributing profits to the shareholders.

### 2. EFFECTIVE DATE

This Dividend Distribution Policy is effective w.e.f 4<sup>th</sup> February, 2017.

### 3. DEFINITIONS

**"Act"** shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time. .

**"Board"** or **"Board of Directors"** shall mean the Board of Directors of the Company.

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

**"Dividend"** includes any interim dividend and shall mean Dividend as defined under the Companies Act, 2013.

**"Listing Regulations"** shall mean the "SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015" and the amendments thereto.

**"Policy"** shall mean this Dividend Distribution Policy.

**"SEBI"** shall mean Securities and Exchange Board of India.

### 4. PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

#### (I) Financial parameters and Internal Factors

- (a) Working capital requirements
- (b) Profits earned during the year
- (c) Profit available for distribution
- (d) Past dividend payout ratio/ trends
- (e) Earnings per share(EPS)
- (f) Cost of Borrowing
- (g) Capital expenditure requirement
- (h) Business expansion, growth and acquisition
- (i) Creation of contingency fund
- (j) Investment in joint-ventures, associates and subsidiaries
- (k) Agreements with lending institutions/ debenture trustees etc.
- (l) Likelihood of crystallization of contingent liabilities, if any

#### (II) External Factors

- (a) Statutory provisions and guidelines
- (b) Economic environment
- (c) Capital Markets
- (d) Global conditions
- (e) Dividend payout ratio of competitors

### 5. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED

The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders & the Company. The shareholders of the Company may not expect Dividend under the following circumstances:-

- (a) Proposed expansion plans including capital expenditure for existing operations, requiring higher capital allocation
- (b) Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which

requires significant capital outflow

- (c) Requirement of higher working capital for the purpose of business of the Company
- (d) Proposal for buyback of securities
- (e) In the event of loss or inadequacy of profit

## 6. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may decide to plough back the earnings for a particular financial year(s) to ensure the availability of funds for any of the following purpose:-

- (a) Expansion plans
- (b) Modernization plans
- (c) Diversification/ acquisition of business
- (d) Plant expansion & diversification
- (e) Replacement of capital assets
- (f) Mitigate dependence on external debts
- (g) High financial leverage
- (h) Other such criteria as the Board may deem fit from time to time

## 7. PARAMETERS FOR VARIOUS CLASSES OF SHARES

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issuance of any new class of shares depending upon the nature and guidelines thereof.

## 8. PROCEDURE

- (a) The Chief Financial Officer in consultation with Managing Director & CEO of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of the Company.
- (b) The agenda of the Board where Dividend declaration/ recommendation is proposed shall contain the rationale of the proposal.
- (c) Pursuant to the provisions of the applicable laws and this Policy, interim dividend approved by the Board will

be confirmed by the shareholders and final dividend, if any, recommended by the Board, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.

- (d) The Company shall ensure compliance of provisions of applicable laws, the Act, SEBI Rules and Regulations and this Policy in relation to Dividend declared by the Company.

## 9. POLICY EXCLUSION:

The Policy shall not be applicable in the following circumstances:-

- (a) Any distribution of cash as an alternative to payment of dividend by way of buyback of equity shares
- (b) Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities
- (c) Determination and declaration of dividend on preference shares, if any.

## 10. DISCLOSURES

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. [www.orientcement.com](http://www.orientcement.com).

## 11. GENERAL

- (a) The Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorised, from time to time, on the subject matter.
- (b) The Company reserves its right to alter, modify, cancel, add, delete or amend any of the provisions of this Policy.
- (c) 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.

# Management discussion and analysis report

## INDIAN ECONOMIC OVERVIEW

The Indian economy slowed to a three year low in FY18 from a healthy clip of over 7% recorded in the previous years as the short term impact of several key policy changes took a toll on economic activity in the early part of the fiscal. The growth rate which had dropped to below 7% in the last quarter of FY17 continued its decline, touching a low of 5.7% in Q1. Though it has since reverted to "business as usual", with GDP growth once again above 7% in Q3, the slowdown has expectedly had an impact on the overall growth rate for the year which is now estimated at around 6.6% (Source: Central Statistics Office)

Despite this, India's average growth over a period from 2014-15 to 2017-18 is 7.3%, which is the highest among the major growing economies of the world. Notwithstanding the decelerating impact of recent fiscal initiatives, the overall stability in India's growth is accompanied by relatively lower inflation, improved current account balance and a commitment to reduction in the ratio of fiscal deficit to the GDP.

2017-18 witnessed significant governmental reforms. Introduction of the Goods & Services Tax ("GST") was one of the largest tax system overhauls ever undertaken and is expected to aid growth in production and distribution of goods through simplification and transparency in tax compliance across the country. While demonetisation had its impact across industries for a while, it is expected to prove beneficial in the long-term as digital transactions receive a boost, in turn increasing transparency and tax compliance. Additional steps such as the resolution of banks' non-performing assets (NPAs) through the new bankruptcy regulations, the liberalisation of Foreign Direct Investment ("FDI") and the bank recapitalization scheme are far reaching initiatives that should attract investment and spur growth in the long run. Export growth, which had been muted for a few years witnessed a rebound in 2016-17 and strengthened in 2017-18. The country's forex reserves rose to US\$424 billion as on March 2018.

India's performance has contributed to consolidating South Asia's position as the fastest-growing region in the world. Independently, India's economy is the seventh-largest in the world and is growing faster than every other large economy with the exception of China, with which it has been trading places. India is home to 18% of the world's population,

approximately 1.34 billion people. It is expected to become the most populous nation by 2024. Growth projections indicate that the economy, on purchasing power parity (PPP) terms, is expected to be the second-largest in the world, after China by the year 2050. The World Economic Forum's Global Competitiveness Report 2017 ranked the country at the 23<sup>rd</sup> position, moving up by an impressive 16 places from the 39<sup>th</sup> position in 2016. (Source: CSO, economic survey 2017-18)

## OUTLOOK

With the short term negative impact of policy initiatives like demonetization and GST appearing to ebb, India's GDP growth rate is expected to rebound in FY19 to its long run average of over 7%. Economic Survey estimates have recently placed this number at 7.0 – 7.5% while various other organizations have also corroborated the potential of a bounce back in growth rates ahead. The International Monetary Fund's ("IMF") World Economic Outlook expects India to grow at 7.4% and 7.8% in 2018 and 2019 respectively while Moody's Investor Services' estimates are at 7.6% and 7.5% for the same years respectively.

The infrastructure sector and the rural economy is certainly expected to drive a large part of this growth as spending under the various rural and agri-based development initiatives of the government accelerates in the next 12 months. With the expectation of a third "normal" monsoon in a row, the stage is set for a pick-up in economic activity and the consequential impact on production and capacity utilization across sectors in the Indian economy next year.

## INDIAN CEMENT INDUSTRY

India is the world's second largest producer of cement producing an estimated 285 million metric tonnes in 2017 (Source: DIPP) with the overall production capacity of the country estimated to be just above 425 million metric tonnes. Cement is a critical industry which provides direct and indirect employment to over a million people and forms part of the eight core sectors contributing to the economy. India's per capita consumption of cement stands at 225kg per year well below the global average indicating a significant opportunity for growth for the sector. Sectors which are major consumers of cement are Housing, Infrastructure and Commercial and Industrial Construction. In terms of market players, after the recent wave of consolidation in the sector, the 5 largest cement companies account for almost 50 per

cent of the total cement production in India. Just over 200 large plants account for more than 80% of the capacity in the country with a large number of smaller plants constituting the rest. The main cement manufacturing regions in the country are located in Andhra Pradesh, Telangana, Gujarat, Karnataka, Tamil Nadu, Madhya Pradesh, Chhattisgarh and Rajasthan.

The sector witnessed several challenges throughout the year under review, such as a continued slowdown of demand from the housing sector, a ban on sand mining in several states, introduction of policies like RERA and GST with their associated short term teething issues on the real-estate sector as well as a temporary ban on the use of pet coke as a fuel in Q3 which affected several players in the cement industry. On the positive side, major industry consolidation of capacity is almost complete and there has been an increase in demand for cement arising from the focus on execution of large infrastructure and other government projects in the second half of the year.

The continued slowdown in the urban real estate as well as sand availability issues impacted overall demand from the housing sector. The first half witnessed a de-growth in demand of approx. 1.5%. However, a renewed focus on execution of infrastructure projects particularly in the second half of the year has helped to revive cement growth rates on the back of a low base post demonetization last year. Although cement demand has registered close to 20% growth since November 2017, this is likely to be a temporary spike caused by the base effect of low production following demonetization and is likely to revert to a more sustainable level in FY19.

Geographically, the East continued to be the fastest growing region in cement demand through improvement in consumption by the IHB segment, low cost housing initiatives as well as infrastructure spending across the year. The North saw an impact from sand shortages and low availability of labour although a pick-up in infrastructure spending in some areas kept demand conditions favourable. In the West, while availability of sand and water did impact demand in the first half, a boost to infrastructure project spending in the second half saw significant pick-up in demand in the last few months. In the South, the markets were affected due to sand shortages, especially Tamil Nadu and Kerala, while localized drought in Tamil Nadu and a generally weak housing sector subdued demand further. Andhra Pradesh and Telangana stood out as high growth markets in this region.

Fuel prices have also been a big challenge being faced by the industry this year due to the twin effects of a surge in energy prices globally as well as the recalibration of fuel mix necessitated by policy changes and resulting uncertainty on use of pet coke as a fuel. Higher fuel prices, domestic fuel constraints due to availability issues and higher freight costs due to rising diesel prices have all contributed to an adverse impact on margins this year.

The year also saw several new limestone mines being auctioned in India with healthy competition among industry players to acquire these assets towards long term augmentation of production capacity. Auctions were conducted in the states of Rajasthan, Chattisgarh, Gujarat and Maharashtra.

The process of consolidation of large cement assets available for sale in the country, that had been ongoing for the last few years, has almost been completed. New owners have been identified for most of these large assets with some of these transactions being completed and ramping up operations during the year.

During the year, the government continued to announce several budget and policy initiatives, as part of its well flagged thrust on infrastructure, rural housing and rural income growth along with the continuation of existing programmes

**Affordable Housing Fund:** In its Union Budget 2018-19, the Government of India announced a ₹25,000 crore dedicated fund under the National Housing Bank which is aimed to assist the housing sector by providing credit to home buyers. This move is expected to drive cement demand in the near future.

**Infrastructure status to Affordable Housing:** The Government has granted infrastructure status to affordable housing projects, with the intent to provide benefits such as lower borrowing rates, tax concessions and higher private and foreign capital inflow.

**Pradhan Mantri Awas Yojana ("PMAY") schemes:** 37 lakh urban houses and 51 lakh rural houses are expected to be completed by FY19 under the "Housing for all by 2022" scheme with budgetary and extra-budgetary sources of funding provided to the tune of ₹64,000 crore under the scheme.

**Bharat Mala project:** The Union Government also cleared the Bharat Mala project during the year, an ambitious highway construction project that subsumes the existing projects under the National Highway Development Programme ("NHDP"). It includes economic corridors of around 9,000 km, inter-corridor and feeder routes of around 6,000 km, 5,000 km roads under the National Corridors Efficiency Program, border and international connectivity roads of around 2,000 km, coastal and port connectivity roads of around 2,000 km, expressways of around 800 km and 10,000 km of NHDP roads.

**Pradhan Mantri Gram Sadak Yojana ("PMGSY") scheme:** The PMGSY scheme has been forwarded to FY19 and the Union Budget allocated ₹19,000 crore for the development of roads in rural and backwards areas under this scheme.

**Smart Cities Mission:** An outlay of over ₹6,000 crore was announced in the Union Budget 2018-19 towards the Smart Cities project in continuation of the 5 year mission towards

renewal and development of urban areas within the country.

**Swachh Bharat Abhiyan:** Intention to construct 2 crore more toilets across the country in the fiscal year 2018-19 to add to the 6 crore toilets already constructed towards attaining the objective of universal sanitation coverage in the nation with an allocation of around ₹2,500 crore for FY19.

**Other schemes:** Several other transport and infrastructure projects such as irrigation, waterways, metros, etc are also expected to provide a boost to demand for cement in the years ahead.

**Boost to Investments and Rural Income:** The government is making several efforts to encourage foreign direct investment through the FDI route as well as boost rural incomes and spending through programmes like an increase in Minimum Support Prices ("MSP") to spur rural incomes, consumer demand and private capital expenditure.

## INDUSTRY OUTLOOK

With the near completion of all major consolidation opportunities in the industry, FY19 is likely to be year where industry players focus on ramping up utilization of their existing and increased capacities. This will be likely aided by a strong demand from the infrastructure and affordable housing sectors, as various government projects are pressed into execution mode. Government projects outlined above in the areas of road and highway construction, affordable housing, smart cities, metro development, sanitation systems, irrigation and waterway construction, etc. are all expected to boost demand considerably in the years ahead.

Notwithstanding the fiscal expenditure on infrastructure, the home construction segment will continue to be a large proportion of cement demand in the country, and if urban real estate shows some green shoots of revival, the overall impact on cement growth could be considerable. Geographically, growth is likely to be skewed towards the newer and relatively virgin markets of eastern India.

In the long term, demand growth is projected by some to reach 550-600 million tonnes per annum by the year 2025 with a large part of this growth being driven by the infrastructure sector as successive Indian governments focus on providing housing, basic infrastructure, modern cities and other amenities to its burgeoning population in addition to consumption by sectors such as housing, industrial and commercial construction. Most analysts and research estimates put the annual cement demand growth between 7 – 8% annually in the years ahead.

Fuel prices, even at current levels, will continue to put pressure on industry margins. Continued global economic recovery may potentially be accompanied by a further rise in global energy prices next year, which in turn, could create considerable upward pressure on input costs for all cement producers.

## ORIENT CEMENT'S FINANCIAL PERFORMANCE

Your Company's net revenue grew by 19% to ₹2,24,256.96 lacs in 2017-18, while EBITDA stood at ₹32,540.70 lacs as compared to ₹19,039.04 lacs in FY17. Interest costs were stable at ₹12,920.96 lacs. Orient Cement reported a profit after tax of ₹4,422.14 lacs as compared to a post-tax loss of ₹3,209.85 lacs in FY17.

Your Company experienced a tale of two halves this year, with lower volumes in the first half followed by a pick-up in demand in the second part of the financial year, eventually growing cement volumes by around 3.5% for the full year. Earlier in the year, shortages of sand, water and labour, GST and RERA related disruptions, slowdown in construction particularly in the West and a weak housing market in the South all caused demand to weaken in our core areas. Demand then recovered in the second half of the year after an extended monsoon, the revival being quickest in the southern markets of AP, Telangana and Karnataka, while Maharashtra witnessed an increase only in the last few months of the year under review. Most of the growth in demand came from various infrastructure projects in these states boosting institutional sales that were driven by an intense focus on execution of government projects during this period.

Besides the improved demand situation in the market, your Company also took several initiatives to maximise its gains. With the increased demand emerging from large infrastructure projects through large EPC companies, Key Account Management capabilities have been sharpened to consolidate our relationships with key institutional customers and provide a differentiated service. The Company also conducted various branding and technical activities during the year to further promote the Birla A-1 brand and used innovation and technology to improve its reach, its service levels and its overall connect with the customers and channel partners.

Pursuant to our signing of definitive agreements for the acquisition of certain assets from Jaiprakash Associates Limited ("JAL") and Jaiprakash Power Ventures Limited ("JPVL") in May 2017, we are awaiting the satisfactory completion of the necessary pre-conditions required for the closing of the transaction.

## SALES

In a challenging environment, market share retention and consolidation in core areas have been the principal areas of focus for us in FY18. In addition, we established newer core markets, cementing our brand and deepening our channel network in the new areas, enabled by the supply from our relatively newer Chittapur plant. Thus, despite difficult conditions through most of the year, Orient Cement achieved a 3.5% growth for the year in sales volume.

In this year, we also institutionalized Key Account Management ("KAM") within our Sales function to drive

our engagement and relationships with our select largest customers. Our empowered and dynamic KAM team is dedicated to servicing our key institutional customers ensuring our consistent engagement, close relationship and prioritised service levels. This is just one pillar of our ongoing focus on customer centricity and it is a matter of pride that sales from this important function have doubled over last year and are expected to continue to grow in the coming years.

Despite infrastructure demand driving the volume push in the second half, the Company was able to maintain its strong product mix supporting its efforts to stay responsible, sustainable and profitable. Along with its product mix, your Company also maintained strong volumes to trade customers through improved marketing and branding initiatives in FY18 and is even better poised to benefit from a potential spurt in home construction demand in its areas of operation. Better logistics management, post-GST, has improved our direct dispatch capability and we continue to explore other options to reach customers faster, cheaper and better than our competitors.

We continue to hire a good mix of experienced and fresh employees for the sales team, train them in best practices and provide them with the best tools and technology on offer to enable them to reach customers quickly and effectively. This has created dynamic ambassadors for our brand in every area of operation and the efficiency of the sales team has seen considerable improvement. Teams have real time data access and connectivity at their fingertips through digital tablets and are able to offer better service levels and improved engagement with all our customers besides sharing real time feedback on markets for quick and effective decision making. The sales team is ably assisted by our well-qualified technical experts who conducted a large number of activities to familiarize our customers and influencers with our product, its attributes and applications.

## LOGISTICS

In an industry where the logistics form perhaps the single largest cost, efforts to optimise this cost, while ensuring the required level of customer-service, is always on our top agenda. Your Company has had a significant re-look at its entire logistics and freight strategy since the roll-out of GST to identify opportunities for optimization of its freight mix and its depot network under the new tax regime. More specifically, your Company has also focused its attention on driving an even higher proportion of direct dispatches than before and has already achieved considerable success in this area.

Reduction of turnaround time (TAT) has also been a key focus area for Orient Cement, and we have extensively worked with transporters to implement GPS across their fleet, which allows easy tracking and efficient fleet management.

Reducing TAT are also being explored through utilizing technologies like RFID tags to efficiently manage various touch points within the plant.

## BRANDING AND CUSTOMER ENGAGEMENT

The Company worked extensively during the year to build on the initiatives from the previous year, increase customer outreach and enhance brand recall. The successful campaign 'Pressure deta nahi, leta hain' was continued in the year under review and extended across more locations through TV commercials, theatre, radio, outdoors, Point of Sale ("POS") activities and in-shop branding.

As a first ever initiative, Orient Cement associated with the popular movie "Baahubali 2" showcasing the attributes of strength inherent in Birla A1 cement. This involved commissioning and extensive airing of a dedicated TV commercial, using hoardings and posters to publicize the association and providing access to early movie screenings to our channel partners. This association was very successful in enhancing brand recall, with the brand earning the 'Baahubali cement' moniker in many markets.

Additionally, the Company focused on several small localized events that provided considerable brand mileage at low investment compared to large-format events. In the markets of Andhra Pradesh, Telangana and Karnataka, the Company sponsored several rural 'jatras' that enhanced brand visibility, with one such event registered footfalls of more than a million people. Your Company partnered with various body building, weight lifting and wrestling competitions across its local markets to associate the brand with strength as well as sponsored a local bodybuilder from the Mancherial district at the Asian and World Bodybuilding Championships resulting in tremendous goodwill and publicity.

On the digital front, the Company launched a new brand website this year not only as a promotional tool but also as a repository of information related to construction and home building. The site is continuously updated with various articles and audio/visual elements and is available in several local languages. Orient Cement also experimented with new formats, creating viral videos with popular messages on social media and initiatives like selfie contests to promote the brand further.

## OPERATIONS

The Company's operations continue to be the best in class in terms of various efficiency parameters and efforts are continuously on to further improve the overall cost of production of cement so that your Company continues to enjoy one of its key competitive advantages relative to other industry players. It is precisely this focus on operational and execution excellence that has enabled us to ramp up production and distribution of cement from the relatively new Chittapur plant efficiently and in short time. This is in

spite of the headwinds of relatively poor demand growth from the surrounding markets in Karnataka and Maharashtra this year.

From the use of digital technologies to reduce supply-chain costs to the optimization of our distribution network, from the incessant watch over our energy utilization to the deep-rooted culture of eliminating waste in any form, your Company has always and will continue to use every means at its disposal to stay one of the most efficient producers of cement in the country.

We will continue to focus our efforts on several more cost optimization initiatives in the future, including alternate fuel utilization and waste heat recovery systems, that we are confident will further reduce costs of operations. This is particularly significant at a time when the industry faces headwinds from escalating fuel costs that are likely to cause considerable pressure on margins in the coming year.

## PROCUREMENT

Orient Cement responded to costlier imports, quality issues and supply disruptions by using strategic long term agreements to establish fuel security while retaining flexibility to modify its fuel mix as required. The Company also gained security in terms of other raw materials like fly ash by locking in supply from new sources on an annual basis. The Company used SAP ARIBA procurement software to drive transparency and efficiency in the procurement process while contract rationalizations have also been undertaken wherever possible to achieve cost savings. Numerous other steps, such as locating alternate sources of traditional fuel as well as usage of alternate fuel, were taken across the organization to utilize resources efficiently and optimize the cost of procurement as much as possible.

