



ORIENT REFRACTORIES LIMITED

Registered Office :

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NOTICE OF THE POSTAL BALLOT

PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

To

The Members of

Orient Refractories Limited

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013 (the "**Act**") read with the Companies (Management and Administration) Rules, 2014 (the "**Rules**"), the Company is seeking the consent of its members for the special business to be transacted, by passing Special Resolution(s) through Postal Ballot.

The Explanatory Statement pertaining to the said special business setting out material facts and reasons thereby is annexed to this Notice. The draft of proposed Special Resolution(s) and the Explanatory Statement is being sent to you along with a Postal Ballot Form for your consideration.

The Company has appointed Mr. Naresh Verma, Company Secretary in Practice (Membership No. FCS-5403), having his office at 416/7 & 8, First Floor, Karkarduma Village, Near Barat Ghar, Delhi 110092, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form and return the same duly completed, in the enclosed Self - Addressed Business Reply Envelope so as to reach the Scrutinizer not later than the close of working hours i.e. 18:00 hours on September 20, 2014. Upon completion of the scrutiny of the Postal Ballot Forms, the Scrutinizer will submit his report to the Chairman of the Company or any person authorised by him. The detailed procedure is enumerated in the Instructions to the Postal Ballot Form.

I. LIMITS OF BORROWINGS U/S 180(1)(C) OF THE COMPANIES ACT, 2013

To consider and if thought fit, to pass through Postal Ballot, with or without modification(s), the following resolution as

"Special Resolution":

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and in supersession of all earlier Resolutions passed in this regard under the Companies Act (earlier in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company and / or any Committee thereof to borrow at its discretion, either from the Company's Bank or any other Indian or Foreign Bank(s), Financial Institution(s) and / or any other Lending Institutions or persons from time to time such sum(s) of money(s) and the sum(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers / FIs in the ordinary course of business) with or without security on such terms and conditions as they may think fit shall exceed the aggregate of the paid-up capital and free reserves of the Company that is to say, reserves not set apart for any specific purpose provided that the total amount together with the money(s) already borrowed by the Board of Directors but shall not exceed the sum of ₹ 150 Crores (Rupees One Hundred Fifty Crores only) at any one time."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee or person(s) authorized by the Board be and is/are hereby authorised to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements and to do all acts, deeds, matters and things, as may be required."

II. PROVIDING SECURITY U/S 180(1)(A) OF THE COMPANIES ACT, 2013 IN CONNECTION WITH THE BORROWINGS OF THE COMPANY

To consider and if thought fit, to pass through Postal Ballot, with or without modification(s), the following resolution as

"Special Resolution":

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (including any

statutory modification or re-enactment thereof for the time being in force) and subject to other approvals, if applicable or required under any statute(s) / rule(s)/ regulation(s) or any law for the time being in force or required from any other concerned authorities and in supersession of all earlier Resolutions passed in this regard under the Companies Act (earlier in force), the Board of Directors of the Company and / or any Committee thereof be and are hereby authorised and shall be deemed to have always been so authorised to create such mortgages/ charges/ hypothecation and / or other encumbrances, in addition to the existing mortgages, charges, hypothecation and other encumbrances, if any created by the Company on all or any part of the immovable and / or movable properties, current and / or fixed assets, tangible or intangible assets, book debts and / or claims of the Company where so ever situated, both present and future, such charge to rank either pari-passu with or second, subsequent, subservient and subordinate to all mortgages, charges, hypothecation and other encumbrances created / to be created by the Company as the Board may deem fit, together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of Indian or Foreign Financial Institutions, Banks and other Lending Institution, and / or to such other persons, if any, from whom the Company has / or proposed / proposes to borrow money / sums of moneys by way of term loans, cash credits, overdrafts, discounting of bills, inter corporate deposits, commercial papers or such other financial instruments permitted to be used by the appropriate authorities from time to time together with interest, cost, charges and other incidental expenses in terms of agreement(s) entered / to be entered into by the Board of Directors/ any Committee thereof of the Company within the overall borrowing limits fixed pursuant to Section 180(1)(c) of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or any Committee of the Board or person(s) authorized by the Board be and is/are hereby authorised to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements and to do all acts, deeds, matters and things, as may be required.”

III. **VARIATION IN THE TERMS OF REMUNERATION OF MR. PARMOD SAGAR,MANAGING DIRECTOR**

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

“**RESOLVED THAT** in continuation of earlier resolution passed by the members of the Company in the last Annual General Meeting held on September 26,2013 and in accordance with the provisions of Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded for alteration in the terms and conditions of remuneration being paid to Mr. Parmod Sagar, Managing Director of the Company w.e.f. April 1,2014, as enumerated herein below:

Provision of Car

In addition to the remuneration, the Company shall provide a car with chauffeur to Mr. Parmod Sagar, Managing Director of the Company for his official and personal use and the use of car for official purpose will not be considered as a perquisite. The personal use of car will however be billed by the Company.”

