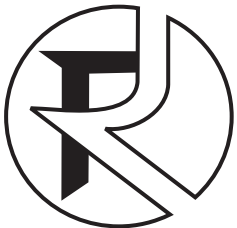


**5<sup>th</sup>**  
**Annual Report**  
**2014-2015**

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**ORIENT REFRACTORIES LIMITED**

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**BOARD OF DIRECTORS**

(As on 27 July, 2015)

Dr. Vijay Sharma  
Mr. Rama Shanker Bajoria  
Ms. Barbara Potisk Eibensteiner  
Mr. Reinhold Steiner  
Mr. Erwin Jankovits  
Mr. Parmod Sagar

**CHIEF FINANCIAL OFFICER**

Mr Sanjeev Bhardwaj

**COMPANY SECRETARY**

Mr Sanjay Kumar

**AUDITORS**

**STATUTORY AUDITORS**

M/s. Deloitte Haskins & Sells

**COST AUDITORS**

M/s. K. G. Goyal & Associates

**INTERNAL AUDITORS**

M/s. Chaturvedi & Partners

**BANKER**

HDFC Bank Ltd.

Deutsche Bank

**REGISTRAR & TRANSFER AGENT**

Skyline Financial Services Private Limited,  
D-153 A, 1st Floor,  
Okhla Industrial Area, Phase - I,  
New Delhi - 110 020

**REGISTERED OFFICE**

804-A, Chiranjiv Tower  
43, Nehru Place  
New Delhi-110 019  
email:info@orlindia.com  
web site:www.orientrefractories.com

**WORK**

SP – 148, RIICO Industrial Area  
Bhiwadi, Dist.-Alwar  
Rajasthan  
e-mail:bhiwadi@orlindia.com



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## NOTICE

Notice is hereby given that the 5<sup>th</sup> Annual General Meeting (AGM) of the members of Orient Refractories Limited will be held on Thursday, 24 September, 2015, at 11:30 a.m. at "Modi Hall", PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016, India, to transact the following business :

### Ordinary business

#### Item no. 1

##### Adoption of financial statements

To receive, consider and adopt the financial statements of the Company for the year ended 31 March, 2015, including the audited balance sheet as at 31 March, 2015, the statement of profit and loss for the year ended on that date and the reports of the board of directors ('the board') and auditors' thereon.

#### Item no. 2

##### Declaration of dividend

To declare a dividend on equity shares.

#### Item no. 3

##### Appointment of director

To appoint a director in place of Mr. Parmod Sagar (DIN-06500871), who retires by rotation and, being eligible, seeks re-appointment.

#### Item no. 4

**To ratify the appointment of auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:**

"**RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made there under, pursuant to the recommendations of the audit committee of the board of directors, and pursuant to the resolution passed by the members at the AGM held on 26 September, 2014, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No.- 015125N) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2019 be and is hereby ratified and that the board of directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending 31 March, 2016 as may be determined by the audit committee in consultation with the auditors, and reasonable out-of-pocket expenses actually incurred by them in connection with the audit of the accounts of the Company."

### Special business

#### Item no. 5

##### Appointment of Dr. Vijay Sharma as an independent director

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

"**RESOLVED THAT**, pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Dr. Vijay Sharma (DIN-0880113), who was appointed as an additional director (independent) of the Company by the board of directors with effect from 12 November, 2014 and who holds office till the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Dr. Vijay Sharma as a candidate for the office of a director of the Company, be and is hereby appointed as an independent director of the Company for a term of 5 years from the date of his appointment to 11 November, 2019, not liable to retire by rotation."

#### Item no. 6

##### Appointment of Mr. Rama Shanker Bajoria as an independent director

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

"**RESOLVED THAT**, pursuant to Section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Rama Shanker Bajoria (DIN-033727), who was appointed as an independent director of the Company in the AGM held on 26 September, 2014, for a period of one year and who holds office till the date of this AGM, and in



respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rama Shanker Bajoria as a candidate for the office of a director of the Company, be and is hereby appointed as an independent director of the Company for a term of 5 years i.e. from the date of this AGM till the conclusion date of the 10<sup>th</sup> AGM to be held in the calendar year 2020, not liable to retire by rotation.

**Item no. 7**

**Appointment of Mr. Erwin Jankovits as a director 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** Mr. Erwin Jankovits (DIN 07089589) who was appointed by the board of directors as an additional director of the Company with effect from 11 February, 2015 and who holds office up to the date of this AGM of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of director of the Company, be and is hereby appointed a director of the Company, liable to retire by rotation.”

**Item no. 8**

**To approve the remuneration of the cost auditors for the financial year ending 31 March, 2016**

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 other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the remuneration payable to M/s. K G Goyal & Associates, Cost Accountants (Firm Registration No. 000024), appointed by the board of directors as cost auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, amounting to ₹ 50,000 (Rupees Fifty Thousands only) as also the payment of service tax as applicable and re-imbursment of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the board of directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Item no. 9**

**To ratify agreement for supply of raw materials with Orient Abrasives Limited and in this regard, to consider and if thought fit, to pass the following resolution as an ordinary resolution:**

**“RESOLVED** in terms of Section 188 of the Companies Act, 2013 read with relevant rules and SEBI circular no. CIR/CFD/POLICY CELL/2/2014 dated 17 April, 2014 **THAT** agreement for supply of raw materials with Orient Abrasives Limited for a period from 1 April, 2014 to 30 April, 2015 be and is here by ratified and confirmed.”

**Regd. office:**

804-A, Chiranjiv Tower,  
43, Nehru Place,  
New Delhi 110019  
**27 July, 2015**

**for Orient Refractories Limited**

Sanjay Kumar  
**Company Secretary**

**Notes**

1. The statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company.
3. The register of members and share transfer books will remain closed from **Tuesday, 8 September, 2015 to Tuesday, 15 September, 2015 (both days inclusive)** for the purpose of payment of the final dividend for the financial year ended 31 March, 2015 and the 5<sup>th</sup> AGM.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
5. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the AGM is enclosed.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.



7. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
8. The register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. The register of contracts or arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
10. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the board of directors, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the register of members as on 8 September, 2015.
11. Members are requested to address all correspondence, including dividend-related correspondence, to the registrar and share transfer agent, Skyline Financial Services Private Limited, D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020.
12. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Sanjay Kumar, Company Secretary, at the Company's registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's unpaid dividend account, will, as per Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), be transferred to the investor education and protection fund.
13. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective depository participant(s). Members are encouraged to utilize the electronic clearing system (ECS) for receiving dividends.
14. With a view to using natural resources responsibly, we request shareholders to update their email address, with their depository participants to enable the Company to send communications electronically.
15. The notice of the 5<sup>th</sup> AGM and instructions for e-voting, along with the attendance slip and proxy form, is being sent by electronic mode to all members whose email addresses are registered with the Company / depository participant(s), unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
16. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the clause 35B of the listing agreement, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this notice. In order to enable its members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this notice, the Company is enclosing a ballot form with the notice. Instructions for ballot form are given at the back of the said form and instructions for e-voting are given here in below. Resolution(s) passed by members through ballot forms or e-voting is / are deemed to have been passed as if they have been passed at the AGM. Valid ballot form received by the scrutinizer by on or before 23 September, 2015 (5:00 p.m.) shall only be considered.
17. Members may also note that the notice of the 5<sup>th</sup> AGM and the annual report 2014-15 will be available on the Company's website, [www.orientrefractories.com](http://www.orientrefractories.com). The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : [investor@orlindia.com](mailto:investor@orlindia.com)
18. Additional information, pursuant to clause 49 of the listing agreement with the stock exchanges, in respect of the directors seeking appointment / re-appointment at the AGM is furnished as annexure to the notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the rules thereunder.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of the permanent account number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Company.
20. All documents referred to in the notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
21. **Attendance registration**  
Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.



## **22. Poll at the AGM**

After all the items of the notice have been discussed, the Chairman will order poll in respect of all the items. Poll will be conducted and supervised under the scrutinizer appointed for e-voting. After conclusion of the poll, the Chairman may declare the meeting as closed. The results of the poll aggregated with the results of e-voting will be announced by the Company on its website : [www.orientrefractories.com](http://www.orientrefractories.com) within two day from the date of AGM of the Company and also informed to the stock exchanges where the securities of the Company are listed within two (2) days of the AGM.

### **The instructions for e-voting are as under:**

#### **A. In case a member receives an e-mail from NSDL**

(for members whose e-mail addresses are registered with the Company/Depositories):

- i. Open the e-mail and also open PDF file namely "ORL e-voting.pdf" with your client id or folio no. as password. The said PDF file contains your user id and password for e-voting. Please note that the password is an initial password.
- ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
- iii. Click on shareholder – login.
- iv. If you are already registered with NSDL for e-voting then you can use your existing user id and password.
- v. If you are logging in for the first time, please enter the user id and password provided in the PDF file attached with the e-mail as initial password.
- vi. The password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Orient Refractories Limited. Now you are ready for 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 the vote on the resolution is cast, the member shall not be allowed to change it subsequently.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant board resolution/authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail to [scrutinizer.ori@gmail.com](mailto:scrutinizer.ori@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

#### **B. In case a member receives physical copy of the notice of AGM**

(for members whose email addresses are not registered with the Company/depositories):

- i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user id and password.
- ii. Please follow all steps from Sl. no. A. (ii) to Sl. no. A. (xiii) above, to cast vote.

#### **C. Other Instructions:**

- i. The e-voting period commences on Monday, 21 September, 2015 (9.00 a.m.) and ends on Wednesday, 23 September, 2015 (5.00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on 18 September, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.
- ii. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on 18 September, 2015.



- iii. Mr. Naresh Verma (Membership No. FCS 5403) of M/s Naresh Verma & Associates, Company Secretaries has been appointed as the scrutinizer to scrutinize the e-voting process (including the ballot form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
- iv. The scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forth with to the Chairman/Managing Director/ Authorised Person of the Company.
- v. Members who do not have access to e-voting facility may send duly completed ballot form (enclosed with the annual report) so as to reach the scrutinizer appointed by the board of directors of the Company, Mr. Naresh Verma, Practicing Company Secretary (Membership No. FCS 5403), at the registered office of the Company latest by Wednesday, 23 September, 2015 members have the option to request for physical copy of the ballot form by sending an e-mail to [cssanjay@orlindia.com](mailto:cssanjay@orlindia.com) by mentioning their folio / dp id and client id no.  
  
A member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- vi. The results declared along with the scrutinizer's report shall be placed on the Company's website [www.orientrefractories.com](http://www.orientrefractories.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the 5th AGM of the Company on 24 September, 2015 and communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

**Regd. office:**

804-A, Chiranjiv Tower,  
43, Nehru Place,  
New Delhi 110019,  
CIN: L28113DL2010PLC210819

**for Orient Refractories Limited**

**27 July, 2015**

**Sanjay Kumar  
Company Secretary**

## **Explanatory Statement**

**(Pursuant to Section 102 of the Companies Act, 2013)**

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under item nos. 4 to 9 of the accompanying notice.

### **Item no. 4**

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm Registration No.-015125N) were appointed as the statutory auditors of the Company till the conclusion of the AGM to be held in the calendar year 2019 at the AGM of the Company held on 26 September, 2014.

As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is being sought for the proposal contained in the resolution set out at item no. 4 of the notice.

None of the directors or key managerial personnel (KMP) or relatives of directors and KMP's is concerned or interested in the resolution at item no. 4 of the accompanying notice.

The board commends the ordinary resolution set out at item no. 4 for the approval of the members.





**Item no. 5**

The board of directors, at its meeting held on 12 November, 2014, appointed Dr. Vijay Sharma as an additional independent director of the Company with effect from 12 November, 2014, pursuant to Section 161 and 149 of the Companies Act, 2013, read with Article 89 of the Articles of Association of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Dr. Vijay Sharma hold office as additional director up to the date of this AGM. However, the term of an independent director as per provisions of Section 149 is for 5 years and Dr. Vijay Sharma can hold the office of independent director upto 11 November, 2019 if appointed by members in this AGM.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of ₹ 1,00,000/- proposing the candidature of Dr. Vijay Sharma for the office of director of the Company. Dr. Vijay Sharma if appointed will hold office as independent director, not liable to rotation, for a period of total five years i.e. from the date of his original appointment 12 November, 2014 till 11 November 2019 under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Dr. Vijay Sharma (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The approval of members by means of proposed ordinary resolution is sought for the appointment of Dr. Vijay Sharma as an independent director of the Company for a period up to 11 November, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the board, Dr. Vijay Sharma, the independent director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and he is independent of the management. A copy of the draft letter for the appointment of Dr. Vijay Sharma as an independent director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Dr. Vijay Sharma, to whom the resolution relates, are interested or concerned in the resolution.

The board commends the ordinary resolution set out at item no. 5 for the approval of members.

**Item no. 6**

The members of the Company, at 4<sup>th</sup> AGM held on 26 September, 2014, appointed Mr. Rama Shanker Bajoria as an independent director of the Company for a period of one year i.e. from the date of the 4<sup>th</sup> AGM till the date of ensuing 5<sup>th</sup> AGM, pursuant to Section 149 of the Companies Act, 2013.

Sub section (10) of Section 149 of the Companies Act, 2013 provides that independent directors shall hold office for a term of up to five consecutive years on the board of a company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the company. Further, according to sub section (11) of Section 149, no independent director shall be eligible for appointment for more than two consecutive terms of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Rama Shanker Bajoria for second term in the office of independent director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013 for a period of 5 years.

The Company has received from Mr. Rama Shanker Bajoria (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The approval of members by means of proposed special resolution is sought for the appointment of Mr. Bajoria as an independent director of the Company for a period five years i.e., till the date of the 10<sup>th</sup> AGM to be held in the calendar year 2020, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. He will not be liable to retire by rotation.

In the opinion of the board, Mr. Bajoria, the independent director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and he is independent of the management. A copy of the draft letter for the appointment of Mr. Bajoria as an independent director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.



No director, key managerial personnel or their relatives, except Mr. Rama Shanker Bajoria, to whom the resolution relates, are interested or concerned in the resolution.

The board commends the special resolution set out at item no. 6 for the approval of members.

**Item no. 7**

Mr. Erwin Jankovits was appointed as an additional director by the board with effect from 11 February, 2015. In terms of Section 161(1) of the Companies Act, 2013 and Article 89 of the Company's Articles of Association, Mr. Erwin Jankovits holds office as director only till the date of the ensuing AGM, but is eligible for appointment.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Erwin Jankovits as director of the Company.

The board considers it desirable that the Company should continue to avail itself of the services of Mr. Erwin Jankovits as director and accordingly commends the ordinary resolution at item no. 7 for approval by the members.

No director, key managerial personnel or their relatives, except Mr. Erwin Jankovits, to whom the resolution relates, are interested or concerned in the resolution.

**Item no. 8**

The board of directors of the Company, on the recommendation of the audit committee, approved the appointment and remuneration of M/s. K G Goyal & Associates, Cost Accountants (Firm Registration No. 000024), to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditor is required to be ratified by the members of the Company. Accordingly, consent of the members is sought to ratify the remuneration payable to the cost auditors.

None of the directors or key managerial personnel and their relatives, are concerned or interested (financially or otherwise) in this resolution.

The board commends the ordinary resolution set out at item no. 8 for the approval of members.

**Item no. 9**

The Company has entered into an agreement for supply of raw materials with Orient Abrasives Limited (OAL) for a period from 1 April, 2014 to 30 April, 2015.

**Salient terms of the agreement:**

- The delivery and payment schedule shall be governed by purchase order and at prevailing market price.
- The payment to be made after delivery of the raw materials.
- Total amount of transaction (approx.):

Period	Amount (in ₹ Lacs)
1 April, 2014 to 31 March, 2015	6,456.83
1 April, 2015 to 30 April, 2015	538.07
<b>Total</b>	<b>6,994.90</b>

At the time of agreement Mr. Shri Gopal Rajgarhia and Mr. Rama Shanker Bajoria were common directors of the Company. Mr. Shri Gopal Rajgarhia was Executive Director of the Company and Managing Director of Orient Abrasives Limited and also hold with his relatives more than 2% paid up share capital of both the Companies. Mr. Rama Shanker Bajoria was independent director of both the companies and did not hold any share in both the companies. Due to common directorship of Mr. Shri Gopal Rajgarhia at the time of agreement OAL was related party of the Company and transaction with OAL was material transaction in terms of Section 188 of the Companies Act, 2013 and clause 49 of the listing agreement and amendments thereof.

As on date Mr. Shri Gopal Rajgarhia resigned from directorship of the Company and along with his relatives did not hold more than 2% paid up capital of the Company. OAL thus is now not a related party of the Company.

According to SEBI circular no. CIR/CFD/POLICY CELL/2/2014 dated 17 April, 2014 all existing material related party contracts or arrangements as on the date of this circular which are likely to continue beyond 31 March, 2015 shall be placed for approval of the shareholders in the first general meeting subsequent to 1 October, 2014. Accordingly above said agreement has to be ratified by the members of the Company.



None of the directors except Mr. Rama Shanker Bajoria (being independent director on the board of both the companies) or key managerial personnel and their relatives, are concerned or interested (financially or otherwise) in this resolution.

The board commends the ordinary resolution set out at item no. 9 for the approval of members.

**Regd. office:**

804-A, Chiranjiv Tower,  
43, Nehru Place,  
New Delhi 110019,  
CIN: L28113DL2010PLC210819

**for Orient Refractories Limited**

**27 July, 2015**

**Sanjay Kumar  
Company Secretary**

**Details of directors seeking appointment / reappointment at the AGM**

Particulars	Mr. Rama Shanker Bajoria	Dr. Vijay Sharma	Mr. Erwin Jankovits
Director identification number	033727	0880113	07089589
Date of birth	17 May, 1943	1 October, 1954	13 August, 1971
Date of appointment	18 October, 2011	12 November, 2014	11 February, 2015
Qualifications	-B. Com.	-Bachelor of Technology in Metallurgical Engineering from IIT -Master of Science in Materials Engineering -Post Graduate Diploma in Business Administration -Doctor of Philosophy in Metallurgical Engineering - Steel making	-Graduation in material sciences from Montan University, Leoben
Expertise in specific functional areas	Wide experience in rubber industry	Wide experience in steel industry	Wide experience in steel industry
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	-Farseen Rubber Industries Ltd. -Brijbhoomi Farm & Const. Pvt. Ltd. -Shreedhan Investment and Trading Pvt. Ltd. -Orient Abrasives Ltd.	-B.M.M. Ispat Limited	nil
Memberships / chairmanships of committees of other public companies (includes only audit committee and stakeholders' relationship committee.	Orient Abrasives Ltd. Audit Committee-Member	nil	nil
Number of shares held in the Company	nil	nil	nil



**DIRECTORS' REPORT**

*Dear Members*

The directors submit annual report of Orient Refractories Limited ( "the Company" or "ORL") along with the audited financial statements for the financial year ended 31 March, 2015.

**1. FINANCIAL RESULTS**

(₹ in Lacs)

Particulars	2014-2015	2013-2014
Net sales & income	45,668.24	40,760.54
Profit before depreciation, interest and tax	8,516.37	8,328.55
<b>Less:</b> Depreciation	549.31	362.58
Interest	4.34	7.49
Profit before income tax	7,962.72	7,958.48
<b>Less :</b> Income tax	2,678.78	2,673.84
Net profit for the year	5,283.94	5,284.64
<b>Add:</b> Balance brought forward from the previous year	4,827.17	1,899.49
<b>Less:</b> Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	45.41	-
Amount available for appropriation	10,065.70	7,184.13
<b>Appropriation:</b>		
General reserve	600.00	600.00
Final dividend on equity shares	1,681.95	1,501.74
Corporate dividend tax	342.44	255.22
Balance carried forward to balance sheet	7,441.31	4,827.17

**2. Dividend**

Based on the Company's performance, the directors are pleased to recommend for approval of the members a final dividend of ₹1.40 per share for the financial year 2014-15. The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 2,024.39 Lacs (inclusive of tax of ₹ 342.44 Lacs).

**3. Transfer to reserves**

The Company proposes to transfer ₹ 600.00 Lacs to the general reserve out of the amount available for appropriation and a surplus amount of ₹ 7,441.31 Lacs is proposed to be retained in the statement of profit and loss.

**4. Company's performance**

There was high expectation from the new government on reforms and industrial growth. The economy, shown some sign of recovery but there was a gap in industrial expectation and actual growth. Business sentiments suggest a sort of let down in hope. Despite of above, your Company has performed well and the sale for the year under review increased by 11.90 % as compared to previous year 2013-14. During the year 2014-15, your Company has achieved total revenue of ₹ 45,668.24 Lacs (previous year ₹ 40,760.54 Lacs), profit before tax is ₹ 7,962.72 Lacs (previous year ₹ 7,958.48 Lacs).

During the first quarter for 2015-16, the sales is ₹ 10,963.73 Lacs (previous year ₹ 10,806.40 Lacs) increased by 1.46% as compared to quarter ending June, 2014.

**5. Material changes and commitments affecting financial position between the end of the financial year and date of report**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.