## SUSTAINABILITY

Sustainability is at the heart of the Orient Cement philosophy and the Company is committed to supporting the environment and the neighbourhoods in which the plants operate. Along with environmental sustainability, the Company strives to create a safe work environment for all its employees in line with the motto 'Work Safe, Live Safe'. The plant operations are aligned to this commitment with regular safety trainings and ensuring that the workforce uses adequate protective equipment appropriate for the areas they work in.

The Company joined the Cement Sustainability Initiative ("CSI") under the aegis of the World Business Council for Sustainable Development ("WBCSD") last year. This is a voluntary initiative, taking on additional responsibilities to adhere to stringent environmental, safety and sustainability goals over and above our statutory obligations that we comply with.

**Health & Safety:** The Company undertook various new

initiatives concerning health and safety during the year under review. A 'monthly safety theme' was introduced at all plant locations. This regular theme selection highlights and focuses on various aspects of safety such as fire safety, electrical safety, road safety and plant safety to build awareness amongst employees. The Company also focused on behavioral safety during the year under review and conducted training for its employees across all the plants. The intent was to address employee and worker behavior around plant and machinery and train them in methods to ensure adequate care and protection. A health and safety mobile app was launched for employees, containing the cardinal rules of safety, and the app is regularly updated with safety briefings as well as updates on rewards and recognition awarded for safe practices across plant locations. This was further support by the development and circulation of a corporate safety manual. The Company also introduced the concept of internal safety audits during the year, wherein a team from one plant is trained in best practices and then sent to audit the same at another plant, highlighting good practices and areas of improvement. The knowledge is then shared across all plant locations improving overall safety.

**Environment:** We continue to focus on improving resource efficiency in clinker and cement production by optimising energy usage, utilising waste in production processes and targeting higher alternative fuel and raw material usage. In the process, we also endeavour to minimise our impact on climate, water and air. The Company has constructed 15 check dams at various locations in and around the plant at Devapur and has developed a reservoir – "Maisamma Sagar" for collecting rain water in the lower most benches during the monsoon season. A huge pond is being maintained for the collection of rain water at the Chittapur plant. Rainwater harvesting capacity was augmented through an additional structure at Jalgaon. Additionally a waste water recycling plant was also installed there. All three plants have dedicated green zones, where plantations arrest dust and provide natural shade. As part of the CSI, the Company has further aligned operations with an effort to reduce emissions and protecting the environment where it operates. The Company has also trained select employees to collect data as per Global Reporting Initiative ("GRI") standards which is later analysed to ensure consistent alignment with the CSI goals.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Our talent-pool of knowledgeable, motivated and engaged professionals is the key to the success of your Company, its operations and its growth. Development of these resources is an important strategic lever to enable further growth and transformation of your Company. As such, the Company invests significant time and effort in developing talent and creating opportunities for its people.

In line with this endeavour, the Company enabled mobility

of talent during the year under review to create internal job positions within the organisation for employees seeking career development while also enabling cross pollination across functions and locations. This simple measure significantly reduced our recruitment cost by substituting those with internal referrals and transfers. The Company also introduced a new 'Buddy' programme for new recruits, where new employees are supported by an experienced 'buddy' whom they can approach for help and assistance in their settling down efforts.

The very successful CEO Circle programme to identify and create potential leaders for the future was continued into this year as well, with the selected employees undergoing intensive training and leadership development programmes during the year under review, thus enabling your Company to build a deep talent pool. Our "Medhas" programme for effective transfer of knowledge between locations is running successfully into its second year, with knowledge sharing happening across departments, functions and locations.

The Company also launched a new programme called "LEAD", for first-time managers to train them on team leading skills. The program was an immense success with a further plan in place to roll-out similar programmes for all managers next year. Your Company continued to conduct customized sales trainings during the year under review to enhance salesforce productivity and training templates were made available on Sales Force Automation tabs for easy access by every frontline employee.

On the employee engagement front, the Company launched "Workplace by Facebook" for its employees to connect, collaborate and share. This forum has gained very quick traction amongst employees across locations and has dramatically enabled engagement, improved communication and information sharing across locations and reporting lines.

A new reward and recognition programme named "Applause" was launched in both offline and online mediums to enable formal and informal recognition of employee achievements by their peers and managers. During the year under review, the Orient Cement Anthem was created based on themes suggested and sung by the employees and launched across locations to foster a spirit of enthusiasm and unity among employees. Our anthem showcases our talents in areas beyond functional expertise.

The performance management system at Orient Cement is now completely online and is being used extensively across the entire organisation. The Company has continued to induct talent from top institutes to create a young and dynamic talent pool to drive its various business initiatives. Diversity ratios have improved during the year under review and it is our clear intention to improve these further in the years ahead. The average employee age was 37 years.

The total number of direct and indirect employees stood at over 4500 at the end of 2017-18, with attrition at about 5%. Industrial relations remained cordial throughout the year under review.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is not just a way of engagement but a symbiotic relationship we create and share with the communities and people we engage with, thus contributing to their overall social and economic development. The Company has aligned its CSR activities with its business imperatives and focuses on education, healthcare, infrastructure development and skill development around all three plants. All long terms plans have been fleshed into medium and short term plans and every activity recommended by the CSR Committee is diligently executed and monitored for assessment of outcome and impact.

At Devapur, the Company operates a school providing excellent quality education in both English and Telugu medium. Besides the children of our employees, children from the local communities are encouraged and welcomed to attend our school regularly and learn, at no cost. To improve the quality of teaching, your Company organized a structured teacher development program for the entire teaching staff at Devapur that covered modern teaching methods to be applied by all teachers there. Along similar lines, a teacher development programme was sponsored for 50 teachers from government schools around the Chittapur plant. The company also awarded scholarships to 18 talented students struggling to continue their education on account of financial hardship.

Your Company contributes to social good by providing primary healthcare support in the vicinity of its plants. The Company has three full time doctors (including a lady doctor) in the dispensaries at Devapur and Chittapur to treat people locally and supply free medicines.

The Company is also actively engaged in developing rural infrastructure around its Chittapur plant and has spearheaded efforts to build roads, develop drainage systems, plant trees and conduct cleaning activities. The partnership with an NGO has allowed further expansion of the skill development initiative where women and girls from rural communities are imparted with skills such as basket weaving, knitting and tailoring.

Toilets have been constructed for the benefit of local communities in the villages.

## 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 as well as an internal audit and review framework.

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 to the Audit Committee and followed up for corrective action. 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 conduct, 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 on a regular basis.

The Company has elaborate systems for Budgetary Control and a 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 has made the Company's internal control system robust.

The Company has a well-established Risk Management Policy. The Governance Risk and Compliance Committee (GRCC) of the Company monitors and carries out periodic reviews of the robustness of its Risk Management framework. The Committee presents a mitigation plan for the risks faced by the Company to the Audit Committee and the Board of Directors. The Internal Audit function is responsible for the review and independent assurance of the overall effectiveness and efficiency of the Risk Management processes. Our risk based audit approach has focused on the Company's objectives and impediments to achieving those objectives, with an emphasis on added value.

The Company ensures alignment of the internal controls systems and processes to existing and new regulatory compliances. It has enhanced stakeholder awareness through trainings and workshops. The Company intends to enhance the use of technology and integrate analytics into its audit methodology to prevent under-delivery, broaden audit coverage, provide trends, exceptions/non-routines and enhance focus on issues that matter.

## RISKS AND CONCERNS

Risks are an unavoidable aspect of doing business. In fact, fructification of certain risks also sometimes presents tactical opportunities. However, with a view to managing its

risks appropriately in the long term, the Company actively identifies, analyses and addresses key risks through a robust risk management programme. The Company's policy on risk management details objectives, principles, processes, procedures and related responsibilities.

The following stages are involved in the Company's risk management:

- Establish the context against which objectives of the Company are identified and prioritized.
- Assess (identify and prioritize) risks through risk identification and risk prioritization
- Mitigate risks through the design and implementation of activities that help manage risks to an acceptable level.
- Follow a formal process to update the Board of Directors, Audit Committee and Governance Risk & Compliance Committee on the implementation of mitigation plans.

## RISK PROFILES AND MITIGATION

**Economic factors:** A change in macroeconomic conditions, such as slowdown in GDP due to structural or one-off factors like de-monetisation, interest rate trends, inflation, drought affecting rural incomes etc. can have an adverse impact on the Company's performance. To manage these risks, the Company is continuously tracking economic parameters to proactively identify adverse events early and formulate strategies to minimise their impact on its business.

**Credit exposure:** : Delays in payments from customers may lead to shortfall in cash flow, and also add to cost through increased working capital requirements. To mitigate this risk, the Company has balanced its business between institutional and retail customers and also seeks to implement innovative ways to proactively improve collections. This has reduced concentration of debtors and the risk of a longer working capital cycle.

**Cost concerns:** Increase in the costs of raw material, power and fuel due to inflation or global price trends may impact profitability. The Company is employing various means to reduce the impact of rising costs through better fuel sourcing, dynamic fuel mix capabilities to capitalise on changing trends in price and the use of alternative fuels. A focus on achieving better operating efficiencies and reducing coal and power consumption continues as a way of life. The Company continues to evaluate and assess long term strategic solutions from waste heat recovery systems to solar energy, from alternate fuel to alternate sources, etc. to manage costs in the medium and long term.

**Compliance:** The growth in business size, coupled with increasing regulatory enactments, has increased compliance requirements. Non-compliance with statutory provisions could not only lead to monetary penalties but also impact the reputation of the organisation and the goodwill it has accumulated over the years. This 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 witnessing increasing competition on account of the geographic concentration of cement plants, 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, investing continuously in enhancing the equity of its Birla A1 brand by focusing on quality, cost, timely delivery, customer service, advertising and brand promotion as well as deeper institutional customer relationships. The Company is investing in marketing and promotions to sustain brand equity in its areas of operation, strengthen brand salience in new markets and enhance its competitiveness. The company has used many innovative solutions to creating and sustaining brand recall for its product in its areas of operations such as partnership with popular movies, viral videos, local events, etc.

**Industrial safety, employee health and safety risk:** The Indian cement industry is labour intensive; it is exposed to health and injury risks due to accidents or negligence. To reinforce the safety culture in the organisation and mitigate this risk, the Company has taken numerous initiatives. The Company has a robust approach to enhance safety and health awareness at all its locations. The various measures include the development and implementation of critical safety standards across units and project sites, establishment of processes for safety training across levels, promotion of a safety culture for staff members, and contract workers

with appropriate insurance coverage. Internal safety audits have been initiated this year while behavioural training has been imparted to employees across all locations this year to inculcate a culture of safety among all.

**Human resources risk:** The Company's ability to enhance value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent/resources can affect performance. The Company is continuously benchmarking its people practices with the best HR practices across the industry, carrying out improvements to attract and retain talent. Various initiatives have been launched to foster a higher level of engagement and belongingness amongst employees. The Company is reviewing, implementing and monitoring personal development plans for high performers and high potential employees. The Company controlled attrition to about 5% in the year under review. .

### CAUTIONARY STATEMENT

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable Securities Laws and Regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual results could differ materially from those expressed in the statements or implied due to the influence of external factors which are beyond the control of the Company. 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.

# Corporate Governance Report

## COMPANY'S GOVERNANCE PHILOSOPHY

The Board and Management Team of Orient Cement attaches utmost importance to the principles of corporate governance and ensures that the highest standards of corporate governance are established and maintained in the Company on an ongoing basis to safeguard the long term interests of all stake holders.

The Company is committed to adhering to corporate governance practices that are best in class in order to ensure healthy business fundamentals and deliver optimum performance under all circumstances.

The robust corporate governance framework that has been put in place enables Orient Cement to be managed effectively and ensures the integrity, transparency and fairness of all processes and practices aimed at creating and enhancing value for all stakeholders in a balanced and fair manner.

All corporate governance initiatives undertaken by the Company adhere to the sound principles of integrity, transparency, professionalism, trusteeship, accountability and corporate responsibility through relentless focus on these core principles:

- (a) **Transparency:** By classifying and explaining the Company's policies and actions to all those that are concerned, including its employees, the Company aims at maximum possible level of disclosures without hampering the interests of the Company and its shareholders. The Company believes in promotion of ethical values and behaviour and setting exemplary standards in our conduct towards our business partners, colleagues, shareholders and the general public;
- (b) **Accountability:** The Company ensures that there is absolutely no compromise in the areas of accountability and responsibility even as it pursues growth;
- (c) **Professionalism:** The Company ensures that management teams across all levels are appropriately qualified professionals who have a clear understanding of their roles and are capable of exercising sound judgment, keeping in view the Company's interests, without being subject to undue influence from any external or internal pressure;
- (d) **Trusteeship:** The Board considers itself a Trustee of the Company's shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth. The Company constantly

emphasizes the fiduciary role of the management to align and direct all actions of the organisation towards creating lasting shareholder value;

- (e) **Corporate Responsibility:** The Company includes sustainable development - environmental and social - as a key strategic objective which is enshrined in its core vision - to be an 'employer of choice' and a 'neighbor of choice' wherever it operates;
- (f) **Integrity:** Besides enforcing a demanding code of conduct for the employees, vendors and Board, the Company ensures the independent verification and truthful presentation of the Company's financial position and performance. For this purpose, the Company has constituted an Audit Committee which pays particular attention to the financial management and reporting process. A robust whistle-blower mechanism is also in force under the direct supervision of the Board.

This Report has been prepared in accordance with the requirements laid down under the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and with a view to meticulously attain the highest standards of governance.

## BOARD OF DIRECTORS

### Composition

The Board of Directors ("the Board") plays 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 and all its stakeholders in a fair and transparent manner.

The Board of Directors is at the core of the Company's Corporate Governance practices and oversees how management serves and protects the long term interests of its stakeholders. It brings in strategic guidance, leadership and an independent view to the Company's Management while discharging its fiduciary responsibilities, thereby, ensuring that Management adheres to highest standards of integrity, transparency and fairness.

Our policy towards the composition of the Board is to have appropriate professionalism, diversity, knowledge

and experience in areas critical to the organization. This helps to drive value-based guidance whilst maintaining the independence of the Board and to separate its functions of Governance and Management.

The Company has a balanced Board with a combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with Regulation 17(1) of SEBI LODR Regulations.

As on 31<sup>st</sup> March, 2018, the Board consists of 9 (nine) Members, of whom 1 (One) is an Executive Director i.e. Managing Director & CEO and 8 (eight) members are Non-Executive Directors. Amongst the 8 (eight) Non-Executive Directors, 6 (six) are Independent Directors and 1 (one) Woman Director.

The size and composition of the Board conforms to the requirements of Regulation 17 of the SEBI LODR Regulations and the Companies Act, 2013. Other details relating to the directors as on 31<sup>st</sup> March, 2018 are as follows:

Name of Director	Position held in the Company	Directorship in Companies@ (including Orient)	Committee Membership in listed and unlisted Companies# (including Orient)	Committee Chairmanship in listed and unlisted Companies# (including Orient)
Mr. Chandrakant Birla (DIN 00118473)	Chairman, Non-Executive	8	-	-
Mr. Desh Deepak Khetrpal (DIN 02362633)	Managing Director & CEO-Executive	4	4	-
Mrs. Amita Birla (DIN 00837718)	Non-Executive	5	-	-
Mr. Rajeev Jhavar (DIN 00086164)	Non-Executive-Independent	6	3	1
Mr. Vinod Kumar Dhall (DIN 02591373)	Non-Executive-Independent	7	9	6
Mr. Rabindranath Jhunjhunwala (DIN 00050729)	Non-Executive-Independent	4	2	-
Mr. Janat Shah (DIN 01625535)	Non-Executive-Independent	2	2	-
Mr. Swapan Dasgupta (DIN 07113693)	Non-Executive-Independent	1	2	-
Mr. I.Y.R. Krishna Rao (DIN 00481367)	Non-Executive-Independent	2	2	1

@ Excluding private limited companies, foreign companies, and companies formed under section 8 of the Act.

# Represents membership/chairmanship of Audit Committee and Stakeholders Relationship Committee of Indian public limited companies-listed and unlisted (other than foreign companies, private limited companies, companies formed under section 8 of the Act).

None of the directors on the Board of the Company is a member of more than ten committees and/or acts as a chairman/chairperson of more than five committees across all the listed companies in which he/she is a Director.

Further, no Independent Director serves in more than seven listed companies and no person who is serving as a Whole-time Director in a listed company is serving as an Independent Director in more than three listed companies.

Except Mrs. Amita Birla, a Non-Executive Director of the Company, who is the spouse of Mr. Chandrakant Birla, Chairman of the Company, no other director is related to another director.

## DISCLOSURE REGARDING APPOINTMENT OR RE- APPOINTMENT OF DIRECTORS

Every appointment made to the Board is recommended by the Nomination & Remuneration cum Compensation Committee after considering various factors such as qualification, positive attributes, area of expertise and other criteria as laid down in the "Nomination & Remuneration Policy". The same is further taken for shareholders' approval, as and when required, under the provisions of the applicable laws.

As per the provisions of the Act, Mrs. Amita Birla (DIN 00837718) is liable to retire by rotation at the ensuing Annual

General Meeting. The Board has recommended the re-appointment of Mrs. Amita Birla as a director liable to retire by rotation.

During the financial year under review the shareholders of the Company approved the appointment of Mr. I.Y.R. Krishna Rao (DIN 00481367) as an Independent Director of the Company for a period of 5 (five) years, w.e.f. 5<sup>th</sup> May, 2017.

Pursuant to the provisions of section 149 of the Act, all the Independent Directors hold office for a tenure of five consecutive years and are not liable to retire by rotation.

The profile of Mrs. Amita Birla in terms of SEBI LODR Regulations is provided in the Annual Report.

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

### BOARD FUNCTIONING AND PROCEDURE

The Board of Directors is an apex body constituted by the members for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic directions of the Company, Management's policies and their effectiveness and ensures that the long term interests of the shareholders are being served.

The Board meets at least once in a quarter to review the performance of the Company and approves, inter alia, the financial results. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. The Board oversees the process of disclosure and communication. Independent Directors are regularly updated on the performance of the Company, business strategy and new initiatives being taken/ proposed to be taken by the Company. The Board meetings of the Company are governed by a structured agenda. The Board meetings are generally held at the corporate office of the Company at Delhi. The Company Secretary in consultation with the Managing Director & CEO and Chief Financial Officer finalizes the agenda of the Board meetings. All major agenda items are backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision. In case of exigencies/sensitive matters, the details are directly placed at the meeting, with the permission of the Chair. Any Board member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board.

The Board periodically reviews the compliance status of all the laws applicable to the Company, as certified by the Chief Compliance Officer/ Company Secretary, as well as the steps undertaken to rectify instances of non-compliances, if any.

### INFORMATION GIVEN TO THE BOARD

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 of the Company;
- 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 the Board, including the appointment or removal of the Chief Financial Officer and the 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 a 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;
- Significant labour problems and their proposed solutions. Any significant development on the human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.;
- Sale of investments, assets which are material in nature and not in normal course of business;
- 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 or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc.;
- Declaration of Dividend;
- General notices of interest of directors.

### MEETINGS OF BOARD AND ATTENDANCE DURING THE YEAR

During the financial year under review, 6 (six) Board meetings were held. These were held on 5<sup>th</sup> May, 2017, 26<sup>th</sup> July, 2017, 8<sup>th</sup> August, 2017, 2<sup>nd</sup> November, 2017, 29<sup>th</sup> January, 2018 and 27<sup>th</sup> March, 2018.

The following table gives the attendance record of the directors at the aforementioned Board Meetings and at the last Annual General Meeting, which was held on 23<sup>rd</sup> September, 2017.

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Mr. Chandrakant Birla (DIN 00118473)	6	No
Mr. Desh Deepak Khetrapal (DIN 02362633)	6	Yes
Mrs. Amita Birla (DIN 00837718)	4	No
Mr. Rajeev Jhawar (DIN 00086164)	2	No
Mr. Vinod Kumar Dhall (DIN 02591373)	6	Yes
Mr. Rabindranath Jhunjhunwala (DIN 00050729)	3	No
Mr. Janat Shah (DIN 01625535)	3	No
Mr. Swapan Dasgupta (DIN 07113693)	6	No
Mr. I.Y.R. Krishna Rao (DIN 00481367)	6	Yes

## COMMITTEES OF DIRECTORS

In terms of the SEBI LODR Regulations and the Act, the Board has constituted 4 (four) Committees viz. Audit Committee, Nomination & Remuneration cum Compensation Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee. Keeping in view the requirements of the Act as well as the SEBI LODR Regulations, the Board decides the terms of reference of these Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

Each of these Committees has the requisite expertise to handle issues relevant to their field. These Committees spend adequate time and give focused attention to the various issues placed before them. The guidance provided by these Committees provides immense value to and enhances the decision making process of the Board. The Board reviews the functioning of these Committees from time to time.

### (a) Audit Committee

#### Composition

As on 31<sup>st</sup> March, 2018, Audit Committee comprised of the following members, namely:

- (i) Mr. Vinod Kumar Dhall
- (ii) Mr. Desh Deepak Khetrapal
- (iii) Mr. Rajeev Jhawar
- (iv) Mr. Rabindranath Jhunjhunwala
- (v) Mr. Janat Shah
- (vi) Mr. Swapan Dasgupta
- (vii) Mr. I. Y. R. Krishna Rao

All members of the Committee are financially literate and have requisite accounting and financial management expertise. The Company Secretary acts as the Secretary of the Audit Committee.

