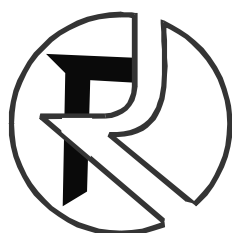


3rd
Annual Report
2012-13



ORIENT REFRACTORIES LIMITED



BOARD OF DIRECTORS

(As on July 24,2013)

Mr K K Thirani, Chairman

Mr A K Jain

Mr R S Bajoria

Ms Barbara Potisk Eibensteiner

Mr Michael John Williams

Mr Reinhold Steiner

Mr S G Rajgarhia, Vice Chairman

Mr S C Sarin

Mr Parmod Sagar

CHIEF FINANCIAL OFFICER

Mr Sanjeev Bharadwaj

COMPANY SECRETARY

Mr Sanjay Kumar

AUDITORS

STATUTORY AUDITORS

M/s. S.R. Batliboi & Co. LLP

COST AUDITORS

M/s. K. G. Goyal & Associates

INTERNAL AUDITORS

M/s. Chaturvedi & Partners

BANKERS

HDFC Bank Ltd.

State Bank of India

REGISTRAR & TRANSFER AGENT

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

WORKS

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

REGISTERED OFFICE

1307, Chiranjiv Tower
43, Nehru Place
New Delhi-110 019
email:info@orlindia.com
web site:www.orientrefractories.com

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NOTICE

Notice is hereby given that the Third Annual General Meeting of the members of Orient Refractories Limited will be held at Hindi Bhawan, 11, Vishnu Digambar Marg (Near Bal Bhawan), New Delhi – 110 002 on Thursday, September 26, 2013 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited annual accounts of the Company for the year ended March 31, 2013 and the report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr S G Rajgarhia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr K K Thirani who retires by rotation and being eligible offers himself for re-appointment.
4. To declare final dividend on equity shares.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration. (The retiring Statutory Auditors - M/s. S R Batliboi & Co. LLP are not offering themselves for re-appointment. It is proposed to appoint M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors in place thereof.)

SPECIAL BUSINESS

TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS ORDINARY RESOLUTION:

6. TO APPOINT MS BARBARA POTISK EIBENSTEINER AS DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956 and other applicable provisions, if any, Ms Barbara Potisk Eibensteiner, who was appointed as an Additional Director by the Board of Directors w.e.f. March 04, 2013, to hold the office till the date of this Annual General Meeting and for whose appointment as a Director, a notice alongwith requisite deposit has been received by the Company, be and is hereby appointed as a Director liable to retire by rotation.”

TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS ORDINARY RESOLUTION:

7. TO APPOINT MR MICHAEL JOHN WILLIAMS AS DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956 and other applicable provisions, if any, Mr Michael John Williams, who was appointed as an Additional Director by the Board of Directors w.e.f. March 04, 2013, to hold the office till the date of this Annual General Meeting and for whose appointment as a Director, a notice alongwith requisite deposit has been received by the Company, be and is hereby appointed as a Director liable to retire by rotation.”

TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS ORDINARY RESOLUTION:

8. TO APPOINT MR PARMOD SAGAR AS DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956 and other applicable provisions, if any, Mr Parmod Sagar, who was appointed as an Additional Director by the Board of Directors w.e.f. March 04, 2013, to hold the office till the date of this Annual General Meeting and for whose appointment as a Director, a notice alongwith requisite deposit has been received by the Company, be and is hereby appointed as a Director liable to retire by rotation.”

TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS ORDINARY RESOLUTION:

9. TO APPOINT MR REINHOLD STEINER DIRECTOR OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 257 of the Companies Act, 1956 and other applicable provisions, if any, Mr Reinhold Steiner, who was appointed as an Additional Director by the Board of Directors w.e.f. July 24, 2013, to hold the office till the date of this Annual General Meeting and for whose appointment as a Director, a notice alongwith requisite deposit has been received by the Company, be and is hereby appointed as a Director liable to retire by rotation.”



TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS SPECIAL RESOLUTION:

10. TO APPOINT MR PARMOD SAGAR AS MANAGING DIRECTOR OF THE COMPANY

“**RESOLVED THAT** subject to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions of the Companies Act, 1956 consent of members of the Company be and is hereby given for the appointment of Mr Parmod Sagar as Managing Director of the Company for a term of 5 years w.e.f. March 04, 2013 upon the terms and conditions as stated below:

1. **Basic Salary:** In the limits of ₹ 550,000/- to ₹ 1,000,000/- per month. In the first year it shall be ₹ 550,000 per month. Thereafter the Board shall fix annual increments every year within the above ceiling. First increment shall be due from April 1, 2014. Other allowances, bonus and perquisites linked with basic salary shall also proportionately increase.
2. **Bonus:** 20% of basic salary
3. **Perquisites:**
 - (a) **Housing:** Rent free furnished accommodation or house rent allowance in lieu thereof, either of which shall be subject to a maximum value of 50% of the basic salary.
 - (b) **Medical Reimbursement:** Reimbursement of medical expenses incurred by self and dependent family members subject to a ceiling of ₹ 100,000/- per annum. He is also entitled to a medical insurance cover for ₹ 2.00 Lacs at present which may be increased in due course, under a group mediclaim policy taken by the Company and the proportionate premium on the same may also be taken as perquisite.
 - (c) **Leave Travel Allowance:** Reimbursement of travelling expenses incurred by self and dependent family members once a year subject to a ceiling of ₹ 100,000/-.
 - (d) **Encashment of Earned Leave** as applicable to other employees of the Company and any other perquisites as payable to other employees of the Company.
 - (e) **Reimbursement of Mobile Expenses:** to the extent used for official purposes, as far as can be ascertained, shall not be considered in the computation of limits of remuneration being approved herein.
4. **Company's contribution to Provident Fund, Super-Annuation Fund, Annuity Fund** to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity payable at a rate not exceeding half month salary for each completed year of service and encashment of leave at end of the tenure shall not be included in the above limits of remuneration provided it is within the limits of Part II of Schedule XIII and also shall not be included in the limits of minimum remuneration, if any, becoming payable in the event of loss or inadequacy of profits.
5. **Potential Bonus:** over and above the remuneration mentioned aforesaid up to a maximum of 30% of the gross annual salary as the Board of Directors may fix every year, provided that the total remuneration including basic salary, bonus, perquisites and potential bonus shall be within the overall limits laid down in Section 198 and 309 of the Companies Act, 1956.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any financial year during the tenure of Mr Parmod Sagar as Managing Director, the remuneration and perquisites as given above or such remuneration as would be permissible under paragraph 1 (B) of Part II in Section II of Schedule XIII, having regard to the effective paid up capital of the Company, shall be paid to him as minimum remuneration for that year from the date of appointment.”

TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS SPECIAL RESOLUTION:

11. TO APPOINT MR S G RAJGARHIA AS EXECUTIVE DIRECTOR-VICE CHAIRMAN OF THE COMPANY

“**RESOLVED THAT** subject to the provisions of Section 198, 269, 309, 314 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the Companies Act, 1956 consent of members of the Company be and is hereby given for the appointment of Mr S G Rajgarhia as a Whole-time Director of the Company, designated as Executive Director-Vice Chairman, for a period of 3 years w.e.f. March 04, 2013 upon the following terms and conditions:



1. **Basic Salary:** In the limits of ₹ 125,000/- to ₹ 200,000/- per month. In the first year it shall be ₹ 125,000 per month. Thereafter the Board shall fix annual increments every year within the above ceiling. First increment shall be due from April 1, 2013. Other allowances, bonus and perquisites linked with basic salary shall also proportionately increase.
2. **Bonus:** 20% of basic salary
3. **Perquisites:**
 - (a) **Housing:** Rent free furnished accommodation or house rent allowance in lieu thereof, either of which shall be subject to a maximum value of 50% of the basic salary.
 - (b) **Medical Reimbursement:** Reimbursement of medical expenses incurred by self and dependant family members subject to a ceiling of one month's basic salary in a year or three month's basic salary over a period of three years. He is also entitled to a medical insurance cover for ₹ 2.00 Lacs at present which may be increased in due course, under a group mediclaim policy taken by the Company and the proportionate premium on the same may also be taken as perquisite;
 - (c) **Leave Travel Allowance:** Reimbursement of travelling expenses incurred by self and dependent family members once a year subject to a ceiling of one months' basic salary.
 - (d) **Encashment of Earned Leave** as applicable to other employees of the Company and any other perquisites as payable to other employees of the Company as decided from time to time,
 - (e) **Provision of chauffeur driven car (s)** for official and personal purposes; Provision of telephone and internet at home and mobile phone. These facilities, to the extent used for official purposes, as far as can be ascertained, shall not be considered in the computation of limits of remuneration being approved herein.

The total of perquisites listed from 3 (a) to 3 (e) shall not exceed 100 percent of the basic salary mentioned at 1 above.
4. **Company's contribution to Provident Fund, Super-Annuation Fund, Annuity Fund** to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity payable at a rate not exceeding half month salary for each completed year of service and encashment of leave at end of the tenure shall not be included in the above limits of remuneration provided it is within the limits of Part II of Schedule XIII and also shall not be included in the limits of minimum remuneration, if any, becoming payable in the event of loss or inadequacy of profits.
5. **Commission:** over and above the remuneration mentioned aforesaid at the rate of 2 % of the net profits or such other percent as the Board of Directors may fix every year, provided that the total remuneration including basic salary, bonus, perquisites and commission shall be within the overall limits laid down in Section 198 and 309 of the Companies Act, 1956.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any financial year during the tenure of Mr S G Rajgarhia as Executive Director-Vice Chairman, the remuneration and perquisites as given above or such remuneration as would be permissible under paragraph 1 (B) of Part II in Section II of Schedule XIII, having regard to the effective paid up capital of the Company, shall be paid to him as minimum remuneration for that year from the date of appointment."

TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS SPECIAL RESOLUTION:

12. VARIATION IN THE TERMS OF CONTRACT OF MR S C SARIN AS EXECUTIVE DIRECTOR-TECHNICAL ADVISOR OF THE COMPANY

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions of the Companies Act, 1956 consent of members of the Company be and is hereby given for change in designation and other terms and conditions of appointment of Mr S C Sarin, Executive Director-Technical Advisor of the Company w.e.f. March 04, 2013 till the remaining period of his tenure i.e. October 17, 2016. The revised terms and conditions of his appointment shall be as stated below:

1. **Basic Salary:** In the limits of ₹ 550,000/- to ₹ 1,000,000/- per month. In the first year it shall be ₹ 550,000 per month. Thereafter the Board shall fix annual increments every year within the above ceiling. First increment shall be due from April 1, 2014. Other allowances, bonus and perquisites linked with basic salary shall also proportionately increase.



2. **Bonus:** 20% of basic salary
3. **Perquisites:**
 - (a) **Housing:** Rent free furnished accommodation or house rent allowance in lieu thereof, either of which shall be subject to a maximum value of 50% of the basic salary.
 - (b) **Medical Reimbursement:** Reimbursement of medical expenses incurred by self and dependent family members subject to a ceiling of ₹ 100,000/- per annum. He is also entitled to a medical insurance cover for ₹ 2.00 Lacs at present which may be increased in due course, under a group mediclaim policy taken by the Company and the proportionate premium on the same may also be taken as perquisite.
 - (c) **Leave Travel Allowance:** Reimbursement of travelling expenses incurred by self and dependent family members once a year subject to a ceiling of ₹ 100,000/-.
 - (d) **Encashment of Earned Leave** as applicable to other employees of the Company and any other perquisites as payable to other employees of the Company as decide from time to time.
 - (e) **Reimbursement of Mobile Expenses:** to the extent used for official purposes, as far as can be ascertained, shall not be considered in the computation of limits of remuneration being approved herein.
4. **Company's contribution to Provident Fund, Super-Annuation Fund, Annuity Fund** to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity payable at a rate not exceeding half month salary for each completed year of service and encashment of leave at end of the tenure shall not be included in the above limits of remuneration provided it is within the limits of Part II of Schedule XIII and also shall not be included in the limits of minimum remuneration, if any, becoming payable in the event of loss or inadequacy of profits.
5. **Potential Bonus:** over and above the remuneration mentioned aforesaid up to a maximum of 30% of the gross annual salary as the Board of Directors may fix every year, provided that the total remuneration including basic salary, bonus, perquisites and potential bonus shall be within the overall limits laid down in Section 198 and 309 of the Companies Act, 1956.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profit in any financial year during the tenure of Mr S C Sarin as Executive Director-Technical Advisor, the remuneration and perquisites as given above or such remuneration as would be permissible under paragraph 1 (B) of Part II in Section II of Schedule XIII, having regard to the effective paid up capital of the Company, shall be paid to him as minimum remuneration for that year from the date of appointment."

for **Orient Refractories Limited**

Sanjay Kumar

Company Secretary

New Delhi
July 24, 2013

NOTES

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ("Act") in respect of the business under Item Nos. 6, 7, 8, 9, 10, 11 and 12 above, are annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item Nos. 2, 3, 6, 7, 8 and 9 of the Notice, are also annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/ AUTHORITY, AS APPLICABLE.**
3. **THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOK OF THE COMPANY WILL BE CLOSED FROM THURSDAY, SEPTEMBER 12, 2013 TO THURSDAY, SEPTEMBER 19, 2013 (BOTH DAYS INCLUSIVE).**
4. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their depository participant. Changes intimated to the depository participant will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agent.
5. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or the Company's Registrar and Transfer Agent for assistance in this regard.



