

Directors' Report

Dear members

Your directors are pleased to present the 9th Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended March 31, 2020.

SUMMARY OF FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2020 is summarised below:

(₹ in Crore)

Particulars	2019-20	2018-19
Revenue from Operations	2,421.80	2,522.17
Earnings before interest, depreciation, amortisation & taxation	400.59	326.01
Interest / finance costs	122.32	118.50
Profit before depreciation and taxation	278.27	207.51
Depreciation and amortization expenses	140.87	132.72
Profit before taxation	137.40	74.79
Taxation	50.81	27.24
Net profit	86.59	47.55
Transferred from Employee Stock Options Outstanding	1.83	-
Profit brought forward from last year	307.68	279.35
Profit available for appropriations	396.10	326.90
Appropriations		
Other Comprehensive Income	(1.94)	(0.69)
Dividend on equity shares	15.37	15.37
Corporate dividend tax	3.16	3.16
Balance carried to balance sheet	375.63	307.68
EPS	4.23	2.32

BUSINESS AND FINANCIAL PERFORMANCE

Financial Year 2019-20 was a challenging year for the cement industry. The industry experienced a degrowth of 1% vs a 12% growth last year. The degrowth in the Company's relevant markets were much higher, impacted by State Government elections in Maharashtra, extended monsoon and lower investments in irrigation projects by the State Governments. The lockdown imposed by the Government towards the end of March 2020 in the wake of COVID-19 pandemic further impacted volumes and top line. Despite these challenges, the Company has managed to limit the impact on sales and achieve higher profitability.

A focus on premiumisation strategies adopted by the Company, improved fuel mix, effective cost control measures both on fixed and variable costs and better

cement price realisation during the year has contributed to improved profitability.

The key business and financial highlights of your Company are as under:

- Total sales volume for the year stood at 58 lac tons against 64 lac tons in FY19, a degrowth of around 9%.
- We continue to focus on PPC cement production in line with your Company's commitment to environmental sustainability. Total PPC sale was 57% for the year.
- Net Sales realization for the year was ₹4,167 per ton as against ₹3,925 during last year.
- The overall capacity utilization stood at 73% for the year.
- Despite the decline in sales volume, EBITDA for the year

was ₹400.59 crore as against ₹326.01 crore during last year, a ~23% increase.

- Net profit for the year ₹86.59 crore as compared to Net profit ₹47.55 crore during last year, an increase of ~82%.

The Company is actively pursuing digitisation and data-analytics initiatives across operations to further strengthen performance and drive monetization of efficiency improvements.

DIVIDEND

Your Directors are pleased to recommend a final dividend amounting to ₹0.75/- (75%) per equity share of face value of ₹1/- each for the year ended March 31, 2020, subject to approval of shareholders at the forthcoming Annual General Meeting of the Company as against dividend of ₹0.75/- (75%) per equity share paid in the immediately preceding year.

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 25, 2020 to Friday, July 31, 2020, both days inclusive, for determining the entitlement of the shareholders to the final dividend for financial year 2019-20.

BOARD OF DIRECTORS, ITS COMMITTEES AND MEETINGS THEREOF

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

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

During the financial year ended March 31, 2020, the Board of Directors met 5 (five) times viz. on April 29, 2019, July 29, 2019, October 21, 2019, January 29, 2020 and

March 23, 2020. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A detailed update on the Board and its Committees' composition, number of meetings held during the financial year 2019-20 and attendance of the directors at these meetings is provided in the Report on Corporate Governance.

CHANGES IN DIRECTORS

In terms of the provisions of section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mrs. Amita Birla (DIN 00837718), a non-executive director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment. The Board of Directors recommends the resolution for re-appointment of Mrs. Amita Birla for the approval of the members of the Company at the ensuing Annual General Meeting.

During the year 2019-20, on the recommendation of the Nomination & Remuneration cum Compensation Committee, the Board of Directors in their meeting held on March 23, 2020, approved the re-appointment of Mr. Desh Deepak Khetrpal (DIN 02362633) as the Managing Director & CEO of the Company w.e.f. April 1, 2020 for a period of 2 (two) years subject to approval of shareholders at the forthcoming Annual General Meeting. The resolution seeking consideration of Mr. Khetrpal's re-appointment and payment of remuneration for the financial year 2020-21 has been included in the Notice of the Annual General Meeting. The Board of Directors recommends the resolution for your approval.

Mr. Swapan Dasgupta was appointed as an Independent Director of the Company with effect from August 4, 2015 and in terms of the provisions of section 149(10) of the Companies Act, 2013, his first term of five consecutive years is expiring on August 3, 2020. In terms of the provisions of section 149(10), Mr. Swapan Dasgupta is eligible for re-appointment as an Independent Director for another term of five years by passing special resolution in this regard. The resolution for re-appointment of Mr. Swapan Dasgupta, as an Independent Director, not liable to retire by rotation, has been included in the Notice of the Annual General Meeting. The Board of Directors recommend the resolution for your approval.