**6. Human resources**

The Company treats its “human resources” as one of its most important assets. The Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. The Company thrust is on the promotion of talent internally through job rotation and job enlargement.

The Company’s health and safety policy commits to provide a healthy and safe work environment to all employees. The Company’s initiative creates a culture of fitness in the organization by helping to build a fraternity of health and fitness conscious employees. The Company’s performance driven culture helps and motivates employees to excel in their respective areas and progress within the organization.

**7. Subsidiary company**

The Company does not have any subsidiary.

**8. Directors’ responsibility statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. 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 at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively,
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company’s internal financial controls were adequate and effective during the financial year 2014-15.

**9. Directors and key managerial personnel**

Mr. Shri Gopal Rajgarhia, Vice Chairman, Executive Director stepped down from the board of the Company on 9 April, 2015. Mr. Rajgarhia is one of the founder members of the Company and has played a seminal role in shaping ORL’s destiny. The board places on record its gratitude for the services rendered by him during his long association with the Company.

Mr. Subhash Chander Sarin, Technical Advisor, Executive Director resigned with effect from 30 April, 2015. The board places on record its appreciation for his efforts in driving delivery and quality excellence for the Company.

Mr. Michael John Williams, Non-Executive Director resigned with effect from 11 March, 2015. The board places on record its appreciation for the services rendered by him during his tenure with the Company.

The Company recognizes and embraces the importance of a diverse board in its success. ORL believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage.

As part of board diversity, Dr. Vijay Sharma and Mr. Gurdeep Singh were appointed as additional independent directors with effect from 12 November, 2014. Mr. Erwin Jankovits was also appointed as additional director with effect from 11 February, 2015.



Mr. Gurdeep Singh resigned from the board on 9 February, 2015 due to personal reasons. The board places on record its appreciation for the services rendered by Mr. Gurdeep Singh during his brief tenure with the Company.

Mr. Rama Shanker Bajoria was appointed as an independent director by the members of the Company at the annual general meeting held on 26 September, 2014 for a term of one year. He will retire at the ensuing annual general meeting of the Company. It is proposed to appoint Mr. Rama Shanker Bajoria as independent director on the board of the Company, for a term of five years i.e. from the date of this 5<sup>th</sup> annual general meeting to the date of 10<sup>th</sup> annual general meeting and shall not be liable to retire by rotation.

Dr. Vijay Sharma who was appointed as an additional independent director on 12 November, 2014 will retire at the ensuing annual general meeting of the Company in terms of provisions of Section 161 of the Companies Act, 2013, unless re-appointed. In due compliance with the provisions of Section 149 of the Companies Act, 2013, it is proposed to appoint Dr. Vijay Sharma as independent director on the board of the Company, to hold office for 5 years from the date of his initial appointment i.e. 12 November 2014 till 11 November, 2019 and he shall not be liable to retire by rotation.

Mr. Erwin Jankovits was appointed as an additional director on 11 February, 2015 and he will retire at the ensuing annual general meeting of the Company. The board proposes him to appoint as director of the Company.

Mr. Parmod Sagar retires by rotation and being eligible has offered himself for re-appointment.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and clause 49 of the listing agreement.

The resolutions seeking approval of the members for the appointment of Dr. Vijay Sharma, Mr. Rama Shanker Bajoria and Mr. Erwin Jankovits have been incorporated in the notice of the forthcoming annual general meeting of the Company along with brief details about them. The Company has received separate notices under Section 160 of the Act along with the requisite deposit proposing the appointments of Dr. Vijay Sharma, Mr. Rama Shanker Bajoria and Mr. Erwin Jankovits.

Pursuant to the provisions of Section 203 of the Act, which came into effect from 1 April, 2014, the appointments of Mr. Parmod Sagar, Managing Director, Mr. Subhash Chander Sarin, Executive Director, Mr. Sanjeev Bhardwaj, Chief Financial Officer and Mr. Sanjay Kumar, Company Secretary as key managerial personnel of the Company were formalised.

#### **10. Training of independent directors**

Every new independent director of the board familiarized with the strategy, operations and functions of the Company, the executive directors / senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management.

Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his role, function, duties and responsibilities as a director. The letter of appointments are available on our website, [http://www.orientrefractories.com/corporate\\_announcements.htm](http://www.orientrefractories.com/corporate_announcements.htm)

#### **11. Number of meetings of the board**

Four meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

#### **12. Board evaluation**

The board of directors has carried out an annual evaluation, based on the criteria and framework adopted by the board, of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under clause 49 of the listing agreements ("clause 49"). The policy on evaluation of performance of board of directors is available on the website of the Company.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.



The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed.

**13. Policy on directors' appointment and remuneration and other details**

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the board and separate its functions of governance and management. As on date, the board consists of 6 members, one of whom is executive or whole-time director, five are non-executive including two independent directors. The board periodically evaluates the need for change in its composition and size. The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub section (3) of Section 178 of the Companies Act, 2013, adopted by the board. The policy is available on the website of the Company.

The Company affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

**14. Internal financial control system and their adequacy**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

**15. Internal audit & controls**

The Company continues to engage M/s. Chaturvedi & Partners, Chartered Accountants as its internal auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal auditors' findings are discussed with the process owners and suitable corrective actions taken as per the directions of audit committee on an ongoing basis to improve efficiency in operations.

**16. Audit committee**

The details pertaining to composition of audit committee are included in the corporate governance report, which forms part of this report.

**17. Statutory auditors**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Deloitte Haskins & Sells, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the fourth annual general meeting of the Company held on 26 September, 2014 till the conclusion of the ninth annual general meeting to be held in the year 2019, subject to ratification of their appointment at every annual general meeting. In this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**18. Secretarial auditors**

Mr. Naresh Verma (FCS-5403) of M/s. Naresh Verma & Associates, Company Secretaries, was appointed to conduct the secretarial audits of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and rules thereunder.

The board has appointed Mr. Naresh Verma (FCS-5403) of M/s. Naresh Verma & Associates, Company Secretaries, as secretarial auditors of the Company for the financial year 2015-16.

**19. Cost auditors**

M/s K G Goyal & Associates, Cost Accountants has appointed as the cost auditor of the Company for refractory products for the financial year 2015-16. The cost audit report for the financial year 2014-15 relating to the above products will be filed within the stipulated period of 180 days from the close of the financial year.



The Section 148 (3) of Companies Act, 2013 requires that the remuneration of cost auditors shall require the ratification of members and accordingly the appropriate resolution has been included in the notice convening the 5<sup>th</sup> annual general meeting.

The directors recommend the approval of resolution for fixation of remuneration of cost auditors for the financial year 2015-16.

**20. Auditors' report and secretarial auditors' report**

The statutory auditors' report and secretarial auditors' report are self-explanatory and does not contain any qualifications, reservations or adverse remarks. The observations by secretarial auditors' regarding shortfall in corporate social responsibility expenditure and constitution of board, are explained elsewhere in this report. Report of the secretarial auditor is given as an **Annexure-A** which forms part of this report.

**21. Risk management**

During the year, the directors have constituted a risk management committee which has been entrusted with the responsibility to assist the board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors together form the Orient Management System that governs how the Company conducts the business and manages associated risks. The policy is available on the website of the Company.

**22. Particulars of loans, guarantees and investments**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

**23. Transactions with related parties**

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure B** in Form AOC-2 and the same forms part of this report.

**24. Corporate social responsibility (CSR)**

The corporate social responsibility committee has formulated and recommended to the board, a corporate social responsibility policy indicating the activities to be undertaken by the Company, which has been approved by the board. The policy is available on the website of the Company.

The Company has policy to spend the money for development work in Bhiwadi, Rajasthan on health, environment, safety, women empowerment and education of poor child and girls by adopting nearby villages, schools etc.

During the year, the Company has spent ₹ 39.17 Lacs out of the total contribution amount of ₹124.00 Lacs for the year ended 31 March, 2015 in accordance with Section 135 read with schedule VII of the Companies Act, 2013 to various trusts and social organisations. The contributions have been made towards promoting education, sanitation, medical and society welfare activities. The annual report on CSR activities is annexed herewith marked as **Annexure C**.

The Company will identify the areas in local vicinity where the remaining amount of ₹ 84.83 Lacs in year 2014-15 will be contributed along with the CSR contribution for the year 2015-16 as per the Companies Act, 2013.

**25. Extract of annual return**

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure D** in the prescribed Form MGT-9, which forms part of this report.

**26. Particulars of employees and related disclosures**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the annual report.





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

**27. Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo**

The particulars as prescribed under sub-section(3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as **Annexure F** to this report.

**28. Transfer of amounts to investor education and protection fund**

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to investor education and protection fund (IEPF).

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last annual general meeting (i.e. 26 September, 2014), with the Ministry of Corporate Affairs.

**29. Listing with stock exchanges**

The Company confirms that it has paid the annual listing fees for the year 2015-2016 to NSE and BSE where the Company's shares are listed.

**30. Deposits from public**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**31. Employees' stock options**

The Company doesn't have any stock option scheme for its employees or directors.

**32. Significant and material orders**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**33. Sexual harassment of women at workplace**

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

**34. Disclosure requirements**

As per clause 49 of the listing agreements entered into with the stock exchanges, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

Policy on dealing with related party transactions is available on the website of the Company

(URL: <http://www.orientrefractories.com/policies.htm>).

Policy on corporate social responsibility is available on the website of the Company

(URL: <http://www.orientrefractories.com/policies.htm>).

Policy on remuneration and nomination of directors, key managerial personals and other employees of the Company is available on the website of the Company (URL: <http://www.orientrefractories.com/policies.htm>).

Policy for evaluation of the performance of the board of directors is available on the website of the Company

(URL: <http://www.orientrefractories.com/policies.htm>).

Code of conduct for board members, independent directors, senior management personnel and other employees of the Company is available on the website of the Company.(URL:[http://www.orientrefractories.com/code\\_of\\_conduct.htm](http://www.orientrefractories.com/code_of_conduct.htm))



Code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders is available on the website of the Company. (URL: <http://www.orientrefractories.com/policies.htm>).

The Company has formulated and published a whistle blower policy to provide vigil mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised clause 49 of the listing agreements with stock exchanges. The policy is available on the web site of the Company. (URL: <http://www.orientrefractories.com/policies.htm>).

### **35. Acknowledgments**

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support. We thank the governments of various countries where we have our operations. We also thank the Government of India, particularly the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Customs and Excise Departments, the Income Tax Department, the Reserve Bank of India, the State Governments and other government agencies for their support and look forward to their continued support in the future

**for Orient Refractories Limited**

Dr. Vijay Sharma  
**Chairman**

**New Delhi**  
**27 July, 2015**



**Secretarial audit report**

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

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**The Members**

**Orient Refractories Limited  
804-A, Chiranjiv Tower  
43, Nehru Place  
New Delhi - 110019**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Orient Refractories 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 my opinion thereon.

Based on our verification of the Orient Refractories 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 March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Orient Refractories Limited for the financial year ended on 31 March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings - **not applicable to the Company during the audit period.**
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **not applicable to the Company during the audit period;**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- **not applicable to the Company during the audit period;**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **not applicable to the Company during the audit period;**
  - f. 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **not applicable to the Company during the audit period; and**
  - h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 - **not applicable to the Company during the audit period;**
- vi. There are no specific laws applicable to Company as per the management representation letter.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India- **not applicable to the Company during the audit period**
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange



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 observations:

**Observation**

*The Company during the year under review failed to spend the entire amount of funds earmarked for corporate social responsibility expenditure.*

**We further report that**

The board of directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors *except during the period and extent stated here-in-below*. 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 except as stated above.

During the period under review Mr. Keshav Kumar Thirani and Mr. Arun Kumar Jain, independent directors resigned from the directorship of the Company w.e.f. 30 July, 2014 and Mr. Gurdeep Singh and Dr. Vijay Sharma were appointed by the board of directors of the Company as non- executive independent directors' w.e.f. 12 November, 2014. Mr. Gurdeep Singh was also elected as Chairman of the Company.

*The board of directors of the Company and its various committees thus ceased to be properly constituted during the period 30 July, 2014 to 12 November, 2014 till the time independent directors were appointed in place of resigning independent directors.*

Mr. Gurdeep Singh, independent director and Chairman also resigned from the directorship of the Company w.e.f. 9 February, 2015. The Company appointed Dr. Vijay Sharma, an independent director as Chairman of the Company w.e.f. 11 February, 2015.

*The board of directors of the Company and its committees thus again ceased to be properly constituted during the period 9 February, 2015 to 31 March, 2015 as at least 1/3rd of the total board should be comprised of independent director where the Chairman is an independent director.*

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

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

**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 had

- Obtained approval of shareholders through postal ballot in respect of various matters. *However, the shareholders defeated the special resolution proposed under Section 180(1)(a) giving authority to the board of directors to borrow money by creation of charge / security on the assets of the Company upto ₹ 150 crores.*
- Shifted its registered office from 1307, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110 019 to 804-A, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110 019 w.e.f. 1 June, 2014

During the period under audit there were no instances of

- i. Public / right / preferential issue of shares / debentures / sweat equity etc.
- ii. Redemption / buy back of securities.
- iii. Merger / amalgamation / reconstruction etc.
- iv. Foreign technical collaborations.

**for Naresh Verma & Associates  
Company Secretaries**

**New Delhi  
26 May, 2015**

**Naresh Verma  
(FCS: 5403, CP: 4424)**



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

**Annexure**

**The Members**

**Orient Refractories Limited  
804-A, Chiranjiv Tower  
43, Nehru Place  
New Delhi - 110019**

Our report on even date is to be read along with this letter.

1. Maintenance 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 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 account of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of 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 procedures 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 Naresh Verma & Associates  
Company Secretaries**

**New Delhi  
26 May, 2015**

**Naresh Verma  
(FCS: 5403,CP: 4424)**



**Particulars of contracts / arrangements made with related parties**

*[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 – AOC-2]*

This form pertains to the 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.

**Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered into during the year ended 31 March, 2015, which were not at arm's length basis.

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

The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31 March, 2015 are as follows:

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or transactions including the value, if any	Date(s) of approval by the board, if any	Amount paid as advances, if any
Orient Abrasives Limited Relationship-Common directorship	Agreement for purchase of raw materials	from 1 April,2014 to 30 April,2015	-The purchase order to be raised by the Company from time to time based on the requirement and as per prevailing market price. -OAL diligently perform the contract in timely manner and supply raw materials in accordance with the work order issued by the Company. -OAL will comply with the local and state laws and regulations applicable while supplying raw material.	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.	0.00

Parmod Sagar  
**Managing Director**

Dr. Vijay Sharma  
**Chairman**

New Delhi  
27 July, 2015



**Annual report on Corporate Social Responsibility (CSR) activities for the financial year 2014-15**

1.	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 and the composition of CSR Committee.	Refer Sections: (a) Corporate social responsibility in this report, (b) Board committee & CSR committee in the corporate governance report
2.	Average net profit of the Company for last three financial years	₹ 6,203.50
3.	Prescribed CSR expenditure (two percent of the amount mentioned in item 2 above)	₹ 124.00
4.	Details of CSR spent during the financial year	
	Total amount to be spent for the financial year	₹ 39.17
	Amount unspent, if any	₹ 84.83
	Manner in which the amount spent during the financial year details given below	Details given below

**DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR 2014-15**

(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 Project or was programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Aastha Rehabilitation Society (Charitable Trust) Regd.	Promoting the differently abled and livelihood enhancement project.	Bhiwadi, Rajasthan	20.00	19.00	19.00	Direct
2.	Manav Sewa Sangh	Healthcare and medical facilities	Jaipur, Rajasthan	11.00	11.00	11.00	Direct
3.	Maharaja Surajmal Jan Kalyan Sanstha	Promotion of sanitation	Bhiwadi, Rajasthan	6.00	1.70	1.70	Direct
4.	Balica Shiksha Foundation	Promotion of girls education	Alwar, Rajasthan	15.00*	2.50	2.50	Direct
5.	Balika Aavashiya Vidhyalaya	Promotion of hostels for women and orphans	Alwar, Rajasthan		2.22	2.22	Direct
6.	ESI Mini Hospital	Healthcare and medical facilities	Bhiwadi, Rajasthan	2.00	2.75	2.75	Direct
7.	Rajasthan State Industrial Development and Investment Corporation	Fire tendering for local community	Bhiwadi, Rajasthan	28.00	0.00	0.00	Direct
8.	Prime Minister's National Relief Fund	Contribution to the Prime Minister's National Relief Fund	India	21.00	0.00	0.00	Direct
9.	Narayan Seva Sansthan	Promoting the differently abled and livelihood enhancement project.	Udaipur, Rajasthan	21.00	0.00	0.00	Direct
	<b>Total</b>			<b>124.00</b>	<b>39.17</b>	<b>39.17</b>	

\*Miscellaneous fund ₹ 15.00

**Responsibility statement**

The responsibility statement of the corporate social responsibility committee of the board of directors of the Company, is reproduced below:

**'The implementation and monitoring of corporate social responsibility (CSR) policy, is in compliance with CSR objectives and policy of the Company.'**

Parmod Sagar  
Managing Director

Dr. Vijay Sharma  
Chairman, CSR Committee

New Delhi  
27 July, 2015



**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2015  
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

**I. REGISTRATION AND OTHER DETAILS**

i.	CIN	L28113DL2010PLC210819
ii.	Registration date	26 November, 2010
iii.	Name of the Company	Orient Refractories Limited
iv.	Category/Sub-category of the Company	Commercial and Industrial
v.	Address of the registered office and contact details	804-A, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019. Telephone No. : 011-41518482 e-mail: ho@orlindia.com web-site:www.orientrefractories.com
vi.	Whether listed company Yes/No	Yes
vii.	Name, address and contact details of the registrar and transfer agent, if any.	Skyline Financial Services Private Limited, D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110 020 Telephone:011-26812682, 83, 30857575 (10 Lines) Fax:011-30857562 e-mail:admin@skylinerta.com, grievances@skylinerta.com; website:www.skylinerta.com

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

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

Sl. no.	Name & Description of main products/services	NIC Code of the product /service	% to total turnover of the Company
1.	Manufacturing of refractories and monolithics items	6902	83.01

**III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sl. no.	Name & Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Dutch US Holding B.V .	NA	Holding	69.62	Section 2(46)



**IV. SHAREHOLDING PATTERN (Equity share capital break up as % to total equity)**

## (i) Category wise share holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>1. Indian</b>	0	0	0	0.00	0	0	0	0.00	0.00
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub total (A) (1)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>2. Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	83,637,771	0	83,637,771	69.62	83,637,771	0	83,637,771	69.62	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub total (A) (2)</b>	83,637,771	0	83,637,771	69.62	83,637,771	0	83,637,771	69.62	0.00
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	83,637,771	0	83,637,771	69.62	83,637,771	0	83,637,771	69.62	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) a) Mutual Funds	0	0	0	0.00	5,517,878	0	5,517,878	4.59	4.59
b) Banks/FI	35,500	5,000	40,500	0.03	46,477	5,000	51,477	0.04	0.01
c) Central govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	487,848	0	487,848	0.41	1,050,687	0	1,050,687	0.87	0.47
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub total (B)(1):</b>	523,348	5,000	528,348	0.44	6,615,042	5000	6,620,042	5.51	5.07
<b>2. Non Institutions</b>									
a) Bodies corporates									
i) Indian	6,615,064	26,240	6,641,304	5.53	5,871,766	26240	5,898,006	4.91	-0.62
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 Lacs	8,286,658	2,240,386	10,527,044	8.76	12,523,295	2,460,672	14,983,967	12.47	3.71
ii) Individuals shareholders holding nominal share capital in excess of ₹1 Lacs	16,118,131	453,000	16,571,131	13.79	5,974,439	0	5,974,439	4.97	-8.82
c) Others (specify)									
(c-i)NRI (Repat & Non-Rept.)	346,248	3,574	349,822	0.29	2,301,473	1074	2,302,547	1.92	1.63
(c-ii)Hindu Undivided Family	804,365	0	804,365	0.67	447,278	0	447,278	0.37	-0.30
(c-iii) Public Trust	289,666	0	289,666	0.24	233,000	0	23,3000	0.19	-0.05
(c-iv)Clearing Members/House	789,749	0	789,749	0.66	42,150	0	42,150	0.04	-0.62
<b>Sub total (B)(2):</b>	33,249,881	2,723,200	35,973,081	29.94	27,393,401	2,487,986	29,881,387	24.87	-5.07
<b>Total public shareholding (B)= (B)(1)+(B)(2)</b>	33,773,229	2,728,200	36,501,429	30.38	34,008,443	2,492,986	36,501,429	30.38	0.00
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand total (A+B+C)</b>	117,411,000	2,728,200	120,139,200	100.00	117,646,214	2,492,986	120,139,200	100.00	0.00



(ii) Share holding of promoters

Sl. no.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1.	Dutch US Holding B.V.	83,637,771	69.62	0	83,637,771	69.62	0	0
	Total	83,637,771	69.62	0	83,637,771	69.62	0	0

(iii) Change in promoters' shareholding (Specify if there is no change)

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



(iv) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs & ADRs)