### Role and responsibility

Primarily, the Audit Committee is responsible for:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing the scope of the Statutory Auditors, the Annual Audit Plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Reviewing the significant audit findings from the Statutory and Internal audits carried out, the recommendations and management's response thereto.
- Reviewing and recommending to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approving the appointment, removal and terms of remuneration of the internal Auditors.
- Reviewing and approving the related party transactions and also granting omnibus approval for related party transactions that are in the ordinary course of business and are on arm's length basis.
- 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.

### Meetings of Audit Committee and attendance during the year

4 (Four) meetings of the Audit Committee were held during the financial year under review. These were held on 5<sup>th</sup> May, 2017, 26<sup>th</sup> July, 2017, 2<sup>nd</sup> November, 2017 and 29<sup>th</sup> January, 2018.

The attendance of members of Audit Committee at the said meetings was as follows:

Name of the Member	Position	No. of meetings attended
Mr. Vinod Kumar Dhall	Chairman	4
Mr. Desh Deepak Khetrupal	Member	4
Mr. Rajeev Jhawar	Member	2
Mr. Rabindranath Jhunjunwala	Member	2
Mr. Janat Shah	Member	2
Mr. Swapan Dasgupta	Member	4
Mr. I. Y. R. Krishna Rao	Member	3

The Chairman of the Audit Committee, who is an Independent Director, was present at the Annual General Meeting of the Company held on 23<sup>rd</sup> September, 2017.

The Audit Committee meetings are also attended by the Chief Financial Officer, the representatives of the Statutory Auditors and the Internal Auditors, Group Internal Auditor and Head-Internal Audit of the Company. The representatives of the Statutory Auditors are permanent invitees to the meeting. They have attended all the meetings during the financial year. The Board has accepted all recommendations made by the Audit Committee.

### (b) Nomination & Remuneration cum Compensation Committee

#### Composition

As on 31<sup>st</sup> March 2018, the Nomination & Remuneration cum Compensation Committee comprised of the following members:

- (i) Mr. Rabindranath Jhunjunwala
- (ii) Mr. Chandrakant Birla
- (iii) Mr. Rajeev Jhawar
- (iv) Mr. Vinod Kumar Dhall
- (v) Mr. Janat Shah
- (vi) Mr. Swapan Dasgupta

The Company Secretary of the Company acts as the

Secretary to the Committee.

#### Role and responsibility

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

- Identifying persons who are qualified to become directors and who may be appointed to 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.

### Meetings of Nomination & Remuneration cum Compensation Committee and attendance during the year

2 (Two) meetings of Nomination & Remuneration cum Compensation Committee were held during the financial year ended 31<sup>st</sup> March, 2018. These were held on 5<sup>th</sup> May, 2017 and 2<sup>nd</sup> November, 2017.

The attendance of members of Nomination & Remuneration cum Compensation Committee at the meeting was as follows:

Name of the Member	Position	No. of meetings attended
Mr. Rabindranath Jhunjunwala	Chairman	1
Mr. Chandrakant Birla	Member	2
Mr. Rajeev Jhawar	Member	1
Mr. Vinod Kumar Dhall	Member	2
Mr. Janat Shah	Member	1
Mr. Swapan Dasgupta	Member	2

### (c) Stakeholders' Relationship Committee

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

#### Composition

As on 31<sup>st</sup> March, 2018, the Stakeholders' Relationship Committee comprised of the following members, namely:

- (i) Mr. Vinod Kumar Dhall
- (ii) Mr. Desh Deepak Khetrapal
- (iii) Mr. Rajeev Jhawar
- (iv) Mr. Swapan Dasgupta

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

#### Contact details of the Secretary:

Ms. Nidhi Bisaria  
Company Secretary  
Birla Tower, 3<sup>rd</sup> Floor, 25, Barakhamba Road,  
New Delhi-110 001  
Telephone: 011- 42092253  
Email for investors: investors@orientcement.com

#### Role and responsibility

The Committee oversees the performance of the Registrar and Transfer Agent of the Company and recommends measures for the 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 investor relations and monitoring the work of the Registrar and Transfer Agent of the Company with regard to redressal of security holders' complaints like transfer of security, non-receipt of balance sheet, annual report, non-receipt of declared dividends etc.
- Monitoring the work of the 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.

#### The details of investors' complaints received and resolved during the financial year ended 31<sup>st</sup> March, 2018:

No. of Investors' complaints received from 1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018	No. of Investors' complaints resolved from 1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018	No. of Investors' complaints pending as at 31 <sup>st</sup> March, 2018
2	2	Nil

#### Meetings of Stakeholders' Relationship Committee and attendance during the year

4 (Four) meetings of Stakeholders Relationship Committee were held during the year ended 31<sup>st</sup> March, 2018. These were held on 5<sup>th</sup> May, 2017, 26<sup>th</sup> July, 2017, 2<sup>nd</sup> November, 2017 and 29<sup>th</sup> January, 2018.

#### The attendance of members of the Stakeholders Relationship Committee at the said meetings was as follows:

Name of the Member	Position	No. of meetings attended
Mr. Vinod Kumar Dhall	Chairman	4
Mr. Desh Deepak Khetrapal	Member	4
Mr. Rajeev Jhawar	Member	2
Mr. Swapan Dasgupta	Member	4

### (d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board has been constituted to oversee the Corporate Social Responsibility 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

As on 31<sup>st</sup> March, 2018, the Corporate Social Responsibility Committee comprised of the following members, namely:

- (i) Mr. Janat Shah
- (ii) Mr. Desh Deepak Khetrapal

(iii) Mr. Rabindranath Jhunjhunwala

(iv) Mr. I.Y. R. Krishna Rao

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

#### Role and responsibility

Primarily, the Corporate Social Responsibility Committee is responsible for:

- Formulating and recommending to the Board, a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the Company.

- Recommending the amount of expenditure to be incurred on the Corporate Social Responsibility activities.
- Monitoring the Corporate Social Responsibility Policy of the Company and its effective implementation from time to time.

The Corporate Social Responsibility Policy of your Company is available on the Company's website and can be accessed

through the web link: <http://orientcement.com/investors/>.

#### Meetings of Corporate Social Responsibility Committee and attendance during the year

1 (One) meeting of Corporate Social Responsibility Committee was held during the financial year ended 31<sup>st</sup> March, 2018 on 5<sup>th</sup> May, 2017.

#### The attendance of members of the Corporate Social Responsibility Committee at the said meeting was as follows:

Name of the Member	Position	No. of meeting attended
Mr. Janat Shah	Chairman	-
Mr. Desh Deepak Khetrapal	Member	1
Mr. Rabindranath Jhunjhunwala	Member	1
Mr. I.Y. R. Krishna Rao*	Member	N.A.

\*Appointed as a member of the Corporate Social Responsibility Committee by the Board on May 5, 2017

### 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 viz Governance, Risk & Compliance Committee (GRCC), responsible for ensuring effective roll-out of the Risk Management Programme; and Steering Committee, responsible for ensuring effective roll-out of the Compliance Management Program.

#### (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. Business Risk Evaluation and Management is an ongoing process within the Company. The Company has a robust management framework to identify, monitor, mitigate and minimize risks and also identify business opportunities.

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.

#### Composition

As on 31<sup>st</sup> March, 2018, the GRCC comprised of following members, namely:

- Managing Director & CEO
- Chief Financial Officer,
- Chief Operating Officer,
- Head-Human Resources

The Committee did not meet during the year ended 31<sup>st</sup> March, 2018

#### Role and responsibility

Primarily, the GRCC is responsible for:-

- Understanding of various risks which could impact the

Company

- Understanding and managing the uncertainties which impact Company's performance.
- Identifying risks and promoting a pro-active approach to mitigate / manage such risks.
- Contributing to safeguard 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.
- Allocating adequate resources to mitigate and manage risks and minimise their adverse impact on outcomes.
- 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 8<sup>th</sup> May, 2015.

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

#### Composition

As on 31<sup>st</sup> March, 2018, the Steering Committee comprised of following members, namely:

- Chief Financial Officer
- Chief Operating Officer
- Head – Human Resource
- Chief Compliance Officer
- Company Secretary

The Committee did not meet during the year ended 31<sup>st</sup> March, 2018.

### Role and responsibility

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 and Senior Management and their remuneration. The Nomination & Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel has been annexed at the end of this Report as Annexure '1'.

### Criteria for 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.

### 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 Managing Director & CEO for the financial year ended 31<sup>st</sup> March, 2018 is as follows:

Name	Salary and allowances (₹)*	Annual performance linked pay (₹) and performance criteria*	Perquisite (₹)	Retiral Benefits (₹)	Total (₹)	Stock Options granted**	Notice Period	Severance Pay
Mr. Desh Deepak Khetrapal	6,00,80,520/- p.a.	1,50,00,000/- (Managing Director & CEO's performance and Company's performance)	12,00,000/- p.a.	82,14,610 p.a.	8,44,95,130/- p.a.	8,31,900 No. of options	Three months	Nil

\* Salary and allowances includes ₹8,68,000/- towards encashment of earned leave for 15 days for 2016-17 as per policy of the Company.

Proposed remuneration of the Managing Director & CEO for shareholders' approval for the financial year ended 31<sup>st</sup> March, 2019 is as follows:

Name	Salary and allowances (₹)	Annual performance linked pay (₹) and performance criteria*	Perquisite (₹)	Retiral Benefits (₹)	Total (₹)	Stock Options granted**	Notice Period	Severance Pay
Mr. Desh Deepak Khetrapal	7,12,27,830/- p.a.	1,80,00,000/- (Managing Director & CEO's performance and Company's performance)	12,00,000/- p.a.	99,24,720/- p.a.	10,03,52,550/- p.a.	8,31,900 No. of options	Three months	Nil

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

\* The Annual performance linked pay can be paid upto 120% of Rs. 1,80,00,000/- on achieving certain additional criteria as specified by the Nomination & Remuneration cum Compensation Committee of the Company from time to time.

\*\* Exercise price per share is ₹135/- per share for exercising each option. The vesting date of the first tranche shall commence on 4<sup>th</sup> August, 2018 and for the second tranche shall commence on 4<sup>th</sup> August, 2019. The vested options shall have to be exercised within 4 years from the date of vesting.

## 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 routine matters, at these meetings.

The details of sitting fees, commission paid to directors and their shareholding as on 31<sup>st</sup> March, 2018 are as follows:

S. No.	Name of director	Sitting fees (₹)*	Commission (₹)	Shareholding (Nos.)
1.	Mr. Chandrakant Birla	7,00,000/-	8,50,000/-	31,53,570
2.	Mr. Desh Deepak Khetrpal	NA	NA	-
3.	Mrs. Amita Birla	4,00,000/-	8,50,000/-	3,88,000
4.	Mr. Rajeev Jhawar	5,50,000/-	8,50,000/-	-
5.	Mr. Vinod Kumar Dhall	13,50,000/-	8,50,000/-	-
6.	Mr. Rabindranath Jhunjunwala	6,00,000/-	8,50,000/-	-
7.	Mr. Janat Shah	6,00,000/-	8,50,000/-	-
8.	Mr. Swapan Dasgupta	13,50,000/-	8,50,000/-	-
9.	Mr. I.Y.R. Krishna Rao	9,50,000/-	8,50,000/-	-

\* For attending the Board Meetings, Audit Committee Meeting, Stakeholders Relationship Committee Meeting, Corporate Social Responsibility Committee Meeting, Nomination & Remuneration cum Compensation Committee Meeting and separate Meeting of Independent Directors.

The Company has not granted stock options to non-executive directors.

Apart from receiving directors' remuneration, no director except Mr. Rabindranath Jhunjunwala, who is partner in Khaitan & Co. has 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

Pursuant to the provisions of the Act and SEBI LODR Regulations, the Board has carried out the performance evaluation of its own performance, the directors individually, chairman as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration cum Compensation Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The performance evaluation was done using questionnaires, covering amongst others, composition of Board, receipt of regular inputs and information, functioning, performance & structure of Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board Meetings, leadership etc. The performance evaluation of the respective Committees and that of Independent and Non-independent Directors was done by the Board excluding the director being evaluated.

## INDEPENDENT DIRECTORS' MEETING

1 (One) meeting of the Independent Directors of the Company

was held on 14<sup>th</sup> December, 2017 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 LODR Regulations.

The salient roles and responsibilities associated with the Independent Directors Meeting include, but are not limited to the following:

- Review the performance of Non-independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairperson of the listed entity, taking into account the views of Executive Directors and Non-Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

The performance evaluation of Non-independent Directors, the Chairman and the Board was done by the Independent Directors using individual questionnaires, covering amongst others, composition of Board, receipt of regular inputs and information, functioning, performance and structure of Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board meetings, leadership etc. As part of the performance evaluation process, the performance evaluation of Non-independent Directors, the Chairman and the Board was done by the Independent Directors.

## GENERAL BODY MEETINGS

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

Financial year	Date	Day	Time	Venue	Special resolutions
2014-15	25 <sup>th</sup> July, 2015	Saturday	2:00 P.M	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, Odisha	(i) Re-appointment of Mr. Desh Deepak Khetrpal as the Managing Director & Chief Executive Officer of the Company (ii) Create, offer, issue and allot Options under Employee Stock Option Scheme
2015-16	23 <sup>rd</sup> July, 2016	Saturday	2:00 P.M	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, Odisha	(i) Fixing of remuneration of Mr. Desh Deepak Khetrpal, Managing Director & CEO of the Company
2016-17	23 <sup>rd</sup> September, 2017	Saturday	2:00 P.M	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, Odisha	(i) Waiver of recovery of excess remuneration paid to Mr. Desh Deepak Khetrpal, Managing Director & CEO (DIN 02362633) of the Company for the financial year 2016-17 (ii) Approval of the terms of remuneration of Mr. Desh Deepak Khetrpal, Managing Director & CEO (DIN 02362633) (iii) Conversion of loan into equity (iv) Increase in borrowing limits (v) Creation of Charges / Mortgages on the movable and immovable properties of the Company, both present and future, in respect of borrowings (vi) Raising of funds through issuance of securities

### (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. Further, none of the business proposed to be transacted at the ensuing Annual General Meeting requires to be transacted through Postal Ballot.

## MEANS OF COMMUNICATION

**Results:** The financial results are generally published in 'The Economic Times' and 'Utkal Mail' in vernacular language..

**Website:** The financial results are posted on the Company's website viz. [www.orientcement.com](http://www.orientcement.com).

**News Release, Presentations:** The press releases/official news, detailed presentation made to media, analysts, institutional investors etc. are displayed on the Company's website. Official Media Releases are also sent to the stock

exchanges before dissemination to the media.

**Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges on all price sensitive information or such other matters which in its opinion are material and of relevance to the Investors.

**SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**Designated Exclusive email-id:** The Company has designated the following email-id for investor servicing: [investors@orientcement.com](mailto:investors@orientcement.com). Investors can also mail their queries to Registrar and Transfer Agent at [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com).

## GENERAL SHAREHOLDER INFORMATION

### Financial Year

The financial year covers the period starting from 1<sup>st</sup> April and ending on 31<sup>st</sup> March.

## Financial Calendar

<b>Board Meeting for consideration of unaudited quarterly results for the financial year ended 31<sup>st</sup> March, 2018</b>	Within forty five days from the end of the quarter, as stipulated under the SEBI LODR Regulations.
<b>Board Meeting for consideration of audited results for the financial year ending 31<sup>st</sup> March, 2018</b>	Within sixty days from the end of the last quarter, as stipulated under the SEBI LODR Regulations
<b>Book Closure date</b>	Monday, 13 <sup>th</sup> day of August, 2018 to Friday, 17 <sup>th</sup> day of August, 2018 (both days inclusive)
<b>Dividend payment date</b>	30 <sup>th</sup> day of August, 2018
<b>Day, date, time and venue of Annual General Meeting</b>	Friday, 17 <sup>th</sup> day August, 2018, 2:00 P.M, Unit - VIII, Plot No. 7, Bhoinagar, Bhubaneswar - 751012, Odisha

## Listing

Equity Shares of the Company are currently listed on the following Stock Exchanges:

BSE Limited (BSE)

1<sup>st</sup> Floor, New Trading Ring, Rotunda Building, P.J. Tower, Dalal Street, Fort, Mumbai – 400001

National Stock Exchange of India Limited (NSE).

Exchange Plaza, C-1, Block G, 5<sup>th</sup> Floor, Bandra Kurla Complex, Bandra (E), Mumbai – 400051

The annual listing fees for the financial year 2017-18, as applicable, have been paid to both BSE and NSE. The Company's stock codes are:

**BSE 535754**

**NSE ORIENTCEM**

## Payment of Depository fees

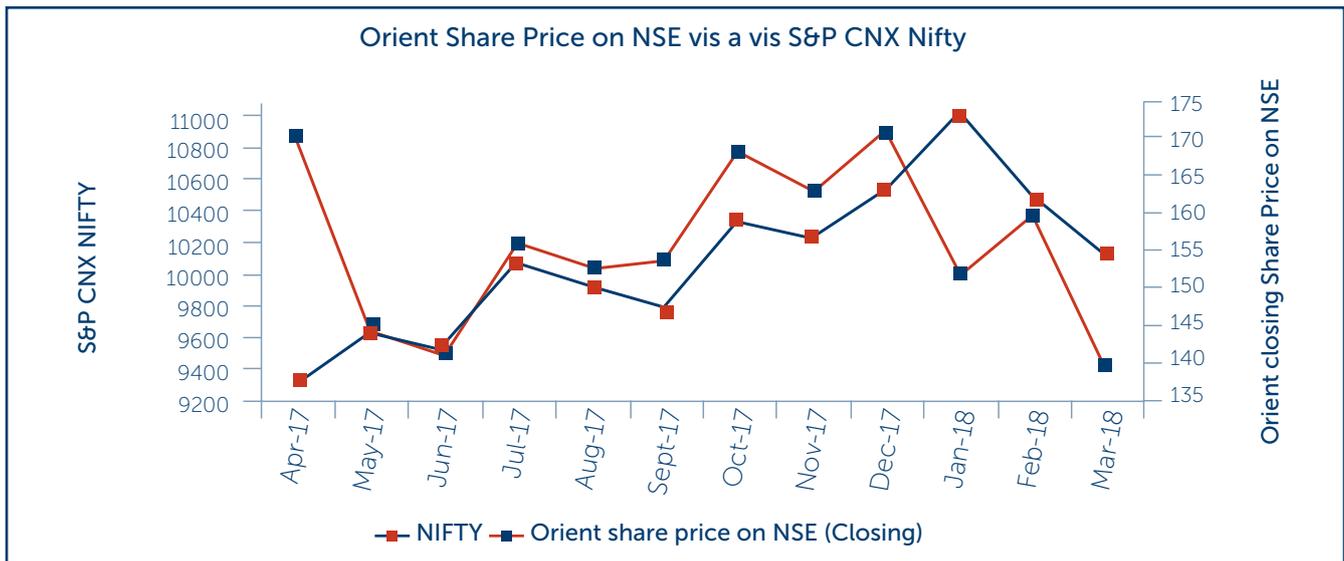
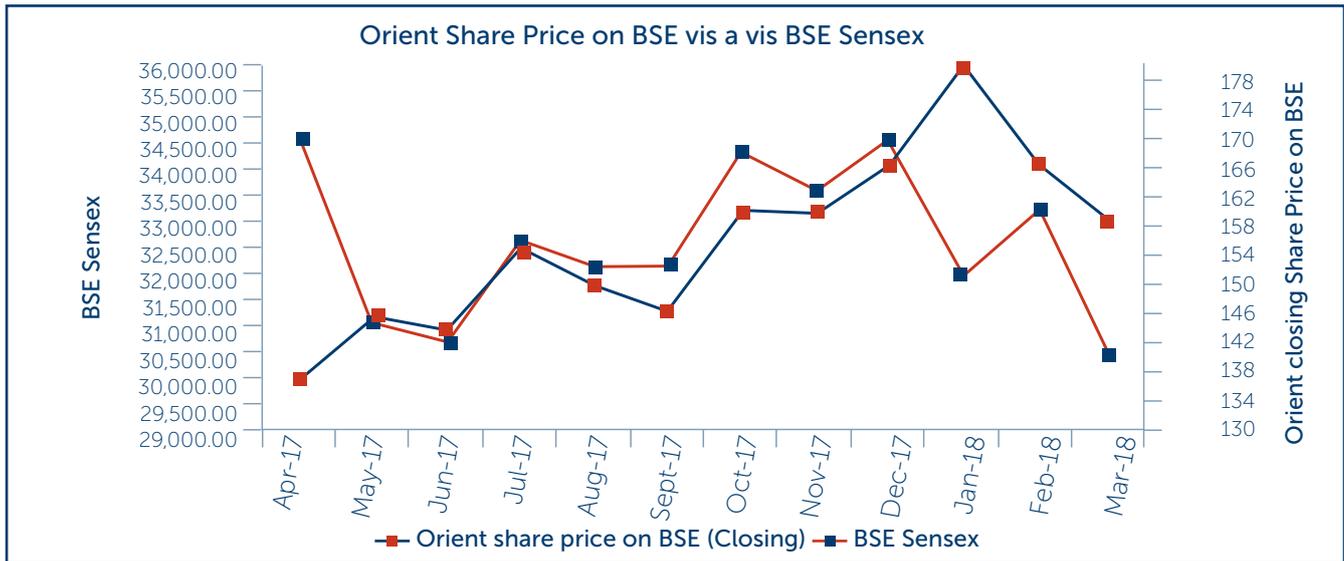
Annual Custody/Issuer fee for the financial year 2017-18 has been paid by the Company to NSDL and CDSL. The ISIN No. of the Company on both NSDL and CDSL is INE 876N01018.