6. Members holding physical shares in identical order of names in more than one folio are requested to send to the Company or the Company's Registrar and Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
7. Members desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
8. As you may be aware that the Ministry of Corporate Affairs of Government of India (MCA) has introduced "Green Initiatives in Corporate Governance" by allowing paperless compliances by the Companies i.e service of any document can be made through electronic mode. Keeping in view the underlying spirit and pursuant to the said initiative of MCA, your Company proposes to send all future communications and / or documents viz Notices, Annual Reports and other Shareholders information in electronic form through e-mail. Hence, the members are requested to register their e-mail address with the Company's Registrar & Share Transfer agent quoting your folio numbers in case you held shares in physical form or to your Depository Participants (DP) in case you held shares in Electronic Form i.e. in Demat Account, quoting your DP ID/Client ID. Please note that the said documents will be uploaded on the website of the Company www.orientrefractories.com for your ready reference.

Further please note that as a member of the Company, you are always entitled to request and receive free of cost a copy of the annual report of the Company and other documents in accordance with the provisions of the Companies Act, 1956.

We are sure that you will whole-heartedly support this initiative of Greener Environment and co-operate with the Company to make it success.

9. Members can avail nomination facility in respect of their shareholdings by applying in Form 2 B of Companies (Central Government's) General Rules & Forms, 1956. The said forms can be obtained from the Company's Registrar and Transfer Agent.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6, 7, 8 AND 9

Ms Barbara Potisk Eibensteiner, Mr Michael John Williams and Mr Parmod Sagar were appointed by the Board of Directors as Additional Directors of the Company on March 04, 2013 and Mr Reinhold Steiner was appointed as an Additional Director of the Company on July 24, 2013. Mr Parmod Sagar was also appointed as the Managing Director of the Company. In terms of provisions of Section 260 of the Companies Act, 1956 they hold office till the date of this Annual General Meeting. Mr Parmod Sagar unless reappointed will also cease to be the Managing Director of the Company. The Company has received separate notices alongwith requisite deposits under Section 257 of the Act proposing the candidature of aforementioned persons for appointment as Directors at the ensuing Annual General Meeting and they have also confirmed their eligibility and willingness for the same.

The Board of Directors recommends their appointment as Director.

In terms of provisions of Companies Act, 1956, consent of members of the Company by way of Ordinary Resolution is required for their appointment.

None of the Directors, except Ms Barbara Potisk Eibensteiner, Mr Michael John Williams, Mr Parmod Sagar and Mr Reinhold Steiner are interested or concerned in the respective proposed resolutions.

ITEM NO. 10

The Board of Directors of the Company in their meeting held on March 04, 2013 appointed Mr Parmod Sagar as Managing Director of the Company for a period of five (5) years with effect from March 04, 2013 on terms and conditioned as approved and recommended by the remuneration committee of the Company.

Mr Parmod Sagar, aged 47 years, is a Mechanical Engineer, he did his Diploma in Mechanical Engineering from Amritsar Polytechnic in 1984 and further pursued his off-campus programme in B-Tech (Mechanical) from Vivekananda College, Secundrabad in 2004. He has having experience of 29 years. He started his carrier in continue casting department of a Steel plant and continue in steel industry till 1992. Joined Orient Refractories Limited (de-merged from Orient Abrasives Ltd.) on 15th April 1992 as Marketing Manager. Before taking up his present assignment, he was heading Marketing and Operations of Orient Refractories Ltd. as Senior Vice-President.



Mr Parmod Sagar has been highly instrumental in the progress made by the Company over the years. He has vastly contributed in successful implementation of various projects and in their growth. His technical expertise, industry experience and marketing knowledge have immensely helped the Company in production, maintenance and market development.

The attributes possessed by him like good business acumen, far-sightedness and leadership have largely propelled the activities of the Company and inspired the workforce. Mr Parmod Sagar is the key-person in helping to coordinate the activities of various branches and the plants and in making the Company work as an integrated unit.

As Managing Director, he has the responsibility of virtually looking after the entire activity of the Company. His performance in the Company in various capacities and as a Senior Vice President has been commendable. The Board of Directors deemed it to be in the interest of the Company to avail the services of Mr Parmod Sagar as Managing Director for five (5) years.

In terms of provisions of Companies Act, 1956 read with Schedule XIII, consent of members of the Company by way of Special Resolution is required for his appointment.

An abstract of the terms of the contract between the Company and Mr Parmod Sagar and of the memorandum of interest under Section 302 of the Companies Act, 1956 dated March 18, 2013 already circulated to the members of the Company.

The said contract is open for inspection on all working days during business hours at the registered office of the Company.

None of the Director except Mr. Parmod Sagar himself is interested or concerned in the proposed resolution.

ITEM NO. 11

Mr S G Rajgarhia who resigned from the position of Managing Director of the Company on March 04, 2013 was appointed as an Executive Director of the Company by the Board of Directors in their meeting held on March 04, 2013 to hold office for a period of three (3) years with immediate effect. He was assigned the designation and role of Vice Chairman. The payment of remuneration to Mr S G Rajgarhia as recommended by the remuneration committee of the Company was also approved by the Board of Directors. He is also holding the position of Managing Director in Orient Abrasives Ltd.

In terms of provisions of Companies Act, 1956 read with Schedule XIII, consent of members of the Company by way of Special Resolution is required for his appointment as Executive Director of the Company.

An abstract of the terms of the contract between the Company and Mr S G Rajgarhia and of the memorandum of interest under Section 302 of the Companies Act, 1956 dated March 18, 2013 already circulated to the members of the Company.

The said contract is open for inspection on all working days during business hours at the registered office of the Company.

None of the Director except Mr S G Rajgarhia himself is interested or concerned in the resolution.

ITEM NO. 12

Mr S C Sarin was appointed as Executive Director of the Company for a period of five (5) years with effect from October 18, 2011. The appointment was approved by the shareholders in their Annual General Meeting held on November 11, 2011.

Since Mr S C Sarin devotes his full time to the Company on technical advisory and research matters, the Board of Directors in their meeting held on March 04, 2013 re-designated him as Executive Director-Technical Advisor of the Company and also approved revision in his remuneration and other terms and conditions as recommended by the remuneration committee of the Company. Mr S C Sarin will directly report to the Board of Directors of the Company.

In terms of provisions of Companies Act, 1956 read with Schedule XIII, consent of members of the Company by way of Special Resolution is required for change in designation and terms and conditions of appointment of Mr S C Sarin.

An abstract of the terms of the contract between the Company and Mr S C Sarin and of the memorandum of interest under Section 302 of the Companies Act, 1956 dated March 18, 2013 already circulated to the members of the Company.

The said contract is open for inspection on all working days during business hours at the registered office of the Company.

None of the Director except Mr S C Sarin is himself interested or concerned in the resolution.



DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Mr S G Rajgarhia	Mr K K Thirani	Ms. Barbara Postik Eibensteiner	Mr. Michael John Williams	Mr. Parmod Sagar	Mr. Reinhold Steiner
Date of Birth	August 21,1946	August 11,1947	September 09,1968	March 12,1957	September 04,1965	October 06,1964
Date of Appointment	November 26, 2010	October 18, 2011	March 04, 2013	March 04, 2013	March 04, 2013	July 24, 2013
Qualifications	- B Tech. (Hons.) - S.M. (MIT)	B.Com	- Graduation in Business Administration - EFFAS Diploma, Certified European Financial Analyst Certified International	- Higher National Certificate with Endorsement in Chemical Engineering - City & Guilds in Chemical Plant Operations - Royal Society for Prevention of Accidents Certification	- B-Tech (Mechanical)	- Graduation in Petroleum Engineering
Expertise in specific functional areas	Techno Commercial (Operation & Marketing) Abrasives & Refractory Industries	Accounts & Finance	Finance	Marketing	Techno Commercial (Operation & Marketing) Refractory Industry	Techno Commercial (Management, Operation & Marketing)
Directorships held in other public companies (excluding foreign companies and section 25 companies)	- Orient Abrasives Limited - Rajat Leasing Limited - APM Industries Limited - Autometers Alliance Limited - Suvidha Parklift Limited	- Autometers Limited - Goldwyn Limited - Venture Capital Leasing Limited - RMG Autometers Gas Technologies Limited - Autometers Alliance Limited	-	- RHI Clasil Limited	-	-
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Shareholders/ Investors Grievance Committee)	Shareholders/ Investors Grievance Committee Member - Orient Abrasives Limited	-	-	-	-	-
Number of shares held in the Company	5,994,947	-	-	-	19,698	-

**DIRECTORS' REPORT***Dear Members*

Your directors have pleasure in presenting the third annual report of your Company along with the audited financial statements for the financial year ended March 31, 2013.

FINANCIAL RESULTS

PARTICULARS	(₹ In Lacs)	
	2012-2013	2011-2012
Net Sales & Income	36,189.13	30,472.37
Profit before depreciation, interest and tax	6,654.88	5,224.68
Less: Depreciation	379.21	296.59
Interest	131.41	344.42
Profit before Income Tax	6,144.26	4,583.67
Less: Income Tax	2,005.24	1,502.74
Net Profit for the year	4,139.02	3,080.93
Add: Balance brought forward from the previous year	666.04	-9.32
Amount available for appropriation	4,805.06	3,071.61
Appropriation:		
General Reserve	1500.00	1,000.00
Final Dividend on Equity Shares	1,201.39	0.00
Interim Dividend on Equity Shares	0.00	1,201.39
Corporate dividend tax	204.18	204.18
Balance carried forward to balance sheet	1,899.49	666.04

OPERATIONS REVIEW

During the year under review your Company has achieved the net sales of ₹ 36,189.13 Lacs (previous year ₹ 30,472.37 Lacs) which is 18.76 % more than the previous year. Profit before tax for the financial year 2012-13 was ₹ 6,144.26 Lacs (16.98% of Net sales) as compared to ₹ 4,583.67 Lacs in 2011-12 (15.04% of Net Sales).

FUTURE OUTLOOK

During the financial year 2013-14, in spite of slowdown in industry growth, high inflation, fall of rupee, etc, your Company has done a net sales of ₹ 9,698.98 Lacs in first quarter ended on June 30, 2013, an increase of 5.43% over first quarter (Net Sales ₹ 9,172.55 Lacs) of corresponding previous year 2012-13. During first quarter of 2013-14 the profit before tax is ₹ 1,848.11 Lacs which is 27 % more than the profit before tax (₹ 1,353.36 Lacs) of quarter ending on June 30, 2012.

Your directors are hopeful that the turnover and profitability of the Company will increase in the current financial year.

DIVIDEND

Based on the Company's performance, your directors are pleased to recommend a final dividend of ₹ 1.00 per share (i.e. 100%) for the financial year 2012-13 on the capital of 120,139,200 equity shares of ₹ 1.00 each. The final dividend on the equity shares, if approved by the members would involve a cash outflow including dividend distribution tax of ₹ 1,405.57 Lacs (previous year final dividend ₹0.00 and interim dividend ₹1,405.57 Lacs).

CHANGE OF MANAGEMENT AND CONTROL

There has been a change in management and shareholding control in the Company. During the year, pursuant to share purchase agreement vide dated January 15, 2013 entered by M/s Dutch US Holding B.V. Netherlands with Mr S G Rajgarhia and other ex-promoters of the Company, and also post offer made to shareholders of the Company under Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations. M/s Dutch US Holding B.V. acquired 52,401,579 (43.62%) equity shares on March 04, 2013 from the ex-promoters and thus acquired control over the Company and immediately thereafter, change in management took place. M/s Dutch US Holding B.V. also acquired 31,236,192 (26.00%) equity shares under above said open offer. As on date total equity holding of M/s Dutch US Holding B.V. is 83,637,771 (69.62%).



M/s. Dutch US Holding B.V. is a private limited liability Company, having registered office at Velperweg 81, 6824 HH Arnhem, Netherlands. The said Company is an investment holding Company. M/s. Dutch US Holding B.V. is a wholly-owned subsidiary of M/s. Veitscher Vertriebsgesellschaft m.b.H., which is a wholly owned subsidiary of M/s. RHI AG having registered office at Wienerbergstrasse 9, 1100 Vienna, Austria and is part of the M/s. RHI group. M/s. Dutch US Holding B.V. is also promoted by M/s. RHI AG.

Ms Barbara Potisk-Eibensteiner, Dr Giorgio Cappelli (*resigned on July 24, 2013*) and Mr Michael John Williams were appointed as additional directors of the Company under the category of promoter director and also Mr Parmod Sagar, Senior Vice President of the Company was appointed as an additional director as well as Managing Director of the Company.

Mr S G Rajgarhia resigned from position of Managing Director and appointed as Vice Chairman of the Company. Mr S C Sarin was re-designated as Technical Advisor of the Company. Mr K K Thirani was elected as Chairman of the Company.

FIXED DEPOSIT

During the year your Company has not accepted any fixed deposits from the public.