Sl. no.	Shareholder name	Share holding at the beginning of the Year		Cumulative share holding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Shakuntala Devi Rajgarhia</b>				
	At the beginning of the year	1,279,086	1.06	1,279,086	1.06
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	(394,332)	(0.33)	884,754	0.74
	At the end of the year			884,754	0.74
2.	<b>Anjali Harlaka</b>				
	At the beginning of the year	664,037	0.55	664,037	0.55
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	(102,833)	(0.09)	561,204	0.47
	At the end of the year			561,204	0.47
3.	<b>VLS Finance Limited</b>				
	At the beginning of the year	500,000	0.42	500,000	0.42
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	(500,000)	(0.42)	0	0.00
	At the end of the year			0	0.00
4.	<b>Malabar India Fund Limited</b>				
	At the beginning of the year	487,322	0.41	487,322	0.41
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	12,678	0.01	500,000	0.42
	At the end of the year			500,000	0.42
5.	<b>IL And FS Trust Company Limited</b>				
	At the beginning of the year	409,540	0.34	409,540	0.34
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	230,500	0.19	640,040	0.53
	At the end of the year			640,040	0.53
6.	<b>Prabha Rajgarhia</b>				
	At the beginning of the year	305,849	0.25	305,849	0.25
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	(70,849)	(0.06)	235,000	0.20
	At the end of the year			235,000	0.20
7.	<b>Vijay Kishanlal Kedia</b>				
	At the beginning of the year to 31 March 2015	300,668	0.25	300,668	0.25
	Transaction [Purchase/(Sale)] from 1 April 2014	(300,668)	(0.25)	0	0
	At the end of the year			0	0
8.	<b>Rajendra Kumar Rajgarhia</b>				
	At the beginning of the year	300,000	0.25	300,000	0.25
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	(110,000)	(0.09)	190,000	0.16
	At the end of the year			0	0
9.	<b>SNK Investments Private Limited</b>				
	At the beginning of the year	297,257	0.25	297,257	0.25
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	0	0.00	297,257	0.25
	At the end of the year			297,257	0.25



<b>10.</b>	<b>RKR Foundation</b>				
	At the beginning of the year	232,000	0.19	232,000	0.19
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	0	0.00	232,000	0.19
	At the end of the year			232,000	0.19
<b>11.</b>	<b>SBI Small and Mid Cap Fund</b>				
	At the beginning of the year	0	0.00	0	0.00
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	1,700,000	1.42	1,700,000	1.42
	At the end of the year			1,700,000	1.42
<b>12.</b>	<b>Birla Sun Life Trustee Company Private Limited A/c. Birla Sun Life Dividend Yield Plus</b>				
	At the beginning of the year	0	0.00	0	0.00
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	1,127,946	0.94	1,127,946	0.94
	At the end of the year			1,127,946	0.94
<b>13.</b>	<b>HSBC Bank (Mauritius) Limited</b>				
	At the beginning of the year	0	0.00	0	0.00
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	897,339	0.75	897,339	0.75
	At the end of the year			897,339	0.75
<b>14.</b>	<b>SBI Magnum Balance Fund</b>				
	At the beginning of the year	0	0.00	0	0.00
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	838,000	0.70	838,000	0.70
	At the end of the year			838,000	0.70
<b>15.</b>	<b>Birla Sun Life Trustee Company Private Limited A/c. Birla Sun Life Infrastructure Fund</b>				
	At the beginning of the year	0	0.00	0	0.00
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	726,600	0.60	726,600	0.60
	At the end of the year			726,600	0.60
<b>16.</b>	<b>HSBC Tax Saver Equity Fund</b>				
	At the beginning of the year	0	0.00	0	0.00
	Transaction [Purchase/(Sale)] from 1 April 2014 to 31 March 2015	397,517	0.33	397,517	0.33
	At the end of the year			397,517	0.33

Note : Change in top ten shareholders at the beginning and at the end of the year.



(v) Shareholder of the directors & KMP

Sl. no.	For each of the Directors & KMP	Share holding at the beginning of the year		Cumulative share holding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Mr. Shri Gopal Rajgarhia- Director</b>				
	At the beginning of the year	5,994,947	4.99	5,994,947	4.99
	Sale on 5 September,2014	(1,100,000)	(0.92)	4,894,947	4.07
	Sale (Gift) on 20 November,2014	(1,000,000)	(0.83)	3,894,947	3.24
	Sale (Gift) on 23 February,2015	(1,000,000)	(0.83)	2,894,947	2.41
	Sale (Gift) on 20 March,2015	(125,000)	(0.10)	2,769,947	2.31
	At the end of the year			2,769,947	2.31
2.	<b>Mr. Subhash Chander Sarin- Director</b>				
	At the beginning of the year	98,400	0.08	98,400	0.08
	Sale on 8 May,2014	(2,000)	(0.00)	96,400	0.08
	Sale on 5 June,2014	(32,500)	(0.03)	63,900	0.05
	Sale on 6 June,2014	(17,900)	(0.01)	46,000	0.04
	Sale on 30 June,2014	(46,000)	(0.04)	0	0.00
	At the end of the year			0	0.00
3.	<b>Mr. Parmod Sagar- Director</b>				
	At the beginning of the year	23,698	0.02	23,698	0.02
	Sale on 1 April,2014	(10,000)	(0.01)	13,698	0.01
	At the end of the year			13,698	0.01

Following Directors/Key Managerial Personnel (KMP) did not hold any shares during the year 2014-2015.

<b>Dr. Vijay Sharma- Director</b>	<b>Mr. Keshav Kumar Thirani- Director</b>
<b>Mr. Rama Shanker Bajoria- Director</b>	<b>Mr. Arun Kumar Jain- Director</b>
<b>Ms. Barbara Potisk- Eibensteiner - Director</b>	<b>Mr. Gurdeep Singh- Director</b>
<b>Mr. Michael John Williams - Director</b>	<b>Mr. Sanjeev Bharadwaj- KMP</b>
<b>Mr. Reinhold Steiner - Director</b>	<b>Mr. Sanjay Kumar- KMP</b>
<b>Mr. Erwin Jankovits- Director</b>	

(Amount in ₹ Lacs)

#### V. INDEBTEDNESS

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

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal amount	33.90	537.79	-	571.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>33.90</b>	<b>537.79</b>	<b>-</b>	<b>571.69</b>
<b>Change in indebtedness during the financial year</b>				
Additions	134.05	1,990.67	-	2,124.72
Reduction	167.95	2,004.26		2,172.21
<b>Net change</b>	<b>(33.90)</b>	<b>(13.59)</b>		<b>(47.49)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	-	524.20	-	524.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>524.20</b>	<b>-</b>	<b>524.20</b>

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

##### A. Remuneration to Managing Director, Whole time director and/or Manager

Sl. no	Particulars of remuneration	Name of the MD/WTD/Manager			Total amount
		Mr. Shri Gopal Rajgarhia	Mr. Subhash Chander Sarin	Mr. Parmod Sagar	
1.	<b>Gross salary</b>				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961.	195.44	176.20	176.64	548.28
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	5.30	1.88	1.15	8.32
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others (specify)	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>200.74</b>	<b>178.08</b>	<b>177.79</b>	<b>556.60</b>
	<b>Ceiling as per the Act</b>				<b>846.35</b>



(Amount in ₹ Lacs)

B. Remuneration to other directors (Refer corporate governance report for details)

Sl. no.	Particulars of remuneration	Name of the Directors					Total amount
		Mr. Keshav Kumar Thirani	Mr. Arun Kumar Jain	Mr. Rama Shanker Bajoria	Mr. Gurdeep Singh	Dr. Vijay Sharma	
1.	Independent directors						
	(a) Fee for attending board committee meetings	0.30	0.30	1.65	0.75	1.50	4.50
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.30</b>	<b>0.30</b>	<b>1.65</b>	<b>0.75</b>	<b>1.50</b>	<b>4.50</b>
2.	Other non executive directors	Mr. Michael John Williams	Mr. Reinhold Steiner	Mr. Erwin Jankovits	Ms. Barbara Potisk-Eibensteiner		
	(a) Fee for attending board/committee meetings	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>						<b>4.50</b>
	<b>Total managerial remuneration (A+B)</b>						<b>561.10</b>
	<b>Overall ceiling as per the Act.</b>						<b>930.98</b>

C. Remuneration to key managerial personnel other than MD / Manager / WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	Chief Financial Officer	Total amount
1.	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	9.40	47.93	57.33
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.40	0.40
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>9.40</b>	<b>48.33</b>	<b>57.73</b>

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

There were no penalties, punishment or compounding of offences during the year ended 31 March, 2015

**Annexure E**

Particulars of employees the information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

<b>Non-executive directors</b>	<b>Ratio to median remuneration</b>
Mr. Keshav Kumar Thirani*	-
Mr. Arun Kumar Jain*	-
Mr. Rama Shanker Bajoria	0.65
Mr. Gurdeep Singh*	-
Dr. Vijay Sharma*	-
Ms. Barbara Potisk Eibensteiner#	-
Mr. Reinhold Steiner#	-
Mr. Michael John Williams#	-
Mr. Erwin Jankovits#	-
<b>Executive directors</b>	
Mr. Shri Gopal Rajgarhia	79.11
Mr. Subhash Chander Sarin	71.16
Mr. Parmod Sagar	71.29

\*Since this information is for part of the year, the same is not comparable.

#The above mentioned non-executive directors are not drawing any remuneration from the Company.

**b. The percentage increase in remuneration of each director, chief financial officer, company secretary in the financial year:**

<b>Directors, Chief Financial Officer and Company Secretary</b>	<b>% increase in remuneration in the financial year</b>
Mr. Keshav Kumar Thirani*	-
Mr. Arun Kumar Jain*	-
Mr. Rama Shanker Bajoria	1,000.00
Mr. Gurdeep Singh*	-
Dr. Vijay Sharma*	-
Ms. Barbara Potisk Eibensteiner #	-
Mr. Reinhold Steiner #	-
Mr. Michael John Williams #	-
Mr. Erwin Jankovits #	-
Mr. Shri Gopal Rajgarhia, Executive Director	2.73
Mr. Subhash Chander Sarin, Executive Director	23.01
Mr. Parmod Sagar, Managing Director	23.21
Mr. Sanjeev Bhardwaj, Chief Financial Officer * (Joined on 10 June,2013)	-
Mr. Sanjay Kumar, Company Secretary	7.98

\*Since this information is for part of the year, the same is not comparable.

# The above mentioned non-executive directors are not drawing any remuneration from the Company.





(Amount in ₹ Lacs)

- c. The percentage increase in the median remuneration of employees in the financial year : 18.44
- d. The number of permanent employees on the rolls of Company : 478
- e. **The explanation on the relationship between average increase in remuneration and Company performance:**  
On an average, employees received an annual increase of 18.59 %. The individual increments varied from 1.00 % to 58.12 %, based on individual performance. The increase in remuneration is in line with the market trends in India and Company performance apart from an individual's performance.
- f. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of key managerial personnel (KMP) in FY 2014- 15	628.37
Revenue	45,668.24
Remuneration of KMPs (as % of revenue)	1.38
Profit before Tax (PBT)	7,962.72
Remuneration of KMP (as % of PBT)	7.89

- g. **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	31 March, 2015	31 March, 2014	% Change
Market Capitalisation	104,280.83	75,147.07	38.77
Price earnings ratio	19.73	14.22	38.75

- h. **Percentage increase over/decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

Particulars	31 March, 2015	March, 2012 (After Demerger) <sup>1</sup>	% Change
Market price (BSE) <sup>2</sup> (in ₹)	86.80	28.55	304.03
Market price (NSE) <sup>3</sup> (in ₹)	86.90	27.15	320.07

- Equity shares issued on 15 November, 2011 pursuant to demerger refractory division of Orient Abrasives Limited.
  - Listed and admitted to dealing on 9 March, 2012.
  - Listed and admitted to dealing on 12 March, 2012.
- i. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase in the salaries of the employees were around 18.00 % in the last financial year 2013-14 . However, during the course of the financial year 2014-15, the total increase in the salaries of the employees, excluding managerial remuneration, are approximately 18.17 %. Increase in the managerial remuneration in the financial year 2013-14 was 112.77 % which was due to one time revision in pay scale of management as compared to 15.56 % in the financial year 2014-15.

The members have, at the AGM of the Company on 26 September, 2013 approved remuneration of executive directors including managing director of the Company.

The board in its meeting held on 12 November, 2014 increased the sitting fee paid to non-executive independent directors from existing ₹ 10,000 every board meeting and ₹ 5,000 every committee meeting to ₹ 50,000 every board meeting and ₹ 25,000 for every audit committee meeting and no sitting fee paid for attending other committee meetings.

(Amount in ₹ Lacs)

**j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

Particulars	Mr. Shri Gopal Rajgarhia	Mr. Subhash Chander Sarin	Mr. Parmod Sagar	Mr. Sanjeev Bhardwaj	Mr. Sanjay Kumar
	Executive Director		Managing Director	Chief Financial Officer	Company Secretary
Remuneration in fy 2014-15	199.64	179.59	179.90	59.10	10.13
Revenue	45,668.24				
Remuneration as % of revenue	0.44	0.39	0.39	0.13	0.02
Profit before tax (PBT)	7,962.72				
Remuneration (as % of PBT)	2.51	2.26	2.26	0.74	0.13

**k. The key parameters for any variable component of remuneration availed by the directors:**

The members have, at the AGM of the Company on 26 September, 2013 approved payment of commission at a rate of 2 % of the net profit or such other percent as the board of directors may fix every year to Mr. Shri Gopal Rajgarhia, Executive Director.

**l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None.**

**m. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

**n. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**(i) Employed whole year with an annual salary ₹ 60 Lacs**

Employees	Educational qualification	Experience (in years)	Date of joining	Gross remuneration paid	Previous employment (Designation)
<b>Mr. Shri Gopal Rajgarhia</b> (Vice Chairman) [68 years]	B Tech (Hons.) S.M.(MIT)	43 years	18 October, 2011	199.64	Orient Abrasives Ltd. (Managing Director)
<b>Mr. Subhash Chander Sarin</b> (Technical Advisor) [69 years]	B Tech (Hons.)	47 years	18 October, 2011	179.59	Orient Abrasives Ltd. (President)
<b>Mr. Parmod Sagar</b> (Managing Director) [49 years]	B Tech (Hons.)	31 years	4 March, 2013	179.90	Orient Abrasives Ltd. (Sr. Vice President)

**(ii) Employed for part of the year with an average salary above ₹ 5 Lacs per month :None**

**Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014**
**Conservation of energy**

The Company has made all efforts to optimize the use of energy and to minimize its wastage. To ensure minimum consumption of energy for a given level of production, operating parameters of production have been standardized. Insulation materials are also being used to avoid energy loss.

**Disclosure of particulars with respect to conservation of energy**

<b>A.</b>	<b>Power and fuel consumption</b>	<b>2014-15</b>	<b>2013-14</b>
1.	Electricity		
(a)	Purchased		
	Unit (in Lacs)	111.71	93.59
	Total amount (₹ in Lacs)	644.70	503.46
	Rate/unit (₹)	5.77	5.38
(b)	Own generation		
	Through diesel generator set		
	Unit (in Lacs)	2.76	10.12
	Units per Ltr. of diesel oil	3.72	3.65
	Cost/unit	15.49	15.11
2.	LDO/FO/C9/HSD		
	Quantity (Kilo Ltr.)	2,414.56	1,988.32
	Total cost (₹ in Lacs)	1,162.67	938.48
	Average/Kilo Ltr. (₹)	48,153.00	47,199.00
3.	PET COKE		
	Quantity (MT)	1,228.39	1,281.90
	Total Cost (₹ in Lacs)	143.46	130.92
	Average/MT.(₹)	11,678.00	10,213.00
4.	LPG		
	Quantity (MT)	292.66	234.16
	Total cost (₹ in Lacs)	187.88	176.58
	Average/MT.(₹)	64,197.00	75,411.00
<b>B.</b>	<b>Consumption per unit of production</b>		
	Electricity (Units)	518.00	535.00
	LDO/FO/C9/Ltr.	109.00	103.00
	PET COKE (MT)	56.00	66.00
	LPG(MT)	13.00	12.00

**Technology absorption, adaptation and innovation**

The Company is constantly trying to provide its customers with products that incorporate latest available technology. Though indigenously available materials and technology are preferred, efforts are being made, wherever possible, to make use of best contemporary technology.

**Foreign exchange earnings and outgo**
**(Amount in ₹ Lacs )**

	<b>2014-15</b>	<b>2013-14</b>
Earnings	7,360.14	6,503.07
Outgo	4,800.74	4,123.29



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **General review**

Orient Refractories Limited (ORL) is a globally operating supplier of refractory products, systems and services for steel industries. ORL is a market leader in India and has global presence. ORL is a global partner for over 500 customers in India and across the world.

As technology leader, ORL focusses on the development of solutions that are tailored to customers' trends. In 2013, after acquisition of 69.62% shares by RHI, AG, Austria, ORL is setting new standards through continuous and innovative processes. ORL is also working on optimizing the plant structure resulting in control over inventory and serving customers effectively and efficiently at low cost.

The Company also has a well-trained group of technical personnel at plant and customer sites to address all customers' technical and commercial needs as it has a large base of customers to whom it provides total refractory management services. The Company exports a fair share of its output to various overseas customers. The major export customers are based in Europe, Middle East and South East Asia.

### **Financial of segments**

Financial of business segments are given in detail in notes to the financial statements of the annual report.

### **Business environment**

Steel companies around the world have been operating in a very challenging environment. These trends affected the Indian steel market leading to margin compression and weaker growth prospects. Unfavorable business environment lead companies shed away from capital investment. Globally the steel industry is witnessing a slowdown in the steel demand due to reduced demand from Chinese economy. Further, with respect to India, the delay in execution of construction projects and lower demand of automobiles and consumer durables have led to a drop in the growth rate of steel sector in Indian economy. The preventing over capacity in the industries is leading to a constant pressure on the process of steel products. Further, steel companies in India are experiencing a rise in operating costs due to shortage of iron ore on the account of restriction in mining and hike in power rate. Eventually, the pressure of prices of steel products coupled with rising operating costs has led to decline operating margin.

### **Industry structure, developments, opportunities, threats, risks and concerns and future outlook**

There was high expectation from new government on reforms and industrial growth. The economy, shown some sign of recovery but there was a gap in industrial expectation and actual growth. Business sentiments suggest a sort of let down in hope.

The new Government has taken positive steps in several areas including more in administrative procedures and policy legislations. Environmental and forest clearances are now quicker when compared to previous decade. Its "MAKE IN INDIA" initiative has drawn curiosity from several investor networks. This is also backed by plan to establish investment corridors and smart cities, it is likely that overcoming 5 years this effort will mark a rise in investment. Rate reduction by RBI will also help in rise in investment in next 12 to 18 months' time. Your Company will also take the advantage of government reforms. Your directors are hopeful to sustain the same growth in the year 2015-16.

All these factors are monitored on continuous basis and necessary action will be taken as and when required. We are wholly dependent on steel industries growth, therefore your Directors keep a close watch on the various factors which affect the performance of our Company. With RHI AG flagship, the Directors are optimist to grow in Indian and export market in 2015-16.

### **Human resources**

The Company believes in the strength of human resources and that it is the best form of business capital which needs to be explored and utilised to full potential. At the Company, constant efforts are made in developing human resources by providing necessary training and taking care of employee welfare. The Company endeavors to keep the employees' motivation level high by providing congenial work atmosphere and rewarding/remunerating adequately.

There are cordial relations between the management and the employees. The Company believes in enhancing the competencies of employees to create a high performing and innovative organization.

### **Cautionary statement**

*The Management Discussion and Analysis Report contains some forward looking statements based upon the information and data available with the Company, assumptions with regard to global economic conditions, the government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Hence it is cautioned that the actual results may differ from those expressed or implied in this report.*

## CORPORATE GOVERNANCE REPORT

In accordance with clause 49 of the listing agreement with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the report containing the details of corporate governance systems and processes at Orient Refractories Limited (ORL) is as follows:

At ORL, corporate governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximising stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be ethical only when it rests on the six core values of customer value, ownership mindset, respect, integrity, one team and excellence.

### Statement on Company's philosophy on code of governance

Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organisation. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in shareholder returns, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefitted from high quality products delivered at extremely competitive prices.

The essence of corporate governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the board of directors, audit committee, finance, compliance and assurance teams, auditors and the senior management. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity.

At ORL, we believe that as we move closer towards our aspirations of being a global corporation, our corporate governance standards must be globally benchmarked. Therefore, we have institutionalised the right building blocks for future growth. The building blocks will ensure that we achieve our ambition in a prudent and sustainable manner. ORL not only adheres to the prescribed corporate governance practices as per clause 49 of the listing agreement with the stock exchanges in India (listing agreement), but is also committed to sound corporate governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide. It is our endeavor to achieve higher standards and provide oversight and guidance to the management in strategy implementation, risk management and fulfilment of stated goals and objectives.

We believe, corporate governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in the following pages.