## Market price data Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) (April 2017-March 2018)

Month	BSE		NSE	
	High Price (₹)	Low Price (₹)	High Price (₹)	Low Price (₹)
April 2017	171.75	132.50	171.75	132.05
May 2017	171.15	135.00	171.50	141.60
June 2017	166.00	136.65	166.80	136.45
July 2017	176.50	141.05	178.00	142.00
August 2017	161.80	148.00	159.90	147.80
September 2017	171.10	148.00	170.80	146.60
October 2017	177.95	150.00	178.30	150.40
November 2017	182.00	153.45	182.00	153.10
December 2017	174.90	157.00	174.90	157.00
January 2018	183.80	147.00	183.60	150.10
February 2018	166.80	133.00	165.85	128.85
March 2018	163.00	134.80	160.85	135.00

## Performance in comparison to BSE Sensex and S&P CNX Nifty

Month	BSE (Closing price) (₹)	BSE Sensex (Closing)	NSE (Closing price) (₹)	S&P CNX Nifty (Closing)
April 2017	170.30	29,918.40	170.40	9304.05
May 2017	144.60	31,145.80	144.35	9624.55
June 2017	141.80	30,921.61	141.10	9520.90
July 2017	155.90	32,514.94	156.05	10077.10
August 2017	152.55	31,730.49	152.45	9917.90
September 2017	152.70	31,283.72	153.55	9788.60
October 2017	168.70	33,213.13	168.35	10335.30
November 2017	163.05	33,149.35	162.80	10226.55
December 2017	170.20	34,056.83	170.95	10530.70
January 2018	151.20	35,965.02	151.60	11027.70
February 2018	160.45	34,184.04	159.90	10492.85
March 2018	140.20	32,968.68	139.35	10113.70



**Share Transfer system and other related matters**

The Company’s shares are traded on the Stock Exchanges, compulsorily in dematerialized mode. The dematerialized shares are transferred directly to the beneficiaries by the depositories. Share transfer forms (SH-4) for shares held in physical mode which are received by the Company, complete in all respects are promptly processed and the share certificates are returned to the transferees within a period of fifteen days from the date of receipt of transfer. Share transfer forms which are incomplete or where the Company has noticed irregularities in the document are immediately returned to the transferees.

Members holding shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card

of the transferor(s), transferee(s), surviving joint holders / legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, as the Company’s shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in Practice as required under SEBI LODR Regulations and files a copy of the certificate with the Stock Exchanges on or before the due date.

**Shareholding Pattern as on 31<sup>st</sup>March, 2018**

Sr. No.	Category	No. of shares held	Percentage of shareholding (%)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>		
1.	Indian	7,65,49,922	37.37
2.	Foreign	–	–
	<b>Total shareholding of Promoter and Promoter Group</b>	<b>7,65,49,922</b>	<b>37.37</b>
<b>(B)</b>	<b>Public shareholding</b>		
1.	Institutions	6,90,25,681	33.69
2.	Central Government/ State Government(s)/ President of India	–	–
3.	Non-Institutions	5,92,93,157	28.94
	<b>Total Public Shareholding</b>	<b>12,83,18,838</b>	<b>62.63</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>		
1.	Promoter and Promoter Group	–	–
2.	Public	–	–
	<b>TOTAL (A) + (B) + (C)</b>	<b>20,48,68,760</b>	<b>100.00</b>

**Distribution of shareholding as on 31<sup>st</sup> March, 2018**

From-To	No. of shares	Percentage of total no. of shares
	Number	%
1-500	28,69,393	1.40
501-1000	22,09,235	1.08
1001-2000	24,69,825	1.21
2001-3000	15,08,214	0.74
3001-4000	9,94,214	0.48
4001-5000	10,13,496	0.49
5001-10000	31,33,355	1.53
10001-50000	64,30,917	3.14
50001-100000	23,93,425	1.17
Above 100001	18,18,46,686	88.76
<b>Total</b>	<b>20,48,68,760</b>	<b>100.00</b>

**Dematerialization of shares and liquidity**

Trading in equity shares of the Company is permitted only in dematerialized form. To facilitate trading in equity shares of the Company in dematerialized form, the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open an account with any Depository Participant registered with one of these two depositories.

Members holding shares in physical mode are urged in their own interest to hold these shares in dematerialized form with any Depository Participant.

As on 31<sup>st</sup> March, 2018, 99.25% of the equity shares of the Company are held by 26,562 equity shareholders in the dematerialized form and the balance 0.75% is held by 516 equity shareholders in physical form.

Entire equity shareholding of the promoters in the Company

is held in dematerialized form.

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

The Company has not issued any GDRs/ ADRs/ Warrants etc., during the financial year 2017-18.

As on 31<sup>st</sup> March, 2018, a total of 14,73,900 options were outstanding under "Orient Cement Employee Stock Option Scheme 2015". Each option is convertible into one equity share of ₹1 each.

**Commodity price risk or foreign exchange risk and hedging activities**

The Company is not exposed to foreign exchange risk and commodity price risk. Further, the Company is not carrying out any hedging activities.

### Plant Locations

The Company's plants are located at:

#### Devapur:

P.O. Devapur Cement Works

Dist. Adilabad - 504218 (Telangana)

#### Jalgaon:

Nashirabad, Dist. Jalgaon (MS)

#### Chittapur:

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

### Registrar and Transfer Agent

MCS Share Transfer Agent Limited is acting as the Registrar and Transfer Agent (RTA) for handling the shares related matters both in physical as well as dematerialized mode. All work relating to equity shares is being handled by them. Shareholders are therefore, advised to send all their correspondence directly to the RTA. The address for communication is:

#### MCS Share Transfer Agent Limited

F-65, Okhla Industrial Area, Phase-I, New Delhi-110 020  
Telephone: 011-41406149-52

Email: admin@mcsregistrars.com

However, for the convenience of shareholders, correspondence relating to shares received by the Company is forwarded to the RTA for necessary action thereon.

### Address for correspondence with the Company

Ms. Nidhi Bisaria, Company Secretary  
Birla Tower, 3<sup>rd</sup> Floor, 25, Barakhamba Road,  
New Delhi-110 001, Telephone: 011 42092253

### Exclusive email id for investors:

The Company has designated an e-mail ID to enable the Members and Investors to correspond with the Company. The e-mail ID is investors@orientcement.com.

### GO GREEN INITIATIVE

To contribute towards a 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 the e-mail address provided by them and/ or made available to the Company by the Depositories.

The shareholders having shares in physical form are requested to register their e-mail addresses with us or our Registrar, at the address given in this report, to enable us to send any document, notice, communication, annual report, etc. through e-mail.

The shareholders holding shares in dematerialized form are requested to register their e-mail addresses with their respective Depository Participant for the above purpose.

### COMMUNICATION BY MEMBERS

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain their Demat Account(s) for queries relating to shareholding, change of address, updation of bank details for electronic credit of dividend, etc. However, queries relating to non-receipt of dividend or non-receipt of annual reports of the Company should be addressed to the Company.

Members who hold shares in physical form should address their queries to the Company for change of address, change in bank details, processing of unclaimed dividend, issue of duplicate share certificates signed by the first named Member, as per the specimen signature registered with the Company. The Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID / Ledger Folio number in their correspondence with the Company and also to provide their email addresses and telephone numbers to facilitate prompt response from the Company.

### CHANGE OF ADDRESS

Members holding equity share(s) in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar & Transfer Agent, at the address mentioned above.

The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding equity share(s) in dematerialized form are requested to submit their PAN and notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN and notify the change of address/dividend mandate, if any, to the Company/Registrar & Transfer Agent.

### PENDING INVESTORS' GRIEVANCES

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary with a copy of the earlier correspondence.

### DISCLOSURES

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

All the transactions entered into with Related Parties as per the Act and Regulation 23 of the SEBI LODR Regulations during the financial year 2017-18 were in the ordinary course of business and on an arm's length basis and do not attract provisions of section 188 of the Act. Further, there was no material related party transaction which required shareholders' approval and was required to be disclosed

quarterly along with the compliance report on Corporate Governance.

The required statements / disclosures with respect to the related party transactions are placed before the Audit Committee on regular basis. Suitable disclosures as required by the Accounting Standards have been made in the notes to the Financial Statements.

Further, the Company has not entered into any transaction of a material nature with Promoters, the Directors or the Management or relatives etc. that may have any potential conflict with the interest of the Company.

The Company's policy relating to the dealing with Related Party Transactions is uploaded on the website of the Company and can be accessed through the web link: <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 into during the financial year where Senior Management has personal interest that may have a potential conflict with the interest of the Company.

**(a) Non-compliance by the Company, penalties, strictures imposed by the Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets during the last three years**

Neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital markets, during the last three years.

**(d) Whistle Blower and Vigil Mechanism Policy**

As per section 177 of the Act and Regulation 22 of SEBI LODR Regulations a comprehensive Whistle Blower Policy ("Policy") has been approved and implemented within the organization. The Policy enables the stakeholders (including directors, individual employee(s) and their representative bodies, vendors and suppliers) to report concerns about illegal or unethical practices, unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. 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. This Policy safeguards whistleblowers from reprisals or victimization. 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 web link: <http://orientcement.com/investors/>.

It is hereby confirmed that no personnel has been 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, 3<sup>rd</sup> Floor, 25, Barakhamba Road,  
New Delhi-110 001

**(e) Compliance with mandatory requirements**

The Company has complied with all the mandatory requirements of SEBI LODR 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 SEBI LODR Regulations, the financial results were made available on the Company's website [www.orientcement.com](http://www.orientcement.com).

**Audit Qualifications** – There was no qualification by the Auditors on the financial statements of the Company.

**Separate posts of Chairman and CEO** – The Company has separate posts of Chairman and Managing Director & CEO.

**Reporting of Internal Auditor** – The Audit Committee is briefed through discussions and presentations of the observations, review, comments, recommendations etc. through an Internal Audit presentation made 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 as 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](http://www.orientcement.com) and is disseminating the following information on its website, as required under SEBI LODR Regulations:

- Details of its business;
- Terms and conditions of appointment of Independent Director;
- Composition of various committees of Board of Directors;
- Code of conduct of Board of Directors and Senior Management Personnel;
- Whistle Blower Policy;

- Policy on dealing with related party transactions;
- Policy for determination of Materiality of Event;
- Archival Policy;
- Dividend Distribution Policy;
- Nomination & Remuneration policy for Directors, KMPs & Senior Management;
- Corporate Social Responsibility Policy;
- Code of Practices and Procedures for UPSI;
- Details of familiarization programs imparted to the 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 and annual reports and
- Shareholding pattern

### NOMINATION FACILITY

The shareholders holding shares in physical form may, if they so want, send their nomination(s), as per section 72 of the Act read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, in form SH-13, which can be obtained from the Company's Registrar and Transfer Agent. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the Nomination facility.

### RECONCILIATION OF SHARE CAPITAL AUDIT

As required by Securities Exchange Board of India, 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.

### DIVIDEND AND OTHER RELATED MATTERS

The Company provides the facility for direct credit of the dividend to the members' bank account. SEBI LODR Regulations also mandate Companies to credit the dividend to the Members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' "Automated Clearing House" mode. Members who hold shares in dematerialized mode should inform their Depository Participant, whereas members holding shares in physical form should inform the Company of the banking account details allotted to them by their bankers. In cases where the banking details are not available, the Company will issue dividend warrants to the members.

Further, the Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years from the date the dividend has become due for payment to the Investor Education & Protection Fund (IEPF) established by the Government. During the year no unclaimed dividend is due for transfer to IEPF. The information on unclaimed dividend is posted on the website of the Company [www.orientcement.com](http://www.orientcement.com).

### UNCLAIMED SHARES

The Company has opened a Demat Suspense Account-- "ORIENT CEMENT LTD-UNCLAIMED SUSPENSE ACCOUNT" and unclaimed equity shares have been transferred to this 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 as on 31<sup>st</sup> March 2018 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, i.e. 1 <sup>st</sup> April 2017	168
2.	Total number of outstanding equity shares in the Suspense Account lying at the beginning of the financial year, i.e. 1 <sup>st</sup> April 2017	7,33,410
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	3
4.	Number of shares transferred from Suspense Account to Beneficiary Account during the financial year	1230
5.	Total number of shareholders in the Suspense Account at the end of the financial year, i.e. 31 <sup>st</sup> March 2018	165
6.	Total number of outstanding equity shares in the Suspense Account lying at the end of the financial year, i.e. 31 <sup>st</sup> March 2018	7,32,180

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 as they remain in the **"ORIENT CEMENT LTD-UNCLAIMED SUSPENSE ACCOUNT"**.

### **CODE OF CONDUCT**

The Company has also adopted a Code of Conduct ("Code") for the Members of the Board of Directors and Senior Management, and all the directors and Senior Functionaries as defined in the said Code. The Code provides their annual confirmation of compliance with the Code. The Code is available on Company's website and can be accessed through the web link: <http://orientcement.com/investors/>. The role and responsibilities of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 and/or prescribed in SEBI LODR Regulations forms part of the appointment letters issued to the Independent Directors.

### **POLICIES & CODE AS PER SEBI INSIDER TRADING REGULATIONS**

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by Designated Persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information.

The Insider Trading Policy of the Company covering code of practice and procedures for fair disclosure of unpublished price sensitive information is available on Company's website <http://www.orientcement.com/wp-content/uploads/2016/05/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf>.

### **BOARD FAMILIARIZATION PROGRAM**

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 programs for familiarization of the Independent Directors are available on the Company's website and can be accessed through the web link: <http://orientcement.com/investors/>.

### **CEO/CFO CERTIFICATION**

The Managing Director & CEO and Chief Financial Officer certification as stipulated in the Regulation 17(8) of SEBI LODR Regulations was placed before the Board along with financial statement(s) for the year ended 31<sup>st</sup> March, 2018. The Board reviewed and took the same on record. The said certificate forms part of the Annual Report.

**By order of the Board of Directors  
For Orient Cement Limited**

**Place: New Delhi  
Date: 3<sup>rd</sup> May, 2018**

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

## Annexure-I

# Nomination & Remuneration Policy

### 1. NOMINATION & REMUNERATION POLICY

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) of 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

(a) 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:

- (i) guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- (ii) evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- (iii) 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.

(b) (a) While determining the remuneration for the Directors (including non-executive directors) and KMPs and the Senior Management Personnel, regard should be made 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 level of remuneration remain appropriate.

(c) While designing the remuneration package it should be

ensured:

- (i) 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;
  - (ii) 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.
- (d) 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.
- (e) The Committee may consult with the chairman of the Board as it deems appropriate.
- (f) 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.
- (g) 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 November 5, 2014.

### 3. EFFECTIVE DATE

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

### 4. DEFINITIONS

(a) In this Policy unless the context otherwise requires:

- (i) 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.
- (ii) 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- (iii) 'Company' means "Orient Cement Limited".
- (iv) 'Independent Director' means a director referred to in section 149(6) of the Companies Act, 2013 read with clause 49 of the Listing Agreement.
- (v) 'Key Managerial Personnel' (KMP) shall have the meaning ascribed to it in the Act and the Rules made thereunder.
- (vi) 'Non-Executive Directors' includes Independent Directors.

(vii) 'Policy' means this Nomination and Remuneration policy.

(viii) '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.

(b) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/or 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:

- (i) Directors, including Non- Executive Directors
- (ii) Key Managerial Personnel
- (iii) Senior Management Personnel

## 6. MEMBERSHIP

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

## 7. CHAIRMAN

- (a) Chairman of the Committee shall be an Independent Director.
- (b) 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.
- (c) 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) 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.
- (b) 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 of the Nomination and Remuneration Committee.

## 12. VOTING

- (a) 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.
- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## 13. RESPONSIBILITY OF THE COMMITTEE

- (a) The Committee is responsible for:
  - (i) formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;
  - (ii) 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 programs 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 Director, 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's

performance for the year, pursuant to which the Executive Director and KMP are entitled to performance-based variable remuneration.

- (vi) 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.
- (vii) Provisions for excess remuneration:
- If any Director draws or receives, directly or indirectly by way of remuneration any such sum 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 sum to the Company and until such sum is refunded, hold it in trust for the Company.
  - The Company shall not waive the 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.

(iv) Fixed pay:

- Senior Management shall be eligible for a monthly remuneration as may be approved by the 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 Committee.

Variable components:

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

## 16. POLICY ON BOARD DIVERSITY

- 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.
- 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, KMP 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.*

## CEO & CFO CERTIFICATION

To  
The Board of Directors,  
Orient Cement Limited

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

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2018 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 statement 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**

**Place: New Delhi**  
**Date: May 3, 2018**

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

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

To  
The Board of Directors,  
Orient Cement Limited

## Compliance with Code of Conduct

In compliance with the requirements of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, it is hereby confirmed that all the Board members and the Senior Management Personnel have confirmed compliance with the Company's Code of Conduct for Directors and Senior Management for the financial year ended 31<sup>st</sup> March, 2018.

**For Orient Cement Limited**

**Place: New Delhi**  
**Date: May 3, 2018**

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

## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The members of Orient Cement Limited  
Birla Tower, 3<sup>rd</sup> Floor  
25, Barakhamba Road,  
New Delhi - 110001

1. The Corporate Governance Report prepared by Orient Cement Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The management along with the Board of Directors of the Company are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

iii. Obtained and read the Directors Register as on 31<sup>st</sup> March 2018 and verified that at least one women director was on the Board during the year;

iv. Obtained and read the minutes of the following committee meetings held 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018:

(a) Board of Directors meeting;

(b) Audit committee;

(c) Annual General meeting;

(d) Nomination and remuneration committee;

(e) Stakeholders Relationship Committee; and

(f) Independent directors meeting;

v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, that we are of the opinion

that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

### **Other matters and Restriction on Use**

9. This report 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.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to

comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Place of Signature: New Delhi  
Date: May 3, 2018

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

per Sanjay Kumar Agarwal  
*Partner*  
Membership Number: 060352

# Business Responsibility Report for the Financial Year 2017-18

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L26940OR2011PLC013933		
2. Name of the Company	Orient Cement Limited		
3. Registered address	Unit –VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012, (Odisha)		
4. Website	www.orientcement.com		
5. E-mail id	sushil.gupta@orientcement.com		
6. Financial year reported	1 <sup>st</sup> April, 2017-31 <sup>st</sup> March, 2018		
7. Sector(s) that the Company is engaged in (industrial activity code-wise)			
	Group	Class	Sub class
	239	2394	23941
			Description
			Manufacture and sale of cement
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company manufactures cement of two kinds viz: Ordinary Portland Cement (OPC) and Pozzolana Portland Cement (PPC)		
9. Total number of locations where business activity is undertaken by the Company			
(a) Number of International Locations (Provide details of major 5)	Nil		
b) Number of National Locations	13 States		
10. Markets served by the Company – Local/State/ National/International	National		

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	₹2,048.69 lacs
2. Total Turnover (INR)	₹2,31,084.51 lacs
3. Total profit after taxes (INR)	₹4,422.14 lacs
4. Total spending on Corporate Social Responsibility (CSR)	The Company has spent ₹443.95 lacs during the financial year 2017-18 on CSR activities
5. List of areas in which expenditure in 4 above has been incurred:-	a. Healthcare, b. Infrastructure development and c. Education

## SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	No
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	N.A
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The suppliers, vendors, agents, consultants, contractors and third parties (more than 60%), who have business relationships with the Company, are contractually bound to abide by the Code of Conduct, Whistle Blower Policy and performance standards. In this capacity they are involved and participate in the Business Responsibility initiatives of the Company.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### (a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number	02362633
2. Name	Mr. Desh Deepak Khetrpal
3. Designation	Managing Director & CEO

#### (b) Details of the BR head

1. DIN Number (if applicable)	N.A
2. Name	Mr. Sushil Gupta
3. Designation	Chief Financial Officer
4. Telephone number	011-42092246
5. e-mail id	sushil.gupta@orientcement.com

### 2. Principle-wise (as per NVGs) BR Policy/ policies( Reply in Y/N):

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:-

P1 –Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for.....	Y	Y Note-1	Y	Y	Y	Y	Note-7	Y	Note 8
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y		Y	
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y Note-2	Y	Y Note-3	Y	Y		Y	
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Note5	-	N	Y	N	N		Y	
5.	Does the Company have a specified committee of Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y		Y	
6.	Indicate the link for the policy to be viewed online?	*	**	-	#	##	***		#	
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y		Y	
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y		Y	
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y		Y	
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y Note 6	Y	N	Y	Y	Y		Y	

**If answer to Sr. No. 1 against any principle is 'No', please explain why (tick up to 2 options)**

1. The Company has not understood the principles.
2. The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.
3. The Company does not have financial or manpower resources available for the task.
4. It is planned to be done with in next six months.
5. It is planned to be done with in next one year.
6. Any other reason.