AUDITORS

The existing auditors M/s. S.R. Batliboi & Co. LLP Chartered Accountants retires at the ensuing Annual General Meeting. They are not offering themselves for re-appointment. It is proposed to appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as statutory auditors of the Company in place of the retiring auditors. M/s. Deloitte Haskins & Sells, Chartered Accountants have confirmed that their appointment, if made, shall be within the limits laid down in Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

The Auditors Report read with notes to the financial statements is self-explanatory and does not call for any further explanation by the Board.

COST AUDITORS

M/s K G Goyal & Associates has been appointed as Cost Auditors u/s 233(1B) of Companies Act 1956 for the year 2012-13 for Refractory products of the Company. The Audit is under progress and the cost audit report will be filed within prescribed time limits.

DIRECTORS

Mr S G Rajgarhia and Mr K K Thirani having been longer in the office, retire by rotation at the ensuing annual general meeting and being eligible offer themselves for re-appointment. A brief resume of the appointees are given in the notice to the annual general meeting.

During the year Ms. Barbara Potisk-Eibensteiner, Mr. Michael John Williams, Mr. Parmod Sagar and Mr. Reinhold Steiner were appointed as additional directors of the Company and holds office up to ensuing annual general meeting. Notice under Section 257 of the Companies Act, 1956 has been received from members, proposing their candidature as directors.

Mr S G Rajgarhia resigned from office of Managing Director and appointed as Vice Chairman of the Company. Mr S C Sarin was re-designated as Technical Advisor of the Company. Remuneration of both the directors were also revised.

Mr. Parmod Sagar was appointed as Managing Director w.e.f. March 04, 2013 by the board of directors of the Company.

Your directors recommend their appointment/re-appointment at the ensuing Annual General Meeting in the overall interest of the Company.

During the year Mr R K Rajgarhia and Mr P P Khanna resigned from the Board on March 02, 2013 Dr. Giorgio Cappelli also resigned from the Board on July 24, 2013. The Directors places on record their sincere appreciation and gratitude for contributions made by them during their tenure on the Board.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("Act"), the directors hereby confirm that:

- (i) in the preparation of the annual accounts for the year 2012-13, 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 the financial year;



- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls 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.

CODE OF CONDUCT

Your Company has laid down a code of conduct for the directors and senior management personnel as specified. The code was adopted in the board meeting held on October 18, 2011. It is available on the website of the Company www.orientrefractories.com. A declaration by the Managing Director regarding annual affirmation of compliance of the code by all concerned is annexed to the report on corporate governance.

CREDIT RATING OF BANK BORROWINGS

The Company has A+ (Single A Plus) rating on its long term borrowings by Credit Analysis & Research Ltd. (CARE). This rating indicates adequate safety and carries low credit risk.

For short term borrowings A1+ (A One Plus) have been assigned by CARE. This rating indicates very high degree of safety and carries lowest credit risk.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, is given in **Annexure-A** and forms part of this report.

PARTICULARS OF EMPLOYEES

Particular of remuneration paid to the employees as required to be disclosed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are set out in **Annexure- B** attached hereto and form part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

Notes on Management Discussion and Analysis of the Company have been given in **Annexure-C** and forms part of this report.

CORPORATE GOVERNANCE

A separate section on Corporate Governance is attached to this report as **Annexure-D**. A certificate from the Practicing Company Secretary regarding compliance of the conditions of corporate governance as stipulated under clause 49 of the listing agreements with stock exchanges is enclosed as **Annexure-E**. A certificate from the Managing Director that all board members and senior management personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2013 is attached as **Annexure-F**. CEO/CFO certificate is enclosed as **Annexure-G**.

ACKNOWLEDGEMENTS

Your Directors sincerely appreciate the dedication and efforts of the employees at all levels of the organisation in contributing to the success of the Company. The Directors are also thankful to the investors of the Company for their confidence in the Company. They also gratefully acknowledge the continued support received from the customers, business associates, various government agencies, financial institutions and the banks.

For and on behalf of the Board

New Delhi
July 24, 2013

K K Thirani
Chairman



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-A

DISCLOSURE UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

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.

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.

Form A

Disclosure of Particulars with respect to Conservation of Energy

(₹ in Lacs)

A. Power and fuel consumption		2012-13	2011-12
1. Electricity			
(a) Purchased			
	Unit (in Lacs)	86.64	84.86
	Total amount (₹ in Lacs)	481.50	424.37
	Rate/unit (₹)	5.56	5.00
(b) Own generation			
	Through diesel generator set		
	Unit (in Lacs)	12.04	7.35
	Units per ltr. of diesel oil	3.61	3.39
	Cost/unit	11.02	10.54
2. LDO/FO/C9/HSD			
	Quantity (Kilo ltr.)	1,669.21	1,696.44
	Total cost (₹ in Lacs)	706.40	583.62
	Average/Kilo ltr. (₹)	42,320.00	34,403.00
3. PET COKE			
	Quantity (MT)	1,081.57	1,082.58
	Total Cost (₹ in Lacs)	108.27	117.00
	Average/MT. (₹)	10,010.00	10,808.00
4. LPG			
	Quantity (MT)	276.40	167.68
	Total cost (₹ in Lacs)	188.96	98.78
	Average/MT. (₹)	68,367.00	58,909.00
B. Consumption per unit of production			
	Electricity (Units)	528.00	528.00
	LDO/FO/C9/Ltr.	89.00	97.11
	PET COKE (MT)	58.00	61.97
	LPG(MT)	15.00	9.60

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings	5,803.33	4,621.60
Outgo	4,396.76	3,573.61



ANNEXURE-B

STATEMENT OF PARTICULARS UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013.

Sr. No.	Name of Employees	Age	Designation	Remuneration ₹ (Gross)	Qualification & Experience in yrs.	Date of Commencement of employment	Particulars of Last Employment held Name/ Designation/ Experience
A. Employed throughout the year and in receipt of remuneration in aggregate of not less than ₹ 6,000,000/-.							
1.	Mr S G Rajgarhia	66	Vice Chairman	15,370,854.00	B. Tech(Hons.) S.M.(MIT) 41 years	October 18, 2011	Orient Abrasives Ltd./ Managing Director/ 41 years
2.	Mr S C Sarin	67	Technical Advisor	6,224,736.00	B. Tech(Hons.) 45 years	October 18, 2011	Orient Abrasives Ltd./ President/ 23 years
B. Employed for part of the year and in receipt of remuneration of not less than ₹ 500,000/- per month.							
1.	Mr Pramod Sagar	47	Managing Director	918,829.00	B. Tech(Hons.) 29 years	March 04, 2013	Orient Abrasives Ltd./ Sr. Vice President/ 21 years
Mr S G Rajgarhia is Managing Director of Orient Abrasives Limited.							

ANNEXURE-C

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GENERAL REVIEW

Orient Refractories Limited (ORL) is among the elite Indian producers of refractories and monolithics for the steel industries. Its consistent quality and developmental initiatives has facilitated a large customer base, within the country and across the world, making it the preferred choice for people looking for quality and service. ORL constantly deploys a large number of refractory specialists on site with customers in order to develop individual complete solutions.

As on date M/s. Dutch US Holding B.V. subsidiary Company of M/s. RHI AG, an Austrian Company acquired 69.62% of the equity shares ORL from ex-promoters and public shareholders.

M/s. RHI AG is a world market and technology leader in high-grade ceramic refractory materials. A global player, RHI employs approx. 8,000 people worldwide at 33 production sites in Europe, North and South America, China & India and is represented by over 70 sales offices in four continents. The Company's headquarters is located in Vienna, Austria.

BUSINESS DIVISIONS/SEGMENTS

The product range includes (a) Isostatically pressed continuous casting Refractories (b) Slide gate Refractories (c) Metering, Flying and Fixed Tundish Nozzles (d) Bottom Purging Refractories and Top Purging Lances for Steel Ladles (e) Precast Shapes and Blocks (f) Slag Arresting Darts for Converters (g) Basic Spray Mass for Tundish Working Lining(h) Blast Furnace Trough Castable for Main Trough, Metal and Rocking Runners (i) Conventional, Low Cement and Ultra Low Cement Castables, etc. All these products are made to suit the casting conditions and grade of steel being cast and are a result of an intensive research and development effort by the Company. To reinforce quality and development of products, the Company has an in-house research and development facility that is recognized by the Government of India. ORL's technology leadership is based on long-standing, successful research and development activities.



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.

FINANCIALS OF SEGMENTS

Financials of business segments are given in detail in notes to the financial statements of the Annual Report.

BUSINESS ENVIRONMENT

Industrial growth has been weak and volatile and has trended downwards for several quarters, with the weakening rupee and the uncontrollable current account deficit, and high inflation. Outlook for the year 2013-14, is uncertain because of high inflation, current account deficit, and depreciation of rupee, political instability and Government spending for 2014 coming parliament elections, however Fitch Ratings returned India's sovereign outlook back to "stable" from "negative" a year after its initial downgrade.

INDUSTRY STRUCTURE, DEVELOPMENTS, OPPORTUNITIES, THREATS, RISKS AND CONCERNS AND FUTURE OUTLOOK

Your Directors continue to be optimistic about future of the Steel Industry both in India and abroad and envisage that going forward, there will be a great thrust on "Clean Metal" and thus the demand for specialized refractories produced by your Company will continue to grow barring unforeseen circumstances. Your Directors however continue to be concerned about high inflation and steep rise in Cost. Other areas of concern are scarcity of raw-materials and steep fluctuation in foreign exchange. As usual, all these factors would continue to be monitored closely and necessary measures will be taken as and when required.

Entire revenue of your Company is earned from steel manufacturers and in the event demand for steel and other derivative products reduces performance of the Company can be adversely affected.

With RHI AG partnership, the Directors are optimist to generate more revenue from Export in year 2013-14.

ADEQUACY OF INTERNAL CONTROLS

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The internal control system is designed to ensure that the financial and other records are reliable to prepare financial statements and other data and for maintaining accountability of assets.

CORPORATE SOCIAL RESPONSIBILITY

The Company will in due course of time shall make efforts contribute to the society and environment by following the voluntary guidelines on Corporate Social Responsibility, 2009 and the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011 framed by the Ministry of Corporate affairs, in letter and spirit.

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.

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
1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in employing the highest standards of corporate governance practices and policies by upholding the principles of transparency in transactions, disclosure of information, integrity, social accountability and statutory compliance. The Company also endeavors to provide quality service and feedback to its investors, customers, business associates and the statutory agencies.

2. BOARD OF DIRECTORS

As on March 31, 2013, the Company has nine Directors with a non-executive Chairman and an executive Managing Director, out of the nine Directors, six are non-executive directors and out of which three are independent directors. The composition of the board is in conformity with clause 49 of the listing agreements entered into with the stock exchanges.

None of the directors on the board are members of more than ten committees or Chairman of more than five committees across all the public companies in which they are Directors. Necessary disclosures regarding committee positions in other public companies as on March 31, 2013 have been made by the directors.

The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of directorships and committee chairmanships/memberships held by them in other companies are given herein below. Other directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanships/ memberships of board committees include only audit and shareholders/investors grievance committees.

Name of the Director	Category	Number of Board Meetings during the year 2012-13		Whether attended last AGM held on September 25, 2012	Number of Directorships in other Public Companies		Number of Committee positions held in other public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr K K Thirani* (Chairman)	Non-Executive, Independent	7	7	Yes	-	5	-	-
Mr A K Jain	Non-Executive, Independent	7	7	No	-	11	-	-
Mr R S Bajoria	Non-Executive Independent	7	4	No	-	3	-	-
Ms Barbara Postisk Eibensteiner**	Non-Executive, Non-Independent	1	1	Not Applicable	-	-	-	-
Dr Giorgio Cappelli**	Non-Executive, Non-Independent	1	1	Not Applicable	-	-	-	-
Mr Michael John Williams**	Non-Executive, Non-Independent	1	1	Not Applicable	-	-	-	-
Mr S G Rajgarhia [€]	Executive, Non-Independent	7	6	Yes	-	5	-	-
Mr S C Sarin [@]	Executive, Non-Independent	7	7	Yes	-	-	-	-
Mr Parmod Sagar ^α (Managing Director)	Executive, Non-Independent	1	1	Not Applicable	-	-	-	-
Mr R K Rajgarhia ^β	Non-Executive, Not-Independent	6	6	Yes	1	3	-	-
Mr P P Khanna ^β	Non-Executive, Independent	6	6	Yes	-	1	-	-

* Elected as Chairman of the Company w.e.f March 04, 2013.

€ On March 04, 2013 resigned from the position of managing director and appointed as Vice Chairman

α On March 04, 2013 appointed as additional director and managing director

** Appointed as additional director of the Company on March 04, 2013

@ Designated as Technical Advisor w.e.f. March 04, 2013

β On March 02, 2013 resigned from the board of director of the Company

Seven Board meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows: May 02, 2012; May 12, 2012; August 11, 2012; November 10, 2012; January 15, 2013; February 05, 2013 and March 04, 2013.

The necessary quorum was present for all the meetings.

None of the non-executive Director except Mr. R K Rajgarhia has any material pecuniary relationship or transactions with the Company. Mr. R K Rajgarhia deemed to have some pecuniary interest with respect to transactions of sale and purchase of materials with the Companies in which he is a Director, brief details of which are disclosed in the notes to the financial statements under the head 'related party disclosures' under note 29 of the annual report. As on date none of the non-executive Director holds shares in the Company.