### Appropriate governance structure with defined roles and responsibilities

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The Company's shareholders appoint the board of directors, which in turn governs the Company. The board has established five committees to discharge its responsibilities in an effective manner. ORL's company secretary acts as the secretary to all the committees of the board constituted under the Companies Act, 1956 / Companies Act, 2013.

### Board leadership

At ORL, it is our belief that an enlightened board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Company has defined guidelines and an established framework for the meetings of the board and board committees. These guidelines seek to systematise the decision-making process at the meeting of the board and board committees in an informed and efficient manner. The board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the board reviews include strategic review from each of the board committees, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets. Additionally, the board reviews related party transactions, possible risks and risk mitigation measures and financial reports from the chief financial officer. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

### Ethics/Governance policies

At ORL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of conduct
- Code of conduct for prohibition of insider trading
- Whistle blower / vigil mechanism and policy



- Policy on related party transactions
- Corporate social responsibility policy
- Remuneration and nomination policy
- Policy on evaluation of performance of the board of directors

**Shareholders' communications**

The board recognises the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. ORL's corporate website ([www.orientrefractories.com](http://www.orientrefractories.com)) has information for institutional and retail shareholders alike. Shareholders seeking information related to their shareholding may contact the Company directly or through the Company's registrars and transfer agents. ORL ensures that complaints and suggestions of its shareholders are responded to in a timely manner.

**Role of the company secretary in overall governance process**

The company secretary plays a key role in ensuring that the board (including committees thereof) procedures are followed and regularly reviewed. The company secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision-making at the meetings. The company secretary is primarily responsible to assist and advise the board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and secretarial standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

**Observance of the secretarial standards issued by the Institute of Company Secretaries of India**

The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, has issued secretarial standards on important aspects like board meetings, general meetings, payment of dividend, maintenance of registers and records, minutes of meetings, transmission of shares and debentures, passing of resolutions by circulation, affixing of common seal and board's report. The Company substantially adheres to these standards.

**Board of directors**

**Board composition and category of directors**

The Company's policy is to maintain optimum combination of executive and non-executive directors. Due to changes in the board of directors of the Company, the board of directors of the Company as on 31 March, 2015 was not properly constituted in terms of clause 49 of the listing agreements entered into with the stock exchanges, the Company as on 31 March, 2015 had eight directors. Out of the total eight directors, three were executive directors including a managing director, five were non-executive directors including two independent directors and a chairman. Therefore, the necessary steps were taken by the board to comply with clause 49 of the listing agreement and with effect from 30 April, 2015 the Company's board comprised of six directors, of which one is executive managing director, five are non-executive directors including non-executive chairman and two independent directors. The composition of the board since then is in conformity with clause 49 of the listing agreements.

**The composition of the board and category of directors are as follows**

Category	Name of the director	Remarks
Independent directors	Mr. Keshav Kumar Thirani	Resigned on 30 July,2014
	Mr. Arun Kumar Jain	Resigned on 30 July 2014
	Mr. Rama Shanker Bajoria	No Change
	Mr. Gurdeep Singh	Appointed on 12 November 2014 and resigned on 9 February 2015
	Dr. Vijay Sharma (Chairman)	Appointed on 12 November, 2014 and appointed as chairman of the board on 11 February,2015
Non-executive directors	Ms. Barbara Potisk Eibensteiner	No Change
	Mr. Reinhold Steiner	No Change
	Mr. Michael John Williams	Resigned on 11 March 2015
	Mr. Erwin Jankovits	Appointed on 11 February 2015
Executive directors	Mr. Shri Gopal Rajgarhia	Resigned on 9 April,2015
	Mr. Subhash Chander Sarin	Resigned on 30 April,2015
	Mr. Parmod Sagar (Managing director)	No Change

**Selection of independent directors**

Considering the requirement of skill sets on the board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the nomination and remuneration committee, for appointment, as independent directors on the board. The committee, *inter alia*, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such persons in accordance with the Company's



policy. The board considers the committee's recommendation, and takes appropriate decision. Every independent director, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

### **Familiarisation programmes for board members**

The board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the board and board committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the directors. Site visits to the plant location are organized for the directors to enable them to understand the operations of the Company.

### **Meetings of independent directors**

The Company's independent directors meet at least once in every financial year without the presence of executive directors or management personnel. Such meetings are conducted informally to enable independent directors to discuss matters pertaining to the Company's affairs. The chairman of the meeting takes appropriate steps to present independent directors' views to the board. One meeting of independent directors was held during the year on 11 February, 2015.

### **Code of conduct**

The Company has in place a comprehensive code of conduct (the code) applicable to all the employees and non-executive directors including independent directors. The code is applicable to non-executive directors including independent directors to such extent as may be applicable to them depending on their roles and responsibilities. The code gives guidance and support needed for ethical conduct of business and compliance of law. The code reflects the values of the Company viz. - customer value, ownership mind-set, respect, integrity, one team and excellence. A copy of the code has been put on the Company's website ([www.orientrefractories.com](http://www.orientrefractories.com)). The code has been circulated to directors and management personnel, and its compliance is affirmed by them annually. A declaration signed by the Company's managing director is published in this report.

### **Board meetings, board committee meetings and procedures**

#### **Institutionalized decision-making process**

The board of directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The board provides and evaluates the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long term interests are being served.

The board has constituted five committees, namely audit committee, remuneration and nomination committee, corporate social responsibility committee, stakeholders' relationship committee and risk management committee. The board is authorised to constitute additional functional committees, from time to time, depending on business needs. The Company's internal guidelines for board/board committee meetings facilitate the decision making process at its meetings in an informed and efficient manner. The following sub-sections deal with the practice of these guidelines at ORL.

#### **Scheduling and selection of agenda items for board meetings**

Minimum four board meetings are held annually. Additional board meetings are convened by giving appropriate notice to address the Company's specific needs. In case of business exigencies or urgency of matters, resolutions are passed by circulation.

The meetings are usually held at the Company's registered office at 804-A, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019. The Company's various department heads are advised to schedule their work plans well in advance, particularly with regard to matters requiring discussion/approval/decision at board/board committee meetings. Such matters are communicated by them to the company secretary in advance so that they are included in the agenda for board/board committee meetings.

The board is given presentations covering finance, sales, marketing, the Company's business areas, including business opportunities and strategy and risk management practices before taking on record the Company's quarterly/annual financial results. The items / matters required to be placed before the board, *inter alia*, include:

- Annual operating plans of businesses and budgets including capital budgets and any updates;
- Quarterly results of the Company;
- Company's annual financial results, financial statements, auditors' report and board's report;
- Minutes of meetings of the audit committee and other committees of the board;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, and any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment 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 in human resources/industrial relations front like implementation of voluntary retirement scheme, etc;
- Sale of material nature of investments, assets, which is not in normal course of business;
- Quarterly details of foreign exchange exposures, and steps taken by management to limit risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as dividend non-payment, share transfer delay (if any), among others;
- Appointment, remuneration and resignation of directors;
- Formation/reconstitution of board committees;
- Terms of reference of board committees;
- Declaration of independent directors at the time of appointment/annually;
- Disclosure of directors' interest and their shareholding;
- Appointment or removal of the key managerial personnel;
- Appointment of internal auditors and secretarial auditors;
- Quarterly / annual secretarial audit reports submitted by secretarial auditors;
- Dividend declaration;
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made;
- Significant changes in accounting policies and internal controls;
- Statement of significant transactions and related party transactions;
- Recommending appointment of and fixing of remuneration of the auditors as recommended by the audit committee;
- Internal audit findings and external audit reports (through the audit committee);
- Status of business risk exposures, its management and related action plans;
- Making of loans and investment of surplus funds;
- Borrowing of monies, giving guarantees or providing security in respect of loans;
- Diversify the business of the Company;
- Brief on statutory developments, changes in government policies, among others with impact thereof, directors' responsibilities arising out of any such developments;
- Compliance certificate certifying compliance with all laws as applicable to the Company ,
- Reconciliation of share capital audit report under SEBI (depositories and participants) regulations, 1996.

The chairman of the board, managing director and company secretary, in consultation with other concerned members of the senior management, finalise the agenda for board meetings.

#### **Board material distributed in advance**

The agenda and notes on agenda are circulated to directors in advance, and in the defined agenda format. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, it is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

#### **Recording minutes of proceedings at board and committee meetings**

The company secretary records minutes of proceedings of each board and committee meeting. Draft minutes are circulated to board/ board committee members for their comments. The minutes are entered in the minutes book within 30 days from the conclusion of the meeting.

#### **Post meeting follow-up mechanism**

The guidelines for board and board committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the board and board committees thereof. Important decisions taken at board/board committee meetings are communicated promptly to the concerned departments/divisions. Action-taken report on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the board/board committee for noting.



### Compliance

The company secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 1956/ Companies Act, 2013 read with rules issued thereunder, as applicable and the secretarial standards recommended by the Institute of Company Secretaries of India.

#### Number of board meetings held with dates

Four board meetings were held during the year. The details of board meetings are given below

Date	Board strength	No. of directors present
28 May, 2014	9	8
30 July, 2014	9	6
12 November, 2014	9	9
11 February, 2015	9	9

#### Attendance of directors at board meetings, last AGM and number of other directorships and chairmanships / memberships of committees of each director in various companies

Name of the director	Attendance at meetings during 2014-15			No. of other directorship(s) as on 31-03-2015		No. of membership(s)/ chairmanship(s) of board committees in other companies as on 31-03-2015	
	Held	Board	AGM	Chairman	Member	Chairman	Member
Mr. Keshav Kumar Thirani <sup>1</sup>	2	2	No	-	11	-	-
Mr. Arun Kumar Jain <sup>2</sup>	2	2	No	-	14	-	-
Mr. Rama Shanker Bajoria	4	3	No	-	4	-	2
Mr. Gurdeep Singh <sup>3</sup>	1	1	NA	-	5	-	-
Dr. Vijay Sharma <sup>4</sup>	2	2	NA	-	-	-	-
Ms. Barbara Potisk Eibensteiner	4	3	No	-	-	-	-
Mr. Reinhold Steiner	4	2	No	-	1	-	-
Mr. Michael John Williams <sup>5</sup>	4	4	No	-	1	-	-
Mr. Erwin Jankovits <sup>6</sup>	1	1	NA	-	-	-	-
Mr. Shri Gopal Rajgarhia	4	4	No	-	8	-	-
Mr. Subhash Chander Sarin	4	4	No	-	-	-	-
Mr. Parmod Sagar	4	4	Yes	-	-	-	-

1. Resigned on 30 July 2014

2. Resigned on 30 July 2014

3. Appointed on 12 November 2014 and resigned on 9 February 2015

4. Appointed on 12 November 2014

5. Resigned on 11 March 2015

6. Appointed on 11 February 2015

### Board committees

Details of the board committees and other related information are provided hereunder:

#### Composition of board committees

##### Audit committee

Name	Category	Remarks
Mr. Keshav Kumar Thirani	Independent director	Chairman, resigned on 30 July, 2014
Mr. Arun Kumar Jain	Independent director	Resigned on 30 July 2014
Mr. Rama Shanker Bajoria	Independent director	Not required
Mr. Gurdeep Singh	Independent director	Appointed as member and elected as chairman on 12 November 2014 and resigned on 9 February 2015
Dr. Vijay Sharma, Chairman	Independent director	Appointed on 12 November, 2014 and appointed as chairman of the committee on 11 February, 2015
Mr. Michael John Williams	Non-independent director	Resigned on 11 March 2015
Mr. Erwin Jankovits	Non-independent director	Appointed on 11 February 2015



**Nomination and remuneration committee**

Name	Category	Remarks
Mr. Keshav Kumar Thirani	Independent director	Chairman, resigned on 30 July,2014
Mr. Arun Kumar Jain	Independent director	Resigned on 30 July 2014
Mr. Rama Shanker Bajoria, Chairman	Independent director	Appointed on 12 November, 2014
Mr. Gurdeep Singh	Independent director	Appointed on 12 November, 2014 and resigned on 9 February 2015
Dr. Vijay Sharma	Independent director	Appointed on 12 November, 2014
Mr. Michael John Williams	Non-independent director	Resigned on 11 March,2015
Mr. Erwin Jankovits	Non-independent director	Appointed on 11 February, 2015

**Stakeholders' relationship committee**

Name	Category	Remarks
Mr. Keshav Kumar Thirani	Non-Executive Director	Chairman, Resigned on 30 July, 2014
Mr. Arun Kumar Jain	Non-Executive Director	Resigned on 30 July 2014
Dr. Vijay Sharma,Chairman	Non-Executive Director	Appointed on 12 November, 2014
Mr. Michael John Williams	Non-Executive Director	Resigned on 11 March,2015
Mr. Parmod Sagar	Executive Director	Appointed on 12 November, 2014
Mr. Erwin Jankovits	Non-Executive Director	Appointed on 11 February, 2015

**Corporate social responsibility committee\***

Name	Category	Remarks
Mr. Arun Kumar Jain	Independent director	Resigned on 30 July,2014
Mr. Michael John Williams	Non-executive director	Chairman up to 11 November,2014 and resigned on 11 March, 2015
Mr. Parmod Sagar	Executive director	Not required
Mr. Gurdeep Singh	Independent director	Appointed as member and elected as chairman on 12 November, 2014 and resigned on 9 February 2015
Dr. Vijay Sharma,Chairman	Independent director	Appointed on 11 February,2015
Mr. Erwin Jankovits	Non-executive director	Appointed on 11 February,2015

\*Constituted on 28 May, 2014

**Risk management committee\***

Name	Category	Remarks
Mr. Keshav Kumar Thirani	Independent director	Resigned on 30 July,2014
Mr. Michael John Williams	Non-executive director	Resigned on 11 March, 2015
Mr. Parmod Sagar	Executive director	Chairman up to 11 November,2014
Dr. Vijay Sharma, Chairman	Independent director	Appointed as member and elected as chairman on 11 February,2015
Mr. Rama Shanker Bajoria	Non-executive director	Appointed on 11 February,2015

\* Constituted on 28 May,2014

Mr. Sanjay Kumar, company secretary and compliance officer, is the secretary of all board committees.



Board committees	Audit committee		Nomination and remuneration committee		Stakeholders' relationship committee		Corporate social responsibility committee		Risk management committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr. Keshav Kumar Thirani	2	2	0	0	0	0	N.A.		0	0
Mr. Arun Kumar Jain	2	2	0	0	0	0	0	0	N.A.	
Mr. Rama Shanker Bajoria	4	3	1	1	N.A.		N.A.		0	0
Mr. Gurdeep Singh	1	1	0	0	N.A.		1	1	N.A.	
Dr. Vijay Sharma	2	2	1	1	1	1	1	1	2	2
Mr. Michael John Williams	4	4	1	1	1	1	3	3	3	3
Mr. Erwin Jankovits	0	0	0	0	0	0	0	0	N.A.	
Mr. Parmod Sagar	N.A.		N.A.		1	1	3	3	3	3

N.A. – Not a member of the committee

**Procedure at committee meetings**

The Company's internal guidelines relating to board meetings are applicable to committee meetings as far as practicable. Minutes of proceedings of committee meetings are circulated to the directors and placed before board meetings for noting.

**Terms of reference and other details of board committees**

**Audit committee**

**Composition of the committee**

Dr. Vijay Sharma, Chairman	Independent director
Mr. Rama Shanker Bajoria	Independent director
Mr. Erwin Jankovits	Non-independent director

The committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and clause 49 of the listing agreement. Members of the audit committee possess financial / accounting expertise / exposure.

**Powers of the audit committee**

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice,
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of the audit committee, *inter alia*, includes the following:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management ;



- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements ;
- Disclosure of any related party transactions,
- Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of CEO/CFO (i.e., the whole-time finance director or chief financial officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee,
- Reviewing of following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses and
  - The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.

### **General**

The representatives of statutory auditors are permanent invitee to the audit committee meetings. They have attended all the audit committee meetings held during the year. Executives of accounts department attend audit committee meetings. The due date for filing the cost audit reports in XBRL mode for the financial year ended 31 March, 2014 was 27 September, 2014 and the cost audit reports were filed by the cost auditor on 16 August, 2014. The due date for filing the cost audit reports for the financial year ended 31 March, 2015 is 30 October, 2015.

The internal auditor reports directly to the audit committee.

The chairman of the audit committee was not present at the last AGM held on 26 September, 2014 due to his pre-occupancy.



**Meeting details**

Four meetings viz. 28 May, 2014, 30 July, 2014, 12 November, 2014 and 11 February, 2015 of the audit committee were held during the year. The details of meetings and attendance are given elsewhere in this report.

**Nomination and remuneration committee**

**Composition of the committee**

Mr. Rama Shanker Bajoria, Chairman	Independent director
Dr. Vijay Sharma	Independent director
Mr. Erwin Jankovits	Non-independent director

The 'remuneration committee' was renamed by the board on 28 May, 2014 to 'nomination and remuneration committee'. The committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and clause 49 of the listing agreement, as amended from time to time.

**Terms of reference of the committee, *inter alia*, includes the following:**

- To formulate the criteria for determining qualifications, 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 employees;
- To formulate the criteria for evaluation of independent directors and the board;
- To devising a policy on board diversity;
- To identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board their appointment and removal;
- To recommend/review remuneration of the managing director(s) and whole-time director(s) based on their performance and defined assessment criteria;
- To carry out any other function as is mandated by the board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable and
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

**Meeting details**

One meeting of nomination and remuneration committee was held during the year on 11 February, 2015. The details of meeting and attendance are given elsewhere in this report.

The details relating to remuneration of directors, as required under clause 49 of the listing agreement, have been given under a separate section, viz. directors' remuneration in this report.

**Stakeholders' relationship committee**

**Composition of the committee**

Dr. Vijay Sharma, Chairman	Independent director
Mr. Parmod Sagar	Executive director
Mr. Erwin Jankovits	Non-executive director

The 'shareholders' / investors' grievance committee' was renamed by the board on 28 May, 2014 to 'stakeholders' relationship committee'. The stakeholders' relationship committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The stakeholders' relationship committee's composition and the terms of reference meet with the requirements of clause 49 of the listing agreement and provisions of the Companies Act, 2013.

**Terms of reference of the committee, *inter alia*, includes the following:**

- Oversee and review all matters connected with the transfer of the Company's securities;
- Consider, resolve and monitor redressal of investors' / shareholders' / security holders' grievances related to transfer of securities, non-receipt of annual report, non-receipt of declared dividend etc.;
- Oversee the performance of the Company's registrars and transfer agents;
- Recommend methods to upgrade the standard of services to investors;
- Carry out any other function as is referred by the board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable and
- Perform such other functions as may be necessary or appropriate for the performance of its duties.



**Meeting details**

One meeting of the stakeholders' relationship committee was held during the year on 11 February, 2015. The details of meeting and attendance are given elsewhere in this report.

**Compliance officer**

Mr. Sanjay Kumar, company secretary and compliance officer, is the compliance officer for complying with requirements of securities laws and listing agreements with stock exchanges.

**Address**

Mr. Sanjay Kumar  
 Company Secretary  
 Orient Refractories Limited  
 148A+B, RIICO Industrial Area, Phase-I, Bhiwadi, Dist.-Alwar, Rajasthan-301019  
 Phone no.: 01493-222266  
 e-mail: investor@orlindia.com ; cssanjay@orlindia.com

**Prohibition of insider trading**

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a code of conduct for prohibition of insider trading.

**Investor grievance redressal**

The number of complaints received and resolved to the satisfaction of investors during the year under review are as under

Opening balance	Nil
Received during the year	Nil
Resolved during the year	N.A
Closing balance	Nil

As on 31 March, 2015, no complaint was outstanding.

The Company attended to most of the investors' grievances/correspondence within a period of 10 days from the date of receipt of such grievances. The exceptions have been for cases constrained by disputes or legal impediments.

The Company welcomes the members to make more effective use of the electronic means to communicate with their Company for quicker redressal of their grievances. The Company has appointed a share transfer agent, whose particulars are given elsewhere in this report. The members may address their queries/complaints to the above address/phone/e-mail id or to those of the registrar.

**Corporate Social Responsibility Committee**

**Composition of the committee**

Dr. Vijay Sharma, Chairman	Independent director
Mr. Parmod Sagar	Managing director
Mr. Erwin Jankovits	Non-executive director

The committee was constituted on 28 May, 2014. The committee's prime responsibility is to assist the board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy', and to suggest remedial measures wherever necessary.

The committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

**Terms of reference of the committee, *inter alia*, includes the following:**

- To formulate and recommend to the board, a corporate social responsibility (CSR) policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made thereunder;
- To recommend the amount of expenditure to be incurred on the CSR activities,
- To monitor the implementation of the CSR policy of the Company from time to time.



**Meeting details**

Four meetings viz. 28 May,2014,30 July,2014,12 November,2014 and 11 February,2015 of the committee were held during the year. The details of meetings and attendance are given elsewhere in this report.

**Risk management committee**

**Composition of the committee**

Dr. Vijay Sharma, Chairman	Independent director
Mr. Rama Shanker Bajoria	Independent director
Mr. Parmod Sagar	Managing director

The risk management committee was constituted by the board on 28 May, 2014 adhering to the requirements of the Companies Act, 2013 and clause 49 of the listing agreement. The committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company. The committee's constitution meets with the requirements of clause 49 of the listing agreement.