A brief profile and other details relating to the Directors are furnished in the Annual Report.

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

DECLARATION BY INDEPENDENT DIRECTORS

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

KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Sushil Gupta, Chief Financial Officer (FCA-044924) resigned from the services of the Company with effect from January 29, 2020 and Mr. Soumitra Bhattacharyya (FCA- A059004) was appointed as the Chief Financial Officer of the Company with effect from January 29, 2020.

In addition, in terms of the provisions of section 203 of the Companies Act, 2013, Mr. Desh Deepak Khetrapal - Managing Director & CEO (DIN 02362633) and Mrs. Nidhi Bisaria - Company Secretary (FCS-5634) continue to hold their respective offices during the financial year 2019-20 as Key Managerial Personnel.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has formulated a vigil mechanism through a Whistle Blower Policy to deal with instances of illegal practices, unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

Adequate safeguards are provided against victimization to those who avail of the mechanism. The details of the Whistle Blower Policy are explained in the Corporate Governance Report. The Whistle Blower Policy is available on Company's website and can be accessed through the web link: <http://orientcement.com/investors/>.

AUDIT COMMITTEE

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

AWARDS AND RECOGNITIONS

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

Devapur Plant:

- 1) Birla.A1 Premium Cement (PPC) awarded with the 'GreenPro Certification' by CII - Green Products and Services Council at the 15th Green CemenTech - 2019 held in Hyderabad on 30th May 2019.
- 2) "EXCELLENCE IN ENERGY MANAGEMENT 2019" award as Energy Efficiency Unit by CII received at Hyderabad on 18th Sep 2019 during 20th National Award function.
- 3) AWARDS received from Apex India Foundation for 2019 in Cement Sector on 24th Sep 2019 at Goa.
 - "PLATINUM AWARD" for Energy Efficiency
 - "PLATINUM AWARD" for Environment Excellence
 - "GOLD AWARD" for Occupational Health & Safety
- 4) SEEM NATIONAL ENERGY MANAGEMENT PLATINUM AWARD - 2019 received from Society of Energy Engineers & Managers (SEEM) at New Delhi on 26th Sep 2019.
- 5) Winner in Cement Sector with "Greentech Safety Award 2019" from Greentech Foundation for outstanding

achievements in Safety Management received on 8th Dec 2019 at New Delhi.

Chittapur Plant:

- 1) Unnatha Suraksha Puraskara from National Safety Council, Karnataka Chapter on 9th Sep, 2019.
- 2) Apex India Occupational Health and Safety Platinum Award on 25th Sep, 2019
- 3) Greentech Safety Award on 8th Dec, 2019
- 4) Apex India Environment Excellence Gold Award on 25th Sep, 2019.
- 5) National Energy Management Award from CII on 18th Sep, 2019.
- 6) Apex India Energy Efficiency Platinum Award on 25th Sep, 2019.
- 7) SEEM National Energy Management Award on 26th Sep, 2019.
- 8) International Safety Award - RoSPA 2020 Silver Award from "Royal Society for the prevention of accident" (This will be presented to us on 8th Sep, 2020 at London UK).

Jalgaon Plant:

- 1) Green Tech Safety Award - Winner in Cement Sector received from Green Tech Foundation, New Delhi.
- 2) "Energy Efficient Unit" in 20th National Award for Excellence in Energy Management, CII, Maharashtra.

STATUTORY AUDITORS

M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 301003E/ E300005) was appointed as Statutory Auditors of the Company by the shareholders at the Annual General Meeting held on August 1, 2019 to hold office as Statutory Auditors for the balance term of two years from the conclusion of eighth Annual General Meeting of the Company held in the year 2019 till the conclusion of tenth Annual General Meeting of the Company to be held in the year 2021.

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

Further, in terms of section 143 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, notifications / circulars issued by the Ministry of Corporate Affairs from time to time, no fraud has been reported by the Auditors of the Company where they have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company.

COST AUDITORS

In terms of the section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain Cost Accounting records and get them audited every year. The Board appointed Mr. Somnath Mukherjee, Cost Accountant (M.No.-F5343), as Cost Auditors of the Company for the financial year 2020-21 at a fee of ₹85,000/- (Rupees eighty five thousand only) plus out of pocket expenses subject to the ratification of the said fees by the shareholders at the ensuing Annual General Meeting.

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

SECRETARIAL AUDITORS

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Ranjeet Pandey and Associates, Company Secretaries (Registration No. F-5922), were appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20.