The Company has not issued any convertible instruments.

The Code of Conduct adopted w.e.f. October 18, 2011 is being followed by all concerned. The Code has been put on the Company's website.

During the year 2012-13, information as mentioned in Annexure 1 to clause 49 of the listing agreements has been placed before the board for its consideration.

3. AUDIT COMMITTEE

The audit committee of the Company was constituted on November 15, 2011 in line with the provisions of clause 49 of the listing agreements entered into with the stock exchanges read with Section 292A of the Companies Act, 1956. The broad terms of reference of audit committee are

- a) to review the un-audited financial results and the internal audit reports and cost audit reports
- b) to suggest internal control measures after discussion with the internal auditors
- c) to oversee their implementation
- d) to review the annual financial statements with the management
- e) to recommend appointment of auditors and
- f) other matters as provided in the clause 49 of the listing agreement.

The scope and activities of the audit committee include the areas prescribed under clause 49 II (D) of the listing agreement with the stock exchanges. The audit committee has been granted powers as prescribed under the clause 49 II (C).

The audit committee invites such of the representatives of the statutory auditors and the internal auditors to be present at its meetings. The company secretary acts as the secretary to the audit committee.

The previous annual general meeting of the Company was held on September 25, 2012 and attended by Mr K K Thirani, Chairman of the audit committee.

During the year four audit committee meetings were held on May 12, 2012, August 11, 2012, November 10, 2012 and February 5, 2013. The necessary quorum was present at these meetings.

The composition of the audit committee and the details of meetings attended by its members are given below

Name	Category	Number of Meeting during the year 2012-13	
		Held	Attended
Mr K K Thirani (Chairman)	Independent, Non-Executive	4	4
Mr A K Jain	Independent, Non-Executive	4	4
Mr R S Bajoria	Independent, Non-executive	4	3
Mr Michael John Williams*	Not-Independent, Non-Executive	0	0

* Appointed as member of the committee on March 04, 2013.



4. REMUNERATION COMMITTEE

The remuneration committee of directors was constituted on October 18, 2011. One meeting of the remuneration committee was held during the year on March 04, 2013. The composition of the remuneration committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meeting during the year 2012-13	
		Held	Attended
Mr K K Thirani (Chairman)	Independent, Non-Executive	1	1
Mr A K Jain	Independent, Non-Executive	1	1
Mr R S Bajoria	Independent, Non-Executive	1	1
Mr Michael John Williams*	Not-Independent, Non-Executive	0	0

*Appointed as member of the committee on March 04, 2013.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to Mr Parmod Sagar, Managing Director and Mr S C Sarin, Executive Director and commission (variable component) only to Mr S G Rajgarhia, Executive Director. The Company pays for sitting fees to its non-executive Directors for attending meetings of board /committees of the Board. However Ms Barbara Potisk Eibensteiner, Dr Giorgio Cappelli and Mr Michael John Williams Directors of the Company decided to forgo their sitting fees for the meetings of the board/committee. The Company also reimburses the out-of-pocket expenses incurred by the Directors, except Ms Barbara Potisk Eibensteiner, Dr Giorgio Cappelli and Mr Michael John Williams, for attending the meetings of the board/committee.

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

Details of the remuneration/sitting fees for the year ended March 31, 2013

Non-Executive Directors

(amount in ₹)

Name	Sitting Fees
Mr R K Rajgarhia	70,000.00
Mr. K K Thirani	110,000.00
Mr. A K Jain	110,000.00
Mr. R S Bajoria	70,000.00
Mr. P P Khanna	50,000.00
Ms. Barbara Potisk Eibensteiner	0.00
Dr. Giorgio Cappelli	0.00
Mr Michael John Williams	0.00

Managing Director / Executive Directors

(amount in ₹)

Name	Salary	Benefits Perquisites and Allowances	Commission	Contribution to PF	Total
Mr. S G Rajgarhia* (Executive Director)	1,500,000	1,175,000	12,515,854	180,000	15,370,854
Mr. Parmod Sagar** (Managing Director)	496,774	362,442	–	59,613	918,829
Mr. S C Sarin (Executive Director)	2,649,548	3,257,242	–	317,946	6,224,736

*Managing Director till March 04, 2013.

** Managing Director from March 04, 2013.



5. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The committee was constituted on November 15, 2011. The Company has a shareholders/investors grievance committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc.

One meeting of the shareholders/investors grievance committee was held during the year on February 05, 2013. The composition of the shareholders/investors grievance committee and the details of meetings attended by its members are given below:

Name	Category	Number of Meeting during the year 2012-13	
		Held	Attended
Mr. R K Rajgarhia*	Not-Independent, Non-Executive	1	1
Mr. K K Thirani (Chairman)	Independent, Non-Executive	1	1
Mr. A K Jain	Independent, Non-Executive	1	1
Mr. Michael John Williams**	Not-Independent, Non-Executive	0	0

*Resigned w.e.f. March 02,2013

** Appointed w.e.f. March 04,2013

Name, designation and address of Compliance Officer

Mr. Sanjay Kumar	Phone No. : 011-46245400, 26443859
Company Secretary	e-mail : investor@orlindia.com
Orient Refractories Limited	: cssanjay@orlindia.com
1307, Chiranjiv Tower	
43, Nehru Place	
New Delhi – 110 019	

Details of investor complaints received and redressed during the year 2012-2013 are as follows

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	9	9	0

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.

Pursuant to clause 47 (f) of the listing agreement, the Company has designated an exclusive e-mail Id for redressal of investor grievances. The said e-mail id is **investor@orlindia.com**

6. GENERAL BODY MEETING

Annual General Meeting (AGM)

Details	Date	Time	Venue	Special Resolutions
1 st AGM	November 11, 2011	11.00 a.m.	1307, Chiranjiv Tower 43, Nehru Place, New Delhi - 110 019	1. Appointment of Mr S G Rajgarhia as Managing Director of the Company for a period of 5 years w.e.f. October 18,2011 and fix his remuneration and 2. Appointment of Mr S C Sarin as Whole Time Director of the Company for a period of 5 years w.e.f. October 18, 2011 and fix his remuneration.
2 nd AGM	September 25,2012	11.00 a.m.	Hindi Bhawan, 11, Vishnu Digambar Marg (Near Bal Bhawan) New Delhi - 110002	–

No postal ballot was conducted during the year 2012-2013. At the ensuing 3rd annual general meeting to be held on September 26, 2013 no resolution is proposed to be passed by postal ballot.



7. DISCLOSURES

- (i) Disclosure on related party transactions i.e. transactions of the Company with its promoters, Directors or the management, relatives, bodies corporate in which the Directors are interested etc. is appearing under note 29 (Notes to the Financial Statements) of the annual accounts. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- (ii) Details of non-compliance by the Company, penalties, restrictions/strictures imposed by the stock exchanges and the SEBI and any other statutory authority on any matter related to the capital markets, during the last three years is **NIL**.
- (iii) The Company at present does not have a whistle blower mechanism in place. However it may implement such a mechanism in future.
- (iv) The Company has at present not adopted the non-mandatory requirements of corporate governance except for certain clauses regarding remuneration committee. However in line with its policy to ever improve the good corporate governance practices it is proposed to adopt all such practices in due course of time.

8. MEANS OF COMMUNICATION OF FINANCIAL STATEMENTS ETC., NEWSPAPERS WHERE PUBLISHED.

- Quarterly Financial statements are normally published in the Economic Times, Business Standard and Navbharat Times;
- The results are made available to the individual members through e-mail/courier/fax on specific request;
- the results are also sent to the institutional investors/financial analysts on request;
- The financial results are also available on the Company's website – www.orientrefractories.com;
- The Company does not send half year financial reports to the members individually and
- Management Discussion and Analysis Report forms an integral part of the Directors' Report.

9. CEO/CFO CERTIFICATION

Mr Parmod Sagar, Managing Director and Mr Sanjeev Bharadwaj, Chief Financial Officer have given the certificate pertaining to financial year 2012-2013 to the Board of Directors which was taken note of at the Board meeting held on July 24, 2013.

10. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date	:	September 26, 2013
Time	:	11:30 A.M.
Venue	:	Hindi Bhawan, 11, Vishnu Digambar Marg (Near Bal Bhawan), New Delhi – 110 002

Financial Calendar

Year ending	:	March 31
AGM	:	Last week of September

Quarterly results

1 st quarter ended on June 30, 2013	:	on or before August 15, 2013
2 nd quarter ended on September 30, 2013	:	on or before November 15, 2013
3 rd quarter ended on December 31, 2013	:	on or before February 15, 2014
4 th quarter ended on March 31, 2014	:	on or before May 15, 2014

Date of Book Closure/Record Date : from Thursday, September 12, 2013 to Thursday, September 19, 2013 (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
BSE Limited	:	534076

Listing fees as applicable have been paid.



**Corporate Identification Number (CIN)
of the Company**

: L28113DL2010PLC210819

Market Price Data

Monthly High, Low and number of trades during each month of the last financial year 2012-2013 on National Stock Exchange of India Limited and BSE Limited along with comparison with Nifty Midcap 50 and BSE Sensex:

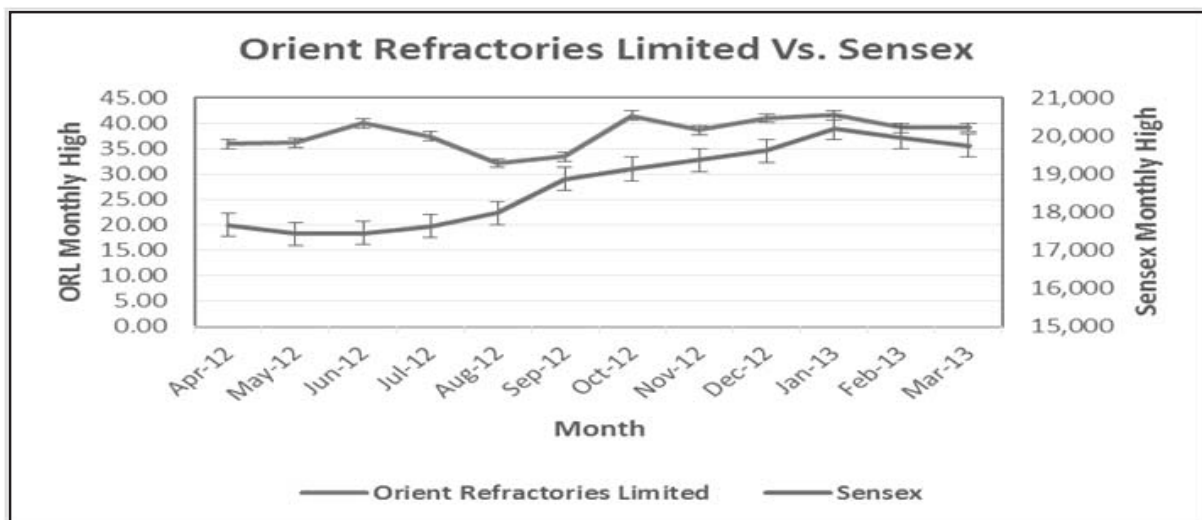
Bombay Stock Exchange (data from www.bseindia.com)

Month	High(₹)	Low(₹)	Volume	Turnover (₹ In lacs)
April'2012	35.95	22.80	1,760,227	551.11
May'2012	36.20	30.80	1,454,520	502.59
June'2012	40.00	30.00	829,504	303.75
July'2012	37.45	29.15	406,777	137.04
August'2012	32.15	28.20	108,688	32.99
September'2012	33.45	27.10	204,031	62.06
October'2012	41.50	29.15	1,028,584	358.39
November'2012	38.65	35.55	745,939	278.20
December'2012	41.00	36.15	663,980	259.65
January'2013	41.65	36.25	2,859,747	1,104.40
February'2013	39.10	37.50	5,330,837	2,051.57
March,2013	39.20	38.40	5,011,289	1,947.62

National Stock Exchange (data from www.nseindia.com)

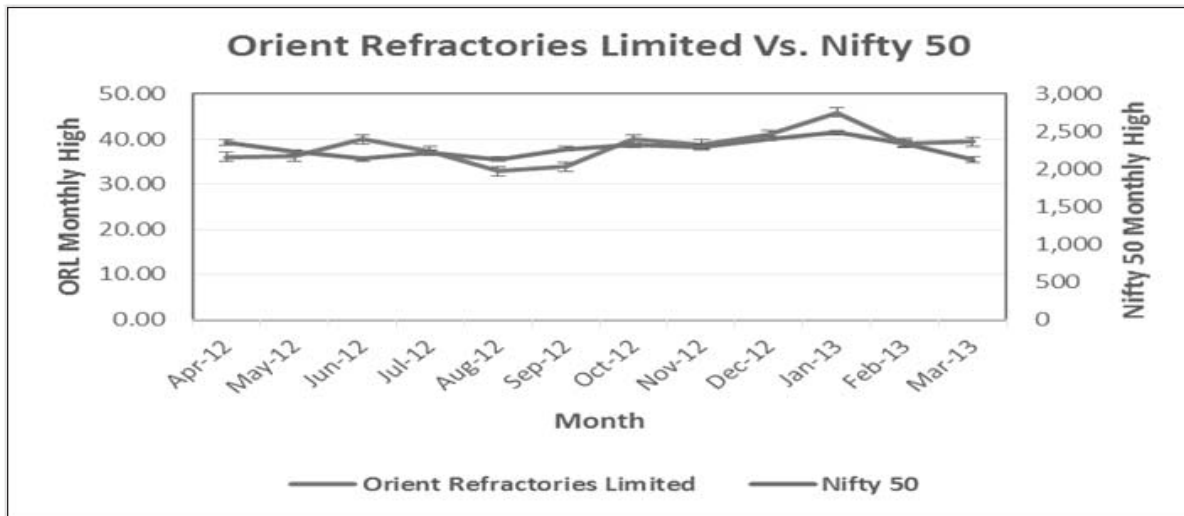
Month	High(₹)	Low(₹)	Volume	Turnover (₹ In lacs)
April'2012	36.00	22.85	1,971,393	614.57
May'2012	36.20	31.00	2,060,284	711.35
June'2012	40.00	30.70	1,267,499	466.51
July'2012	37.35	29.00	1,046,242	329.70
August'2012	32.90	28.70	266,808	80.76
September'2012	33.90	27.80	554,893	169.00
October'2012	40.00	29.25	2,109,937	743.86
November'2012	38.80	33.75	738,946	273.19
December'2012	41.00	35.55	1,347,565	639.54
January'2013	45.90	35.00	9,449,793	3,604.15
February'2013	39.10	37.20	4,707,583	1,812.48
March,2013	39.40	38.30	3,387,113	1,312.13

Performance of the share price of the Company in comparison of BSE Sensex





Performance of the share price of the Company in comparison of NSE Nifty 50



Registrar and Transfer Agent:

Name and Address : 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 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 senior executives and the company secretary are severally empowered to approve transfers.