FURTHER RESOLVED THAT apart from above all existing terms and condition of appointment of Mr. Parmod Sagar, Managing Director of the Company remains unchanged.

FURTHER RESOLVED THAT for the purpose of giving effect to the foregoing resolution, the Board of Directors of the Company and/or any committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable in the said regards.”

IV. **VARIATION IN THE TERMS OF REMUNERATION OF MR. S C SARIN,EXECUTIVE DIRECTOR-TECHNICAL ADVISOR**

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

“**RESOLVED THAT** in continuation of earlier resolution passed by the members of the Company in the last Annual

General Meeting held on September 26,2013 and in accordance with the provisions of Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded for alteration in the terms and conditions of remuneration being paid to Mr. S C Sarin, Executive Director-Technical Advisor of the Company w.e.f. April 1,2014, as enumerated herein below:

Provision of Car

In addition to the remuneration, the Company shall provide a car with chauffeur to Mr. S C Sarin, Executive Director-Technical Advisor of the Company for his official and personal use and the use of car for official purpose will not be considered as a perquisite. The personal use of car will however be billed by the Company."

FURTHER RESOLVED THAT apart from above all existing terms and condition of appointment of Mr. S C Sarin, Executive Director-Technical Advisor, of the Company remains unchanged.

FURTHER RESOLVED THAT for the purpose of giving effect to the foregoing resolution, the Board of Directors of the Company and/or any committee be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable in the said regards."

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

Place : New Delhi
Date : July 30, 2014

Sanjay Kumar
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. I & II

Limits of Borrowings u/s 180(1)(c) of the Companies Act, 2013 and Providing Security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company

The members may kindly be informed that in the 1st Annual General Meeting of your Company held on November 11,2011, the members had authorized the Board of Directors to borrow monies up to ₹ 150 Crores under Section 293(1)(d) of the Companies Act, 1956 and had also approved to secure the same by suitable mortgage/ charge on all or any of the moveable and/ or immovable properties, regarded as disposal of the Company's undertakings under Section 293 (1)(a) of the Companies Act, 1956 upto a maximum limit of ₹ 150 Crores. However, as per the corresponding provisions of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 which were notified on September 12, 2013 and based on the clarification thereof issued by GOI, MCA vide General Circular no. 04/2014 dated March 25, 2014, the Resolution(s) passed u/s 293 of the Companies Act, 1956 prior to September 12,2013 with reference to borrowings (subject to the limits prescribed) and/ or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of Section 180 of the new Act, for a period of 1 year from the date of notification of Section 180.

Further, the provisions of the Companies Act, 1956 required consent of the members as an ordinary resolution for both borrowing and creation of security; however, the provisions of the Companies Act, 2013 stipulate consent of members by way of a Special Resolution.

Hence, in order to remain compliant with the relevant provisions on borrowings and creation of security under the Companies Act, 2013 consent of the members is hereby requested by way of proposed Special Resolution(s).

The borrowings of the Company may, if necessary, be secured by way of charge/ mortgage/ pledge/ hypothecation on the Company's assets comprising of the movable and/or immovable, tangible/intangible properties of the Company, present or future, in favour of the lender(s)/agent(s)/trustee(s) from time to time, in such form, manner and ranking as mentioned in the Resolution at Item No. II. The documents relating to charge and/or mortgage and/or pledge and/ or hypothecation in favour

of the lender(s)/agent (s)/trustees may contain the provisions to take over substantial assets of the Company in certain events with a power to take over the management of the business and concern of the Company, which may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Companies Act, 2013.

The Board of Directors of your Company has approved this item in the Board Meeting held on July 30, 2014 and recommends the Resolutions as set out in the accompanying Notice for the approval of members of the Company as Special Resolutions.

The Board of Directors accordingly recommends these resolutions for approval of the members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company.

Item Nos. III & IV

VARIATION IN THE TERMS OF REMUNERATION OF MR. PARMOD SAGAR, MANAGING DIRECTOR AND MR. S C SARIN, EXECUTIVE DIRECTOR- TECHNICAL ADVISOR

The appointment and payment of remuneration to Mr. Parmod Sagar, Managing Director and Mr. S C Sarin, Executive Director- Technical Advisor were approved by the members of the Company in their last annual general meeting held on September 26, 2013. The Board in their meeting held on May 28, 2014 decided to provide the facility of car with a chauffeur to both Mr. Parmod Sagar and Mr S C Sarin for their official use *w.e.f.* April 1, 2014 subject to the approval of members of the Company. Any private use of such car shall be billed by the Company. Accordingly the present resolutions at Item Nos. III and IV are being placed before the members for seeking their consent to make alteration to the present terms and conditions of appointment and payment of remuneration to these gentlemen to the extent stated hereinabove. All other terms and conditions relating to appointment and payment of remuneration to these gentlemen shall remain unchanged.

None of the Directors (except Mr. Parmod Sagar and Mr. S C Sarin in their respective resolution) or Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company, as set out at Item Nos. III & IV.

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

Place : New Delhi
Date : July 30, 2014

Sanjay Kumar
Company Secretary