**Role and responsibilities of the committee includes the following:**

- Review the risk identification and management process developed by management to confirm it is consistent with the Company's strategy and business plan;
- Review management's assessment of risk at least annually and provide an update to the board in this regard;
- Inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk;
- Oversee and monitor management's documentation of the material risks that the Company faces and update as events change and risks shift;
- Assess the steps management has implemented to manage and mitigate identifiable risk, including the use of hedging and insurance;
- Oversee and monitor management's review, at least annually, and more frequently if necessary, of the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks);
- Constitute sub-committee (team of the Company personals) to identify the risk to take action and report the same to the committee and
- Review the following with management, with the objective of obtaining reasonable assurance that financial risk is being effectively managed and controlled:
  - Management's tolerance for financial risks;
  - Management's assessment of significant financial risks facing the Company;
  - The Company's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks and
  - To review with the Company's counsel, legal matters which could have a material impact on the Company's public disclosure, including financial statements.

**Meeting details**

Three meetings viz. 30 July, 2014, 12 November, 2014 and 11 February, 2015 of the committee were held during the year. The details of meetings and attendance are given elsewhere in this report.

**Directors' remuneration**

**Remuneration policy**

Policy on remuneration and nomination of directors, key managerial personals and other employees of the Company is available on the website of the Company (URL: <http://www.orientrefractories.com/policies.htm>). Further, the Company has devised a policy for performance evaluation of independent directors, board, committees and other individual directors. The remuneration policy is in consonance with the existing industry practice.



**Remuneration paid to the managing director and whole-time directors during 2014-15**

(in ₹ Lacs)

	Mr. Shri Gopal Rajgarhia	Mr. Subhash Chander Sarin	Mr. Parmod Sagar
Salary	16.80	73.92	73.92
Perquisites and allowances	14.94	96.80	90.95
Retiral benefits	2.02	8.87	15.03
Commission paid/payable	165.89	-	-
Total	199.64	179.59	179.90

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to Mr. Parmod Sagar, Managing Director and Mr. Subhash Chander Sarin, Executive Director and including fixed component as above said & commission (variable component) paid to Mr. Shri Gopal Rajgarhia, Executive Director. The Company pays for sitting fees to its non-executive independent directors for attending meetings of board /committees of the board. The board in its meeting held on 12 November, 2014 increased the sitting fee paid to non-executive independent directors from existing ₹ 10,000 every board meeting and ₹ 5,000 every committee meeting to ₹ 50,000 every board meeting and ₹ 25,000 for every audit committee meeting and no sitting fee paid for attending other committee meeting. The Company also reimburses the out-of-pocket expenses incurred by the non-executive independent directors for attending the meetings of the board/committee.

**Sitting fee paid to non-executive directors**

(in ₹ Lacs)

Name	Sitting fee
Mr. Keshav Kumar Thirani	0.30
Mr. Arun Kumar Jain	0.30
Mr. Rama Shanker Bajoria	1.65
Mr. Gurdeep Singh	0.75
Dr. Vijay Sharma	1.50
Ms. Barbara Potisk Eibensteiner	0.00
Mr. Reinhold Steiner	0.00
Mr. Michael John Williams	0.00
Mr. Erwin Jankovits	0.00

There were no other pecuniary relationships or transactions of non-executive directors' vis-à-vis the Company. The Company doesn't have any stock option scheme for its employees or directors.

**General body meeting**

**Annual general meeting (AGM)**

Financial year ended	Date and time	Venue	Special resolution passed
31 March, 2012	25 September, 2012 at 11.00 a.m.	Hindi Bhawan, 11, Vishnu Digambar Marg (Near Bal Bhawan) New Delhi-110002	-
31 March, 2013	26 September, 2013 at 11.30 a.m.	Hindi Bhawan, 11, Vishnu Digambar Marg (Near Bal Bhawan) New Delhi-110002	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Parmod Sagar as Managing Director of the Company for a period of 5 years w.e.f. 4 March, 2013 and fix his remuneration.</li> <li>2. Appointment of Mr. Shri Gopal Rajgarhia as Executive Director-Vice Chairman of the Company for a period of 3 years w.e.f. 4 March, 2013 and fix his remuneration.</li> <li>3. Variation in the terms of contract of Mr. Subhash Chander Sarin as Executive Director-Technical Advisor of the Company.</li> </ol>
31 March, 2014	26 September, 2014 at 11.30 a.m.	Sun Village Inn, A-14, Ring Road, Lajpat Nagar-IV, New Delhi-110024	





**Postal ballot**

During the financial year 2014-2015, the Company passed the following special resolutions through postal ballot:

Special resolutions	Votes cast in favor		Votes cast against		Date of declaration of results
	No. of votes	%	No. of votes	%	
Limits of borrowings u/s 180(1) (c) of the Companies Act, 2013	92,348,573	99.99	5,676	0.01	22 September,2014
Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company	8,708,982	9.43	83,644,267	90.57	22 September,2014
Variation in the terms of remuneration of Mr. Parmod Sagar, Managing Director	92,332,022	99.98	6,979	0.01	22 September,2014
Variation in the terms of remuneration of Mr. Subhash Chander Sarin, Executive Director- Technical Advisor	92,340,400	99.99	12,649	0.01	22 September,2014

The Company successfully completed the process of obtaining approval of its members for special resolutions on the items detailed above, except one item i.e. providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company which was disapproved by the members, vide postal ballot.

Mr. Naresh Verma of M/s. Naresh Verma & Associates, Company Secretaries was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

**Procedure for postal ballot**

In compliance with clause 35B of the listing agreement and Sections 108,110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of National Securities Depository Limited (NSDL) for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the e-mail addresses registered with their depository participants (in case of electronic shareholding)/the Company's registrar and share transfer agents (in case of physical shareholding).The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandate under the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the name of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last day of e-voting.

The scrutinizer submits his report to the managing director, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the managing director/authorized officer. The results are also displayed on the website of the Company, [www.orientrefractories.com](http://www.orientrefractories.com), besides being communicated to the stock exchanges, depository and registrar and transfer agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolution.

There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted at the ensuing annual general meeting require passing a resolution through postal ballot.

**Details of non-compliance by the company, penalties, strictures imposed on the Company by stock exchange or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years-** No such case.

**Whistle blower policy**

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a vigil mechanism/ whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the code of conduct. Employees report to the chairman of the audit committee. During the year under review, no employee was denied access to the audit committee. The policy is available on the web site of the Company.(URL:<http://www.orientrefractories.com/policies.htm>).



## **Means of communication**

### **Quarterly results**

The Company's quarterly results are published in 'The Economic Times'/'Business Standard', and are displayed on its website ([www.orientrefractories.com](http://www.orientrefractories.com)).

### **Website**

The Company's website ([www.orientrefractories.com](http://www.orientrefractories.com)) contains a separate dedicated section 'investor relations' where shareholders' information is available. The Company's annual report is also available in a user-friendly and downloadable form.

### **Annual report**

The annual report containing, *inter alia*, audited financial statement, directors' report, auditors' report and other important information is circulated to members and others entitled thereto. The management's discussion and analysis (MD & A) report forms part of the annual report and is displayed on the Company's website ([www.orientrefractories.com](http://www.orientrefractories.com)).

### **Corporate filing and dissemination system (CFDS)**

The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE and NSE are filed electronically through the CFDS portal. In particular, the Company informs BSE and NSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

### **NSE electronic application processing system (NEAPS)**

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

### **BSE corporate compliance & listing centre (the 'listing centre')**

BSE's listing centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the listing centre.

### **SEBI complaints redress system (SCORES):**

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: centralised 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 an exclusive e-mail id for redressal of investor grievances. The said e-mail id is [investor@orlindia.com](mailto:investor@orlindia.com)

## **8. General shareholder information**

### **Annual general meeting**

Date : 24 September, 2015  
Day : Thursday  
Time : 11:30 A.M.  
Venue : "Modi Hall", PHD Chamber of Commerce and Industry,  
PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

### **Financial calendar**

Year ending : 31 March  
AGM : Last week of September



**Quarterly results**

- 1<sup>st</sup> quarter ended on 30 June, 2015 - on or before 15 August, 2015
- 2<sup>nd</sup> quarter ended on 30 September, 2015 - on or before 15 November, 2015
- 3<sup>rd</sup> quarter ended on 31 December, 2015 - on or before 15 February, 2016
- 4<sup>th</sup> quarter ended on 31 March, 2016 - on or before 15 May, 2016

**Date of book closure/record date**

from Tuesday, 8 September, 2015 to Tuesday, 15 September, 2015 (both days inclusive)

**Listing on stock exchanges**

- **National Stock Exchange of India Limited (NSE)**  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex  
Bandra (East), Mumbai 400 051
- **Bombay Stock Exchange Limited (BSE)**  
25th Floor, P. J. Towers, Dalal Street, Mumbai 400 001

**Stock codes/symbol**

- National Stock Exchange of India Limited - ORIENTREF
- Bombay Stock Exchange Limited - 534076

**Corporate identification number (CIN)** - L28113DL2010PLC210819

**Payment of listing fees**

Annual listing fee for the year 2015-16 has been paid by the Company to BSE and NSE.

**Payment of depository fees**

Annual Custody/Issuer fee for the year 2015-16 will be paid by the Company to NSDL and CDSL on receipt of the invoices.

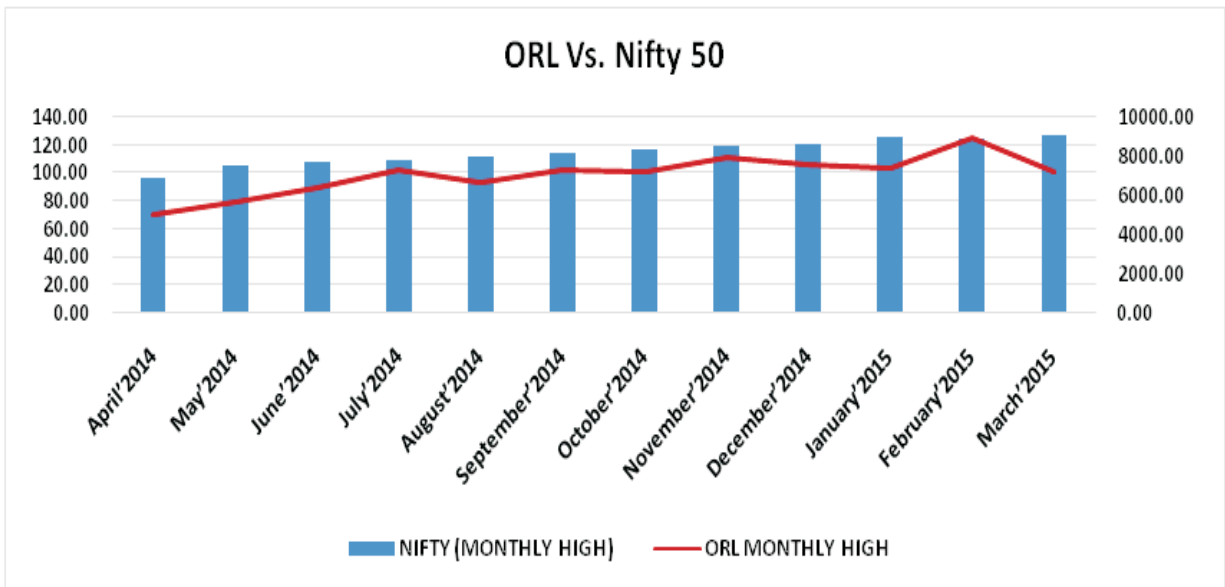
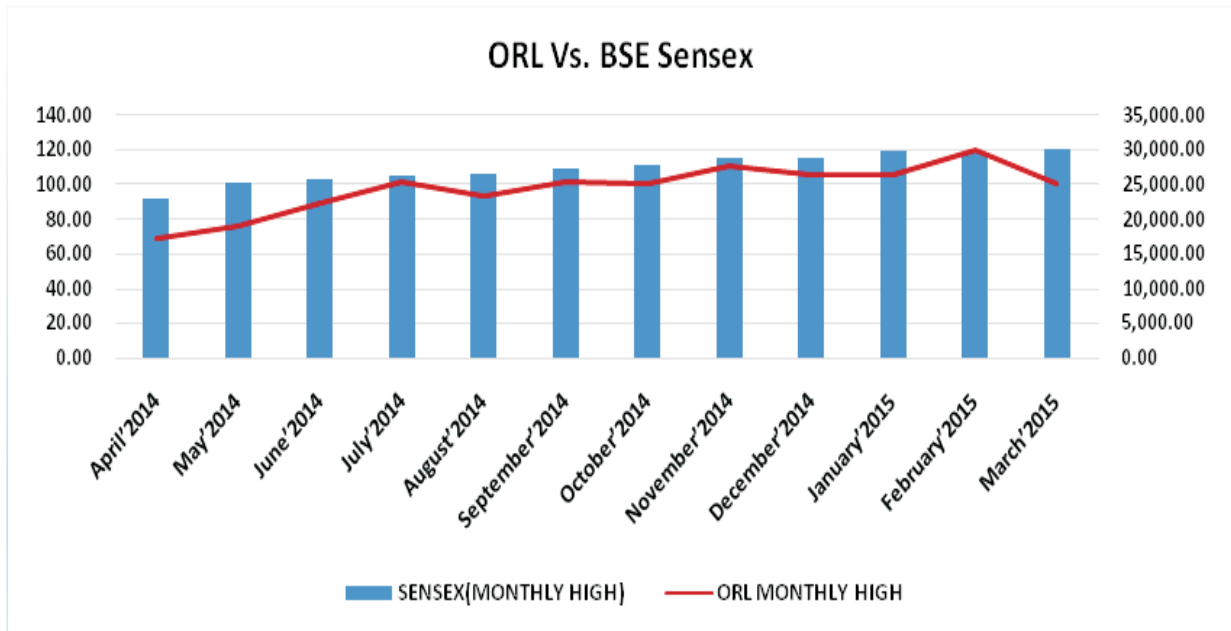
**Stock market price data**

Month	National Stock Exchange (NSE)			BSE Limited (BSE)		
	High price (₹)	Low price (₹)	Volume (No.)	High price (₹)	Low price (₹)	Volume (No.)
April'2014	70.50	50.20	1,468,547	69.30	58.15	941,506
May'2014	79.00	59.35	1,298,196	76.50	60.00	581,168
June'2014	90.00	65.55	1,935,818	90.00	65.00	674,804
July'2014	102.20	82.10	1,525,859	101.75	82.90	516,595
August'2014	93.85	79.00	843,374	93.75	79.00	279,972
September'2014	102.00	81.70	2,161,712	102.00	82.20	343,859
October'2014	100.40	82.10	823,585	100.60	83.25	223,110
November'2014	111.00	94.95	1,401,456	110.70	96.00	403,160
December'2014	105.65	84.00	588,033	105.40	86.80	200,259
January'2015	104.00	89.25	661,330	105.60	89.00	162,339
February'2015	125.00	96.40	722,352	120.00	97.00	854,874
March'2015	101.00	83.00	948,485	101.00	84.00	635,819

[Source: This information is compiled from the data available from the websites of BSE and NSE]



Share price performance in comparison to broad based indices – BSE Sensex and NSE Nifty as on 31 March, 2015





**Registrar and transfer agent**

Skyline Financial Services Private Limited

D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi - 110 020

**Telephone:**011-26812682, 83, 30857575 (10 Lines); **Fax:**011-30857562

**E-mail:**admin@skylinerta.com, grievances@skylinerta.com; **Website:** www.skylinerta.com

**Share transfer system**

Transfer of shares in demat form is done through the depositories with no involvement of the Company. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The managing director and company secretary are empowered to approve transfers. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under clause 47(c) of the listing agreement and files a copy of the said certificate with stock exchanges.

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

Category code	Category of shareholder	Number of shareholders	Total number of shares	As a percentage of (A+B+C)
<b>(A)</b>	Shareholding of promoter and promoter group			
(1)	Indian	0	0	0.00
(2)	Foreign	1	83,637,771	69.62
	Total shareholding of promoter and promoter group	1	83,637,771	69.62
<b>(B)</b>	Public shareholding			
(1)	Institutions	28	6,620,042	5.51
(2)	Non-institution	11,311	29,881,387	24.87
	Total public shareholding	11,339	36,501,429	30.38
<b>(C)</b>	Shares held by custodians and against which depository receipts have been issued			
(1)	Promoter and promoter group	0	0	0.00
(2)	Public	0	0	0.00
	Total	0	0	0.00
	<b>Total (A) + (B) + (C)</b>	<b>11,340</b>	<b>120,139,200</b>	<b>100.00</b>

**Shareholding pattern by size as on 31 March, 2015**

Number of shares	Shareholders number	%'age of total number	Total shares	%'age
5,001-10,000	1,600	14.11	1,380,114	1.15
10,001-20,000	1,456	12.84	2,587,183	2.15
20,001-30,000	325	2.87	862,286	0.72
30,001-40,000	400	3.53	1,554,699	1.29
40,001-50,000	117	1.03	550,032	0.46
50,001-100,000	322	2.84	2,403,283	2.00
Above 100,000	324	2.86	109,683,257	91.30
<b>Grand total</b>	<b>11,340</b>	<b>100.00</b>	<b>120,139,200</b>	<b>100.00</b>

**Corporate benefits to investors' dividend declared for the last 3 years**

Financial year	Dividend declaration	Dividend per share (in ₹)
2011-12	2 May, 2012	1.00
2012-13	26 September, 2013	1.00
2013-14	26 September, 2014	1.25

Note: Dividend of ₹1.40 per share, recommended by directors on 27 May, 2015, is subject to declaration by shareholders at the ensuing AGM.

**Dematerialisation of shares**

Mode of holding	% 'age
NSDL	95.42
CDSL	2.51
Physical	2.07
Total	100.00

97.93% of the Company's paid-up equity share capital has been dematerialised up to 31 March, 2015 (97.73% up to 31 March, 2014). Trading in equity shares of the Company is permitted only in dematerialised form.

**Liquidity**

Relevant data for the average annual turnover for the financial year 2014-15 is given below:

	BSE	NSE	Total
Shares (nos.)	5,817,465	14,378,747	20,196,212
Value (in ₹ Lacs)	5,032.48	12,614.91	17,647.39

[Source: This information is compiled from the data available from the websites of BSE and NSE]

**Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity**

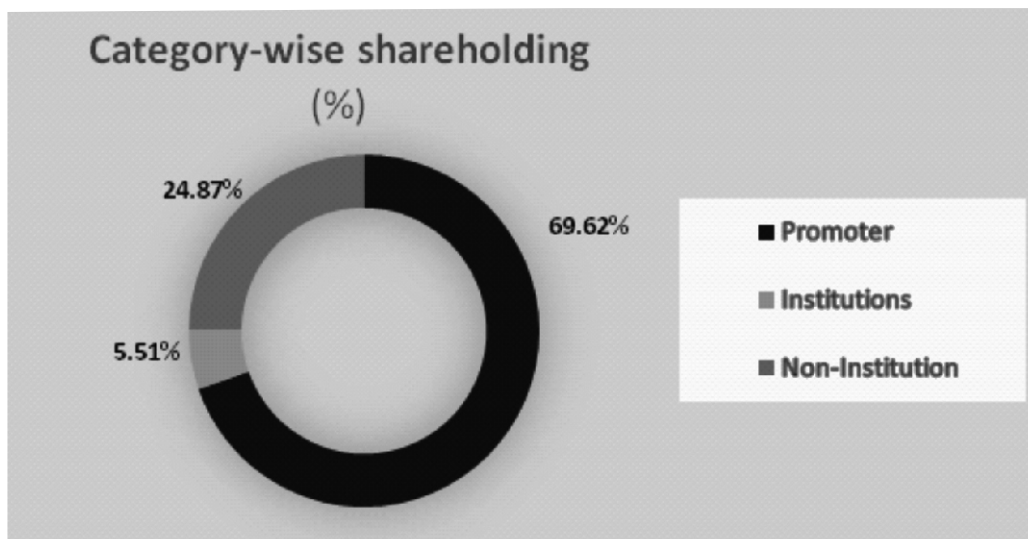
The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on 31 March, 2015, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**Unclaimed dividend**

Section 124 of the Companies Act, 2013 (Sections 205A of the Companies Act, 1956) mandate that companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to the IEPF:

Financial year	Type of dividend	Dividend per share (in ₹)	Date of declaration	Due date for transfer	Amount <sup>(1)</sup> (in ₹)
2011-2012	Interim Dividend	1.00	10 May,2012	16 June,2019	3,779,558.00
2012-2013	Final Dividend	1.00	26 September,2013	3 October,2020	3,788,031.00
2013-2014	Final Dividend	1.25	26 September,2014	3 October,2021	4,666,248.00

(1) Amount unclaimed as on 31 March, 2015



**Unclaimed suspense demat account**

In accordance with clause 5A of the listing agreement, an unclaimed suspense demat account has been opened with Stock Holding Corporation of India Limited and all equity shares in physical form lying unclaimed pursuant to issued shares on demerger of the Company have been dematerialized and credited to said demat account. Whenever any request for said unclaimed shares is received, equity shares either in electronic or physical forms is issued to the claimant concerned after debiting said demat account.

