

Solid Foundations Sustainable Progress

Orient Cement Limited

Orient Cement Limited

CIN : L26940OR2011PLC013933

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

Tel.: 011-42092100/42092190

www.orientcement.com



Corporate Information

BOARD OF DIRECTORS

Mr. Chandrakant Birla
(Chairman)

Mr. Desh Deepak Khetrapal
(Managing Director & CEO)

Mrs. Amita Birla

Mr. Rajeev Jhavar

Mr. Vinod Kumar Dhali

Mr. Rabindranath Jhunjhunwala

Mr. Janat Shah

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

KEY MANAGERIAL PERSONS

Mr. Desh Deepak Khetrapal
(Managing Director & CEO)

Mr. Sushil Gupta
(Chief Financial Officer)

Ms. Deepanjali Gulati
(Company Secretary)

STATUTORY AUDITORS

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

REGISTERED OFFICE

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

MANUFACTURING PLANTS

Devapur

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

Jalgaon

Nashirabad,
Dist. Jalgaon (MS)

Chittapur

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

REGISTRAR & TRANSFER AGENT

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

BANKERS

State Bank of India

HDFC Bank Limited

Indian Bank

5th ANNUAL GENERAL MEETING

Date : 23rd July, 2016

Day : Saturday

Time : 2:00 P.M.

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

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

CORPORATE IDENTIFICATION NO.

L26940OR2011PLC013933

WEBSITE

www.orientcement.com

The way forward

CORPORATE OVERVIEW

- | | | | | | |
|----|--|----|--|----|---|
| 05 | Value matters, but values make the difference. | 19 | The only colour we see is GREEN. | 30 | A few words from the Chairman |
| 09 | Ambitions are conceived by vision and realised through execution excellence. | 22 | Technology is the future - we are ready. | 32 | A review by the Managing Director & CEO |
| 15 | Unlocking potential through empowerment. | 24 | Strengthening of the supply chain begins with the first link. | 34 | Endorsing the strength of our foundations |
| | | 26 | What you see is only half the measure of our strength. The rest lies in... | | |

BOARD & MANAGEMENT REPORTS

- | | |
|----|--|
| 36 | Directors' Profile |
| 41 | Notice |
| 47 | Directors' Report |
| 75 | Management Discussions & Analysis Report |
| 81 | Corporate Governance Report |

FINANCIAL STATEMENTS

- | | |
|-----|----------------------|
| 105 | Financial Statements |
|-----|----------------------|

05-35

36-104

105-140

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

Sustainable progress is what we dedicate ourselves to.

Sustainable progress needs solid foundations.

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

That sums up the story of Orient Cement.

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

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

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

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

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



Value
matters,
but values
make the
difference.



A legacy of values-centric foundations

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

The Company's values are its guiding light and have enabled it to build robust foundations and sustain a legacy of excellence over the years. By leveraging its intrinsic strengths built over time, the Company is able to deliver excellence in execution as well as holistic and inclusive progress in a sustainable manner.

Continuous improvement of these competencies as we move forward lies at the core of the strategic growth charter of the Company, and is critical to its success. This is driven by a deep-rooted value system and a values-led business philosophy.

OUR VALUES

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

OUR VISION

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

THE COMPANY'S STRENGTHS ARE ROOTED IN ITS CORE VALUES

Legacy of excellence and value delivery

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

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

High customer satisfaction
through quality and service

HR policies centred on **employee empowerment and engagement**

Focus on inclusive, **sustainable progress** extending beyond business



Map not to scale - for illustrative purposes only.

CREATING QUALITY BENCHMARKS

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

CERTIFICATIONS

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

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

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



Ambitions
are conceived
by vision and
realised through
execution
excellence.

Augmenting growth through Chittapur

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

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

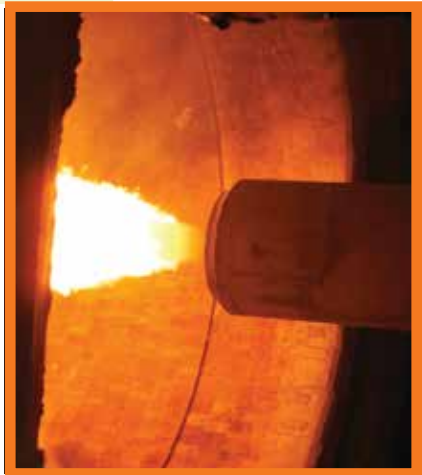
Built with the best-in-class equipment and competencies, the plant is equipped with technologically advanced machinery to ensure timely delivery of quality product.

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



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

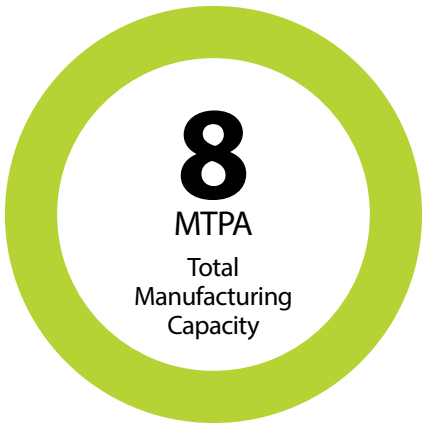
With the distinction of recording 21 million hours without a single safety issue during the construction phase, the new project has been awarded as the safest project site, evidencing our focus on employee safety and resource preservation.



Steering excellence across our manufacturing units

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

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



Reinforcing our strengths to steer sustained excellence

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



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

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



Unlocking
potential
through
empowerment.

Empowering our people

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

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

NURTURING THE GROWTH OF OUR EMPLOYEES

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

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

OTHER PEOPLE-LINKED INITIATIVES UNDERTAKEN DURING THE YEAR INCLUDED:

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

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

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