\*<http://www.orientcement.com/wp-content/themes/orient/assets/pdfs/Acrobat-Document.pdf>

\*\*<http://www.orientcement.com/sustainability/>

# <http://www.orientcement.com/wp-content/uploads/2016/05/Corporate-Social-Responsibility-Policy.pdf>

## <http://www.orientcement.com/wp-content/uploads/2018/03/OCL-Human-Rights-Policy.pdf>

\*\*\*<http://www.orientcement.com/sustainability/>

**Note-1:-** The policy is embedded in the Company's quality and environment policies which inter alia, relate to safe and sustainable products.

**Note-2:-** Bureau of Indian Standards(BIS)

**Note-3:-** The policy conforms to guidelines of Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainable Development Goals.

**Note-4:-** The policy conforms to guidelines of Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainable Development Goals.

**Note-5:-** The Code of Conduct for Directors and Senior Management and the Whistle Blower Policy of the Company are approved by the Board of Directors of the Company and are signed by the Managing Director & CEO of the Company.

**Note-6:-** Compliance reports from designated employees are evaluated by the Internal Auditors and are placed before the Audit Committee for review.

**Note-7:-** The need for a formal policy was not identified.

**Note-8:-** The need for a formal policy was not identified. However, the Company has a systematic process for assessing customer needs. It also has a customer complaint redressal system.

3. Governance related to BR

- |   |   |
|---|---|
| <p>(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year</p> | <p>The Managing Director &amp; CEO of the Company assesses the BR performance of the Company on a quarterly basis.<br/>This Report forms part of the Annual Report and is placed before the Board of Directors for approval.</p>  |
| <p>(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?</p>   | <p>The Company will publish the Business Responsibility Report in accordance with SEBI guidelines and it will form part of the Annual Report.<br/>The Report is available on the Company's website: <a href="http://www.orientcement.com">www.orientcement.com</a><br/>In addition to this, Orient Cement, as a responsible Corporate is in process for developing its first sustainability report under the international protocol of GRI standards.</p> |

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1- ETHICS, TRANSPARENCY AND ACCOUNTABILITY

#### 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/ NGOs/ Others?

The Company does not have a separate policy relating to ethics, bribery and corruption. However, the policy is embedded in the Company's Codes of Conduct (Code of Conduct for Employees, Code of Conduct for Directors and Senior Management and Supplier Code of Conduct), Whistle Blower Policy, HR policies and various HR practices. The provisions of these Codes and the Whistle Blower Policy are a mandatory condition for the award of any contract as well as initiating or maintaining a business relationship with Orient Cement.

#### 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year 2017-18, the Company received total of 3 complaints related to ethics, bribery, and corruption. All complaints were successfully resolved during the year as on 31<sup>st</sup> March, 2018 through appropriate grievance redressal mechanisms.

1 complaint was pending from the previous financial year (reported in Feb-'17), which was investigated in 2017-18 and action taken in Apr-'18.

Apart from this, the Company received 2 complaints from the shareholders of the Company during the financial year 2017-18, which were resolved during the year. No complaint was pending from previous financial year.

### Principle 2- SUSTAINABILITY IN LIFE-CYCLE OF PRODUCT AND SERVICES

#### 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Two principal products are Ordinary Portland Cement and Portland Pozzolana Cement (PPC) and further under OPC, 43 and 53 grades is being manufactured in all the locations.

As a responsible corporate, the Company is committed to sustainable development and understands its obligations relating to social and environmental concerns. The Company continually seeks ways to conserve the environment and manage finite resources responsibly.

At Orient Cement, we integrate responsible sustainable practices into business operations that aim at environment sustainability and inclusive growth. We adopt a pro-active and responsible approach and consciously try to mitigate any impact of our operations on the environment. We also aim at

prudent and frugal use of non-renewable natural resources, reduction in air emissions as well as targeted investments in viable technologies that promise sustainable development. As a result of this responsible and pro-active approach, the Company is one of the most efficient manufacturers of cement in India in terms of power and fuel consumption.

The Company follows the following approach to achieve its goal of sustainability:-

- a) The Devapur and Jalgaon units are certified with integrated management systems (Quality- ISO 9001:2015, Environment- ISO 14001:2015 and Occupational Health and Safety- BS OHSAS 18001:2007) and Energy Management System ISO 50001:2011 and further implementation of ISO 9001, ISO 14001, and OHSAS 18001 at Chittapur is in progress. The new integrated cement manufacturing unit at Chittapur is equipped with new state of the art technology and latest energy-efficient equipment.
- b) Energy conservation practices such as installation/ replacement of energy- efficient equipment to reduce the Green House Gases (GHG) emissions and also to increase the resource efficiency.
- c) Use of Alternate Fuel Resource (AFR)/ – Rice Husk, carbon black as an Alternate Fuel and Pet coke in the manufacturing process to substitute the consumption of fossil fuel/ coal. We also have been granted permission from TSPCB, Hyderabad for co-processing of hazardous waste and non-hazardous waste in our cement kilns.
- d) Use of Fly ash (waste material from thermal power plants) to manufacture Pozzolana Portland Cement (PPC) as an environment friendly practice to conserve the environment.
- e) Rain Water Harvesting practice is adopted by conserving rain water in mined out pits for its use in the operations, for augmentation of the ground water level and to support the local biodiversity. Also we have constructed check dams at various locations in and around the plant to improve ground water level.
- f) Towards prevention of air emissions, adequate pollution control equipments were installed along with scheduled preventive maintenance. All raw materials which are coming inside are stored under covered shed.
- g) Adequate green belt development for pollution abatement, support to the local biodiversity and increasing the aesthetic and scenic beauty of the plants/ mines site.
- h) Installation, operation of sewage and water treatment plant for treatment of waste water and for purifying water.
- i) Installation of Continuous Emission Monitoring System for all the major stacks of Cement plant and CPP (Captive Power Plant). Continuous Ambient Air Quality Monitoring System for ambient air quality measurement has been

carried out for regular assessment of emissions.

- j) Closed conveyor belts and covered sheds has been provided for raw material handling and raw material storage to control fugitive emission.

In order to meet the new emission norms for CPP specified by MoEF vide S.O.3305 (E) dated 7<sup>th</sup> December 2015, limestone dozing system has been installed in CPP boilers by which an emission reduction of SO<sub>2</sub> by more than 50% has been achieved.

**2. For each such product, provide the details in respect of resource use (energy, water, raw material etc.), reduction during sourcing/production/distribution achieved since the previous year throughout the value chain and reduction during usage by consumers (energy, water) achieved since the previous year?**

The Company is constantly putting considerable efforts into the conservation of energy and water. We are closely monitoring and working on improving our resource, raw material, energy, water, waste and emission footprint as part of our "best in class" manufacturing practices. Our focus on operating efficiencies has led to the Company having one of the lowest specific energy and power consumption metrics in the industry.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

The Company's integrated plants are situated close to limestone mines which help to minimize transportation cost. The Company deploys sustainable mining practices. The Company utilizes chemical gypsum (an industrial waste) for the manufacture of cement as well as flyash (a waste product from thermal power plants) in the production of Pozzolana Portland Cement (PPC). The Company utilises alternative fuel; rice husk, carbon black and Portland which helps to conserve the finite natural resources. The Company is increasing the usage of Alternate Fuel year on year to decrease dependency on traditional fuel i.e. coal.

**4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company avails services like housekeeping, transportation, horticulture and like services from suitable sources of supply near our places of work. The Company fosters local and small suppliers for procurement of goods and services in close proximity to its plant locations. As part of the development of local and small suppliers' capacity and capability, a new program called Contractor Safety Management has been introduced in the Company. Training and technical support is being provided to them to improve

and build their capability and to educate and improve their performance standards.

**5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).**

The Company utilizes chemical gypsum (an industrial waste) for the manufacture of cement as well as flyash (a waste product from thermal power plants) in the production of Portland Pozzolana Cement (PPC). The Company also uses biomass – rice husk (waste material) as an alternate fuel and pet coke in the manufacturing process to substitute for the consumption of the fossil fuel/ coal.

In addition to the above OCL has installed several bag filters at various transfer points, Bag House for main stacks and Electro Static Precipitator (ESP) for cooler and CPP stack for trapping the dust passing through the chimney, this dust captured is collected in the hopper from which it is recirculated/ recycled back to the Raw meal process.

We are treating wastewater in Sewage treatment plant and treated water is used for dust suppression and horticulture purpose.

**Principle 3 - EMPLOYEE WELL-BEING**

**1. Number of employees**

4923 (direct and indirect) employees.

**2. Number of employees hired on temporary/ contractual/ casual basis**

3684 workers were hired on a temporary/contractual/casual basis.

**3. Number of permanent women employees**

There are 25 women employees in the management staff and 8 women employees as Wage Board/permanent workers.

**4. Number of permanent employees with disabilities**

4 permanent employees with disabilities are part of the organization.

**5. Employee association that is recognized by management.**

The employee association at Devapur is recognized by the management.

**6. Percentage of permanent employees that are members of this recognized employee association**

All the permanent workmen at Devapur are members of the recognized employee association (100% of permanent workmen in Devapur)

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No. of complaints at the beginning of the financial year	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
a.	Child labour/ forced labour/ involuntary labour	Nil	Nil	Nil
b.	Sexual harassment	Nil	Nil	Nil
c.	Discriminatory employment	Nil	Nil	Nil

**8. What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year?**

a.	Permanent Employees	80%
b.	Permanent Women Employees	90%
c.	Casual/Temporary/Contractual Employees	100%
d.	Employees with disabilities	100%

Orient Cement undertakes significant efforts to enhance its workforce skills levels through various learning and development programs. Various trainings provided to the employees include functional as well as Health, Safety and Environment trainings. Basic safety induction and training is given to employees at the plants upon their induction into the Company. Further, at the manufacturing locations, specific safety trainings are provided to employees, including the temporary and contractual workforce, based on their job profiles.

**Principle 4- STAKEHOLDER ENGAGEMENT**

**1. Has the Company mapped its internal and external stakeholders?**

Yes, the Company has mapped its internal and external stakeholders. The major stakeholders identified and classified are:-

- Employees
- Customers
- Shareholders
- Local Communities
- Business partners/ Contractors/ Vendors
- Contract workers
- Project affected people
- Land contributors
- Government Bodies
- Industry Regulators
- Media and Industry Associations

For Orient Cement, maintaining relationship with stakeholders is a business imperative as our business revolves around our stakeholders.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

Yes, Orient Cement has identified the disadvantaged,

vulnerable and marginalised stakeholders in its area of operations. These include among others, project affected people, land contributors and local residents.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide the details thereof, in about 50 words or so.**

Orient Cement has paid due attention towards disadvantaged, vulnerable and marginalised stakeholders. Orient Cement puts a conscious effort to engage with such stakeholders, identify their needs/concerns and address them in a phased manner. Based on the needs identified, Orient Cement undertakes several programs to improve health service delivery, rural education, skill development, infrastructural development and economic livelihood. Several initiatives such as health care, education, infrastructure development, safe drinking water and sanitation, sustainable livelihood etc. are extended to disadvantaged, vulnerable and marginalised stakeholders and to the people living near the Company's manufacturing units. To achieve the same, we have a well-established CSR policy.

**Principle 5- PROMOTION OF HUMAN RIGHTS**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?**

The Company respects and promotes human rights of all relevant stakeholders and groups within and beyond the workplace, including those of the communities, consumers as well as the vulnerable and marginalised sections of the society. The Company is committed to ensuring that people are treated with dignity and respect. We have adopted Human Rights Policy to uphold human rights within our organisational boundaries and we continue to make our contractor, customers, suppliers, etc. aware of human rights-related issues.

**2. How many stakeholder complaints have been received in**

**the past financial year and what percent was satisfactorily resolved by the management?**

There were no complaints received regarding breach of human rights during the reporting period.

**Principle 6- ENVIRONMENTAL PROTECTION**

**1. Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.**

As per Orient Cement’s Supplier Code of Conduct, the vendors, agents, consultants, contractors and any other third party, who have a business relationship with Orient Cement, have to ensure the compliance with all governmental laws related to Environment and Health and Safety. Compliance with these laws is mandatory for Orient Cement’s vendors, agents, consultants, contractors and any other third party.

**2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

Yes, At Orient Cement, we believe that Environmental and Social sustainability is imperative to the well-being of our planet and to human development and responsible corporates like us have to assume a responsible and pro-active role in contributing to the sustainability imperative. With increasing population and urbanization, demand for natural resources is increasing rapidly. Therefore, organizations involved in the cement industry have the responsibility to generate lasting innovations to protect both the industry’s future viability and the health of our environment. It is necessary for those involved in the cement industry to manage emissions, eliminate waste and take responsibility for enhancing the quality of life on our planet. With this philosophy in our mind, we constantly identify and implement practices that satisfy the goals of sustainability in a holistic manner. Producing more and consuming less is the motto of our Company, which is evidenced by improvement in efficiencies across all aspects of our operations. This will not only benefit our environment but also improve the living standards of our society. It will help our nation’s progress, ensuring the development in a rapid yet sustainable manner.

We strive to integrate responsible environmental practices into business operations that aim at environmental management, social development and financial profitability and have taken constant measures towards the same. We consciously aim to mitigate environmental impacts due to our business operations and follow precautionary approach wherever we suspect that our actions might cause harm to environment. We are aiming for responsible use of natural resources, reduction in air emissions, reduction in waste generation, targeted investments in viable technologies that promise sustainable growth that extend beyond mere

compliance with the law.

Orient Cement, as a responsible Corporate is in process for developing its first sustainability report under the international protocol of GRI standards.

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes, the Company has a mechanism to identify and assess potential environment risks in its plants. The Company is following ISO 14001:2015 standards to mitigate the potential environmental risks at Devapur and Jalgaon and the ISO certification process for Chittapur plant is in progress. Environment and Safety management programs are initiated for the mitigation of identified environment aspects as well as safety hazards.

Moreover, the critical environment risks are identified as a part of the Company’s risk management identification process and these features in the Company’s risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

For us, the environmental performance improvement remains an important pillar of our business success. We are committed towards Environmental, Health and Safety (EHS) management. We also continuously focus on improving resource efficiency in clinker and cement production by optimising energy usage, utilising waste in production processes and targeting higher alternative fuel and raw material usage. In the process, we also endeavour to minimise our impact on climate, water and air.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

The recently commissioned Chittapur cement plant of the Company uses all the latest technologies available. Cross Belt Analysers are installed in the limestone and raw material feeding circuit for optimum utilisation of natural resources. The raw material grinding is achieved with vertical roller mills in finish mode which consumes substantially less electrical energy when compared with conventional ball mill grinding. The preheater is designed with low pressure cyclones for better utilisation of heat energy and kiln burner is provided with multi-channel burner. The clinker cooler is of the latest generation that uses less cooling air i.e. less electrical energy when compared with conventional coolers. The cooler drives are also of the hydraulic type. The complete pyro system is designed for the best and lowest heat energy consumption possible. The cement grinding circuit consists of vertical roller mills in closed circuit so that the cement grinding can be carried out with the optimum electrical energy when compared with conventional ball mill grinding. The quality control systems of latest generation are in place to optimise

consumption of various raw materials.

Orient Cement is active in managing its GHG emissions. The Company is utilising power plant waste i.e. fly ash to manufacture Pozzolana Portland Cement as much as possible and system is designed for the same with one of the best and most accurate feeding systems. The Company is using petcoke as fuel as much as possible which is a by-product from crude oil refineries.

**5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Orient Cement has taken numerous initiatives to implement clean and green technology, energy efficiency and renewable energy perspective. Some of these include: -

- a) The energy efficiency activities in the plant are ongoing. Please refer to Annexure 6 of the Directors' Report of the Annual Report for conservation of energy initiatives. The same is also available on Company's website: [www.orientcement.com](http://www.orientcement.com).
- b) The Chittapur cement plant uses the latest dry process technology with the latest machinery and methodology.
- c) The Company utilizes chemical gypsum (an industrial waste) for the manufacture of cement and 100% utilization of flyash being generated from own captive power plant and also procured from nearby thermal power plants (waste from thermal power plants) in the production of Pozzolana Portland Cement (PPC).
- d) The Company uses Biomass – Rice Husk (waste material) as an alternate fuel and pet coke in the manufacturing process to substitute the consumption of the fossil fuel/coal.
- e) The Company has constructed 15 check dams at various locations in and around the plant at Devapur. Rain water harvesting system has been developed at the Jalgaon plant also. A huge pond is being maintained for the collection of rain water at the Chittapur plant. Orient Cement has developed a Reservoir – "Maisamma Sagar" at the Devapur Plant for collecting rain water in the lower most benches during the monsoon season. This is being used for plantation activities and water spraying on roads for suppressing dust besides being used in the power plant and cement plant. The rain water harvesting fulfils the requirement of the mines, power plant and cement plant. This huge reservoir/lake recharges the ground water table of surrounding areas and supports the existence of local flora and fauna. Many bird species can be seen in the area using different habitats extensively for foraging, nesting and roosting in the surrounding vegetation. Fishes in the water reservoir help in maintaining an aquatic ecosystem.
- f) The Company is continuously concentrating on

improving its productivity in terms of production, power consumption and thermal energy consumption. The electrical equipment used in the plant is made energy efficient through usage of Variable Frequency Drives (VFDs) and continuous monitoring. Our focus on operating efficiencies has led to the Company having one of the lowest specific energy and power consumption metrics in the industry.

- g) At Chittapur plant all the electrical drives are of latest IE3 class having the highest energy efficiency. Most of the plant drives where speed control is necessary are provided with Variable Frequency Drives so as to optimise the electrical energy utilisation. All the raw material and fuel storage areas are completely covered to prevent dust and leaching due to rain water which also reduces the energy utilisation.
- h) The Company has installed a sewage treatment plant, a water treatment plant and neutralization pit for treating water and wastewater generated at Plant.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, the emissions/ waste generated by the Company are within the permissible limits as prescribed by CPCB/ SPCBs and same are reported.

**7. Number of show cause/legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of financial year.**

No show cause/ legal notice from CPCB/ SPCB have been received by any of the Orient Cement's manufacturing plants during the financial year.

**Principle 7- RESPONSIBLE PUBLIC POLICY ADVOCACY**

**1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

The Company is member of Cement Manufacturers Association, Cement Sustainability Initiative (CSI), under the aegis of the World Business Council for Sustainable Development (WBCSD), National Human Resource Development (NHRD), Employer's Federation of Southern India (EFI) and National Safety Council (NSC).

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, the broad areas are Economic Reforms, Environment and Energy issues and Sustainable Business Principles.

## Principle 8- INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

### 1. Does the Company have specified program/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

We believe in being a good corporate citizen by helping communities and being instrumental in supporting their progress. Towards this objective, we have a well-established policy framework and implementation mechanism which reflects our objective of economic and social development to create a positive impact in our neighbouring communities. Beyond constantly creating value through our operations and initiatives, we are committed to the socio-economic development of communities around us.

The Company has specific programs/ initiatives/ projects in pursuance of its CSR objectives. The Company has adopted a CSR policy which has been aligned with the requirements of the Companies Act, 2013 and our thrust areas are well aligned to the schedule VII of section 135 of the Companies Act, 2013. The Company has carried out CSR Programs in pursuance of inclusive development, primarily focusing on education, infrastructure development and healthcare support. Focused efforts are made in the identified community development areas to achieve the desired outcomes. Orient Cement's presence has resulted in notable economic improvement of the areas where it has its manufacturing plants. Apart from numerous business opportunities that Orient Cement creates for the local vendors/ suppliers, Orient also undertakes multiple CSR initiative for the local communities. The focus of all such initiatives has been to improve the quality of life of local residents.

### 2. Are the programs/ projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?

Orient Cement has a Board level CSR Committee constituted under the Companies Act, 2013 which assists the Board in discharging social responsibilities. It formulates and monitors implementation framework of "Corporate Social Responsibility Policy", observes practices of Corporate Governance at all levels and provides remedial measures wherever necessary.

Under the framework of its CSR Policy, the Company undertakes social programs/ projects on an ongoing basis. The programs/projects are undertaken through in-house teams to ensure that Orient Cement achieves success in effectively translating the Company's vision of promoting inclusive growth successfully in a focused manner and under

the Company's direct supervision.

### 3. Have you done any impact assessment of your initiative?

The Company monitors the impact of its CSR initiatives on an ongoing basis and has noted positive outcomes and benefits for the people in and around the Company's plants.