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares credited to unclaimed suspense demat account as on 1 April,2014	1,522	3,081,410
Number of shareholders who approached issuer for transfer of shares from suspense account during the financial year 2014-2015	16	52,500
Number of shareholders to whom shares were transferred from suspense account during the financial year 2014-2015	16	52,500
Aggregate number of shareholders and the outstanding shares in the suspense account lying on 31 March,2015	1,506	3,028,910

The voting rights on the shares in the suspense accounts as on 31 March, 2015 shall remain frozen till the rightful owners of such shares claim the shares.

**Secretarial audit**

Pursuant to Section 204 of the Companies Act, 2013 and rules thereunder, the board of directors of the Company appointed M/s. Naresh Verma & Associates, practicing company secretary, to conduct secretarial audit of records and documents of the Company. The secretarial audit report confirms that the Company has complied with all the applicable provisions of the Companies act, 2013, Depositories Act, 1996, listing agreement with the stock exchanges and all the regulations and guidelines of the SEBI, as applicable to the Company. The audit also covers the reconciliation on a quarterly basis, the total admit capital with NSDL and CDSL, and the total issued and listed capital. The audit has confirmed that the total issued/paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. Further, the Company adheres to the various secretarial standards issued by the Institute of Company Secretaries of India.

**Registered office**

Orient Refractories Limited  
804-A, Chiranjiv Tower, 43, Nehru Place  
New Delhi-110019  
Phone: +91-11-41518482  
Web site: www.orientrefractories.com

**Plant location**

SP – 148, RIICO Industrial Area  
Bhiwadi-301019, Dist Alwar, Rajasthan.  
Phone: +91-1493-222266,67,68  
Fax: +91-1493-222269,220048  
e-mail:bhiwadi@orlindia.com

**Compliance certificate of the auditors**

Certificate from, M/s. Naresh Verma & Associates, confirming compliance with conditions of corporate governance as stipulated under clause 49 of the listing agreement, is attached to this report.

**Adoption of mandatory and non-mandatory requirements of clause 49**

The Company has complied with all mandatory requirements of clause 49 of the listing agreement. The Company has adopted following non-mandatory requirements of clause 49 of the listing agreement:

**Audit qualification**

The Company is in the regime of unqualified financial statements.

**Reporting of internal auditor**

The internal auditor directly reports to the audit committee.

**CEO and CFO certification**

The managing director and the chief financial officer of the Company give annual certification on financial reporting and internal controls to the board in terms of clause 49 of the listing agreement. The managing director and the chief financial officer also give quarterly certification on financial results while placing the financial results before the board in terms of clause 41 of the listing agreement. The annual certificate given by the managing director and the chief financial officer is published in this report.



**Certificate on compliance with code of conduct**

I hereby confirm that the Company has obtained from all the members of the board and management personnel, affirmation that they have complied with the code of conduct for the financial year 2014-15.

for **Orient Refractories Limited**

Parmod Sagar  
**Managing Director**

**New Delhi**  
**27 July, 2015**

**CEO / CFO certificate under clause 49 (IX)**

To,  
The Board of Directors  
Orient Refractories Limited

1. We have reviewed financial statements and the cash flow statement of Orient Refractories Limited for the year ended 31st March, 2015 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the audit committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year and
  - (iii) that there are no instances of significant fraud of which we have become aware.

Sanjeev Bhardwaj                  Parmod Sagar  
**Chief financial officer          Managing director**

**New Delhi**  
**27 July, 2015**





**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members,  
**Orient Refractories Limited**

We have examined the compliance of conditions of corporate governance by Orient Refractories Limited, for the year ended on 31st March 2015, as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the above-mentioned listing agreement.

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

for **Naresh Verma & Associates**  
Company Secretaries

Naresh Verma  
FCS 5403, CP 4424

**New Delhi**  
**17 July, 2015**



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ORIENT REFRACTORIES LIMITED**

#### **Report on the Financial Statements**

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

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

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

#### **Auditor's Responsibility**

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

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

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

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

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

#### **Opinion**

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purposes 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of



the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 27.1(i) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - refer note 27.1(iii) to the financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - refer note 27.2 to the financial statements.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)

**Alka Chadha**  
Partner  
(Membership No.93474)

New Delhi, 27 May, 2015



**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a program of verification of fixed assets to cover all the items in a phased manner over the period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- ii. In respect of its inventories:
  - a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.
  - c. Details of dues of Income-tax which have not been deposited as on 31 March, 2015 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved ( ₹ in Lacs)
Income Tax Act, 1961	Disallowance of expenses/ depreciation and adjustment of Advance tax and Tax deducted at source	Commissioner of Income Tax (Appeal)/ Deputy Commissioner of Income Tax	Assessment Year 2012-13	607.19
Income Tax Act, 1961	Demand for dividend distribution tax	Deputy Commissioner of Income Tax	Assessment Year 2014-15	255.21

We are informed that there are no dues in respect of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31 March, 2015 on account of any disputes.



- d. The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within the time.
- viii. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company does not owe any dues to financial institutions and has not issued any debentures.
- x. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- xi. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)

**Alka Chadha**  
Partner  
(Membership No.93474)

**New Delhi, 27 May, 2015**



**BALANCE SHEET  
AS AT 31 MARCH, 2015**

(Amount in ₹ Lacs)

Particulars	Notes	As at 31 March, 2015	As at 31 March, 2014
<b>A. Equity and Liabilities</b>			
<b>1. Shareholders' fund</b>			
a) Share capital	3	1,201.39	1,201.39
b) Reserves and surplus	4	15,778.87	12,564.73
		<u>16,980.26</u>	<u>13,766.12</u>
<b>2. Non-current liabilities</b>			
a) Deferred tax liability (net)	28.7	-	21.12
b) Other long term liabilities	5	93.32	88.50
c) Long-term provisions	6	222.92	174.67
		<u>316.24</u>	<u>284.29</u>
<b>3. Current liabilities</b>			
a) Short-term borrowings	7	524.20	571.69
b) Trade payables	8	5,145.05	5,085.93
c) Other current liabilities	9	321.09	244.76
d) Short-term provisions	10	2,078.65	1,803.45
		<u>8,068.99</u>	<u>7,705.83</u>
	<b>Total</b>	<b><u>25,365.49</u></b>	<b><u>21,756.24</u></b>
<b>B. Assets</b>			
<b>1. Non-current assets</b>			
a) Fixed assets			
(i) Tangible assets	11	3,259.03	3,026.13
(ii) Intangible assets	11	64.34	18.58
(iii) Capital work-in-progress		395.65	151.75
		<u>3,719.02</u>	<u>3,196.46</u>
b) Non-current investments	12	0.57	0.57
c) Deferred tax asset (net)	28.7	79.49	-
d) Long-term loans and advances	13	175.29	156.21
e) Other non current assets	14	51.36	50.33
		<u>4,025.73</u>	<u>3,403.57</u>
<b>2. Current Assets</b>			
a) Inventories	15	7,155.93	6,332.37
b) Trade receivables	16	11,269.49	9,939.59
c) Cash and cash equivalents	17	2,613.21	1,798.77
d) Short-term loans and advances	18	202.64	176.22
e) Other current assets	19	98.49	105.72
		<u>21,339.76</u>	<u>18,352.67</u>
	<b>Total</b>	<b><u>25,365.49</u></b>	<b><u>21,756.24</u></b>

See accompanying notes forming part of the financial statements. 1 to 31

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Alka Chadha**  
Partner

Place : New Delhi  
Date : 27 May, 2015

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
[Chairman]

**Sanjeev Bhardwaj**  
[Chief Financial Officer]

**Sanjay Kumar**  
[Company Secretary]

Place : New Delhi  
Date : 27 May, 2015

**Parmod Sagar**  
[Managing Director]

**Manoj Gupta**  
[Sr. General Manager]



**STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31 MARCH, 2015**

(Amount in ₹ Lacs)

Particulars	Notes	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Income</b>			
1. Revenue from operations (gross)	20	48,660.03	43,487.15
Less: Excise duty		3,523.55	3,136.78
Revenue from operations (net)		45,136.48	40,350.37
2. Other income	21	531.76	410.17
<b>3. Total revenue (1+2)</b>		<b>45,668.24</b>	<b>40,760.54</b>
<b>4. Expenses</b>			
a) Cost of raw materials and components consumed	22.a	18,408.18	16,042.84
b) Purchase of stock-in-trade (traded goods)	22.b	6,651.27	5,701.14
c) Change in inventories of finished goods, work in-progress and stock-in-trade	23	(33.14)	(311.19)
d) Employee benefits expense	24	3,825.94	3,355.94
e) Finance costs	25	4.34	7.49
f) Depreciation and amortisation expense	11	549.31	362.58
g) Other expenses	26	8,299.62	7,643.26
<b>Total expenses</b>		<b>37,705.52</b>	<b>32,802.06</b>
<b>5. Profit before tax (3-4)</b>		<b>7,962.72</b>	<b>7,958.48</b>
<b>6. Tax expense /(benefit)</b>			
a) Current tax expense		2,754.56	2,776.74
b) Deferred tax charge/ (credit)	28.7	(77.23)	(106.61)
c) Short provision for tax relating to prior years		1.45	3.71
Net tax expense		2,678.78	2,673.84
<b>Profit for the year</b>		<b>5,283.94</b>	<b>5,284.64</b>
<b>Earnings per share (of ₹ 1.00 each)</b>			
	28.6		
a) Basic (in ₹)		4.40	4.40
b) Diluted (in ₹)		4.40	4.40
<b>See accompanying notes forming part of the financial statements.</b>		<b>1 to 31</b>	

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Alka Chadha**  
Partner

Place : New Delhi  
Date : 27 May, 2015

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
[Chairman]

**Sanjeev Bhardwaj**  
[Chief Financial Officer]

**Sanjay Kumar**  
[Company Secretary]

Place : New Delhi  
Date : 27 May, 2015

**Parmod Sagar**  
[Managing Director]

**Manoj Gupta**  
[Sr. General Manager]



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH, 2015**

(Amount in ₹ Lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>7,962.72</b>	<b>7,958.48</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	549.31	362.58
Interest costs	4.34	7.49
Interest income	(112.91)	(28.27)
Provision for doubtful trade receivables	200.00	257.18
Provision for doubtful trade receivables no longer required written back	(68.25)	(51.27)
Liabilities/ provisions no longer required written back	(96.61)	(8.65)
Provision for doubtful export incentives receivables	-	48.30
Dividend income from current investments	(146.71)	(124.98)
(Profit) / loss on sale / write off of assets	(54.75)	23.27
Net unrealised exchange (gain) / loss	52.41	(1.95)
<b>Operating profit before working capital changes</b>	<b>8,289.55</b>	<b>8,442.18</b>
<b>Changes in working capital:</b>		
Decrease/ (Increase) in inventories	(823.56)	(634.44)
Decrease/ (Increase) in trade receivables	(1,518.66)	(2,969.77)
Decrease/ (Increase) in short term loans and advances	(20.26)	(22.16)
Decrease/ (Increase) in long term loans and advances	17.31	7.79
Decrease / (Increase) in other current assets	0.40	37.29
Decrease / (Increase) in other non - current assets	(3.14)	(2.01)
Increase / (Decrease) in trade payables	154.17	732.29
Increase / (Decrease) in other current liabilities	29.70	(5.21)
Increase / (Decrease) in short-term provisions	7.77	5.65
Increase / (Decrease) in other long term liabilities	4.82	6.10
Increase / (Decrease) in long-term provisions	48.25	73.08
Cash generated from operations	6,186.35	5,670.79
Net income tax (paid) / refunds	(2,806.17)	(2,776.73)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>3,380.18</b>	<b>2,894.06</b>
<b>B. Cash flows from investing activities</b>		
Current investments in mutual funds	(9,671.71)	(8,450.00)
Proceeds from redemption of mutual funds	9,671.71	9,050.36
Dividend received on current investments	146.71	125.44
Bank balances not considered as cash and cash equivalents		
- Placed	(328.21)	(247.03)
- Matured	214.73	42.61
- Placed in earmarked accounts (unpaid dividend)	(45.24)	(36.73)
Capital expenditure on fixed assets, including capital advances	(1,150.37)	(680.48)
Proceeds from sale of fixed assets	79.62	23.44
Interest received	119.74	15.79
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(963.02)</b>	<b>(156.60)</b>





(Amount in ₹ Lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>C. Cash flows from financing activities</b>		
Interest paid	(4.34)	(7.49)
Dividend paid on equity shares	(1,456.50)	(1,164.66)
Tax on dividend	(255.22)	(204.18)
Repayment of cash credit borrowings	(33.90)	(156.67)
Proceeds from bills discounted	(13.59)	226.10
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(1,763.55)</b>	<b>(1,306.90)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>653.61</b>	<b>1,430.56</b>
Cash and cash equivalents at the beginning of the year	1,509.05	78.49
<b>Cash and cash equivalents at the end of the year (refer note 17)</b>	<b>2,162.66</b>	<b>1,509.05</b>
<b>See accompanying notes forming part of the financial statements</b>	<b>1 to 31</b>	

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Alka Chadha**  
Partner

Place : New Delhi  
Date : 27 May, 2015

For and on behalf of the Board of Directors of  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
[Chairman]

**Sanjeev Bhardwaj**  
[Chief Financial Officer]

**Sanjay Kumar**  
[Company Secretary]

Place : New Delhi  
Date : 27 May, 2015

**Parmod Sagar**  
[Managing Director]

**Manoj Gupta**  
[Sr. General Manager]



## 1. CORPORATE INFORMATION

Orient Refractories Limited ('the Company'), incorporated on 26 November, 2010 is engaged in manufacturing, production and distribution of refractories, monolithics and ceramic paper and has a manufacturing facility in Bhiwadi (Rajasthan).

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of accounting and preparation of financial statement

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

### 2.3 Inventories

Inventories are valued at the lower of cost (on first in first out basis in respect of trading goods and on weighted average basis in respect of raw materials, work in-progress and finished goods) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

### 2.4 Cash and cash equivalents (for purpose of cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 2.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and past history of replacement, etc.:

- i. Vehicles given to employees under the vehicle scheme - Over the period of 5 years for four wheelers and 6 years for two wheelers.
- ii. Leasehold improvements are amortised over the unexpired period of lease or estimated useful life, whichever is lower
- iii. Leasehold land is amortised over the duration of the lease i.e. 99 years.

Intangible assets are amortised over their estimated useful life on straight line method.

- Software is amortised over the estimated useful of 5 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.



## **2.7 Revenue recognition**

### **i. Sale of goods**

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. In case of export sales, event of transferring the significant risks and rewards of ownership of goods is decided on Inco-terms 2010. Sales include excise duty but exclude sales tax and value added tax.

### **ii. Income from services**

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

### **iii. Export Incentive**

Export incentive under Duty Exemption Pass Book Schemes (DEPB) and duty drawback, Focus Product Scheme are accrued when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

### **iv. Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

## **2.8 Fixed assets (Tangible/Intangible)**

Fixed assets are carried at cost less accumulated depreciation/ amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

### **Capital work-in-progress**

Projects under which assets are not ready for their intended use and other capital work in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

## **2.9. Foreign currency transactions and translations**

### **Initial recognition**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

### **Measurement of foreign currency monetary items at the balance sheet date**

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

### **Treatment of exchange differences**

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

### **Accounting of forward contracts**

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.



## **2.10. Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

## **2.11. Employee benefits**

Employee benefits include provident fund, employees' state insurance scheme, gratuity fund, national pension scheme and compensated absences.

### **Defined contribution plans**

The Company's contribution to provident fund, national pension scheme and employees' state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### **Defined benefit plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### **Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled

Payments made under voluntary retirement scheme are charged to the statement of profit and loss account in the year of occurrence.

## **2.12 Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction /development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.



### **2.13 Segment reporting**

#### **i. Business Segments**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

#### **ii. Geographic Segments**

Secondary segmental reporting is performed on the basis of the geographical location of customers i.e. within India and outside India.

### **2.14 Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis over the lease term.

### **2.15 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extra ordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### **2.16 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the statement of profit and loss.



### **2.17 Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, to the extent the amount was previously charged to the statement of profit and loss. In case of revalued assets such reversal is not recognised.

### **2.18 Provisions and contingencies**

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, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are not recognised in the financial statements.

### **2.19 Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### **2.20 Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

### **2.21 Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	No. of shares	(₹ Lacs)	No. of shares	(₹ Lacs)
<b>3. SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity shares of ₹ 1.00 each	120,500,000	1,205.00	120,500,000	1,205.00
<b>Issued, subscribed and fully paid up share capital</b>				
Equity shares of ₹ 1.00 each	120,139,200	1,201.39	120,139,200	1,201.39

**a. Reconciliation of the equity shares outstanding at the beginning and at the end of reporting period**

Particulars	Opening balance	Fresh Issue	Closing balance
Year ended 31 March, 2015			
- Number of shares	120,139,200	-	120,139,200
- Amount in ₹ Lacs	1,201.39	-	1,201.39
Year ended 31 March, 2014			
- Number of shares	120,139,200	-	120,139,200
- Amount in ₹ Lacs	1,201.39	-	1,201.39

**b. Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 1.00 per share. The holder of each fully paid equity share is entitled to one vote. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Aggregate number of shares allotted as fully paid up pursuant to contract without payment being received in cash for the period of 5 years immediately preceding the balance sheet date:**

Particulars	As at 31 March, 2015	As at 31 March, 2014
	No. of equity shares	No. of equity shares
Equity shares allotted as fully paid-up pursuant to demerger scheme for consideration other than cash	119,639,200	119,639,200

**d. Details of shares held by the holding company**

Particulars	As at 31 March, 2015	As at 31 March, 2014
	No. of equity shares	No. of equity shares
Dutch US Holding B.V., Netherlands	83,637,771	83,637,771

**e. Details of shares held by each shareholder holding more than 5% shares**

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	No. of equity shares	% of holding	No. of equity shares	% of holding
Dutch US Holding B.V., Netherlands	83,637,771	69.62%	83,637,771	69.62%



(Amount in ₹ Lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>4. RESERVES AND SURPLUS</b>		
a) General reserve		
Opening balance	7,737.56	7,137.56
<b>Add:</b> Transferred from surplus in Statement of Profit and Loss	600.00	600.00
Closing balance	<u>8,337.56</u>	<u>7,737.56</u>
b) Surplus in Statement of Profit and Loss		
Opening balance	4,827.17	1,899.49
<b>Less:</b> Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of deferred tax credit of ₹ 23.38 Lacs) (refer note 28.7 and 29)	(45.41)	-
<b>Add :</b> Profit for the year	5,283.94	5,284.64
<b>Less:</b>		
- Dividend proposed to be distributed to equity shareholders ₹ 1.40 per share (Previous year ₹ 1.25 per share)	(1,681.95)	(1,501.74)
- Tax on proposed dividend	(342.44)	(255.22)
- Transferred to general reserve	(600.00)	(600.00)
Closing balance	<u>7,441.31</u>	<u>4,827.17</u>
<b>Total</b>	<u><u>15,778.87</u></u>	<u><u>12,564.73</u></u>
<b>5. OTHER LONG-TERM LIABILITIES</b>		
Interest free deposits from staff	<u>93.32</u>	<u>88.50</u>
<b>6. LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
i) Provision for gratuity (net) ( refer note 28.2)	12.99	6.88
ii) Provision for compensated absences	209.93	167.79
<b>Total</b>	<u><u>222.92</u></u>	<u><u>174.67</u></u>





(Amount in ₹ Lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>7. SHORT-TERM BORROWINGS</b>		
a) Loan payable on demand (secured)		
Cash credit from a bank (refer note below)	-	33.90
	-	33.90
b) Other loans and advances (unsecured)		
Bills discounted	524.20	537.79
	524.20	537.79
<b>Total</b>	<b>524.20</b>	<b>571.69</b>
<p>Note : The cash credit loan from HDFC Bank was repaid during the year and a request was made to the bank for the release of first pari passu charge on the current assets of the Company and second pari passu charge on movable fixed assets of the Company both present and future. A no objection certificate from the bank for release of charge on both current and fixed assets was issued by HDFC Bank subsequent to the year end.</p>		
<b>8. TRADE PAYABLES</b>		
Trade payable, other than acceptances (refer note 27.3)	5,145.05	5,085.93
<b>Total</b>	<b>5,145.05</b>	<b>5,085.93</b>
<b>9. OTHER CURRENT LIABILITIES</b>		
a) Unpaid dividend	122.34	77.10
b) Other payables		
i) Statutory dues (Contribution to PF and ESIC, withholding taxes, CST/VAT, Service tax etc.)	103.63	66.62
ii) Payable on purchase of fixed assets	27.15	25.76
iii) Interest accrued on trade payables	0.29	-
iv) Advances from customers	54.73	66.79
v) Interest free deposits from staff	12.95	8.49
<b>Total</b>	<b>321.09</b>	<b>244.76</b>
<b>10. SHORT-TERM PROVISIONS</b>		
a) Provision for employee benefits		
i) Provision for gratuity (net) (refer note 28.2)	2.37	1.26
ii) Provision for compensated absences	47.99	41.59
b) Provision-others		
i) Provision for wealth tax	3.90	3.64
ii) Provision for proposed equity dividend	1,681.95	1,501.74
iii) Provision for tax on proposed dividend	342.44	255.22
<b>Total</b>	<b>2,078.65</b>	<b>1,803.45</b>