Distribution of equity shareholding as on March 31, 2013

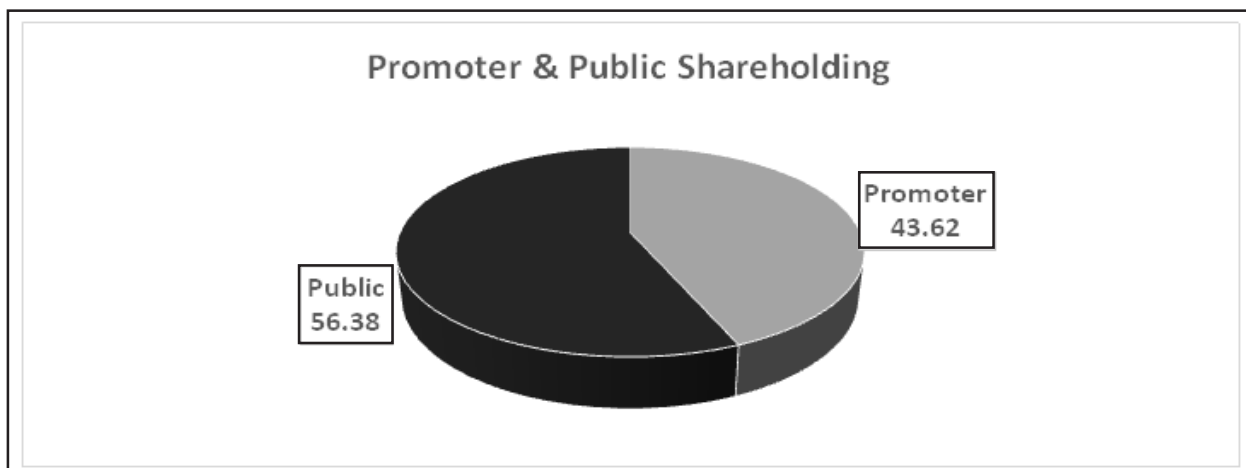
Number of shares	Shareholders number	% ' age of total number	Shares			Total Shares	% ' age
			Physical	NSDL	CDSL		
1-5,000	10,118	90.86	2,101,768	5,670,927	1,735,499	9,508,194	7.91
5,001-10,000	487	4.37	508,000	2,431,639	750,576	3,690,215	3.07
10,001-20,000	258	2.32	308,000	2,591,596	1,002,021	3,901,617	3.25
20,001-30,000	76	0.68	48,000	1,080,772	750,798	1,879,570	1.56
30,001-40,000	58	0.52	68,000	1,220,345	737,193	2,025,538	1.69
40,001-50,000	19	0.17	0	520,377	368,671	889,048	0.74
50,001-100,000	51	0.46	108,000	2,867,573	587,361	3,562,934	2.97
100,001-above	69	0.62	0	88,253,790	6,428,294	94,682,084	78.81
GRAND TOTAL	11,136	100.00	3,141,768	104,637,019	12,360,413	120,139,200	100.00



Categories of equity shareholders as on March 31, 2013

	Category	Number of Shareholders	Number of shares held	Percentage of holding
A.	Promoter and Promoter Group			
	- Bodies Corporate- Foreign	1	52,401,579	43.62
	Total (A)	1	52,401,579	43.62
B.	Public Shareholding			
	- Mutual Funds/UTI	1	104,205	0.09
	- Financial Institutions/Banks	7	49,630	0.04
	- Foreign Institutional Investors	6	3,872,109	3.22
	- Bodies Corporate	330	20,499,418	17.06
	- Individuals			
	(a) Nominal share capital up to ₹ 1 Lakh	9,909	11,978,424	9.97
	(b) Nominal share capital in excess of ₹ 1 Lakh	409	29,513,372	24.57
	- Any Other			
	(a) NRI	147	306,934	0.26
	(b) HUF/AOPs	291	977,316	0.81
	(c) Clearing Members	34	435,213	0.36
	(d) Trust	1	1,000	0.00
	Total (B)	11,135	67,737,621	56.38
	GRAND TOTAL (A + B)	11,136	120,139,200	100.00

Shareholding Pattern



Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 97.38% of the Company's equity share capital are dematerialised as on March 31, 2013.

The Company's equity shares are regularly traded on the National Stock Exchange of India Limited and BSE Limited, in dematerialised form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE743M01012**.

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 March 31, 2013, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.



Transfer of Unpaid/Unclaimed amounts to Investor Education and Protection Fund

Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend pertaining to the Company remaining unpaid or unclaimed for period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claims. Members who have not yet encashed their dividend warrant(s) for the financial year 2011-2012 are requested to make their claims without any delay to the Company's Registrar and Transfer Agent, Skyline Financial Services Private Limited.

The following table gives information relating to outstanding dividend account and the date by which they can be claimed by the shareholders:

Financial Year	Date of Declaration	Due Date of Transfer to IEPF
2011-12	May 10, 2012	June 16, 2019

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 Public/Rights/Bonus issued 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 during the Financial Year	1,580	3,325,100
Number of Shareholders who approached issuer for transfer of Shares from Suspense Account during the financial year	36	100,750
Number of Shareholders to whom Shares were transferred from Suspense Account during the financial year	36	100,750
Aggregate number of Shareholders and the outstanding Shares in the Suspense Account lying at the end of the financial year	1,544	3,224,350

Plant Location

SP – 148, RIICO Industrial Area
Bhiwadi, Dist Alwar
Rajasthan.

Address for correspondence

Orient Refractories Limited
1307, Chiranjiv Tower
43, Nehru Place
New Delhi-110019

Telephone + 91 11 26449480, 26425446
Fax + 91 11 26443859
e-mail investor@orlindia.com
website www.orientrefractories.com

ANNEXURE-E

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

TO THE MEMBERS OF
ORIENT REFRACTORIES LIMITED

We have examined the compliance of conditions of corporate governance by ORIENT REFRACTORIES LIMITED ("the Company"), for the year ended March 31, 2013, as stipulated in clause 49 of the listing agreements of the Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and 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 the above mentioned listing agreements.

We state that such compliance is neither an assurance as to the 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

New Delhi
July 24, 2013

Naresh Verma
FCS 5403, CP 4424



ANNEXURE-F

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

This is to confirm that all the Board members and the senior managerial personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2013.

for **Orient Refractories Limited**

New Delhi
July 24, 2013

Parmod Sagar
Managing Director

ANNEXURE-G

CERTIFICATION OF CEO/CFO

This is to certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2012-13 and that 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.
- (b) 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.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

for **Orient Refractories Limited**

New Delhi
July 24, 2013

Parmod Sagar
Managing Director

Sanjeev Bharadwaj
Chief Financial Officer



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 March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. Batliboi & Co. LLP

ICAI Firm Registration Number: 301003E

Chartered Accountants

per Vikas Mehra

Partner

Membership Number: 94421

Place: Gurgaon

Date : May 22, 2013



Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date.

Re: Orient Refractories Limited (‘the Company’)

- i. a. The Company has obtained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. There was no disposal of a substantial part of fixed assets during the year.
- ii. a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification, carried out at the year end.
- iii. a. The Company has granted loan to an individual covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 15 Lacs and the year-end balance of loans granted to such party was ₹ 15 Lacs.
- b. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan are not prima facie prejudicial to the interest of the Company.
- c. In respect of loan granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
- d. There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- e. The Company has taken loan from an individual covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 29 Lacs and the year end balance of loans taken from such parties was ₹ Nil.
- f. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- g. In respect of loans taken, repayment of principal amount is as stipulated and payment of interest has been regular.
- iv. In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of certain items of inventories and certain fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- v. a. According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act 1956 that need to be entered into the register maintained under section 301 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.



- viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the manufacture of refractory, monolithic, and ceramic paper and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- ix. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c. According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- x. The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial period.
- xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. There were no dues to financial institutions and the Company did not have debentures during the year.
- xii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. The Company did not have any term loans outstanding during the year.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money through a public issue during the year.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. Batliboi & Co. LLP

ICAI Firm Registration Number: 301003E

Chartered Accountants

per Vikas Mehra

Partner

Membership Number: 94421

Place: Gurgaon

Date : May 22, 2013



**BALANCE SHEET
AS AT MARCH 31, 2013**

(Amount in ₹ Lacs)

	Notes	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
Share Capital	3	1,201.39	1,201.39
Reserves and Surplus	4	9,037.05	6,303.60
		10,238.44	7,504.99
NON-CURRENT LIABILITIES			
Deferred tax liability (NET)	5	127.73	159.41
Other long term liabilities	6	82.40	67.63
Long-term provisions	7	9.41	33.11
		219.54	260.15
CURRENT LIABILITIES			
Short-term borrowings	8	502.26	1,585.20
Trade payables	6	4,358.94	3,425.60
Other current liabilities	6	187.48	131.56
Short-term provisions	7	1,538.59	1,698.68
		6,587.27	6,841.04
Total		17,045.25	14,606.18
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
- Tangible assets	9	2,916.03	2,698.04
- Intangible assets	9	12.97	11.87
- Capital work-in-progress		49.18	22.56
Non-current investments	10	0.57	0.57
Long-term loans and advances	11	87.33	74.38
Other non current assets	12	60.02	86.42
		3,126.10	2,893.84
CURRENT ASSETS			
Current investments	10	600.36	—
Inventories	13	5,697.93	4,563.26
Trade receivables	14	7,151.63	6,195.81
Cash and bank balances	15	118.86	132.28
Short-term loans and advances	11	174.58	257.27
Other current assets	12	175.79	563.72
		13,919.15	11,712.34
Total		17,045.25	14,606.18

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. 301003E

Chartered Accountants

per Vikas Mehra
Partner
Membership No. 94421

**For and on behalf of the Board of Directors of
Orient Refractories Limited**

Parmod Sagar
MANAGING DIRECTOR

Manoj Gupta
SR. GENERAL MANAGER

Michael John Williams
DIRECTOR

Sanjay Kumar
COMPANY SECRETARY

Place: Gurgaon
Date : May 22, 2013

Place : Bhiwadi
Date : May 22, 2013



**STATEMENT OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2013**

(Amount in ₹ Lacs)