During financial year 2017-18, the Company has, like in previous years, made significant contributions towards promotion of education and social good by providing primary healthcare support in the vicinity of its plants. In the area of education, in the school run by the Company in Devapur, both primary and secondary, over 1500 students are studying on an average per year both in English and Telugu medium. It has hugely impacted the quality of life of the villagers in the vicinity. Few of our initiatives in this direction include:

- To improve the quality of teaching, company has organized structured teacher development program that covered modern teaching methods applied by all Teachers. At Devapur plant all the teaching staff was covered and at Chittapur Plant, the Company sponsored 50 teachers for two days workshop on Modern teaching methods.
- To support talented children who are unable to study due to their financial crisis, Company has awarded 18 talented students during this financial year.
- The Company has two full time doctors including a lady doctor in the dispensary at Devapur and one full time doctor in the dispensary at Chittapur to treat people from the nearby villages.
- Company has constructed 6KM concrete cement road between Itaga village and connecting main road, which has eased congestion, stoppages and number of accidents.
- The Company has undertaken construction of toilet blocks in April, 2017 at Govt. Schools at Siricilla Constituency in Rjanna Siricilla District and that resulted in increase in number of girl students.
- The Sulabh Complex is constructed for the convenience of lorry drivers, cleaners and village people. It is now maintained by the Gram panchayat.
- With a moto to make the drop outs understand their potential and develop employable skills, we have conducted survey in the vicinity of plants and identified 25 girls who are drop-outs at 10<sup>th</sup> Std. We have conducted, soft skills training, basic computer operations, basic Mathematics and English classes. The course was of 6 months duration.

Conducted motivational, health and exam preparation classes for 8<sup>th</sup>, 9<sup>th</sup> and 10<sup>th</sup> class children at Girijana Balikala Ashrama Unnata Patashala, Devapur.

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

During the year under review, the Company has spent an amount of ₹1478.94 lacs on community development projects. The Company has been working for community development around the Company's manufacturing locations focusing mainly on education, healthcare, sustainable livelihood, social empowerment and infrastructure development.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

Orient Cement conducts consistent engagement and interaction with the community to ensure that the initiatives undertaken are successfully implemented and addresses specific needs of the community. The Company has taken steps to ensure that the community initiatives benefit the community as per the identified and assessed needs. Projects are evolved out of the identified needs of the communities. This continuous engagement with the communities allows better acceptance and adaptation of the initiatives.

**Principle 9 – PROVIDING VALUE TO CUSTOMERS**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

Effective redressal mechanism is in place for addressing customer complaints and handling consumer cases. The Company has a well-defined system of addressing customer complaints. There have been nil consumer complaints registered in financial year 2017-18.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws.**

Yes, we strictly follow all applicable regulations regarding product labelling. Apart from the information required as per the latest BIS guidelines, which is printed on the packaging after taking approval from BIS, following marketing related information is also included:

- Name and logo of the brand (Birla A1 Premium Cement), Company (Orient Cement), Group (CK Birla),
- Various certifications obtained - ISO 9001, ISO 14001, OHSAS 18001, ISO 50001, TPM Company
- Marketing communication related information - Product tagline - "Majbooti me A1, Bharose me A1, and PST (Pressure Sustaining Technology).

The Company also has a website which provides information about its products benefits.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

There is no case against Orient Cement during last five years, relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior as at the end of the financial year.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Customer Satisfaction Surveys are conducted periodically to assess the consumer satisfaction levels. Besides, we have engaged third party services to understand operational trends in the market place.

## FINANCIAL SECTION

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of **Orient Cement Limited**

## Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Orient Cement Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of

the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) 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;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 36 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Place: New Delhi**  
**Date: May 3, 2018**

**per Sanjay Kumar Agarwal**  
**Partner**  
**Membership No.: 060352**

## ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF ORIENT CEMENT LIMITED AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Majority of fixed assets have been physically verified by the management during the year. However, there is a regular programme of verification of all fixed assets over a period of three years 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 information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, 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, goods and 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, goods and service 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 in respect of income-tax, sales-tax, service tax, goods and service tax, duty on custom, duty of excise and value added tax on account of any dispute, are as follows:

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	3,766.91	April 2003 to June 2016	Commissioner (Appeals) / CESTAT / High Court
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	203.02	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	57.94	1996-97, 2004-05, 2008-09, 2014-15	Joint Commissioner / Appellate Deputy Commissioner
Income Tax Act, 1961	Disallowances of certain expenses	216.44	2012-13, 2014-15	Commissioner (Appeals)

- (viii) According to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings dues to banks and government. The Company did not have any outstanding dues in respect of debenture holders and on account of loans and borrowings in respect of financial institutions 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 way of initial public offer / further public offer during the year.
- (x) We have been informed that an employee of the Company in collusion with a vendor has misappropriated stock amounting ₹ 97 lacs during the year under audit. As at the year end, investigations are in progress and the employee has been dismissed. 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 has been noticed or reported during the year. Further, no material fraud on the Company by the officers and employees of the Company, except as stated above, has been noticed or reported.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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 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 Sanjay Kumar Agarwal**  
**Partner**  
**Membership No.: 060352**

**Place: New Delhi**  
**Date: May 3, 2018**

## ANNEXURE 2 REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF ORIENT CEMENT LIMITED AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

### 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, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 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, 2018, 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

Place: New Delhi  
Date: May 3, 2018

per Sanjay Kumar Agarwal  
Partner  
Membership No.: 060352

# Balance Sheet

as at 31st March, 2018

(₹ in Lacs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>I) ASSETS</b>			
<b>1) NON-CURRENT ASSETS</b>			
a) Property, plant and equipment	3	2,18,573.74	2,23,042.14
b) Capital work-in-progress		15,821.13	9,810.97
c) Intangible assets	4	6,498.28	6,521.90
d) Financial assets			
(i) Loans	5	2.57	12.74
(ii) Other financial assets	6	2,630.49	2,245.76
e) Other assets	7	4,301.12	3,435.74
	<b>(A)</b>	<b>2,47,827.33</b>	<b>2,45,069.25</b>
<b>2) CURRENT ASSETS</b>			
a) Inventories	8	16,420.73	14,665.99
b) Financial assets			
(i) Trade receivables	9	15,505.47	10,553.14
(ii) Cash and cash equivalents	10	3,205.88	6,292.01
(iii) Bank balances other than (ii) above	11	106.80	100.15
(iv) Loans	5	9.47	0.82
(v) Other financial assets	6	1,770.42	2,647.26
c) Current tax assets (net)	12	260.89	263.04
d) Other assets	7	8,982.99	8,718.74
	<b>(B)</b>	<b>46,262.65</b>	<b>43,241.15</b>
	<b>TOTAL ASSETS (A)+(B)</b>	<b>2,94,089.98</b>	<b>2,88,310.40</b>
<b>II) EQUITY AND LIABILITIES</b>			
<b>1) EQUITY</b>			
a) Equity Share Capital	13	2,048.69	2,048.69
b) Other Equity	14	1,00,163.57	96,669.46
	<b>TOTAL EQUITY (C)</b>	<b>1,02,212.26</b>	<b>98,718.15</b>
<b>LIABILITIES</b>			
<b>2) NON-CURRENT LIABILITIES</b>			
a) Financial Liabilities			
(i) Borrowings	15	1,13,848.05	1,18,849.02
b) Long term provisions	16	4,871.28	5,041.45
c) Deferred tax liabilities (net)	17	8,543.23	7,495.42
	<b>(D)</b>	<b>1,27,262.56</b>	<b>1,31,385.89</b>
<b>3) CURRENT LIABILITIES</b>			
a) Financial Liabilities			
(i) Borrowings	15	12,435.85	9,865.29
(ii) Trade Payables	18	21,894.63	20,062.48
(iii) Other current financial liabilities	19	20,878.40	20,334.05
b) Other current liabilities	20	6,419.22	5,837.38
c) Provisions	16	2,646.13	2,063.56
d) Current tax liabilities (net)	21	340.93	43.60
	<b>(E)</b>	<b>64,615.16</b>	<b>58,206.36</b>
	<b>TOTAL LIABILITIES (F) (D)+(E)</b>	<b>1,91,877.72</b>	<b>1,89,592.25</b>
	<b>TOTAL EQUITY AND LIABILITIES (C)+(F)</b>	<b>2,94,089.98</b>	<b>2,88,310.40</b>
<b>Significant accounting policies</b>	<b>2.1</b>		

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

As per our report of the even date

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

per Sanjay Kumar Agarwal  
Partner  
Membership No.: 060352

Place: New Delhi  
Date: 3rd May, 2018

For and on behalf of Board of Directors

CK. Birla  
Chairman  
(DIN 00118473)

S. Gupta  
Chief Financial Officer  
(FCA 044924)

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

N. Bisaria  
Company Secretary  
(FCS 5634)

# Statement of Profit & Loss

for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	Note No.	31st March, 2018	31st March, 2017
<b>I) INCOME</b>			
Revenue from operations	22	2,31,084.51	2,17,089.12
Other income	23	2,022.66	1,227.74
<b>Total income (I)</b>		<b>2,33,107.17</b>	<b>2,18,316.86</b>
<b>II) EXPENSES</b>			
Cost of raw materials consumed	24	27,252.45	26,460.78
(Increase) / decrease in inventories of finished goods and work in progress	25	(1,099.76)	869.90
Excise duty on sale of goods		8,850.21	29,613.80
Employee benefits expense	26	13,850.00	11,838.61
Finance costs	27	12,920.96	13,533.51
Depreciation and amortisation expenses	28	12,616.62	12,153.59
Other expenses	29	1,51,713.57	1,30,494.73
<b>Total expenses (II)</b>		<b>2,26,104.05</b>	<b>2,24,964.92</b>
<b>III) Profit/(loss) before tax (I)-(II)</b>		<b>7,003.12</b>	<b>(6,648.06)</b>
<b>IV) Tax Expense</b>	17		
(1) Current Tax		1,507.25	-
(2) MAT Credit		(1,507.25)	-
(3) Deferred Tax Charge/(Credit)		2,580.98	(3,438.21)
		<b>2,580.98</b>	<b>(3,438.21)</b>
<b>V) Profit /(Loss) for the year (III)-(IV)</b>		<b>4,422.14</b>	<b>(3,209.85)</b>
<b>VI) Other Comprehensive Income</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>			
Re-Measurement gains/(losses) on defined benefit plans		(74.95)	(163.03)
Income tax effect		25.94	56.42
<b>Other Comprehensive Income, net of tax</b>		<b>(49.01)</b>	<b>(106.61)</b>
<b>VII) Total Comprehensive Income for the year (V)+(VI)</b>		<b>4,373.13</b>	<b>(3,316.46)</b>
Earnings per share:	30		
(1) Basic		2.16	(1.57)
(2) Diluted		2.16	(1.57)
<b>Significant accounting policies</b>	2.1		

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

As per our report of the even date

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

per Sanjay Kumar Agarwal  
 Partner  
 Membership No.: 060352

Place: New Delhi  
 Date: 3rd May, 2018

For and on behalf of Board of Directors

CK. Birla  
 Chairman  
 (DIN 00118473)

S. Gupta  
 Chief Financial Officer  
 (FCA 044924)

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

N. Bisaria  
 Company Secretary  
 (FCS 5634)

# Cash Flow Statement

for the year ended 31st March, 2018

(₹ in Lacs)

Particulars	31st March, 2018	31st March, 2017
<b>(A) OPERATING ACTIVITIES :</b>		
Profit before tax	7,003.12	(6,648.06)
<b>Adjustments to reconcile profit before tax to net cash flows :</b>		
Depreciation and Amortisation expenses	12,616.62	12,153.59
Finance costs	12,920.96	13,533.51
Loss on sale/discard of Property, plant and equipment (net)	100.15	86.35
Bad debts / advances written off (net of reversals)	27.49	2.44
Provision for doubtful debts & advances	87.34	22.29
Unspent liabilities and unclaimed balances adjusted	(1,519.34)	(839.84)
Profit on sale of Investment in Mutual Fund (net)	(37.26)	-
Employee stock option charge	353.85	493.52
Interest Income on debts, deposits, advances	(204.62)	(218.71)
<b>Working Capital Adjustments :</b>		
Increase in trade payable and other liabilities	4,701.93	6,781.35
Increase/(Decrease) in provisions	(156.01)	148.28
Increase in inventories	(1,754.74)	(1,161.75)
(Increase)/Decrease in trade receivables and other assets	(5,016.14)	1,433.88
<b>CASH GENERATED FROM OPERATIONS:</b>	<b>29,123.35</b>	<b>25,786.85</b>
Income tax (paid) / refund [net]	(1,207.77)	90.40
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>27,915.58</b>	<b>25,877.25</b>
<b>(B) INVESTING ACTIVITIES :</b>		
Purchase of Property, plant and equipment and Intangible assets (including work in progress)	(14,806.89)	(10,701.61)
Proceeds from sale of Property, plant and equipment	107.65	88.53
Investment in Mutual funds	(17,908.31)	-
Proceeds from Sale of Mutual Funds	17,945.57	-
Payments for term deposits with banks	(409.44)	(2,120.82)
Proceeds from maturity of term deposits with banks	24.25	70.00
Interest Received	194.28	252.36
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(14,852.89)</b>	<b>(12,411.54)</b>
<b>(C) FINANCING ACTIVITIES :</b>		
Repayment of long term borrowings	(4,900.89)	(8.37)
Movement in short term borrowings (net)	2,573.98	5,432.04
Interest paid	(12,593.32)	(13,763.96)
Dividends Paid (including dividend distribution tax)	(1,228.59)	(2,453.64)
<b>NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>	<b>(16,148.82)</b>	<b>(10,793.93)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(3,086.13)</b>	<b>2,671.78</b>
Cash & Cash Equivalents at the beginning of the year	6,292.01	3,620.23
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>3,205.88</b>	<b>6,292.01</b>

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

As per our report of the even date

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

per Sanjay Kumar Agarwal  
Partner  
Membership No.: 060352

Place: New Delhi  
Date: 3rd May, 2018

For and on behalf of Board of Directors

CK. Birla  
Chairman  
(DIN 00118473)

S. Gupta  
Chief Financial Officer  
(FCA 044924)

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

N. Bisaria  
Company Secretary  
(FCS 5634)

# Statement of Changes in Equity

for the year ended 31st March, 2018

## A) Equity Share Capital

	No. in Lacs	₹ in Lacs
Equity Shares of ₹ 1 each issued, subscribed and fully paid		
At 31st March, 2017	2,048.69	2,048.69
At 31st March, 2018	2,048.69	2,048.69

## B) Other Equity

Particulars	Reserves and Surplus			(₹ in Lacs)
	General Reserve	Employee Stock Options Outstanding	Retained Earnings	Total
<b>As at 31st March, 2016</b>	<b>71,056.95</b>	<b>324.90</b>	<b>30,576.30</b>	<b>1,01,958.15</b>
Profit / (Loss) for the year	-	-	(3,209.85)	(3,209.85)
Other comprehensive income	-	-	(106.61)	(106.61)
<b>Total comprehensive income</b>	<b>71,056.95</b>	<b>324.90</b>	<b>27,259.84</b>	<b>98,641.69</b>
Share based payments (Note 33)	-	493.52	-	493.52
Dividend	-	-	2,048.69	2,048.69
Dividend Distribution Tax	-	-	417.06	417.06
<b>As at 31st March, 2017</b>	<b>71,056.95</b>	<b>818.42</b>	<b>24,794.09</b>	<b>96,669.46</b>
Profit for the year	-	-	4,422.14	4,422.14
Other comprehensive income	-	-	(49.01)	(49.01)
<b>Total comprehensive income</b>	<b>71,056.95</b>	<b>818.42</b>	<b>29,167.22</b>	<b>1,01,042.59</b>
Share based payments (Note 33)	-	353.85	-	353.85
Dividend	-	-	1,024.34	1,024.34
Dividend Distribution Tax	-	-	208.53	208.53
<b>As at 31st March, 2018</b>	<b>71,056.95</b>	<b>1,172.27</b>	<b>27,934.35</b>	<b>1,00,163.57</b>

As per our report of the even date

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

per Sanjay Kumar Agarwal  
 Partner  
 Membership No.: 060352

Place: New Delhi  
 Date: 3rd May, 2018

For and on behalf of Board of Directors

CK. Birla  
 Chairman  
 (DIN 00118473)

S. Gupta  
 Chief Financial Officer  
 (FCA 044924)

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

N. Bisaria  
 Company Secretary  
 (FCS 5634)

# Notes to the Financial Statements

as at and for the year ended 31st March, 2018

## 1. Corporate Information

Orient Cement Limited ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National 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 its manufacturing facilities at present are located at Devapur in Telangana, Chittapur in Karnataka and Jalgaon in Maharashtra.

The financial statements were authorised for issue in accordance with a resolution of the board of directors on 3rd May, 2018.

## 2. Basis Of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

### 2.1 Summary of significant accounting policies

#### (a) Property, plant and equipment

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at cost less accumulated depreciation on buildings and impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation is provided under straight line basis using the estimated useful lives of the assets as follows -

Class of Asset	Useful Lives estimated by the management
Factory Buildings	30 years
Non-Factory Buildings	5 to 60 years
Railway Sidings	15 years
Plant and equipment including continuous process plant	5 to 25 years
Power plant	40 years
Furniture & Fixtures	8 to 10 years
Computers	3 years
Office Equipment	5 years
Vehicles	10 years

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

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 technical assessment by experts, the useful lives of certain plant and equipment as 5 to 20 years. These lives are lower than those indicated in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

### b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

A summary of the policies applied to the Company's intangible assets is, as follows:

Class of Intangible Asset	Useful Lives estimated by the management	Amortisation method used
Specialised Software	3 years	Amortised on a straight-line basis over the period of Agreement
Mining Rights	10 to 50 years	Amortised on a straight-line basis over the period of Licence / Agreement (reflective of usages pattern)

### (c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

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

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

### (d) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

#### Where the Company is lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised 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 rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### (e) Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the borrowings and exchange differences to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year they occur.

### (f) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

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

### (g) Government grants

Grants and subsidies from the government are recognised 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 recognised 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, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans / assistances received subsequent to the date of transition.

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### (h) Inventories

Raw materials and stores and spares are valued at lower of cost and net realisable 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 moving weighted average method.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour 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 realisable 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.

### (i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the "principal" in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company considers that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, Sales tax/ Value Added tax (VAT) / Goods and Service tax (GST) is not received by the Company on its own account. It is collected on behalf of the government and accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognised:

#### Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

#### Sale of power

Revenue from sale of power is recognised when delivered and is measured based on rates as per bilateral contractual agreements with buyers / at rate arrived at based on the principles laid down under the relevant tariff regulations as notified by the regulatory bodies, as applicable.

### (j) Foreign currency transactions and balances

The financial statements are presented in INR, which is the Company's functional currency. Foreign currency transactions are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency monetary items are translated using the functional currency spot rates 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 arising on the settlement or translation of monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### (k) 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 recognises 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 recognised 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 recognised 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 funded defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the balance sheet date.

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

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 the 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.

### (l) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity).

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

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

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as deferred tax asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT credit to be utilised during the specified period, i.e., the period for which such credit is allowed to be utilised.

### (m) Segment reporting

#### Identification of segments

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

#### Allocation of common costs

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

#### Unallocated items

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

#### Segment accounting policies

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

### (n) Earnings Per Share

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

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

### (o) Provisions

A provision is recognised 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### (p) 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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

### (q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### (r) Employee stock options

Certain employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised, together with a corresponding increase in reserves, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### (s) Financial instruments

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

#### Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### Subsequent measurement

Subsequent measurement of financial assets is described below -

##### *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

##### *Equity investments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### **Derecognition**

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

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

### **Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance.

### **Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### **Subsequent measurement**

##### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

#### **Derecognition**

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

# Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

## 3. Property, plant and equipment

(₹ in Lacs)

	Freehold Land (a)&(b)	Factory Buildings	Non-Factory Buildings	Railway Sidings	Plant and equipment	Furniture and fixtures	Office Equipments	Vehicles	Computers	Total
<b>Cost</b>										
At 31st March, 2016	13,895.69	4,931.44	11,103.55	515.15	1,88,985.77	647.50	175.65	325.69	656.25	2,21,236.69
Additions	274.44	1,447.46	3,696.83	-	15,372.05	105.59	26.63	55.65	131.03	21,109.68
Disposals	-	-	-	-	156.31	7.48	0.20	11.91	-	175.90
At 31st March, 2017	14,170.13	6,378.90	14,800.38	515.15	2,04,201.51	745.61	202.08	369.43	787.28	2,42,170.47
Additions	990.59	30.36	3,807.51	-	2,604.76	129.90	45.95	44.90	141.37	7,795.34
Disposals	16.15	4.77	-	-	368.54	26.25	7.75	0.83	28.49	452.78
At 31st March, 2018	15,144.57	6,404.49	18,607.89	515.15	2,06,437.73	849.26	240.28	413.50	900.16	2,49,513.03
<b>Depreciation</b>										
At 31st March, 2016	-	144.74	537.29	149.79	6,128.00	173.62	39.24	75.87	179.15	7,427.70
Charge for the year	-	186.08	870.04	21.47	10,176.33	156.45	41.57	63.77	185.94	11,701.65
Disposals	-	-	-	-	0.29	0.69	0.04	-	-	1.02
At 31st March, 2017	-	330.82	1,407.33	171.26	16,304.04	329.38	80.77	139.64	365.09	19,128.33
Charge for the year	-	224.77	970.57	21.30	10,427.55	136.07	29.89	62.02	183.75	12,055.92
Disposals	-	0.86	-	-	214.60	12.92	1.85	0.01	14.72	244.96
At 31st March, 2018	-	554.73	2,377.90	192.56	26,516.99	452.53	108.81	201.65	534.12	30,939.29
<b>Net book value</b>										
At 31st March, 2018	15,144.57	5,849.76	16,229.99	322.59	1,79,920.74	396.73	131.47	211.85	366.04	2,18,573.74
At 31st March, 2017	14,170.13	6,048.08	13,393.05	343.89	1,87,897.47	416.23	121.31	229.79	422.19	2,23,042.14

- Includes ₹ 859.40 lacs (31st March, 2017: ₹ 1,027.68 lacs) the mutation whereof in the Company's name is pending.
- Includes ₹ Nil (31st March, 2017: ₹ 410.03 lacs) which are still in the name of demerged company and yet to be transferred in the Company's name.
- For charge created on Property, plant and equipment of the Company towards borrowings, refer Note 15.
- For Property, plant and equipment existing on 1st April, 2015 i.e its date of transition to Ind AS, the Company has used previous GAAP carrying values as deemed cost. Subsequent measurement is at cost.