**11. FIXED ASSETS**

(Amount in ₹ Lacs)

Particulars	Gross Block			Accumulated Depreciation/ Amortisation				Net Block			
	Balance as at 1 April, 2014	Additions during the year	Disposals during the year	Balance as at 31 March, 2015	Balance as at 1 April, 2014	Depreciation/ Amortisation for the year	Disposals/ adjustments	Transition adjustment recorded against surplus balance in Statement of Profit & Loss* (refer note 29)	Total accumulated/ Depreciation Amortisation	Balance as at 31 March, 2015	Balance as at 31 March, 2014
<b>A. Tangible Assets</b>											
Land - Leasehold (Previous year)	396.42 (396.42)	-	-	396.42 (396.42)	19.48 (13.57)	5.91 (5.91)	-	-	25.39 (19.48)	371.03 (376.94)	376.94 -
Buildings (Previous year)	413.06 (335.82)	181.07 (77.24)	-	594.13 (413.06)	203.31 (193.85)	12.60 (9.46)	7.38	-	223.29 (203.31)	370.84 (209.75)	209.75 -
Plant and machinery (Previous year)	3,768.00 (3,675.11)	504.49 (176.85)	-	4,272.49 (3,768.00)	1,828.11 (1,628.38)	426.65 (262.70)	53.40	-	2,308.16 (1,828.11)	1,964.33 (1,939.89)	1,939.89 -
Furniture and fixtures (Previous year)	32.74 (29.67)	4.08 (3.07)	0.54	36.28 (32.74)	19.34 (17.01)	2.25 (2.33)	1.84	-	22.91 (19.34)	13.37 (13.40)	13.40 -
Vehicles (Previous year)	557.01 (374.47)	130.51 (245.26)	54.94 (62.72)	632.58 (557.01)	120.27 (95.86)	74.14 (61.41)	-	-	161.49 (120.27)	471.09 (436.74)	436.74 -
Office equipment (Previous year)	147.91 (135.62)	50.49 (12.29)	28.07	170.33 (147.91)	99.89 (83.71)	22.51 (16.18)	6.17	-	101.96 (99.89)	68.37 (48.02)	48.02 -
Leasehold improvements (Previous year)	1.86 (1.72)	-	1.86	- (1.86)	0.47 (0.42)	0.02 (0.05)	-	-	0.49 (0.47)	- (1.39)	1.39 -
<b>Total (A)</b>	<b>5,317.00 (4,948.83)</b>	<b>870.64 (514.85)</b>	<b>85.41 (146.68)</b>	<b>6,102.23 (5,317.00)</b>	<b>2,290.87 (2,032.80)</b>	<b>544.08 (358.04)</b>	<b>68.79</b>	<b>68.79</b>	<b>2,843.20 (2,290.87)</b>	<b>3,259.03 (3,026.13)</b>	<b>3,026.13</b>
<b>B. Intangible Assets</b>											
Software (Previous year)	78.76 (68.61)	50.99 (10.15)	-	129.75 (78.76)	60.18 (55.64)	5.23 (4.54)	-	-	65.41 (60.18)	64.34 (18.58)	18.58 -
<b>Total (B)</b>	<b>78.76 (68.61)</b>	<b>50.99 (10.15)</b>	<b>-</b>	<b>129.75 (78.76)</b>	<b>60.18 (55.64)</b>	<b>5.23 (4.54)</b>	<b>-</b>	<b>-</b>	<b>65.41 (60.18)</b>	<b>64.34 (18.58)</b>	<b>18.58</b>
<b>TOTAL (A + B)</b>	<b>5,395.76 (5,017.44)</b>	<b>921.63 (525.00)</b>	<b>85.41 (146.68)</b>	<b>6,231.98 (5,395.76)</b>	<b>2,351.05 (2,088.44)</b>	<b>549.31 (362.58)</b>	<b>68.79</b>	<b>68.79</b>	<b>2,908.61 (2,351.05)</b>	<b>3,323.37 (3,044.71)</b>	<b>3,044.71</b>



(Amount in ₹ Lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>12. NON-CURRENT INVESTMENTS</b>		
<b>Investment in government securities (unquoted)</b>		
National savings certificates*	0.57	0.57
<b>Total</b>	<b>0.57</b>	<b>0.57</b>
Aggregate amount of unquoted investment	0.57	0.57
*Certificates pledged with sales tax authorities ₹ 0.57 Lacs (31 March, 2014: ₹ 0.57 Lacs)		
<b>13. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
a) Capital advances	65.83	79.60
b) Security deposits	42.50	59.77
c) Loans and advances to employees	-	0.04
d) Advance income tax [net of provision for tax ₹ 9,058.82 Lacs (31 March, 2014: ₹ 6,302.81 Lacs)]	66.96	16.80
<b>Total</b>	<b>175.29</b>	<b>156.21</b>
<b>14. OTHER NON-CURRENT ASSETS</b>		
(Unsecured, considered good)		
a) Deposit accounts with banks*	32.55	34.66
b) Surrender value of keyman policy	16.37	14.14
c) Interest accrued on margin money deposits	2.44	1.53
<b>Total</b>	<b>51.36</b>	<b>50.33</b>
* Fixed deposits are under lien with banks against bank guarantees to government authorities and customers and are restricted from being exchanged or used to settle a liability for more than 12 months from the balance sheet date.		
<b>15. INVENTORIES</b>		
(At lower of cost and net realisable value)		
a) Raw materials and components [(including goods in transit ₹ 523.61 Lacs (31 March, 2014 : ₹ 324.02 Lacs)] (refer note 22.a)	3,062.66	2,413.29
b) Work in progress (refer note 23.a)	940.74	857.32
c) Finished goods (other than those acquired for trading) (refer note 23.b)	2,431.74	2,399.90
d) Stock-in-trade (acquired for trading)	246.57	328.69
e) Stores and spares [ including goods in transit ₹ 41.05 Lacs (31 March, 2014 : ₹ 8.25 Lacs)]	474.22	333.17
<b>Total</b>	<b>7,155.93</b>	<b>6,332.37</b>



(Amount in ₹ Lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>16. TRADE RECEIVABLES</b>		
a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	414.60	99.76
Unsecured, considered doubtful	450.48	239.40
	865.08	339.16
<b>Less:</b> Provision for doubtful trade receivables	450.48	239.40
	414.60	99.76
b) Other trade receivables		
Unsecured, considered good	10,854.89	9,839.83
Unsecured, considered doubtful	-	63.41
	10,854.89	9,903.24
<b>Less:</b> Provision for doubtful trade receivables	-	63.41
	10,854.89	9,839.83
<b>Total</b>	<b>11,269.49</b>	<b>9,939.59</b>
<b>Note:</b> Trade receivables includes debt due from: Private company in which any director is a director - RHI India Private Limited	1,006.81	180.37
<b>17. CASH AND CASH EQUIVALENTS</b>		
A. Cash and cash equivalents (As per AS-3 Cash Flow Statements)		
a) Cash on hand	3.39	2.12
b) Balances with banks		
i) in current accounts	109.27	106.93
ii) in demand deposit accounts	2,050.00	1,400.00
<b>Total- cash and cash equivalents (as per AS-3 Cash Flow Statements)</b>	2,162.66	1,509.05
B. Other bank balances		
In earmarked accounts		
- Unpaid dividend accounts	122.34	77.10
- Balance held as margin money or security against borrowing, guarantee and other commitment	328.21	212.62
<b>Total- Other bank balances</b>	450.55	289.72
<b>Total cash and cash equivalents (A+B)</b>	<b>2,613.21</b>	<b>1,798.77</b>



(Amount in ₹ Lacs)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>18. SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured considered good, unless stated otherwise)		
a) Loans and advances to related parties (refer note 28.4)	10.92	-
b) Loans and advances to employees (refer note below)	0.45	20.79
c) Prepaid expenses	33.36	32.81
d) Balance with government authorities		
i) Cenvat credit receivable	61.05	35.40
ii) Service tax credit receivable	42.60	36.36
e) Advances to suppliers	42.03	29.53
f) Others	12.23	21.33
<b>Total</b>	<b>202.64</b>	<b>176.22</b>

Note: Loans and advances to employees includes amount due from:

Managing Director	-	11.31
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**19 OTHER CURRENT ASSETS**

(Unsecured considered good, unless stated otherwise)

a) Unbilled revenue	45.91	63.73
b) Interest accrued on deposits	22.81	15.98
c) Others		
i) Insurance claim receivable	0.53	0.19
ii) Export incentives receivable		
- Unsecured, considered good	29.24	25.82
- Unsecured, considered doubtful	90.43	97.61
	119.67	123.43
<b>Less: Provision for doubtful export incentives receivable</b>	<b>(90.43)</b>	<b>(97.61)</b>
	29.24	25.82
<b>Total</b>	<b>98.49</b>	<b>105.72</b>



(Amount in ₹ Lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>20. REVENUE FROM OPERATIONS</b>		
a) Sales of products [refer note (i) below]		
i) Finished goods	40,446.67	36,193.93
ii) Traded goods	7,552.71	6,569.90
b) Sale of services [refer note (ii) below]	544.75	676.93
c) Other operating revenues [refer note (iii) below]	115.90	46.39
Revenue from operations (gross)	48,660.03	43,487.15
<b>Less: Excise duty*</b>	3,523.55	3,136.78
<b>Revenue from operations (net)</b>	<b>45,136.48</b>	<b>40,350.37</b>
*Excise duty on sales amounting to ₹ 3,523.55 Lacs (31 March, 2014: ₹ 3,136.78 Lacs) has been reduced from sales in Statement of Profit and Loss and excise duty on increase/(decrease) in stock amounting to ₹ 49.23 Lacs (31 March, 2014: ₹ 30.71 Lacs) has been considered as expense in note 26 of financial statements.		
i) <b>Sale of Product comprises</b>		
<b>Finished goods</b>		
Refractories	35,216.35	31,357.38
Monolithics	5,174.59	4,806.09
Ceramic paper	55.73	30.46
<b>Total</b>	<b>40,446.67</b>	<b>36,193.93</b>
<b>Traded goods</b>		
Spray/Ramming mass	4,822.01	4,546.92
Others	2,730.70	2,022.98
<b>Total</b>	<b>7,552.71</b>	<b>6,569.90</b>
ii) <b>Sale of services comprises</b>		
Refractory management services	544.75	676.93
<b>Total</b>	<b>544.75</b>	<b>676.93</b>
iii) <b>Other operating revenue comprises</b>		
Export incentive	115.90	46.39
<b>Total</b>	<b>115.90</b>	<b>46.39</b>
<b>21. OTHER INCOME</b>		
a) Interest income:		
i) from banks on deposits	29.75	14.44
ii) on others	83.16	13.83
b) Dividend income from current investments	146.71	124.98
c) Net gain on foreign currency transactions and translation	33.68	192.20
d) Liabilities/ provisions no longer required written back	96.61	8.65
e) Increase in surrender value of keyman insurance policies	2.24	2.00
f) Profit on sale of fixed assets	54.75	-
g) Provision for doubtful trade receivable no longer required written back	68.25	51.27
h) Miscellaneous income	16.61	2.80
<b>Total</b>	<b>531.76</b>	<b>410.17</b>



(Amount in ₹ Lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>22.a COST OF RAW MATERIALS AND COMPONENTS CONSUMED</b>		
Opening stock	2,413.29	2,156.21
<b>Add:</b> Purchases	19,057.55	16,299.92
	<u>21,470.84</u>	<u>18,456.13</u>
<b>Less:</b> Closing stock	3,062.66	2,413.29
<b>Total cost of raw materials and components consumed</b>	<b><u>18,408.18</u></b>	<b><u>16,042.84</u></b>
<b>Details of raw materials and components</b>		
<b>Raw materials and components consumed</b>		
Alumina	7,247.66	6,180.70
Bauxite	1,375.20	1,207.76
Zirconia	1,707.92	1,480.22
Binders	2,029.05	1,713.74
Graphite	1,342.70	1,331.26
Others	4,705.65	4,129.16
<b>Total</b>	<b><u>18,408.18</u></b>	<b><u>16,042.84</u></b>
<b>Details of closing inventory of raw materials and components</b>		
Alumina	727.22	698.56
Bauxite	83.72	97.51
Zirconia	677.56	386.26
Binders	129.55	153.40
Graphite	338.88	205.31
Others	1,105.73	872.25
<b>Total</b>	<b><u>3,062.66</u></b>	<b><u>2,413.29</u></b>
<b>22.b PURCHASES OF STOCK-IN-TRADE (TRADED GOODS)</b>		
Spray/Ramming mass	4,161.03	4,106.22
Other items	2,490.24	1,594.92
<b>Total</b>	<b><u>6,651.27</u></b>	<b><u>5,701.14</u></b>
<b>23. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories at the end of the year (refer notes below)</b>		
Work in progress	940.74	857.32
Finished goods	2,431.74	2,399.90
Stock-in-trade	246.57	328.69
	<u>3,619.05</u>	<u>3,585.91</u>
<b>Inventories at the beginning of the year</b>		
Work in progress	857.32	742.13
Finished goods	2,399.90	2,154.66
Stock-in-trade	328.69	377.93
	<u>3,585.91</u>	<u>3,274.72</u>
<b>Net (increase)/ decrease</b>	<b><u>(33.14)</u></b>	<b><u>(311.19)</u></b>



(Amount in ₹ Lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Notes :</b>		
<b>23.a Inventory for work in progress</b>		
Refractories	940.74	857.32
<b>Total</b>	<b>940.74</b>	<b>857.32</b>
<b>23.b Inventory for finished goods</b>		
Refractories	2,148.54	2,058.18
Monolithics	283.20	341.72
<b>Total</b>	<b>2,431.74</b>	<b>2,399.90</b>
<b>23.c Inventory for stock-in-trade</b>		
Spray/Ramming mass	79.43	144.47
Others	167.14	184.22
<b>Total</b>	<b>246.57</b>	<b>328.69</b>
<b>24. Employee benefits expense</b>		
a) Salaries and wages	3,372.67	2,966.25
b) Contribution to provident and other funds	227.79	204.36
c) Staff welfare expenses	225.48	185.33
<b>Total</b>	<b>3,825.94</b>	<b>3,355.94</b>
<b>25. FINANCE COSTS</b>		
Interest costs	4.34	7.49
<b>Total</b>	<b>4.34</b>	<b>7.49</b>





(Amount in ₹ Lacs)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>26. OTHER EXPENSES</b>		
a) Consumption of stores and spare parts	1,558.18	1,417.16
b) Consumption of packing materials	957.33	861.91
c) Increase/ (decrease) in excise duty on inventory	49.23	30.71
d) Power and fuel	2,181.52	1,902.31
e) Processing charges	652.41	639.62
f) Rent	20.60	28.80
g) Repairs and maintenance		
- Plant and machinery	176.50	183.15
- Buildings	60.80	66.01
- Others	8.46	7.64
h) Insurance	37.22	32.87
i) Rates and taxes	21.52	18.38
j) Communication costs	42.67	43.43
k) Travelling and conveyance	159.86	145.04
l) Printing and stationery	18.97	20.37
m) Freight and forwarding	1,127.94	913.73
n) Commission on sales (other than sole selling agents)	661.68	659.88
o) Cash discount on sales	-	1.00
p) Advertising and other expenses	42.91	43.34
q) Donation	2.30	4.89
r) Expenditure on corporate social responsibility	39.17	-
s) Legal and professional [refer note (i) below]	134.89	141.27
t) Royalty	25.18	52.03
u) Directors' fees	4.50	1.40
v) Provision for doubtful trade receivables	200.00	257.18
w) Provision for doubtful export incentives receivables	-	48.30
x) Loss on fixed assets sold/ scrapped/ written off	-	23.27
y) Miscellaneous expenses	115.78	99.57
<b>Total</b>	<b>8,299.62</b>	<b>7,643.26</b>

**Note:** Legal and professional include payment to auditors as under:

i) Payment to auditor comprise (net of service tax input credit):		
a) To statutory auditor		
- for statutory audit*	29.40	19.00
- for limited reviews	11.55	9.50
- for other matters	9.55	9.19
- reimbursement of expenses	2.23	1.20
b) To cost auditor for cost audit	0.50	0.50
<b>Total</b>	<b>53.23</b>	<b>39.39</b>

\* includes ₹ 5.00 Lacs pertaining to previous year

**ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENT**

(Amount in ₹ Lacs)

**27.1 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)****(i) Contingent liabilities**

Particulars	As at 31 March, 2015	As at 31 March, 2014
Claims against the Company not acknowledged as debts*		
- Demand from income tax authorities	862.40	Nil

\*No provision is considered necessary since the Company expects favorable decisions.

**(ii) Commitments**

Particulars	As at 31 March, 2015	As at 31 March, 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances):		
- Tangible assets	132.51	299.78
- Intangible assets	0.33	22.68
	<b>132.84</b>	<b>322.46</b>

(iii) The Company has other commitments, for purchases/sales orders which are issued after considering requirements as per operating cycle for purchase/sale of goods and services and employee benefits, in normal course of business. The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.

**27.2** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**27.3 DISCLOSURES UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Particulars	As at 31 March, 2015	As at 31 March, 2014
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	156.42	Nil
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.29	Nil
iii. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
iv. The amount of interest due and payable for the year	0.29	Nil
v. The amount of interest accrued and remaining unpaid at the end of the accounting year	0.29	Nil
vi. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.



**27.4 UNEXPIRED FOREIGN EXCHANGE FORWARD CONTRACTS**

**(Amount in ₹ Lacs)**

The following forward contracts are open as at 31 March, 2015. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may/may not qualify or be designated as hedging instruments.

- (i). Forward exchange contracts, which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.
- (ii). Outstanding forward exchange contracts entered into by the Company as on 31 March, 2015

Currency	Amount	Buy / Sell	Cross currency
Euro	750,000 (700,000)	Sell (Sell)	Rupees
USD	300,000 (Nil)	Sell (NotApplicable)	Rupees

**Note:** Figures in bracket relate to the previous year.

- (iii). The year-end foreign currency exposure that have not been hedged by a derivative instrument or other are given below:

Particulars	Currency	As at 31 March, 2015		As at 31 March, 2014	
		Foreign currency	Amount (in ₹ Lacs)	Foreign currency	Amount (in ₹ Lacs)
Trade payables	USD	773,044	487.48	337,932	204.41
	EURO	70,886	48.50	140,384	117.19
	GBP	11,840	11.07	11,158	11.26
Trade receivables *	USD	404,798	251.87	590,600	350.52
	EURO	356,046	238.16	551,125	448.12

\* Gross of provision for doubtful trade receivables

**27.5 VALUE OF IMPORTS CALCULATED ON CIF BASIS**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Raw materials	4,322.61	3,468.28
Traded goods	44.23	152.97
Capital goods	3.55	3.24
Stores and spare parts	125.15	107.78
	<b>4,495.54</b>	<b>3,732.27</b>

**27.6 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Travelling and conveyance	11.02	16.82
Commission on sales (other than sole selling agents)	234.74	279.93
Legal and professional fees	18.47	31.40
Royalty	25.18	52.03
Miscellaneous expenses	15.79	10.84
	<b>305.20</b>	<b>391.02</b>



(Amount in ₹ Lacs)

**27.7 IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS, STORES AND SPARES CONSUMED**

Particulars	For the year ended 31 March, 2015		For the year ended 31 March, 2014	
	% of total consumption	Value	% of total consumption	Value
<b>Raw materials and components</b>				
Imported	22.12	4,072.44	23.92	3,837.73
Indigenous	77.88	14,335.74	76.08	12,205.11
	<b>100.00</b>	<b>18,408.18</b>	<b>100.00</b>	<b>16,042.84</b>
<b>Stores and spare parts</b>				
Imported	7.35	114.60	4.74	67.15
Indigenous	92.65	1,443.58	95.26	1,350.01
	<b>100.00</b>	<b>1,558.18</b>	<b>100.00</b>	<b>1,417.16</b>

**27.8 EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
FOB value of exports	7,360.14	6,503.07

**27.9 AMOUNTS REMITTED IN FOREIGN CURRENCY DURING THE YEAR ON ACCOUNT OF DIVIDEND**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Amount of dividend remitted in foreign currency	1,045.47	836.38
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	1	1
Total number of shares held by them on which dividend was due	83,637,771	83,637,771
Year to which the dividend relates	2013-14	2012-13

**28.1** Pursuant to the scheme of arrangement between Orient Abrasives Limited (transferor company) and the Company, the refractory business of the transferor company carried out at its manufacturing unit at Bhiwadi (demerged undertaking), was transferred to the Company with effect from 1 April, 2011 (the appointed date). The said scheme under Section 391 to 394 of the Companies Act, 1956 was approved by the Hon'ble High Court of Delhi vide its order dated 19 September, 2011 and has been effective from 31 October, 2011 ("the effective date"), i.e. date of filing the above order with the Registrar of Companies.