	Notes	For the year ended March 31, 2013	For the year ended March 31, 2012
INCOME			
Revenue from operations (GROSS)	16	38,838.72	32,095.49
Less : Excise duty		2,853.76	2,053.88
Revenue from operations (NET)		35,984.96	30,041.61
Other Income	17	204.17	430.76
TOTAL REVENUE		36,189.13	30,472.37
EXPENSES			
Cost of raw material and components consumed	18	15,361.92	12,576.91
Purchase of traded goods		5,205.30	4,749.28
Increase in inventories of finished goods, work-in-progress and traded goods	19	(732.75)	(194.25)
Employee benefits expenses	20	2,660.53	2,317.82
Other expenses	21	6,795.04	5,754.59
Finance costs	22	194.03	387.76
Depreciation and amortization expense	9	379.21	296.59
Exceptional items	23	181.59	–
TOTAL		30,044.87	25,888.70
PROFIT BEFORE TAX		6,144.26	4,583.67
TAX EXPENSE			
Current tax		2,034.94	1,462.22
Deferred tax charge/(credit)		(31.68)	40.52
Tax for earlier year		1.98	–
Total tax expense		2,005.24	1,502.74
PROFIT/(LOSS) FOR THE YEAR		4,139.02	3,080.93
EARNINGS PER EQUITY SHARE	24	3.45	2.56
(Nominal value of share ₹ 1 (previous year ₹ 1))			
Basic and diluted			
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

per Vikas Mehra
Partner
Membership No. 94421

Place: Gurgaon
Date : May 22, 2013

**For and on behalf of the Board of Directors of
Orient Refractories Limited**

Parmod Sagar
MANAGING DIRECTOR

Manoj Gupta
SR. GENERAL MANAGER

Michael John Williams
DIRECTOR

Sanjay Kumar
COMPANY SECRETARY

Place : Bhiwadi
Date : May 22, 2013



**CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2013**

	For the year ended March 31, 2013	(Amount in ₹ Lacs) For the year ended March 31, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	6,144.26	4,583.67
Adjustments for:		
Depreciation/amortisation	379.21	296.59
Unrealised foreign exchange loss/(gain)	(10.33)	10.86
Interest expense	131.41	344.42
Provision for doubtful debts and advances	96.90	38.22
Doubtful debts/advances recovered	(65.41)	-
Bad debts written off	73.15	-
Liabilities written back	(16.24)	14.69
Provision for doubtful export benefits recoverable	5.22	12.93
Loss on sale/discard of fixed assets	15.35	11.27
Interest income	(10.17)	(7.76)
Operating profit before working capital changes	6,743.35	5,304.89
Movements in working capital:		
Increase in trade receivables	(1,058.81)	(896.43)
Increase in inventories	(1,134.67)	(129.68)
Decrease/(increase) in loans and advances	96.04	(83.08)
Decrease/(increase) in other assets	379.98	(230.78)
Increase in current liabilities and provisions	994.45	514.15
Cash generated from operations	6,020.34	4,479.07
Direct taxes paid	(2,247.10)	(1,272.56)
Net cash from/(used in) operating activities (A)	3,773.24	3,206.51
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits made	(76.12)	(82.12)
Deposits redeemed	104.27	11.11
Amount invested in NSC	-	(0.30)
Amount invested in mutual fund	(600.36)	-
Purchase of fixed assets	(674.98)	(628.27)
Proceeds from sale of fixed assets	28.93	39.71
Interest received	11.15	2.73
Net cash (used in) Investing Activities (B)	(1,207.11)	(657.14)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(131.41)	(344.42)
Dividend paid on equity shares	(1,161.02)	-
Tax on dividend paid	(204.18)	-
Repayment from Short- term borrowings (net)	(1,082.94)	(2,126.33)
Net cash (used in)/from financing activities (C)	(2,579.55)	(2,470.75)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(13.42)	78.62
Cash and cash equivalents at the beginning of the year	132.28	4.99
Cash and cash equivalent acquired pursuant to demerger scheme (refer note 26)	-	48.67
Cash and cash equivalents at the end of the year	118.86	132.28
Components of cash and cash equivalents		
Cash on hand	1.75	1.44
Balances with banks		
- On current accounts	117.11	130.84
Total cash and cash equivalents (note 15)	118.86	132.28

Notes:

- The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Cash outflows have been shown in brackets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1

As per our report of even date

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. 301003E
Chartered Accountants

per Vikas Mehra
Partner
Membership No. 94421

**For and on behalf of the Board of Directors of
Orient Refractories Limited**

Parmod Sagar
MANAGING DIRECTOR

Manoj Gupta
SR. GENERAL MANAGER

Michael John Williams
DIRECTOR

Sanjay Kumar
COMPANY SECRETARY

Place: Gurgaon
Date : May 22, 2013

Place : Bhiwadi
Date : May 22, 2013



**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2013**

1. CORPORATE INFORMATION

Orient Refractories Limited ('the Company'), incorporated on November 26, 2010 is engaged in manufacturing, production and distribution of Refractories, Monolithics and Ceramic Paper and have manufacturing facilities in Bhiwadi (Rajasthan).

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) TANGIBLE FIXED ASSETS

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

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

(c) DEPRECIATION ON TANGIBLE FIXED ASSETS

Depreciation on leasehold land is provided over the period of lease i.e.99 years and depreciation on leasehold improvements which includes temporary structures is provided over unexpired period of lease or estimated useful life whichever is lower. Depreciation on additions to existing leasehold fixed assets is provided over the unexpired period of lease or estimated useful life, whichever is lower.

Depreciation on all other fixed assets is provided on straight line method as per rates computed based on estimated useful lives, which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956 except for vehicles given to employees under vehicle scheme on which depreciation is charged on straight line basis over the period of scheme.

Assets costing below ₹ 5,000 are depreciated at the rate of 100%.

(d) INTANGIBLE ASSETS

Software

Software are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of software will not exceed five years from the date when the assets is available for use.



(e) BORROWING COSTS

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(f) IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

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

(g) LEASES

Where the Company is the lessee.

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(h) INVENTORIES

Inventories are valued as follows

RAW MATERIALS AND COMPONENTS	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
WORK-IN-PROGRESS AND FINISHED GOODS	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
TRADED GOODS	Lower of cost and net realizable value. Cost includes cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out (FIFO) basis

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

(i) INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.



(j) REVENUE RECOGNITION

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

(i) SALE OF GOODS

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. In case of export sales, event of transferring the significant risks and rewards of ownership of goods is decided based on Inco-terms 2010. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(ii) INTEREST

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(iii) INCOME FROM SERVICES

Revenue from services is accounted for in accordance with the terms of contracts, as and when these services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

(iv) EXPORT BENEFITS

Export benefits under duty exemption pass book schemes (DEPB) and duty drawback are accrued when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

(v) ROYALTY

Revenue is recognized on an accrual basis in accordance with the terms of the relevant agreement

(vi) DIVIDEND

Dividend is recognized when the shareholder's right to receive payment is established.

(k) FOREIGN CURRENCY TRANSLATION

(i) INITIAL RECOGNITION

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

(ii) CONVERSION

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) EXCHANGE DIFFERENCES

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(l) RETIREMENT AND OTHER EMPLOYEE BENEFITS

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method made at the end of the financial year.

Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

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



(m) SEGMENT REPORTING POLICIES

- IDENTIFICATION OF SEGMENTS

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

- SEGMENT ACCOUNTING POLICIES

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(n) INCOME TAXES

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(o) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(p) PROVISIONS

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate 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 estimates.

(q) CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(r) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2013**

(Amount in ₹ Lacs)

	As at <u>March 31, 2013</u>	As at <u>March 31, 2012</u>
3. SHARE CAPITAL		
Authorised shares		
120,500,000 (previous year 120,500,000) Equity Shares of ₹ 1/- each	<u>1,205.00</u>	<u>1,205.00</u>
Issued, subscribed and fully paid share capital		
120,139,200 (previous period 120,139,200) Equity Shares of ₹ 1/- each	<u>1,201.39</u>	<u>1,201.39</u>
a. Reconciliation of the equity shares outstanding at the beginning and at the end of reporting period		
At the beginning of the year/period	1,201.39	5.00
120,139,200 (previous year: 5,00,000) equity shares of ₹ 1/- each		
Issued during the year	-	1,196.39
Nil (previous year: 119,639,200#) equity shares of ₹ 1/- each		
Outstanding at the year end	<u>1,201.39</u>	<u>1201.39</u>
120,139,200 (previous year: 120,139,200) equity shares of ₹ 1/- each		

#Represent shares issued for consideration other than cash. Also refer note 26.

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 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. Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding Company are as below:

	As at <u>March 31, 2013</u>	As at <u>March 31, 2012</u>
Orient Abrasives Limited (Holding company till Nov 15, 2011) (also, refer note 26)	-	4.99

d. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Equity shares allotted as fully paid-up pursuant to demerger scheme for consideration other than cash. (Refer Note 26)	1,196.39	1,196.39
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e. Details of shareholders holding more than 5% shares in the company

Name	As at March 31, 2013		As at March 31, 2012	
	No. Lacs	% age holding in the class	No. Lacs	% age holding in the class
Dutch US Holding B.V.	524.02	43.62%	-	-
S G Rajgarhia	59.95	4.99%	177.86	14.80%
Anisha Mittal	-	-	132.32	11.01%
S G Rajgarhia (HUF)	-	-	80.16	6.67%
Bhavna Rajgarhia	-	-	82.24	6.85%
Usha Rajgarhia	-	-	65.82	5.48%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

During the year, the promoters and promoters group transferred 52,401,579 shares (constituting 43.62% of fully paid up equity share capital) to M/s Dutch US holding B.V. which has announced an open offer to acquire 31,236,192 shares (26% of fully paid up equity share capital) from public. Open offer was successfully closed subsequent to year end.

**(Amount in ₹ Lacs)**

	As at March 31, 2013	As at March 31, 2012
4. RESERVES AND SURPLUS		
General Reserve		
Balance as per the last financial statements	5,637.56	–
Add: Reserves transferred from Orient Abrasives Limited on demerger on appointed date (refer note 26)	–	4,637.56
Add: Amount transferred from surplus balance in the statement of profit and loss	1,500.00	1,000.00
Closing Balance	7,137.56	5,637.56
Surplus Balance in statement of profit and loss		
Balance as per the last financial statements	666.04	(9.32)
Profit for the year	4,139.02	3,080.93
Less: Appropriations		
Proposed final equity dividend [amount per share ₹ 1 (previous year: ₹ Nil)]	1,201.39	–
Interim Dividend [amount per share ₹ Nil (previous year ₹ 1)]	–	1,201.39
Tax on dividend	204.18	204.18
Transferred to general reserve	1,500.00	1,000.00
Total appropriations	2,905.57	2,405.57
Surplus in the statement of profit and loss	1,899.49	666.04
Total reserves and surplus	9,037.05	6,303.60
5. DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	255.02	251.85
Others	4.12	3.05
Gross deferred tax liability	259.14	254.90
Deferred tax assets		
Provision for doubtful debts and advances	49.70	51.92
Provision for gratuity	3.20	10.74
Provision for leave encashment	44.29	32.83
Voluntary retirement scheme	34.22	–
Gross deferred tax asset	131.41	95.49
Net deferred tax liability (net)	127.73	159.41

(Amount in ₹ Lacs)

	As at March 31, 2013	As at March 31, 2012
6. OTHER LIABILITIES		
Non-current		
Interest free deposits from staff	82.40	67.63
	<u>82.40</u>	<u>67.63</u>
Current		
Trade payables (refer note 33 for details of dues to micro and small enterprises)	4,358.94	3,425.60
Other Liabilities		
Advance from Customers	65.58	64.72
Interest free deposits from staff	9.87	11.93
PF and ESI payable	26.38	21.19
CST/VAT and other payable	4.65	9.88
Service tax/Excise payable	6.77	6.52
TDS payable	33.86	17.32
Unpaid Dividend	40.37	–
	<u>187.48</u>	<u>131.56</u>
7. PROVISIONS		
Non-current		
Provision for gratuity	9.41	33.11
	<u>9.41</u>	<u>33.11</u>
Current		
Provision for leave benefits	130.30	101.19
Provision for income tax (net of advance tax)	–	189.66
Provision for wealth tax	2.72	2.26
Proposed equity dividend	1,201.39	1,201.39
Provision for tax on proposed equity dividend	204.18	204.18
	<u>1,538.59</u>	<u>1,698.68</u>
8. SHORT-TERMS BORROWINGS		
Secured		
Cash credit loan from a bank*	190.57	1,273.67
	<u>190.57</u>	<u>1,273.67</u>
Unsecured		
Bills discounted	311.69	311.53
	<u>311.69</u>	<u>311.53</u>
	<u>502.26</u>	<u>1,585.20</u>

*The cash credit loan is taken from bank are secured by first pari pasu charge on the current assets of the Company and second pari passu charge on movable fixed assets of the Company both present and future. These are payable on demand and carry interest rate of bank base rate plus 305 basis points (currently 13.05% p.a.)



(Amount in ₹ Lacs)

9. TANGIBLE AND INTANGIBLE ASSETS

Particulars	Land- Leasehold Improvement	Leasehold	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Total (Tangibles)	Software (Intangibles)	Grand Total	Previous Year
GROSS BLOCK											
At April 1, 2011	-	-	-	-	-	-	-	-	-	-	-
Transferred from Orient Abrasives Limited pursuant to demerger scheme (refer note 26)	20.79	1.72	321.07	2,615.74	26.98	120.48	275.30	3,382.08	55.31	3,437.39	-
Additions	178.50	-	5.53	873.92	0.62	6.59	109.52	1,174.68	-	1,174.68	-
Deductions/Adjustments	-	-	4.24	123.46	-	-	31.81	159.51	-	159.51	-
At April 1, 2012	199.29	1.72	322.36	3,366.20	27.60	127.07	353.01	4,397.25	55.31	4,452.56	3,347.39
Additions	197.13	-	13.46	308.91	2.07	9.66	98.05	629.28	13.30	642.58	1,174.68
Deductions/ adjustments	-	-	-	-	-	1.11	76.59	77.70	-	77.70	159.51
At March 31, 2013	396.42	1.72	335.82	3,675.11	29.67	135.62	374.47	4,948.83	68.61	5,017.44	4,452.56
DEPRECIATION/AMORTISATION											
At April 1, 2011	-	-	-	-	-	-	-	-	-	-	-
Transferred from Orient Abrasives Limited pursuant to demerger scheme (refer note 26)	6.46	0.38	177.58	1,213.96	13.60	50.31	59.92	1,522.21	32.38	1,554.59	-
For the year	2.87	0.02	8.40	228.55	1.27	16.69	27.73	285.53	11.06	296.59	-
Deletions/ Adjustments	-	-	0.98	92.41	-	-	15.14	108.53	-	108.53	-
At April 1, 2012	9.33	0.40	185.00	1,350.10	14.87	67.00	72.51	1,699.21	43.44	1,742.65	1,554.59
For the year	4.24	0.02	8.85	278.28	2.14	17.02	56.46	367.01	12.20	379.21	296.59
Deletions/ adjustments	-	-	-	-	-	0.31	33.11	33.42	-	33.42	108.53
At March 31, 2013	13.57	0.42	193.85	1,628.38	17.01	83.71	95.86	2,032.80	55.64	2,088.44	1,742.65
NET BLOCK											
At March 31, 2012	189.96	1.32	137.36	2,016.10	12.73	60.07	280.50	2,698.04	11.87	2,709.91	-
At March 31, 2013	382.85	1.30	141.97	2,046.73	12.66	51.91	278.61	2,916.03	12.97	2,929.00	2,709.91

Addition to Land - leasehold represents transfer charges and registration fee paid to transfer land acquired under demerger scheme in name of the Company. Also refer note 26.