## 4. Intangible assets

(₹ in Lacs)

	Computer software	Mining Rights	Total
<b>Gross block</b>			
At 31st March, 2016	577.99	6,668.15	7,246.14
Additions	76.46	53.49	129.95
At 31st March, 2017	654.45	6,721.64	7,376.09
Additions	172.15	364.93	537.08
At 31st March, 2018	826.60	7,086.57	7,913.17
<b>Amortisation</b>			
At 31st March, 2016	146.70	255.55	402.25
Charge for the year	198.74	253.20	451.94
At 31st March, 2017	345.44	508.75	854.19
Charge for the year	239.75	320.95	560.70
At 31st March, 2018	585.19	829.70	1,414.89
<b>Net book value</b>			
At 31st March, 2018	241.41	6,256.87	6,498.28
At 31st March, 2017	309.01	6,212.89	6,521.90

- For Intangible assets existing on 1st April, 2015 i.e its date of transition to Ind AS, the Company has used previous GAAP carrying values as deemed cost. Subsequent measurement is at cost.

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

Notes to 3 & 4 - During the year, the Company has capitalised the following expenses to cost of Property, plant and equipment / capital work-in-progress

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
<b>a) Pre-Operative Expenses:</b>		
Rates & Taxes	84.86	-
Salary & Wages	-	494.79
Contribution to Provident & Other Funds	-	10.06
Consultancy charges	124.45	26.08
Interest	236.11	297.53
Miscellaneous Expenses	3.93	82.42
	<b>449.35</b>	<b>910.88</b>
b) Add: Balance brought forward from previous year	743.45	4,262.48
c) Less: Allocated to Property, plant and equipment / Capital work-in-progress during the year	236.11	4,429.91
d) Balance pending allocation included in Capital work-in-progress (a+b-c)	<b>956.69</b>	<b>743.45</b>

### 5. Loans

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
<b>At amortised Cost</b>		
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	2.57	12.74
	<b>2.57</b>	<b>12.74</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Loans to employees	9.47	0.82
	<b>9.47</b>	<b>0.82</b>
<b>Total Loans</b>	<b>12.04</b>	<b>13.56</b>

### 6. Other financial assets

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
<b>Non-current</b>		
Deposit with original maturity for more than 12 months	2,502.18	2,119.35
Security deposits	121.22	122.52
Interest accrued on loans, deposits etc.	7.09	3.89
	<b>2,630.49</b>	<b>2,245.76</b>
<b>Current</b>		
Security deposits	5.58	-
Interest accrued on loans, deposits etc.	104.52	97.38
Claims & refunds receivable	1,660.32	2,549.88
	<b>1,770.42</b>	<b>2,647.26</b>
<b>Total</b>	<b>4,400.91</b>	<b>4,893.02</b>

Receipts for ₹ 1937.76 lacs (31st March, 2017: ₹ 1,868.17 lacs) are lodged with Government Departments/Banks as security.

# Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

## 7. Other assets

(₹ in Lacs)

	31st March, 2018	31st March, 2017
<b>Non-current</b>		
<b>Unsecured, considered good, except where otherwise stated</b>		
Capital advances		
Considered good	513.82	212.27
Considered doubtful	43.27	43.27
	557.09	255.54
Less : Provision for doubtful advances	43.27	43.27
	<b>(A) 513.82</b>	<b>212.27</b>
Trade & other deposits	<b>(B) 2,075.02</b>	<b>1,633.59</b>
Advance recoverable in cash or kind		
Considered good	22.34	22.34
Considered doubtful	25.65	25.65
	47.99	47.99
Less : Provision for doubtful advances	25.65	25.65
	<b>(C) 22.34</b>	<b>22.34</b>
Deposits against demand under dispute	1,523.09	1,416.93
Prepaid expenses	166.85	150.61
	<b>(D) 1,689.94</b>	<b>1,567.54</b>
<b>Total (A+B+C+D)</b>	<b>4,301.12</b>	<b>3,435.74</b>
<b>Current</b>		
<b>Unsecured, considered good, except where otherwise stated</b>		
Advance to suppliers / service providers		
Considered good	7,690.77	5,070.51
Considered doubtful	60.00	-
	<b>7,750.77</b>	<b>5,070.51</b>
Less : Provision for doubtful advances	60.00	-
	<b>7,690.77</b>	<b>5,070.51</b>
Prepaid expenses	268.52	209.38
Balances with excise, customs, port trusts and other government authorities	925.30	3,344.21
Claims / refunds recoverable	91.40	94.64
Trade & other deposits	7.00	-
	8,982.99	8,718.74
<b>Total other assets</b>	<b>13,284.11</b>	<b>12,154.48</b>

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### 8. Inventories

(₹ in Lacs)

	31st March, 2018	31st March, 2017
<b>Valued at Lower of Cost and Net Realisable Value</b>		
Raw materials	2,109.06	1,542.78
Work-in-progress	2,135.27	1,434.18
Finished goods	541.09	733.11
Stores and spares	7,588.67	7,035.09
Fuels	3,993.65	3,866.03
<b>At net realisable value</b>		
Scrap	52.99	54.80
	<b>16,420.73</b>	<b>14,665.99</b>
The above includes stock in transit:		
Raw materials	315.32	94.93
Work-in-progress	114.12	213.94
Stores and spares	59.89	-
Fuels	83.46	778.40
	<b>572.79</b>	<b>1,087.27</b>

a. Inventories are pledged against the borrowings of the Company as referred in Note 15.

### 9. Trade receivables

(₹ in Lacs)

	31st March, 2018	31st March, 2017
Secured, considered good	1,462.03	1,111.80
Unsecured, considered good	14,043.44	9,441.34
Doubtful	147.54	121.78
	<b>15,653.01</b>	<b>10,674.92</b>
Less : Provision for doubtful debts	147.54	121.78
	<b>15,505.47</b>	<b>10,553.14</b>

a. Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

b. Trade receivables are pledged against the borrowings of the Company as referred in Note 15.

c. For ageing analysis of trade receivables, refer Note 41.

### 10. Cash and cash equivalents

(₹ in Lacs)

	31st March, 2018	31st March, 2017
Balances with banks On current accounts	840.11	6,266.58
Cheques on hand	2,363.14	21.51
Cash on hand	2.63	3.92
	<b>3,205.88</b>	<b>6,292.01</b>

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### 11. Other bank balances

(₹ in Lacs)

	31st March, 2018	31st March, 2017
On savings bank account	0.11	0.11
In Post office savings bank account	0.06	0.06
On unpaid dividend accounts *	80.01	75.73
Deposits with original maturity for more than 3 months but less than 12 months	26.54	11.41
Deposits with original maturity for more than 12 months	0.08	12.84
	<b>106.80</b>	<b>100.15</b>

\* earmarked for payment of unpaid dividend only.

### 12. Current tax assets (net)

(₹ in Lacs)

	31st March, 2018	31st March, 2017
Advance payment of income tax and tax deducted at source after adjusting provisions	260.89	263.04
	<b>260.89</b>	<b>263.04</b>

### 13. Equity Share Capital

	31st March, 2018		31st March, 2017	
	No. in Lacs	₹ in Lacs	No. in Lacs	₹ in Lacs
Authorised share capital	5,000.00	5,000.00	5,000.00	5,000.00
Issued, subscribed and fully paid-up	2,048.69	2,048.69	2,048.69	2,048.69

There is no change in the number of shares in current year and corresponding previous year.

#### a) 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.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended 31st March, 2018, the amount of per share dividend recognised as distribution to equity shareholders was ₹ 0.50 per share (31st March, 2017: ₹ 1.00 per share).

The Board of Directors, at its meeting on 3rd May 2018, have proposed a final dividend of ₹ 0.75 per equity share for the financial year ended 31st March, 2018. The proposal is subject to the approval of shareholders at the forthcoming Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 1852.36 lacs including corporate dividend tax. Proposed dividend is accounted for in the year in which it is approved by the shareholders.

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### b) Details of shareholders holding more than 5% shares in the Company

	31st March, 2018		31st March, 2017	
	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class
<b>Equity shares of ₹1 each fully paid</b>				
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
HDFC Trustee Company Limited- HDFC Prudence Fund	105.03	5.29	-	-

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

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

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
Equity shares allotted to the shareholders of the Demerged Company pursuant to scheme of arrangement	-	2,048.69

d) For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer Note 33.

### 14. Other Equity

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
<b>General reserve</b>	<b>71,056.95</b>	<b>71,056.95</b>
<b>Employee Stock Options Outstanding</b>		
Balance as per last financial statements	818.42	324.90
Add: Charge for the year (Note 33)	353.85	493.52
	<b>1,172.27</b>	<b>818.42</b>
<b>Retained Earnings</b>		
Opening Balance	24,794.09	30,576.30
Add/(Less) : Profit/(Loss) for the year	4,422.14	(3,209.85)
Less : Other Comprehensive Income for the year	49.01	106.61
Less : Dividend	1,024.34	2,048.69
Less : Dividend distribution tax	208.53	417.06
<b>Closing Balance</b>	<b>27,934.35</b>	<b>24,794.09</b>
<b>Total</b>	<b>1,00,163.57</b>	<b>96,669.46</b>

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### 15. Borrowings

(₹ in Lacs)

	Effective Interest rate %	Maturity	31st March, 2018	31st March, 2017
<b>Non-current borrowings</b>				
<b>Term loans</b>				
<b>From Banks</b>				
Secured bank loans	8.70 - 9.04	2017-2031	1,09,821.53	1,14,544.36
<b>From other parties</b>				
Deferred sales tax loan (Unsecured)		2012-2023	4,026.52	4,304.66
			<b>1,13,848.05</b>	<b>1,18,849.02</b>
<b>Current maturity of long term loans</b>				
Secured bank loans			4,800.00	4,800.00
Deferred sales tax loan (Unsecured)			278.15	100.89
			<b>5,078.15</b>	<b>4,900.89</b>
<b>Total non-current borrowings</b>			<b>1,18,926.20</b>	<b>1,23,749.91</b>
Less : Amount disclosed under the head "other current financial liabilities"			5,078.15	4,900.89
<b>Net non-current borrowings</b>			<b>1,13,848.05</b>	<b>1,18,849.02</b>
<b>Current borrowings</b>				
<b>Loan repayable on demand</b>				
Cash credit from banks (Secured)			2,573.98	-
<b>Commercial paper (unsecured)</b>				
From a bank			9,861.87	9,865.29
<b>Total current borrowings</b>			<b>12,435.85</b>	<b>9,865.29</b>

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

The above loans are repayable in 56 quarterly installments ranging from 1% to 2.5% of the loan amount and repayment starting from 30th June, 2017 and ending on 31st March, 2031. The above loans carry coupon interest @ 8.60% to 8.70% p.a (31st March, 2017: 9.55% to 9.65%).

- Deferred sales tax loan is interest free and payable in 26 unequal installments, starting from February, 2012 and ending on January, 2023.
- Cash credit from banks 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 @ 8.15% to 8.35% p.a.(31st March, 2017: 8.35% to 9.50%).
- Commercial papers from a bank are availed for periods ranging from 90 to 180 days and carries interest @ 6.70% to 6.95% p.a (31st March, 2017:6.50% to 7.70%).

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### 16. Provisions

(₹ in Lacs)

	31st March, 2018	31st March, 2017
<b>Non-current</b>		
Provision for gratuity (Note 32)	1,956.54	1,535.40
Provision for mining restoration costs	370.52	96.58
Provision for rehabilitation & resettlement obligation relating to mines	2,544.22	3,409.47
	<b>4,871.28</b>	<b>5,041.45</b>
<b>Current</b>		
Provision for gratuity (Note 32)	85.17	75.97
Provision for leave benefits	706.35	545.79
Provision for mining restoration costs	122.81	-
Provision for rehabilitation & resettlement obligation relating to mines	1,731.80	1,441.80
	<b>2,646.13</b>	<b>2,063.56</b>

#### Provision for Mining Restoration Costs

The activities of the Company involve mining of land taken under lease. In terms of relevant statutes, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing etc. As per the requirement of IND AS 37, the management has estimated such future expenses on best judgment basis and provision thereof has been made in the accounts at their present value. The table below gives information about movement in mining restoration cost provisions.

	31st March, 2018	31st March, 2017
Opening balance	96.58	44.42
Arisen during the year	364.93	47.99
Utilised	1.90	-
Unwinding of discount	33.72	4.17
Closing balance	<b>493.33</b>	<b>96.58</b>
Current	122.81	-
Non-current	370.52	96.58

#### Provision for Rehabilitation & Resettlement obligation relating to mines

In terms of Environment clearance given by Ministry of Environment, Forest and Climate Change (MOEF) for the Company's integrated plant at Chittapur, Karnataka, the Company is required to spend ₹ 7,261.62 lacs on socio economic welfare measures. As per the requirement of Ind AS 37, provision thereof has been made in the accounts at their present value. The table below gives information about movement in rehabilitation & resettlement cost provisions.

	31st March, 2018	31st March, 2017
Opening balance	4,851.27	5,169.11
Arisen during the year	-	-
Utilised	1,034.99	715.48
Unwinding of discount	459.74	397.64
Closing balance	<b>4,276.02</b>	<b>4,851.27</b>
Current	1,731.80	1,441.80
Non-current	2,544.22	3,409.47

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### 17. Income tax

Income tax expense in the Statement of Profit and Loss comprises:

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
Current tax	1,507.25	-
MAT Credit	(1,507.25)	-
Deferred tax Charge/(Credit)	2,580.98	(3,438.21)
<b>Income tax expense / (Credit)</b>	<b>2,580.98</b>	<b>(3,438.21)</b>

Entire deferred income tax for the year ended 31st March, 2018 and 31st March, 2017 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below:

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
Profit / (Loss) before income tax	7,003.12	(6,648.06)
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	2,423.64	(2,300.76)
<b>Effect of non-deductible expenses</b>		
CSR expenses disallowed under the Income tax Act, 1961	153.64	143.40
Investment allowance under section 32AC	-	(966.35)
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period	(116.94)	(385.74)
Others	120.64	71.24
<b>Income tax expense</b>	<b>2,580.98</b>	<b>(3,438.21)</b>

The applicable Indian statutory tax rate for fiscal 2018 and fiscal 2017 is 34.61%.

The significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
<b>Deferred tax liability</b>		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	35,656.72	34,317.30
<b>Gross deferred tax liability</b>	<b>35,656.72</b>	<b>34,317.30</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis in future years	1,031.19	1,134.00
Impact of business loss and unabsorbed depreciation	23,193.14	24,335.63
Provision for doubtful debts and advances	95.67	66.00
MAT Credit entitlement	2,793.49	1,286.25
<b>Gross deferred tax asset</b>	<b>27,113.49</b>	<b>26,821.88</b>
<b>Net deferred tax liability</b>	<b>8,543.23</b>	<b>7,495.42</b>

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### 18. Trade payables

(₹ in Lacs)

	31st March, 2018	31st March, 2017
Trade payables		
• total outstanding dues of micro enterprises and small enterprises (refer Note 39 for details of dues to micro and small enterprises)	278.44	266.55
• total outstanding dues of creditors other than micro enterprises and small enterprises	21,616.19	19,795.93
	<b>21,894.63</b>	<b>20,062.48</b>

Trade payables are non-interest bearing and normally settled on 0 to 45 day terms.

### 19. Other current financial liabilities

(₹ in Lacs)

	31st March, 2018	31st March, 2017
Current maturities of Long term loans	4,800.00	4,800.00
Current maturities of Deferred sales tax loan	278.15	100.89
Interest accrued but not due on borrowings	156.17	163.07
Unpaid dividend	80.01	75.73
Trade & other deposits	8,591.83	7,837.29
Payables against purchase of Property, plant and equipment	3,274.31	3,673.21
Payable to Customers towards Cash discount, rebates, incentives etc.	3,697.15	3,651.47
Other miscellaneous	0.78	32.39
	<b>20,878.40</b>	<b>20,334.05</b>

### 20. Other current liabilities

(₹ in Lacs)

	31st March, 2018	31st March, 2017
Advances from customers	832.69	1,381.19
Statutory dues payable	5,586.53	4,456.19
	<b>6,419.22</b>	<b>5,837.38</b>

### 21. Current Tax Liabilities (net)

(₹ in Lacs)

	31st March, 2018	31st March, 2017
Provision for income tax after adjusting advance income tax and tax deducted at source	340.93	43.60
	<b>340.93</b>	<b>43.60</b>

### 22. Revenue from operations

(₹ in Lacs)

	31st March, 2018	31st March, 2017
<b>Revenue from operations</b>		
Sale of products (including excise duty)		
Finished goods	2,45,551.49	2,30,119.38
	<b>2,45,551.49</b>	<b>2,30,119.38</b>
Less: Cash discount, rebates, incentives etc.	15,041.33	13,498.53
	<b>2,30,510.16</b>	<b>2,16,620.85</b>
Other operating revenue		
Scrap sales	303.58	375.26
Sale of power	270.77	93.01
<b>Revenue from operations (gross)</b>	<b>2,31,084.51</b>	<b>2,17,089.12</b>

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### 23. Other income

(₹ in Lacs)

	31st March, 2018	31st March, 2017
<b>Interest income on</b>		
Debts, deposits, advances etc.	204.62	218.71
<b>Other non-operating income</b>		
Insurance & other claims	25.33	16.57
Rent & hire charges	6.06	5.69
Unspent liabilities and unclaimed balances adjusted	1,519.34	839.84
Gain on exchange rate fluctuations (net)	33.24	34.34
Profit on sale of Investment in Mutual Fund (net)	37.26	-
Other miscellaneous income	196.81	112.59
	<b>2,022.66</b>	<b>1,227.74</b>

### 24. Cost of raw materials consumed

(₹ in Lacs)

	31st March, 2018	31st March, 2017
Inventory at the beginning of the year	1,542.78	850.60
Add: Purchases & procurement expenses	27,818.73	27,152.96
	<b>29,361.51</b>	<b>28,003.56</b>
Less: Inventory at the end of the year	2,109.06	1,542.78
	<b>27,252.45</b>	<b>26,460.78</b>

### 25. (Increase)/ decrease in inventories of finished goods and work in progress

(₹ in Lacs)

	31st March, 2018	31st March, 2017
<b>Inventories at the end of the period</b>		
Work-in-progress	2,135.27	1,434.18
Finished goods	541.09	733.11
Scrap	52.99	54.80
	<b>2,729.35</b>	<b>2,222.09</b>
<b>Inventories at the beginning of the period</b>		
Work-in-progress	1,434.18	1,640.22
Finished goods	733.11	1,528.05
Scrap	54.80	105.45
	<b>2,222.09</b>	<b>3,273.72</b>
	<b>(507.26)</b>	<b>1,051.63</b>
Increase/(decrease) of excise duty on inventory	(154.14)	(143.04)
Self Consumption	(438.36)	(38.69)
	<b>(1,099.76)</b>	<b>869.90</b>

### 26. Employee benefits expense

(₹ in Lacs)

	31st March, 2018	31st March, 2017
Salaries, wages and bonus	11,426.05	9,479.40
Contribution to provident and other funds	720.35	614.08
Gratuity expense (Note 32)	393.02	361.81
Employee Stock Option charge (Note 33)	353.85	493.52
Staff welfare expenses	956.73	889.80
	<b>13,850.00</b>	<b>11,838.61</b>

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

<b>27. Finance costs</b>		(₹ in Lacs)	
	31st March, 2018	31st March, 2017	
Interest on debts and borrowings	12,516.64	13,296.39	
Other borrowing cost (includes bank charges, processing fees, etc)	146.97	132.84	
<b>Total interest expense</b>	<b>12,663.61</b>	<b>13,429.23</b>	
Unwinding of interest on provisions (Note 16)	493.46	401.81	
Less: Transfer to Capital work-in-progress / Property, plant and equipment	236.11	297.53	
<b>Total finance cost</b>	<b>12,920.96</b>	<b>13,533.51</b>	
<b>28. Depreciation and amortisation expenses</b>		(₹ in Lacs)	
	31st March, 2018	31st March, 2017	
Depreciation of tangible assets (Note 3)	12,055.92	11,701.65	
Amortisation of intangible assets (Note 4)	560.70	451.94	
	<b>12,616.62</b>	<b>12,153.59</b>	
<b>29. Other expenses</b>		(₹ in Lacs)	
	31st March, 2018	31st March, 2017	
Royalty and cess	6,303.74	6,147.12	
Consumption of stores and spares	3,318.06	3,456.74	
Handling & other charges to contractors	2,125.92	2,184.81	
Power and fuel	58,071.00	52,638.53	
Packing, Freight and forwarding charges	59,370.28	44,993.58	
Rent & hire charges (Note 34)	1,715.35	1,550.49	
Rates and taxes	373.07	328.95	
Insurance	151.67	142.87	
Repairs and maintenance			
Plant and machinery	8,030.33	7,395.73	
Buildings	704.41	556.00	
CSR expenditure	443.95	414.36	
Advertising and sales promotion	3,492.79	3,511.82	
Commission on sales	1,644.24	1,664.24	
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	9.19	10.03	
Reimbursement of expenses	1.27	3.36	
Payment to cost auditor	2.47	2.23	
Professional & consultancy charges	1,789.96	1,752.15	
Director's commission	71.00	-	
Directors' sitting fees	65.15	50.94	
Bad debts / advances written off (net of reversals)	27.49	2.44	
Turnover tax & entry tax etc.	87.88	216.24	
Provision for doubtful debts & advances	87.34	22.29	
Loss on sale/discard of Property, plant and equipment (net)	100.15	86.35	
Miscellaneous expenses	3,666.86	3,303.46	
	<b>1,51,713.57</b>	<b>1,30,494.73</b>	

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### 30. Earnings per share (EPS)

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

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
Profit / (Loss) after tax	4,422.14	(3,209.85)
<b>Net Profit for calculation of basic and diluted EPS</b>	<b>4,422.14</b>	<b>(3,209.85)</b>
Weighted average number of equity shares in calculating basic EPS	2,048.69	2,048.69
<b>Effect of dilution:</b>		
Stock option granted under ESOP	2.07	2.30
Weighted average number of equity shares in calculating diluted EPS	2,050.76	2,050.99
<b>Earnings per equity share [nominal value of share ₹ 1]</b>		
<b>Basic</b>	<b>2.16</b>	<b>(1.57)</b>
<b>Diluted</b>	<b>2.16</b>	<b>(1.57)</b>

### 31. Significant accounting judgements, estimates and assumptions

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

There are no significant areas involving a high degree of judgement or complexity.