The said scheme provides, inter alia, the transfer of demerged undertaking on a going concern basis to the Company in consideration of which, each shareholder of Orient Abrasives Limited whose name appeared in the register of members of Orient Abrasives Limited on the record date i.e. 14 November, 2011, received one fully paid equity share of face value of ₹ 1.00 each in the Company.

The scheme provided for its basis of transfer of certain specific assets and liabilities and where not specifically provided in the scheme, it authorized the 'board of directors' of both the companies to mutually decide through a resolution. In terms of above, the following was done in the financial year 2011-12:



(Amount in ₹ Lacs)

- i. The book value of assets, liabilities, reserves and surplus (as agreed) of the demerged undertaking as on the appointed date was accounted for as assets and liabilities and reserves in the books of the Company as on the appointed date. Following is the amount of such assets, liabilities and reserves:

Particulars	Amount
Reserves and surplus	4,637.56
Secured loans	3,400.00
Deferred tax liability (net)	118.89
Fixed assets including intangibles (net block)	1,882.80
Capital work in-progress including capital advances	568.97
Investments	0.27
Inventories	4,433.58
Sundry debtors	5,023.72
Cash and bank balances	48.67
Other current assets	356.25
Loans and advances	248.57
Current liabilities	3,106.52
Provisions	103.47

- ii. Loans as identified for the demerged undertaking and transferred from Orient Abrasives Limited were recorded in the books. Later on, the Company obtained its own credit facility and loans transferred from the transferor company were repaid.
- iii. Aggregate face value of the new equity shares (1,196.39 Lacs shares of ₹1.00 each amounting to ₹1,196.39 Lacs) were issued by the Company to the members of the transferor company and was credited to the share capital account on the appointed date. The Company in its board meeting dated 15 November, 2011 allotted these shares. In view of the allotment of shares, the transferor company ceased to be the holding company of the Company.
- iv. The employees of the demerged undertaking were transferred to the Company on their existing terms of employment with the transferor company.
- v. All contingent liabilities relating to demerged undertaking were transferred to the Company on the appointed date.
- vi. Deferred tax liability (net) pertaining to the demerged undertaking and as agreed by the board of directors were transferred to the Company.

The transferor company was carrying on business of demerged undertaking in trust on behalf of the Company for the period from the appointed date till the effective date.

## 28.2 Employee benefit plans

### i. Defined contribution plans

The Company makes Provident Fund, National Pension Scheme and Employees' State Insurance contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹148.37 Lacs (31 March, 2014: ₹ 119.20 Lacs) for Provident Fund, ₹ 15.35 Lacs (31 March, 2014: ₹ Nil) for National Pension Scheme and ₹ 15.08 Lacs (31 March, 2014: ₹ 17.91 Lacs) for Employees' State Insurance contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

### ii. Defined benefit plans

The Company offers employee benefit schemes of gratuity to its employees. Benefits payable to all employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.


**(Amount in ₹ Lacs)**

The following table sets out the funded status of defined benefit schemes and the amount recognised in the financial statements:

Particulars	31 March, 2015	31 March, 2014
<b>Components of employer's expense</b>		
Current service cost	41.91	34.64
Interest cost	41.53	32.77
Expected return on plan assets	(43.24)	(36.00)
Actuarial losses/(gains)	8.79	35.84
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>48.99</b>	<b>67.25</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	24.02	3.65
Actual contributions	41.76	68.52
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	586.92	488.57
Fair value of plan assets	571.56	480.43
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(15.36)</b>	<b>(8.14)</b>
<b>Net liability has been classified under:</b>		
Long-term provisions	(12.99)	(6.88)
Short-term provisions	(2.37)	(1.26)
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	488.57	409.63
Current service cost	41.91	34.64
Interest cost	41.53	32.77
Actuarial losses/(gains)	38.93	15.18
Benefits paid	(24.02)	(3.65)
<b>Present value of DBO at the end of the year</b>	<b>586.92</b>	<b>488.57</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	480.43	400.22
Expected return on plan assets	43.25	36.00
Actual Company contributions	41.76	68.52
Benefits paid	(24.02)	(3.65)
Actuarial gain / (loss)	30.14	(20.66)
<b>Plan assets at the end of the year</b>	<b>571.56</b>	<b>480.43</b>
Actual return on plan assets	73.38	15.34
<b>Composition of the plan assets is as follows:</b>		
Kotak Group Bond Fund	100%	85.18%
Kotak Group Floating Rate Fund	-	14.82%
<b>Actuarial assumptions for Gratuity and Compensated absences</b>		
Discount rate	8.00%	8.50%
Expected return on plan assets	9.00%	9.00%
Salary escalation	8.00%	8.00%
Mortality tables	IALM (2006 - 08)	IALM (2006 - 08)
Attrition (%)		
Ages:		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00
Estimate of amount of contribution in the immediate next year	42.12	37.05



(Amount in ₹ Lacs)

The estimates of future salary increases, considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors.

The expected rate of return on plan assets is determined after considering several applicable factors, such as the composition of the plan assets, investment strategy, market scenario etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified. The gratuity fund plan assets of the Company are managed by Orient Refractories Employees Group Trust through Kotak Mahindra Old Mutual Life Insurance Ltd. The categories of plan assets as a percentage of total plan assets are based on information provided by Kotak Mahindra Old Mutual Life Insurance Ltd.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Amounts for the current year and previous two periods are as follows:

Particulars	Gratuity			
	31 March, 2015	31 March, 2014	31 March, 2013	31 March, 2012
Present value of defined benefit obligation	586.92	488.57	409.63	337.82
Fair value of plan assets	571.56	480.43	400.22	304.71
Surplus/ (Deficit)	(15.36)	(8.14)	(9.41)	(33.11)
Experience adjustment on plan liabilities (loss)/gain	(16.94)	(34.89)	(58.58)	(72.33)
Experience adjustment on plan assets (loss)/ gain	30.14	(20.66)	8.83	0.04

The Payment of Gratuity Act, 1972 was not applicable to the Company prior to financial year 2011-12.

### 28.3 SEGMENT INFORMATION

#### Business Segments

The Company is engaged in the business of manufacturing and selling of refractories and monolithics. The entire operations are governed by the same set of risk and returns and, hence, the same has been considered as representing a single primary segment.

Since the Company's business activity falls within a single business segment, there are no additional disclosures to be provided under Accounting Standard-17 'Segment Reporting' other than those already provided in the financial statements.

#### Geographical Segments

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets i.e. India and Outside India. For customers located outside India, the Company has assessed that they carry same risk and rewards. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows:

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

#### Secondary Segment Reporting (by Geographical Segments)

The following is the distribution of the Company's total revenue of operations by geographical market, regardless of where the goods were produced:

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Within India	37,776.34	33,847.30
Outside India	7,360.14	6,503.07
<b>Total</b>	<b>45,136.48</b>	<b>40,350.37</b>

**(Amount in ₹ Lacs)**

The following table shows the carrying amount of trade receivable by geographical segments:

<b>Particulars</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2013</b>
Within India	10,156.72	8,675.66
Outside India	1,112.77	1,263.93
<b>Total</b>	<b>11,269.49</b>	<b>9,939.59</b>

All other assets (other than trade receivables) used in the Company's business are located in India and are used to cater to both the categories of customers (within India and outside India), accordingly the total cost incurred during the year to acquire tangible and intangible fixed assets has not been disclosed.

**28.4 RELATED PARTY TRANSACTIONS:****A. Details of related parties****a. Ultimate holding company**

RHI AG, Austria (w.e.f. 26 April, 2013)

**b. Holding company**

Dutch US Holding B.V., Netherlands (w.e.f. 26 April, 2013)

**c. Fellow subsidiaries**

RHI Clasil Limited (w.e.f. 26 April, 2013)

RHI India Private Limited (w.e.f. 26 April, 2013)

RHI Refractories Asia Ltd, Hong Kong (w.e.f. 26 April, 2013)

RHI Urmitz AG &amp; Co. KG, Germany (w.e.f. 26 April, 2013)

RHI Refractories Liaoning Co Ltd, China (w.e.f. 26 April, 2013)

Veitsch- Radex America LLC, USA (w.e.f. 26 April, 2013)

RHI Refractories UK Ltd (w.e.f. 26 April, 2013)

**d. Individuals/entities having significant influence over the Company through their voting rights of 20% or more**

Dutch US Holding B.V., Netherlands (from 4 March, 2013 till 25 April, 2013)

**e. Key Managerial Personnel (KMP)**

Mr. Subhash Chander Sarin, Executive Director (up to 30 April, 2015)

Mr. Parmod Sagar, Managing Director

Mr. Shri Gopal Rajgarhia, Executive Director (up to 8 April, 2015)

**f. Relative of KMP**

Ms. Anisha Mittal, (Mr. Shri Gopal Rajgarhia's daughter)

Mr. Christophar Parvesh, (Mr. Parmod Sagar's brother)

**g. Entities in which KMP / relatives of KMP can exercise significant influence**

Orient Abrasives Limited

APM Industries Limited

Hindustan General Industries Limited

Rovo Marketing Private Limited





Particulars	(Amounts in ₹ Lacs)											
	A. Ultimate holding company		B. Fellow subsidiaries		C. Key Managerial Personnel		D. Relatives of KMP		F. Entities in which KMP/Relatives of KMP can exercise significant influence		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Sales</b>												
Orient Abrasives Limited	-	-	-	-	-	-	-	-	-	-	-	-
RHI AG	1,467.18	11.04	-	-	-	-	-	-	-	-	12.21	26.12
RHI India Private Limited	-	-	1,462.63	332.27	-	-	-	-	-	-	1,467.18	11.04
RHI Refractories Asia Ltd	-	-	683.98	5.89	-	-	-	-	-	-	1,462.63	332.27
RHI Clasil Limited	-	-	778.36	953.66	-	-	-	-	-	-	683.98	5.89
RHI Urmitz AG & Co. KG	-	-	6.21	2.30	-	-	-	-	-	-	778.36	953.66
Veilisch-Radex America LLC	-	-	2.82	-	-	-	-	-	-	-	6.21	2.30
RHI Refractories Lioning Co Ltd	-	-	1.76	-	-	-	-	-	-	-	2.82	-
RHI Refractories UK Ltd	-	-	1.66	-	-	-	-	-	-	-	1.76	-
APM Industries Limited	-	-	-	-	-	-	-	-	-	-	1.66	-
<b>Total Sales</b>	<b>1,467.18</b>	<b>11.04</b>	<b>2,937.42</b>	<b>1,294.12</b>	-	-	-	-	-	-	<b>4,417.08</b>	<b>1,331.55</b>
<b>Purchase of raw materials</b>												
Orient Abrasives Limited	-	-	-	-	-	-	-	-	-	-	-	-
RHI AG	185.49	95.34	-	-	-	-	-	-	-	-	4,831.78	4,785.36
RHI India Private Limited	-	-	3.37	1.01	-	-	-	-	-	-	185.49	95.34
<b>Total purchase of raw materials</b>	<b>185.49</b>	<b>95.34</b>	<b>3.37</b>	<b>1.01</b>	-	-	-	-	-	-	<b>5,020.64</b>	<b>4,881.71</b>
<b>Managerial remuneration</b>												
Mr. Shri Gopal Raigarhita	-	-	-	-	199.64	194.34	-	-	-	-	199.64	194.34
Mr. Subhash Chander Sarin	-	-	-	-	179.59	140.42	-	-	-	-	179.59	140.42
Mr. Pamod Sagar	-	-	-	-	179.90	139.52	-	-	-	-	179.90	139.52
<b>Total</b>	-	-	-	-	<b>559.13</b>	<b>474.28</b>	-	-	-	-	<b>559.13</b>	<b>474.28</b>
<b>Commission on sales (Other than sole selling agents)</b>												
Hindustan General Industries Limited	-	-	-	-	-	-	-	-	-	-	23.63	22.77
<b>Salary</b>												
Christopher Parvesh	-	-	-	-	-	-	4.43	3.11	-	-	4.43	3.11
<b>Bills discounted</b>												
Rovo Marketing Private Limited	-	-	-	-	-	-	-	-	-	-	2,059.20	2,098.73
<b>Rent</b>												
Orient Abrasives Limited	-	-	-	-	-	-	-	-	-	-	16.85	16.85
Ms. Anishta Mittal	-	-	-	-	-	-	5.52	5.52	-	-	5.52	5.52
<b>Total</b>	-	-	-	-	-	-	<b>5.52</b>	<b>5.52</b>	-	-	<b>16.85</b>	<b>16.85</b>
<b>Loans given</b>												
Mr. Christopher Parvesh	-	-	-	-	-	-	-	2.80	-	-	-	2.80
<b>Loans repayments received</b>												
Mr. Pamod Sagar	-	-	11.31	-	11.31	3.69	-	-	-	-	11.31	3.69
Mr. Christopher Parvesh	-	-	-	-	-	-	1.56	1.24	-	-	1.56	1.24
<b>Total repayments received</b>	-	-	<b>11.31</b>	<b>3.69</b>	<b>11.31</b>	<b>3.69</b>	<b>1.56</b>	<b>1.24</b>	-	-	<b>12.87</b>	<b>4.93</b>
<b>Purchase of fixed assets</b>												
RHI Clasil Limited	-	-	-	34.38	-	-	-	-	-	-	-	34.38
<b>C. Balance outstanding as at the year-end</b>												
<b>Loans outstanding</b>												
Mr. Pamod Sagar	-	-	-	-	-	11.31	-	-	-	-	-	11.31
Mr. Christopher Parvesh	-	-	-	-	-	-	-	1.56	-	-	-	1.56
<b>Total loans outstanding</b>	-	-	-	-	-	<b>11.31</b>	-	<b>1.56</b>	-	-	-	<b>12.87</b>
<b>Bill discounting</b>												
Rovo Marketing Private Limited	-	-	-	-	-	-	-	-	-	-	524.20	488.92
<b>Loans and advances:</b>												
RHI AG	10.92	-	-	-	-	-	-	-	-	-	10.92	-
<b>Trade payables:</b>												
Hindustan General Industries Limited	-	-	-	-	-	-	-	-	-	-	1.68	-
RHI AG	-	4.71	-	-	-	-	-	-	-	-	-	4.71
RHI India Private Limited	-	-	1.05	1.01	-	-	-	-	-	-	1.05	1.01
Orient Abrasives Limited	-	-	-	-	-	-	-	-	-	-	334.10	446.31
<b>Total trade payables</b>	-	<b>4.71</b>	<b>1.05</b>	<b>1.01</b>	-	-	-	-	-	-	<b>335.78</b>	<b>446.31</b>
<b>Trade receivables</b>												
RHI Clasil Limited	-	-	268.27	282.05	-	-	-	-	-	-	268.27	282.05
RHI AG	336.72	7.10	-	-	-	-	-	-	-	-	336.72	7.10
RHI India Private Limited	-	-	1,006.81	180.37	-	-	-	-	-	-	1,006.81	180.37
RHI Refractories Asia Ltd	-	-	20.21	-	-	-	-	-	-	-	20.21	-
<b>Total trade receivables</b>	<b>336.72</b>	<b>7.10</b>	<b>1,295.29</b>	<b>462.42</b>	-	-	-	-	-	-	<b>1,632.01</b>	<b>469.52</b>

(Amount in ₹ Lacs)

## 28.5 DETAILS OF LEASING ARRANGEMENTS

The Company has entered into operating lease arrangements for certain facilities and office premises. These are cancellable by giving notice and are renewable by mutual consent on mutually agreed terms. There is no lock in period.

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Lease payments recognised in the statement of profit and loss (refer note 26)	20.60	28.80

## 28.6 EARNINGS PER SHARE

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
Net profit for the year	5,283.94	5,284.64
Nominal value per share (₹)	1	1
Weighted average number of equity shares – for basic EPS	1,201.39	1,201.39
Weighted average number of equity shares – for diluted EPS	1,201.39	1,201.39
Earnings per share basic and diluted (₹)	4.40	4.40

## 28.7 DEFERRED TAX (ASSETS) / LIABILITY

Particulars	As at 31 March, 2014	Charged/(Credited) to statement of Profit and Loss	Other Adjustment*	As at 31 March, 2015
<b>Tax effect of items constituting deferred tax liabilities</b>				
On difference between book balance and tax balance of fixed assets	252.03	(17.69)	(23.38)	210.96
Others	4.81	0.75	-	5.56
<b>Tax effect of items constituting deferred tax liabilities</b>	<b>256.84</b>	<b>(16.94)</b>	<b>(23.38)</b>	<b>216.52</b>
<b>Tax effect of items constituting deferred tax assets</b>				
Provision for doubtful trade receivable/ advances	(136.10)	(47.76)	-	(183.86)
Provision for gratuity	(2.77)	(2.45)	-	(5.22)
Provision for compensated absences	(71.17)	(16.50)	-	(87.67)
Voluntary retirement scheme	(25.68)	6.42	-	(19.26)
<b>Tax effect of items constituting deferred tax assets</b>	<b>(235.72)</b>	<b>(60.29)</b>		<b>(296.01)</b>
<b>Net deferred tax (asset)/ liability</b>	<b>21.12</b>	<b>(77.23)</b>	<b>(23.38)</b>	<b>(79.49)</b>

\* Transition adjustment related to depreciation recorded against opening balance of surplus of statement of profit and loss (also refer note 29)

29. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing after 1 April, 2014, the Company has reassessed the useful life of its fixed assets and has computed depreciation with reference to the useful life of assets recommended in Schedule II to the Act. The depreciation for the year is higher by ₹ 171.94 Lacs consequent to the change in the useful life of assets. Further, depreciation related to the assets having written down value of ₹ 68.79 Lacs as on 1 April, 2014, whose life had expired, has been adjusted from the opening balance of surplus of statement of profit and loss amounting to ₹ 45.41 Lacs (net of deferred tax credit of ₹ 23.38 Lacs).
30. During the year, the Corporate Social Responsibility (CSR) committee has been formed by the Company to monitor CSR related activities. The Company has contributed and expensed ₹ 39.17 Lacs out of the total contributable amount of ₹ 124.00 Lacs for the year ended 31 March, 2015 in accordance with Section 135 read with schedule VII of the Companies Act, 2013 to



various trusts and social organization. The contributions have been made towards promoting education, sanitation, medical and society welfare activities. The management has not spent the remaining amount of ₹ 84.83 Lacs.

**31 Previous year figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and For and on behalf of the Board of Directors  
**ORIENT REFRACTORIES LIMITED**

**Dr. Vijay Sharma**  
Chairman

**Parmod Sagar**  
Managing Director

**Sanjeev Bhardwaj**  
Chief Financial Officer

**Manoj Gupta**  
Sr. General Manager

**Sanjay Kumar**  
Company Secretary

Place : New Delhi  
Date : 27 May, 2015





# ORIENT REFRACTORIES LIMITED

**Registered Office :**

804-A, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110019  
CIN : L28113DL2010PLC210819  
Tel. : 01493-222266, 67, 68. / Fax : 01493-222269, 220048  
E-mail : info@orlindia.com / Web-site : www.orientrefractories.com

## ATTENDANCE SLIP

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

Joint shareholders may obtain additional slip at the venue of the meeting

Name	
Address	
DP Id*	
Client Id*	
Folio No.	

No. of shares held

I hereby record my presence at the 5<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 24 September, 2015 at 11.30 a.m. at "Modi Hall", PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016

\*Applicable for investors holding shares in electronic form

**Signature of Shareholder / Proxy**





# ORIENT REFRACTORIES LIMITED

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E-mail : info@orlindia.com / Web-site : www.orientrefractories.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.]

### PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name of the members(s)	
Registered Address	
Email ID	
DP Id*	
Client Id*	
Folio No.	

\*Applicable for members holding shares in electronic form.

I/We being the member(s) of \_\_\_\_\_ shares of Orient Refractories Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 5<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 24 September, 2015 at 11.30 a.m. at "Modi Hall", PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above proxy to vote in the manner as indicated in the box below:

Sl. no.	Resolutions	Number of shares held	For	Against
1.	Consider and adopt audited financial statement, reports of the board of directors and auditors			
2.	Declaration of dividend on equity shares			
3.	Re-appointment of Mr. Parmod Sagar, director, retiring by rotation			
4.	Appointment of auditors and fixing their remuneration			
5.	Appointment of Dr. Vijay Sharma as an independent director			
6.	Appointment of Mr. Rama Shanker Bajoria as an independent director			
7.	Appointment of Mr. Erwin Jankovits as a director retire by rotation			
8.	Approval of the remuneration of the cost auditors			
9.	Ratify agreement for supply of raw materials with Orient Abrasives Limited			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Signature of member

Affix Revenue Stamp of not less than ₹ 0.15

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

### 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) A proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\* (4) This is only optional. Please put a (✓) in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



*If undelivered, please return to:*

**ORIENT REFRACTORIES LIMITED**

804-A, Chiranjiv Tower,  
43, Nehru Place,  
New Delhi - 110 019