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

The Board has re-appointed M/s Ranjeet Pandey and Associates, Company Secretaries, (Registration No. F-5922), as Secretarial Auditor of the Company for the financial year 2020-21.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

RELATED PARTY TRANSACTIONS

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

transactions that were of a foreseen and repetitive nature. These transactions were reviewed by the Audit Committee on a quarterly basis.

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

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

Particulars of contract or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is annexed as **Annexure '2'** to the Report.

CHANGE IN THE NATURE OF BUSINESS

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

RISK MANAGEMENT

The Company has constituted a Risk Management Committee of the Board to review the risk management plan / process of the Company. The Risk Management Committee identifies potential risks, assesses their potential impact and takes timely action to mitigate the same.

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

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

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

As per the provisions of section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility

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

Your Company's management has established and maintained internal financial controls based on the internal control over financial reporting criteria established in the integrated framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) (the COSO criteria), which considers the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on information provided, nothing has come to the attention of Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review.

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

CORPORATE SOCIAL RESPONSIBILITY

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

The Board has constituted a CSR Committee and has a well-defined Policy on CSR as per the requirement of section 135

of the Companies Act, 2013 which covers the activities as prescribed under Schedule VII of the Companies Act, 2013. Detailed information pertaining to the CSR Committee has been provided in the Report on Corporate Governance.

The CSR Policy laid down by the Company ensures that:

1. The CSR agenda is integrated with the business;
2. Focused efforts are made in the identified community development areas to achieve the desired benefits;
3. The Company contributes towards nation-building through its CSR activities.

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

Corporate Social Responsibility Report, pursuant to section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, forms part of this Report as **Annexure '3'**.

The CSR Policy of the Company is placed on the website of the Company and can be accessed through the web link: <http://orientcement.com/investors/>.

PARTICULARS OF EMPLOYEES, DIRECTORS AND KEY MANAGERIAL PERSONNEL

The information required pursuant to section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure '4'** forming an integral part of this Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top ten employees and employees drawing remuneration in excess of the limits as provided in the said rules are set out in the Directors' Report as an addendum thereto. However, in terms of provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

SHARE CAPITAL

During the year under review, the Issued, Subscribed and

Paid up Share Capital of the Company was 20,48,68,760 shares of ₹1/- each. There was no change in the capital structure of the Company.

EXTRACT OF THE ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, relevant extract of annual return for the financial year 2019-20 is given as **Annexure '5'** to this Report and can be accessed through the web link <http://orientcement.com/investors/>.

EMPLOYEES STOCK OPTION SCHEME

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

During the financial year 2019-20, no options were granted under ESOS-2015. The applicable disclosures under SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") as at March 31, 2020 has been uploaded on the website of the Company and can be accessed through the web link <http://orientcement.com/investors/>. There is no change in the ESOS scheme of the Company during the financial year.

Certificate from M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 301003E/E300005), Statutory Auditors of the Company confirming that the scheme has been implemented in accordance with the SEBI Regulations, would be placed at the ensuing Annual General Meeting of the Company for inspection by the members.

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

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

As per the provisions of section 21 and 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the report on the details of the number of cases filed under Sexual Harassment and their

disposal, during the calendar year 2019 is as under:

Number of cases pending as on the beginning of the calendar year	Nil
Number of complaints filed during the calendar year	Nil
Number of cases pending as on the end of the calendar year	Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

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

The certificate of M/s S.R. Batliboi & Co. LLP (ICAI Firm Registration Number 301003E/ E300005), Chartered Accountants, the Statutory Auditors of the Company certifying compliance with the conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with the Report on Corporate Governance. The Auditors' certificate for financial year 2019-20 does not contain any qualification, reservation or adverse remark.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual directors was carried out for the financial year 2019-20. The performance

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

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

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The annual listing fees for the financial year 2020-21 have been paid to these exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(3)(c) of the Companies Act, 2013, the Board of Directors hereby state that:

1. In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020 and of the profit and loss of the Company for the year ended on that date;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual financial statements on a going concern basis;
5. They have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively.
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company have occurred between

the end of the financial year of the Company to which the financial statements relate and till the date of this Report.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year, the Company has not earned any foreign exchange.

The total foreign exchange outgo during the year was ₹78.05 crore.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the financial year 2019-20, the Company had no Subsidiary, Associate or Joint Venture company.

DEPOSITS

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

SIGNIFICANT AND MATERIAL ORDERS

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

BUSINESS RESPONSIBILITY REPORT

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is presented in a separate section

forming part of the Annual report.

DIVIDEND DISTRIBUTION POLICY

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

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

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

OTHER STATUTORY DISCLOSURES

Your Directors state that no disclosure or reporting is required with respect to the following items as there were no transactions related to these items during the year under review:

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

ACKNOWLEDGEMENT

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

By order of the Board of Directors
For Orient Cement Limited

Place: New Delhi
Date: May 22, 2020

CK. Birla
Chairman
(DIN 00118473)