#### Estimates and assumptions

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

#### Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

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

Further details about gratuity obligations are given in Note 32.

#### Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### 32. Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. The gratuity plan is governed by The Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan.

#### Statement of Profit and Loss

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

(₹ in Lacs)

	Gratuity	
	31st March, 2018	31st March, 2017
Service cost	282.21	272.27
Net Interest cost / (income) on the net defined benefit liability / (asset)	110.81	89.54
<b>Net benefit expense</b>	<b>393.02</b>	<b>361.81</b>
Actual return on plan assets	59.02	60.71

#### Other comprehensive income

(₹ in Lacs)

	Gratuity	
	31st March, 2018	31st March, 2017
Actuarial (gains) / losses		
- change in financial assumptions	(33.55)	58.47
- experience variance (i.e. Actual experience vs assumptions)	99.66	86.79
Return on plan assets, excluding amount recognised in net interest expense	8.84	17.77
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>74.95</b>	<b>163.03</b>

#### Balance sheet

##### Benefit asset/ liability

(₹ in Lacs)

	Gratuity	
	31st March, 2018	31st March, 2017
Present value of defined benefit obligation	2,802.57	2,492.38
Fair value of plan assets	760.86	881.01
<b>Net asset / (liability)</b>	<b>2,041.71</b>	<b>1,611.37</b>

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

(₹ in Lacs)

	Gratuity	
	31st March, 2018	31st March, 2017
Opening defined benefit obligation	2,492.38	2,155.69
Current service cost	282.21	272.27
Interest cost	178.67	168.02
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in financial assumptions	(33.55)	58.47
- experience variance (i.e. Actual experience vs assumptions)	99.66	86.79
Benefits paid	(216.80)	(248.86)
<b>Closing defined benefit obligation</b>	<b>2,802.57</b>	<b>2,492.38</b>

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

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

(₹ in Lacs)

	Gratuity	
	31st March, 2018	31st March, 2017
Opening fair value of plan assets	881.01	1,006.91
Expected return / Investment Income	67.86	78.48
Benefits paid	(179.17)	(186.61)
Return on plan assets, excluding amount recognised in net interest expense	(8.84)	(17.77)
<b>Closing fair value of plan assets</b>	<b>760.86</b>	<b>881.01</b>

The Company expects to contribute ₹ 450.00 lacs (31st March, 2017 : ₹ 400.00 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%
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The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	31st March, 2018	31st March, 2017
Discount rate	7.65%	7.50%
Expected rate of return on assets	7.55%	7.55%
Future salary increases:	7.00%	7.00%
Mortality Rate (% of IALM 06-08)	100%	100%

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.

Defined Contribution Plan :

(₹ in Lacs)

	31st March, 2018	31st March, 2017
Contribution to Provident / Pension Funds	593.61	503.89
Contribution to Superannuation Fund	88.42	93.56
	<b>682.03</b>	<b>*597.45</b>

\* Includes ₹ Nil (31st March, 2017 : ₹ 10.06 lacs) capitalised as preoperative expenses (refer Note 3 & 4).

A quantitative sensitivity analysis for significant assumptions is as below:

(₹ in Lacs)

Assumptions	31st March, 2018		31st March, 2017	
	Discount rate		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity level				
(Decrease)/Increase in gratuity defined benefit obligation	(207.21)	238.75	(186.30)	214.76

Assumptions	Future Salary		Future Salary	
	Future Salary		Future Salary	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity level				
(Decrease)/Increase in gratuity defined benefit obligation	237.92	(210.22)	213.46	(188.76)

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### 33. Employee stock option scheme

The Company provides share-based payment schemes to its employees. The Company had 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, 2018	31st March, 2017
Outstanding at the beginning of the year	16,48,900	16,48,900
Granted during the year	-	-
Cancelled during the year	1,75,000	-
Outstanding at the end of the year	14,73,900	16,48,900
Exercisable at the end of the year	-	-

The weighted average remaining contractual life for the stock options outstanding as at 31st March, 2018 is 2.93 years (31st March, 2017 3.93 years).

The weighted average fair value of the stock options granted was ₹ 105.64. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	31st March, 2018	31st March, 2017
Dividend yield (%)	0.96%	0.96%
Expected volatility	44.90%	44.90%
Risk-free Interest rate	8%	8%
Weighted average share price (₹)	183.50	183.50
Exercise price (₹)	135	135
Expected life of options granted in years	5.6	5.6

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 the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### 34. Leases

#### Operating lease: Company as lessee

Certain office premises, equipments, depots etc are obtained by the Company 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. Lease agreements have price escalation clauses. The rent is not based on any contingencies. There are no restrictions imposed by lease arrangements. The leases are cancelable.

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
Lease expenses for the year	1,715.35	1,550.49

### 35. Capital and other commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 9,630.18 lacs (31st March, 2017: ₹ 765.44 lacs).

### 36. Contingent liabilities

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
(a) Demands/claims by various Government authorities and others not acknowledged as debts and contested/to be contested by the Company:		
Excise Duty	822.09	822.54
Sales Tax (including Entry Tax)	782.21	549.55
Income Tax	301.08	98.94
Escot Charges*	-	20,488.99
Others (including power fuel surcharge adjustment, electricity duty and towards certain vendors and employees)	3,888.16	4,461.49
	<b>5,793.54</b>	<b>26,421.51</b>

Based on discussions with the solicitors/ favorable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary. The timing of outflow of resources is not ascertainable.

\* Matter settled in favour.

### 37. Related party disclosures

#### List of members of Board of Directors/key managerial personnel and other related parties

Chairman and Non-Executive Director	Mr. CK. Birla
Managing Director & CEO	Mr. D.D. Khetrpal
Other Non-Executive Directors	Mrs. Amita Birla
	Mr. Rajeev Jhawar
	Mr. V.K. Dhall
	Mr. R. Jhunjunwala
	Mr. Janat Shah
	Mr. I.Y.R. Krishna Rao
	Mr. Swapn Dasgupta
Chief Financial Officer	Mr. Sushil Gupta
Company Secretary	Ms. Deepanjali Gulati (Till 31st October,2017)
	Ms. Nidhi Bisaria (From 23rd November,2017)
Enterprise over which a director along with his/her relative holds more than 2 % of the capital / paid up equity share capital	Orient Paper & Industries Limited
	Orient Electric Limited
	Khaitan & Co LLP, New Delhi
	Khaitan & Co LLP, Kolkata
	Khaitan & Co, Mumbai

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### Related party transactions

The details of related parties transactions entered into by the Company for the year ended 31st March, 2018 and 31st March, 2017, and the details of amounts due to or due from related parties as at 31st March, 2018 and 31st March, 2017:

	Year Ended	Transaction during the period	Amount owed to related parties
<b>Members of Board of Directors/key managerial personnel</b>			
Sitting fees and Commission to Non-Executive directors	31-Mar-18	136.02	70.87
	31-Mar-17	50.50	-
<b>Managing Director &amp; CEO</b>			
Salary, bonus and contribution to PF	31-Mar-18	820.82	150.00
Share based payment	31-Mar-18	248.99	-
Salary, bonus and contribution to PF	31-Mar-17	659.68	121.50
Share based payment	31-Mar-17	248.99	-
<b>Chief Financial Officer</b>			
Salary, bonus and contribution to PF	31-Mar-18	175.63	32.20
Share based payment	31-Mar-18	51.99	-
Salary, bonus and contribution to PF	31-Mar-17	158.22	29.01
Share based payment	31-Mar-17	51.99	-
<b>Company Secretary</b>			
- Ms. Deepanjali Gulati			
Salary, bonus and contribution to PF	31-Mar-18	16.61	-
Salary, bonus and contribution to PF	31-Mar-17	19.62	1.50
- Ms. Nidhi Bisaria			
Salary, bonus and contribution to PF	31-Mar-18	9.58	0.89
Salary, bonus and contribution to PF	31-Mar-17	-	-
<b>Enterprise over which a director along with his/her relative holds more than 2 % of the capital /paid up equity share capital</b>			
- Orient Paper & Industries Limited			
Payment of Rent	31-Mar-18	14.16	-
Payment of Rent	31-Mar-17	13.80	-
- Orient Electric Limited			
Purchase of Goods	31-Mar-18	72.13	-
Purchase of Goods	31-Mar-17	-	-
- Khaitan & Co LLP - New Delhi			
Purchase of services	31-Mar-18	12.24	-
Purchase of services	31-Mar-17	6.00	-
- Khaitan & Co LLP - Kolkata			
Purchase of services	31-Mar-18	1.00	-
Purchase of services	31-Mar-17	1.00	-
- Khaitan & Co - Mumbai			
Purchase of services	31-Mar-18	23.14	4.71
Reimbursement of expenses		1.85	-
Purchase of services	31-Mar-17	0.35	-
Reimbursement of expenses		3.11	-

**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.

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

**38.** Remuneration paid to Managing Director & CEO of the Company during the financial year ended 31st March, 2017 had exceeded the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 444.99 lacs. The Company had applied to Central Government for waiver of such excess remuneration.

Based on a letter received from Ministry of Corporate Affairs, Government of India, in response to the Company's application for waiver of aforesaid excess remuneration, the Company is of the view that since the Managing Director & CEO is working in the professional capacity, no Central Government approval is required in terms of amended provisions of Schedule V of the Companies Act, 2013.

### **39. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006**

	(₹ in Lacs)	
	31st March, 2018	31st March, 2017
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	278.44	266.55
Interest due on above	-	-
	<b>278.44</b>	<b>266.55</b>
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

**40.** The management has considered that the Company has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods.

Further, the Company is engaged in single product line of manufacturing and selling cement and its customers and non-current assets are located in India only.

### **41. Financial risk management objectives and policies**

The Company's financial liabilities comprise loans and borrowings, security deposits, and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents.

The Company is exposed to market risk, credit risk and liquidity risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### Market risk

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

### Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

### Interest rate sensitivity

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

		(₹ in Lacs)
		Increase/ decrease in basis points
		Effect on profit before tax
31 March 2018	INR	50 basis points
31 March 2017	INR	50 basis points

### Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates is not significant.

### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

### Trade receivables

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

The ageing analysis of the receivables (net of provision) has been considered from the date the invoice falls due.

(₹ in Lacs)					
Trade Receivable	< 30 days	31 - 90 Days	91 to 180 days	> 180 days	Total
Mar-18	10,423.73	4,201.47	412.52	467.75	15,505.47
Mar-17	6,099.14	3,144.00	527.00	783.00	10,553.14

### Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

## Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

### Maturity profile of Financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Lacs)					
Financial Liabilities	0-1 year	2-5 year	6-10 year	Above 10 years	Total
Mar-18					
Borrowings *	27,359.17	64,298.44	75,015.36	41,007.60	2,07,680.56
Trade Payables	21,894.63	-	-	-	21,894.63
Other current financial liabilities	20,878.40	-	-	-	20,878.40
<b>Total</b>	<b>70,132.20</b>	<b>64,298.44</b>	<b>75,015.36</b>	<b>41,007.60</b>	<b>2,50,453.59</b>
Mar-17					
Borrowings *	21,345.23	66,957.16	90,941.07	45,723.57	2,24,967.03
Trade Payables	20,062.48	-	-	-	20,062.48
Other current financial liabilities	20,334.04	-	-	-	20,334.04
<b>Total</b>	<b>61,741.75</b>	<b>66,957.16</b>	<b>90,941.07</b>	<b>45,723.57</b>	<b>2,65,363.55</b>

\* including future interest of ₹ 75,601.92 lacs (31st March, 2017: ₹ 90,561.48 lacs)

### 42. Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders and issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 0.50 to 0.55. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(₹ in Lacs)		
	31st March, 2018	31st March, 2017
Interest bearing borrowings	1,14,621.53	1,19,344.36
Less : Cash and cash equivalents	(3,205.88)	(6,292.01)
<b>Net debt</b>	<b>1,11,415.65</b>	<b>1,13,052.35</b>
Equity Share Capital	2,048.69	2,048.69
Other Equity	1,00,163.57	96,669.46
Total Capital	1,02,212.26	98,718.15
Total Capital plus Net debt	<b>2,13,627.91</b>	<b>2,11,770.50</b>
<b>Gearing Ratio</b>	<b>0.52</b>	<b>0.53</b>

### 43. Standards issued but not effective

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

# Notes to the Financial Statements (contd.)

as at and for the year ended 31st March, 2018

## Ind AS 115 Revenue from Contracts with Customers

The Company is currently evaluating the impact of implementation of Ind AS 115 "Revenue from Contracts with Customers" which is applicable to it w.e.f April 01, 2018. However, based on the evaluation done so far and based on the arrangement that the Company has with its customers for sale of its products, the implementation of Ind AS 115 will not have any significant recognition and measurement impact. However, there will be additional presentation and disclosure requirement which will be provided in the next year's financial statements.

## Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

## Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

Amendments to Ind AS 112 Disclosure of Interests in Other Entities, Ind AS 40 Investment Property and Ind AS 28 Investments in Associates and Joint Ventures are not applicable to the Company.

## **44. Fair Value**

The fair value of the financial assets and liabilities approximates their carrying amounts as at the balance sheet date.

### As per our report of the even date

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

per Sanjay Kumar Agarwal  
Partner  
Membership No.: 060352

Place: New Delhi  
Date: 3rd May, 2018

### For and on behalf of Board of Directors

CK. Birla  
Chairman  
(DIN 00118473)

S. Gupta  
Chief Financial Officer  
(FCA 044924)

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

N. Bisaria  
Company Secretary  
(FCS 5634)





# Orient Cement Limited

CIN: L26940OR2011PLC013933

Registered Office: Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha-751 012

Tel: 0674-2396930 | 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

## PROXY FORM

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

Name of the member(s):

Registered address:

E-mail ID:

Folio No./ Client Id:

DP ID:

I/We, being the member(s) of .....equity shares of the above named company, hereby appoint

1. Name: .....  
Address: .....  
E-mail Id: .....  
Signature: ....., or failing him/ her
2. Name: .....  
Address: .....  
E-mail Id: .....  
Signature: ....., or failing him/ her
3. Name: .....  
Address: .....  
E-mail Id: .....  
Signature: .....

as my/ our proxy to attend and vote (on a poll) for me/ us and my/ our behalf at the **7<sup>th</sup> Annual General Meeting** of the Company, to be held at **Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha-751 012**, on **Friday, 17<sup>th</sup> day of August, 2018** at **2:00 P.M.** and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.	Description	Vote (Please see Note 2)		
		For	Against	Abstain
<b>Ordinary business</b>				
1.	To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2018.			
2.	To declare a final dividend.			
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.			
<b>Special business</b>				
5.	To fix the remuneration of Mr. Somnath Mukherjee, Cost Auditor of the Company.			
6.	To approve the terms of remuneration of Mr. Desh Deepak Khetrpal, Managing Director & CEO (DIN 02362633).			
7.	To approve raising of funds through issuance of securities.			

Signed this..... day of..... 2018

Affix ₹ 1  
Revenue Stamp

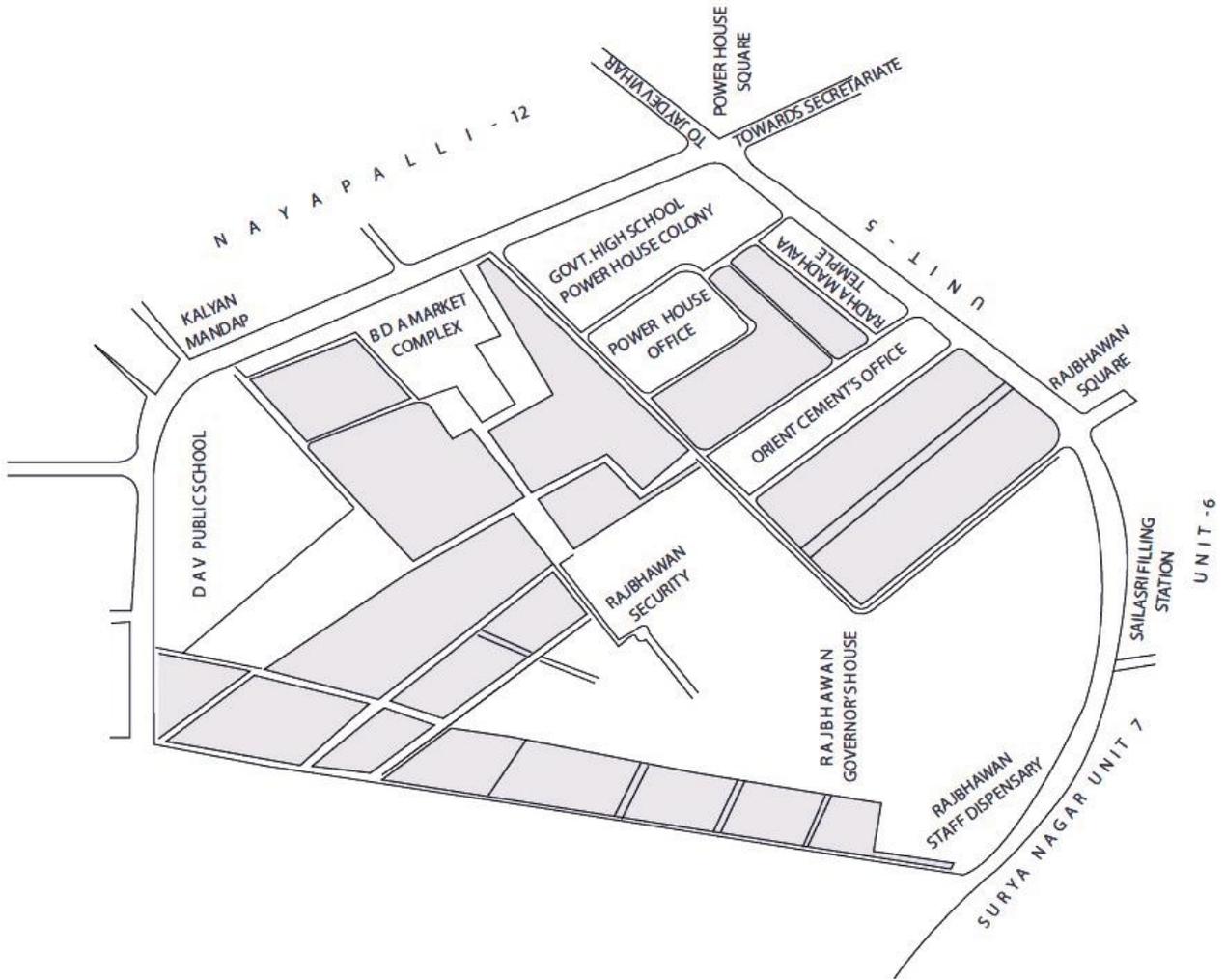
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Signature of the Member

-----  
Signature of Proxy Holder(s)

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The holder may vote, either, for or against each resolution or may abstain from voting.
3. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.

# Route Map of the AGM Venue



**Orient Cement Limited**  
CIN : L26940OR2011PLC013933  
Birla Tower, 3<sup>rd</sup> Floor,  
25, Barakhamba Road,  
New Delhi - 110 001  
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