	(Amount in ₹ Lacs)	
	As at March 31, 2013	As at March 31, 2012
10. INVESTMENTS		
Non-current		
Government securities (unquoted)		
National Savings Certificates*	0.57	0.57
	<u>0.57</u>	<u>0.57</u>
Current		
Unquoted mutual funds**	600.36	-
	<u>600.36</u>	<u>-</u>
*Certificates pledged with sales tax authorities ₹ 0.57 Lacs		
**39271.782 (previous year: Nil) units of ₹ 1,528.74 each of Reliance Liquid Fund - Treasury plan - direct dividend option.		
11. LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)		
Non Current		
Capital advances	19.73	13.95
Security deposits	56.04	52.77
Loans and advances to employees	11.56	7.66
	<u>87.33</u>	<u>74.38</u>
Current		
Advances recoverable in cash or kind	25.74	127.21
Other loans and advances		
Advance income-tax (net of provision)	20.52	-
Prepaid expenses	25.28	38.14
Loans and advances to employees	19.90	23.43
Balance with statutory/government authorities	83.14	68.49
	<u>174.58</u>	<u>257.27</u>
Loans and advances due by Directors		
Loans and advances to employees include		
Non-current		
Due from Managing Director	8.70	-
	<u>8.70</u>	<u>-</u>
Current		
Due from Managing Director	6.30	-
	<u>6.30</u>	<u>-</u>
12. OTHER ASSETS		
Unsecured considered good unless stated otherwise		
Non Current		
Non current bank balances (refer note 15)	42.86	71.01
Interest accrued on non current bank balances	5.03	6.01
Surrender value on keyman policy	12.13	9.40
	<u>60.02</u>	<u>86.42</u>
Current		
Unbilled revenue	60.89	59.73
Dividend Receivable	0.46	-
Insurance claim receivable (refer note 27 B)	0.15	149.76
Export benefits recoverable [including ₹ 49.31 Lacs (previous year ₹ 44.09 Lacs) considered doubtful]	163.60	398.32
	<u>225.10</u>	<u>607.81</u>
Less: Provision for doubtful recoverable	(49.31)	(44.09)
	<u>175.79</u>	<u>563.72</u>



	As at March 31, 2013	(Amount in ₹ Lacs) As at March 31, 2012
13. INVENTORIES		
Raw materials [Including goods in transit ₹ 332.73 Lacs (previous year: ₹ 105.27 Lacs)] (refer note 18)	2,156.21	1,807.53
Work-in-progress (refer note 19)	742.13	562.32
Finished goods (refer note 19)	2,154.66	1,681.54
Traded goods (refer note 19)	377.93	298.11
Stores and spares	267.00	213.76
	<u>5,697.93</u>	<u>4,563.26</u>
14. TRADE RECEIVABLES (UNSECURED)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	6.08	61.16
Considered doubtful	60.60	115.91
	66.68	177.07
Less : Provision for doubtful receivables	60.60	115.91
	(A) 6.08	61.16
Others receivables		
Considered good	7,145.55	6,134.65
Considered doubtful	36.30	-
	7,181.85	6,134.65
Less: Provision for doubtful receivables	36.30	-
	(B) 7,145.55	6,134.65
	<u>7,151.63</u>	<u>6,195.81</u>
15. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
Current accounts	117.11	130.84
Cash on hand	1.75	1.44
	118.86	132.28
Other bank balances		
Margin money deposits*	42.71	70.86
Fixed deposit receipts** (original maturity for more than 12 months)	0.15	0.15
	42.86	71.01
Amount disclosed under non-current asset (refer note 12)	(42.86)	(71.01)
	-	-
	118.86	132.28

*Margin money deposit are given against the bank guarantees given to various customers and government authorities.

**Fixed deposits of ₹ 0.15 Lacs (previous year ₹ 0.15 Lacs) are pledged with Government authorities.

	(Amount in ₹ Lacs)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
16. REVENUE FROM OPERATIONS		
Sales of products		
Finished goods	32,489.04	26,511.39
Traded goods	5,672.05	4,954.79
Sale of services	677.63	629.31
Revenue from operations (GROSS)	38,838.72	32,095.49
Less: Excise duty*	2,853.76	2,053.88
Revenue from operations (NET)	35,984.96	30,041.61
* Excise duty on sales amounting to ₹ 2,853.76 Lacs (previous year: ₹ 2,053.88 Lacs) has been reduced from sales in statement of profit and loss and excise duty on increase in stock amounting to ₹ 38.25 Lacs (previous year: ₹ 12.12 Lacs) has been considered as expense in note 21 of financial statements.		
Details of finished goods sold		
Refractories	27,560.50	22,537.39
Monolithics	4,894.04	3,966.05
Ceramic paper	34.50	7.95
	32,489.04	26,511.39
Details of traded goods sold		
Spray/Ramming mass	4,317.17	3,906.19
Others	1,354.88	1,048.60
	5,672.05	4,954.79
Details of services rendered		
Refractory management services	677.63	629.31
	677.63	629.31
17. OTHER INCOME		
Interest income on bank deposits	10.17	7.76
Exchange difference (NET)	30.49	81.66
Bad debts recovered (earlier written off)	–	0.50
Liabilities written back	16.24	14.69
Increase in surrender value of keyman insurance policies	2.73	0.66
Export incentive	72.95	164.53
Royalty income	–	9.44
Rent income	0.65	–
Doubtful debts/advances recovered	65.41	–
Insurance claim (refer note 27 B)	–	149.76
Dividend income on unquoted mutual funds	0.82	–
Miscellaneous income	4.71	1.76
	204.17	430.76



	For the year ended March 31, 2013	(Amount in ₹ Lacs) For the year ended March 31, 2012
18. COST OF RAW MATERIAL AND COMPONENTS CONSUMED		
Inventory at the beginning of the year	1,807.53	–
Add: acquired under demerger scheme (refer note 26)	–	1,861.60
Purchases	<u>15,710.60</u>	<u>12,522.84</u>
	17,518.13	14,384.44
Less: Inventory at the end of the year	<u>2,156.21</u>	<u>1,807.53</u>
Cost of Raw materials and components consumed	<u>15,361.92</u>	<u>12,576.91</u>
Details of raw material and components		
Raw materials and components consumed		
Alumina	5,724.65	5,159.18
Bauxite	1,248.41	960.36
Zirconia	1,786.39	1,321.27
Binders	1,487.61	1,307.25
Graphite	1,317.26	1,051.71
Others	<u>3,797.60</u>	<u>2,777.14</u>
	15,361.92	12,576.91
Details of closing inventory of raw material and components		
Alumina	552.53	530.08
Bauxite	95.52	110.86
Zirconia	353.20	306.98
Binders	92.78	73.93
Graphite	54.79	38.39
Others	<u>1,007.39</u>	<u>747.29</u>
	2,156.21	1,807.53
19. INCREASE IN INVENTORIES		
Inventories at the end of the year		
Work-in-progress	742.13	562.32
Finished goods	2,154.66	1,681.54
Traded goods	<u>377.93</u>	<u>298.11</u>
	3,274.72	2,541.97
Inventories at the beginning of the year/ Acquired under Demerger Scheme (refer note 26)		
Work in progress	562.32	705.56
Finished goods	1,681.54	1,484.23
Traded goods	<u>298.11</u>	<u>157.93</u>
	2,541.97	2,347.72
Increase in inventories	<u>(732.75)</u>	<u>(194.25)</u>
Details of purchase of traded goods		
Spray/Ramming mass	3,986.33	3,664.01
Others	<u>1,218.97</u>	<u>1,085.27</u>
	5,205.30	4,749.28
Details of inventories		
Traded goods		
Spray/Ramming mass	181.33	151.36
Others	<u>196.60</u>	<u>146.75</u>
	377.93	298.11
Finished Goods		
Refractories	1,836.12	1,415.82
Monolithics	<u>318.54</u>	<u>265.72</u>
	2,154.66	1,681.54
Work in progress		
Refractories	<u>742.13</u>	<u>562.32</u>
	742.13	562.32



	(Amount in ₹ Lacs)	
	For the year ended March 31, 2013	For the year ended March 31, 2012
20. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	2,308.19	2,003.04
Contribution to provident and other fund	107.65	100.49
Gratuity expense (refer note 28)	76.77	76.69
Staff welfare expenses	167.92	137.60
	<u>2,660.53</u>	<u>2,317.82</u>
21. OTHER EXPENSES		
Consumption of stores and spare parts	1,326.90	1,293.59
Power and fuel	1,617.80	1,307.91
Processing charges	592.73	561.86
Freight and forwarding	900.47	777.10
Rent	26.51	26.91
Repairs and maintenance		
Plant and Machinery	169.81	143.00
Buildings	54.66	37.04
Others	2.98	3.19
Insurance	44.76	38.50
Packing expenses	807.80	605.27
Rates and taxes	17.17	35.38
Commission on sales (Other than sole selling agents)	587.34	444.86
Cash discount on sales	1.49	3.15
Advertising and other expenses	51.18	45.33
Travelling and conveyance	145.00	142.32
Communication costs	41.31	37.86
Donation	11.38	5.25
Printing and stationery	20.43	17.41
Legal and professional fees	88.36	76.39
Auditor's remuneration (refer details below)	20.13	16.36
Royalty	1.79	9.87
Directors fees	4.10	1.80
Debit balances written off (net of provision utilised ₹ 50.49 Lacs) (previous year ₹ Nil)	73.15	-
Provision for doubtful debts and advances	96.90	38.22
Provision for doubtful export incentives receivables	5.22	12.93
Loss on sale of fixed assets	15.35	11.27
Decrease in excise duty on closing stock	38.25	12.12
Miscellaneous expenses	32.07	49.70
	<u>6,795.04</u>	<u>5,754.59</u>
Payment to auditor		
Statutory audit fee	7.50	6.50
Tax audit fee	-	-
Limited reviews	9.50	-
Other matters	-	7.50
Out of pocket expenses	3.13	2.36
	<u>20.13</u>	<u>16.36</u>
22. FINANCE COSTS		
Interest	131.41	344.42
Bank charges	62.62	43.34
	<u>194.03</u>	<u>387.76</u>
23. EXCEPTIONAL ITEMS (REFER NOTE 27)		
Voluntary retirement scheme expenses	125.86	-
Loss on claim of fire	55.73	-
	<u>181.59</u>	<u>-</u>
24. EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net profit for calculation of basic and diluted EPS	4,139.02	3,080.93
Weighted average number of equity shares in calculating basic and diluted EPS (no. in Lacs)	1,201.39	1,201.39
Basic and diluted earning per share	3.45	2.56



25. 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 consolidated revenue of operations by geographical market, regardless of where the goods were produced

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
India	30,181.63	25,429.45
Outside India	5,803.33	4,612.16
Total	35,984.96	30,041.61

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

Particulars	As at March 31, 2013	As at March 31, 2012
India	5,959.04	5,009.91
Outside India	1,192.59	1,185.90
Total	7,151.63	6,195.81

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

- 26.** Pursuant to the scheme of arrangement between Orient Abrasives Limited (transferor company) (OAL) and the Company, the refractory business of the transferor company carried at its manufacturing unit at Bhiwadi (demerged undertaking), was transferred to the Company with effect from April 01, 2011 (the appointed date). The said scheme under Section 391 to 394 of the Companies Act, 1956 has been approved by the Hon'ble High Court of Delhi vide its order dated September 19, 2011 and has been effective from October 31, 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. November 14, 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, following was done in previous year.



- (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

(Amount in ₹ Lacs)

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 OAL 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) to be issued by the Company to the members of the transferor company was credited to the share capital account on the appointed date. The Company in its board meeting dated November 15, 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.

27. EXCEPTIONAL ITEMS

- A. During the year, the Company announced a voluntary retirement scheme (VRS) on June 20, 2012. The scheme was open till June 30, 2012. In response to the VRS, 43 employees opted for the same. Expenditure of ₹ 125.86 Lacs on VRS has been charged to statement of profit and loss.
- B. During the previous year, a fire occurred at the warehouse in the Company's factory at Bhiwadi on September 25, 2011. As a result, the Company estimated the loss of ₹ 149.76 Lacs (including raw material, packing material, repair and maintenance and other expenses). The Company filed a claim with the insurance company for the equivalent amount and recognized the same as the management was confident that claim receivable shall not be lower than the above amount. During the year the insurance claim filed by the Company in respect of fire claim in the previous year was settled for a lesser amount and accordingly net loss of ₹ 55.73 Lacs has been accounted for in current year.

28. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months. The benefit vests on the employees after completion of 5 years of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table summarise the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for gratuity.



STATEMENT OF PROFIT AND LOSS

Net employee benefit expense recognized in employee benefit expenses

(Amount in ₹ Lacs)

Particulars	Gratuity	
	For the year ended March 31, 2013	For the year ended March 31, 2012
Current service cost	27.41	22.03
Interest cost on benefit obligation	27.02	—
Expected return on plan assets	(27.42)	(17.63)
Net actuarial loss recognized in the year	49.76	72.29
Net benefit expense	76.77	76.69

BALANCE SHEET

Details of provisions for gratuity

Particulars	Gratuity	
	As at March 31, 2013	As at March 31, 2012
Defined benefit obligation	409.63	337.83
Fair value of plan assets	400.22	304.72
Plan (liability)	(9.41)	(33.11)

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

Particulars	Gratuity	
	March 31, 2013	March 31, 2012
Opening defined benefit obligation	337.83	—
Acquired under demerger scheme (refer note 26)	—	248.29
Interest cost	27.02	—
Current service cost	27.41	22.03
Benefit paid	(41.21)	(4.82)
Actuarial losses on obligation	58.58	72.33
Closing defined benefit obligation	409.63	337.83

Changes in the fair value of plan assets are as follows

Particulars	Gratuity	
	March 31, 2013	March 31, 2012
Fair value of plan assets at the beginning of the year	304.71	—
Acquired under demerger scheme (refer note 26)	—	216.64
Expected return on plan assets	27.42	17.63
Contributions by employer	100.47	75.22
Benefits paid	(41.21)	(4.82)
Actuarial gains / (losses)	8.83	0.04
Fair value of plan assets at the end of the year	400.22	304.71
Actual return on plan assets	36.25	17.67

The Company expects to contribute ₹ 46.88 Lacs (previous year ₹ 23.75 Lacs) to gratuity in next year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

Particulars	March 31, 2013	March 31, 2012
Investments with insurer	100%	100%

The principal actuarial assumptions used in determining gratuity obligations for the Company's plans are shown below

Particulars	Gratuity	
	March 31, 2013	March 31, 2012
Discount rate	8.00%	8.50%
Expected rate of return on assets	9.00%	8.00%
Future Salary Increase	8.00%	8.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous year are as follows

Particulars	Gratuity	
	March 31, 2013	March 31, 2012
Defined benefit obligation	409.63	337.82
Plan assets	400.22	304.71
Surplus (Deficit)	(9.41)	(33.11)
Experience adjustment on plan liabilities (loss)/gain	(58.58)	(72.33)
Experience adjustment on plan assets (loss)/gain	8.83	0.04

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

29. LEASES

Operating Lease: Company as Lessee

The Company has taken various residential, office and warehouse premises under operating lease agreements. These are cancellable by giving notice and are renewable by mutual consent on mutually agreed terms. There is no lock in period. The lease payment recognized in the statement of profit and loss for the year is ₹ 26.51 Lacs (previous year: ₹ 26.91 Lacs).

30. RELATED PARTY DISCLOSURES

NAMES OF RELATED PARTIES AND RELATED PARTY RELATIONSHIP

I. PARTIES WHERE CONTROL EXISTS

A. HOLDING COMPANY

Orient Abrasives Limited (till November 15, 2011)

II. RELATED PARTIES WITH WHOM TRANSACTIONS HAVE TAKEN PLACE DURING THE YEAR

A. Individuals having significant influence over the Company through their voting rights of 20% or more
Mr. S G Rajgarhia, Managing Director (till March 3, 2013)

B. Associates

Dutch US Holding BV (Holds more than 20% shares)

C. Key Managerial Personnel

Mr. S C Sarin, Executive Director (w.e.f. October 18, 2011)

Mr. Parmod Sagar, Managing Director (w.e.f. March 4, 2013)

Mr. S G Rajgarhia, Executive Director (w.e.f. March 4, 2013)

D. Relatives of the persons having significant influence over the Company (as covered in A above)

1. Mr R K Rajgarhia, Director Brother

E. The enterprises controlled, owned or significantly influenced by individuals having significant influence over the Company or their relatives (as covered in A and C above)

1. Orient Abrasives Limited

2. APM Industries Limited

3. Hindustan General Industries Limited

4. Perfectpac Limited



ORIENT REFRACTORIES LIMITED

Particulars	A. Holding Company		B. An Individual with substantial interest		C. Key Managerial Personnel		D. Relatives of the persons having significant influence over the company		E. The Enterprises controlled, owned or significantly influenced by individuals having significant over the company or their relatives		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
SALES												
Orient Abrasives Limited	-	-	-	-	-	-	-	-	7.58	97.48	7.58	97.48
APM Industries Limited	-	-	-	-	-	-	-	-	-	0.26	-	0.26
Total Sales	-	-	-	-	-	-	-	-	7.58	97.74	7.58	97.74
PURCHASE OF RAW MATERIALS												
Orient Abrasives Limited	-	-	-	-	-	-	-	-	4,592.32	3,752.14	4,592.32	3,752.14
APM Industries Limited	-	-	-	-	-	-	-	-	2.58	6.59	2.58	6.59
Total Purchase of Raw Materials	-	-	-	-	-	-	-	-	4,594.90	3,758.73	4,594.90	3,758.73
MANAGERIAL REMUNERATION												
Mr. S.G. Rajgarhia	-	-	-	-	153.71	68.57	-	-	-	-	153.71	68.57
Mr. S.C. Sarin	-	-	-	-	62.25	17.64	-	-	-	-	62.25	17.64
Mr. Parmod Sagar	-	-	-	-	9.19	-	-	-	-	-	9.19	-
PACKING EXPENSES												
Perfectpac Limited	-	-	-	-	-	-	-	-	68.85	130.17	68.85	130.17
Commission paid												
Hindustan General Industries Ltd.	-	-	-	-	-	-	-	-	19.86	17.98	19.86	17.98
Directors' Sitting Fees:												
Mr. R.K. Rajgarhia	-	-	-	-	-	-	0.70	0.40	-	-	0.70	0.40
LOANS TAKEN & REPAYD												
Mr. S. C. Sarin	-	-	-	-	29.00	-	-	-	-	-	29.00	-
RENT PAID												
Orient Abrasives Limited	-	-	-	-	-	-	-	-	1.25	-	1.25	-
EXPENSES INCURRED ON BEHALF OF THE COMPANY												
Orient Abrasives Limited	-	-	-	-	-	-	-	-	51.27	115.58	51.27	115.58
Employee benefits expenses	-	-	-	-	-	-	-	-	14.21	21.13	14.21	21.13
Travelling and conveyance	-	-	-	-	-	-	-	-	3.90	14.26	3.90	14.26
Miscellaneous expenses	-	-	-	-	-	-	-	-	11.98	12.86	11.98	12.86
Rent	-	-	-	-	-	-	-	-	3.15	6.51	3.15	6.51
Legal & professional charges	-	-	-	-	-	-	-	-	3.50	3.11	3.50	3.11
Communication expenses	-	-	-	-	-	-	-	-	0.06	2.00	0.06	2.00
Donation expenses	-	-	-	-	-	-	-	-	-	1.80	-	1.80
Directors fees	-	-	-	-	-	-	-	-	1.57	1.43	1.57	1.43
Printing and stationery	-	-	-	-	-	-	-	-	3.22	1.30	3.22	1.30
Other selling expenses	-	-	-	-	-	-	-	-	-	1.07	-	1.07
Insurance	-	-	-	-	-	-	-	-	0.40	0.49	0.40	0.49
Repairs and maintenance - others	-	-	-	-	-	-	-	-	-	-	-	-
Balance outstanding as at the year-end												
Trade Payables:												
Hindustan General Industries Ltd.	-	-	-	-	-	-	-	-	1.84	0.22	1.84	0.22
Perfectpac Ltd.	-	-	-	-	-	-	-	-	9.31	31.15	9.31	31.15
Orient Abrasives Limited	-	-	-	-	-	-	-	-	521.23	42.81	521.23	42.81
Total Trade Payables	-	-	-	-	-	-	-	-	532.38	74.18	532.38	74.18

31. CAPITAL AND OTHER COMMITMENTS

At March 31, 2013, the Company has ₹ 21.84 Lacs (previous year: ₹ 36.53 Lacs) as amount of contracts remaining to be executed on capital account (net of advances).

32. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE REPORTING DATE

(Amount in ₹ Lacs)

Particulars	Currency	As at March 31, 2013			As at March 31, 2012		
		Foreign currency	Rate	Amount	Foreign currency	Rate	Amount
Import trade payables	USD	548,196	54.88	300.85	75,061	51.53	38.68
	EURO	77,463	70.66	54.74	102,390	69.05	70.70
	GBP	12,632	83.69	10.57	8,369	82.58	6.91
	JPY	133,933	0.59	0.78	133,933	0.63	0.85
Export trade receivables	USD	627,431	54.06	339.19	579,803	50.71	294.02
	EURO	1,362,640	69.06	941.04	1,272,112	67.44	857.91
	GBP	—	—	—	42,056	80.76	33.96

33. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

(Amount in ₹ Lacs)

Particulars	March 31, 2013	March 31, 2012
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year Principal amount due to micro and small enterprises Interest due on above	243.54	69.47
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the made payment to the supplier beyond the appointed day during each accounting year	NIL	NIL
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.		
The amount of interest accrued and remaining unpaid at the end of each accounting year.		
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	NIL	NIL
Amount of interest accrued and remaining unpaid at the end of the year.	NIL	NIL
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL

The above data is based on the confirmations received by the Company



34. VALUE OF IMPORTS CALCULATED ON CIF BASIS

(Amount in ₹ Lacs)

Particulars	March 31, 2013	March 31, 2012
Raw Materials	3,884.96	2,596.40
Traded goods	140.36	57.91
Capital Goods	41.90	598.61
Stores and spare parts	40.08	46.27
	4,107.30	3,299.19

35. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

Particulars	March 31, 2013	March 31, 2012
Travelling and Conveyance	6.41	13.69
Royalty	1.79	8.97
Commission	248.30	205.50
Legal and professional	21.17	30.47
Advertisement	–	3.79
Bank Charges	10.03	10.95
Interest	–	1.05
Repair and maintenance	1.76	–
	289.46	274.42

36. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND STORES, SPARES CONSUMED

Particulars	March 31, 2013		March 31, 2012	
	% of total consumption	Value	% of total consumption	Value
Raw Materials and components				
Imported	25.66	3,942.05	24.40	3,068.30
Indigenous	74.34	11,419.87	75.60	9,508.61
	100.00	15,361.92	100.00	12,576.91
Stores and spare parts				
Imported	2.88	38.16	3.73	48.23
Indigenous	97.12	1,288.74	96.27	1,245.36
	100.00	1,326.90	100.00	1,293.59

37. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	March 31, 2013	March 31, 2012
FOB value of exports	5,803.33	4,612.16
Royalty income	–	9.44
	5,803.33	4,621.60

38. PREVIOUS YEAR FIGURES

Previous year figures have been regrouped/reclassified, where necessary, to confirm to this year's classification.

As per our report of even date

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No. 301003E

Chartered Accountants

per Vikas Mehra
Partner
Membership No. 94421

Place: Gurgaon
Date : May 22, 2013

For and on behalf of the Board of Directors of
Orient Refractories Limited

Parmod Sagar
MANAGING DIRECTOR

Manoj Gupta
SR. GENERAL MANAGER

Michael John Williams
DIRECTOR

Sanjay Kumar
COMPANY SECRETARY

Place : Bhiwadi
Date : May 22, 2013



ORIENT REFRACTORIES LIMITED

Regd. Office : 1307, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110 019

PROXY FORM

I/We of
 in the district of
 being member/s of the
 above named company hereby appoint
 of in the district of
 or failing him of in the
 district of as my/our proxy to attend and vote for me/us and on my/our behalf
 at the Third Annual General Meeting of the Company to be held on Thursday, the 26th day of September, 2013
 at 11.30 A.M. and at any adjournment thereof.

Signed this day of

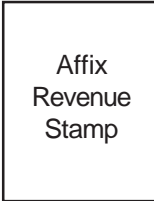
Signature

Folio No. / DP ID No. and Client ID No.*

No. of shares held

Note : The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.

* Applicable in case of Shares held in electronic mode.



- Tear Here -



ORIENT REFRACTORIES LIMITED

Regd. Office : 1307, Chiranjiv Tower, 43, Nehru Place, New Delhi - 110 019

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Hall.

I hereby record my presence at the Third Annual General Meeting of the Company held at Hindi Bhawan, 11, Vishnu Digambar Marg (Near Bal Bhawan), New Delhi 110 002 on Thursday, the 26th day of September, 2013 at 11.30 A.M.

Full Name of the Member (in Block Letters)

Full Name of Proxy, if applicable

Folio No. / DP ID No. and Client ID No.*

No. of Shares held

* Applicable in case of Shares held in electronic mode.

Signature of Member/Proxy

PLEASE NOTE NO GIFT / GIFT COUPONS SHALL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING

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