

# Orient Cement Limited

CIN:L26940OR2011PLC013933

Registered Office: Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha-751 012

Tel: 0674-2396930 | Fax No. 0674-2396364

Corporate Office: Birla Tower, 3<sup>rd</sup> Floor, 25, Barakhamba Road, New Delhi-110 001

Tel: 011-42092100, 011-42092190

investors@orientcement.com | www.orientcement.com

## Notice

**NOTICE** is hereby given that the 9<sup>th</sup> Annual General Meeting of the Members of Orient Cement Limited will be held on Friday, the 31<sup>st</sup> day of July, 2020 at 11:00 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2020, including the audited Balance Sheet as at March 31, 2020, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend of ₹0.75/- per equity share of face value of ₹1/- each for the financial year ended March 31, 2020.
3. To appoint a Director in place of Mrs. Amita Birla (DIN 00837718), who retires by rotation under the provisions of the Companies, Act, 2013 and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS

#### Item No. 4- Re-appointment of Mr. Swapan Dasgupta (DIN 07113693) as an Independent Director

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

**"RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Swapan Dasgupta (DIN 07113693), whose term as an Independent Director would expire on August 3, 2020, be and is hereby re-appointed as an Independent Director of the Company for another term of five years to hold the office from August 4, 2020 upto August 3, 2025, not liable to retire by rotation."

#### Item No. 5- Fixing the remuneration of Mr. Somnath Mukherjee, Cost Auditor of the Company

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

**"RESOLVED THAT** pursuant to the provisions of section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Audit fees amounting to ₹85,000/- (Rupees eighty five thousand only) plus out of pocket expenses to be paid to Mr. Somnath Mukherjee, Cost Accountant in Practice (M.NO.-F5343), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21, required to be audited under the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), be and is hereby ratified and approved."

#### Item No. 6- Approval of the terms of remuneration of Mr. Desh Deepak Khetrpal, Managing Director & CEO (DIN 02362633)

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ("Companies Act") and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act and subject to the approval of Central Government and/ or approval of other Government/ regulatory authorities/ agencies, as may be necessary, the consent of the shareholders be and is hereby accorded for the re-appointment of Mr. Desh Deepak Khetrpal (DIN 02362633) as Managing Director & Chief Executive Officer of the Company with effect from April 1, 2020 for a period of 2 (two) years on the below mentioned terms & conditions including remuneration:

**A. Tenure of Re-appointment**

From April 1, 2020 to March 31, 2022

**B. Remuneration**

From April 1, 2020 to March 31, 2021

Particulars	P.M. (Rupees)	P.A. (Rupees)
Basic Salary/ Basic Pay	30,00,000	3,60,00,000
Personal Allowance/ Pay	12,00,000	1,44,00,000
Special Allowance/ Pay	11,88,608	1,42,63,296
Medical Allowance/Reimbursements	10,000	1,20,000
LTA	2,50,000	30,00,000
<b>Gross Salary</b>	<b>56,48,608</b>	<b>6,77,83,296</b>

- C. In addition to the above, the Managing Director & Chief Executive Officer shall be provided suitable Company leased accommodation/ House Rent Allowance of ₹4,00,000/- per month and Company car (fully maintained and chauffeur driven) for official use.
- D. Mr. Khetrpal shall also be entitled to an Annual performance linked variable pay of up to ₹1,12,29,500/-. The performance linked variable pay can be paid up to 120% of ₹1,12,29,500/- on achieving certain additional performance criteria as specified by the Nomination & Remuneration cum Compensation Committee of the Company from time to time.
- E. Entitlement to shares of the Company in accordance with the Employees Stock Option Scheme as adopted by the Company.
- F. Contribution to provident fund, gratuity and superannuation fund will be as per the Rules of the Company.
- G. Encashment of un-availed leave at the end of the tenure or at specified intervals will be as per the Rules of the Company and does not form part of the abovementioned compensation.
- H. Appointment will be terminable by either party by giving three months' notice or salary in lieu thereof.

**RESOLVED FURTHER THAT** the re-appointment of Mr. Desh Deepak Khetrpal shall not be subject to retirement by rotation.

**RESOLVED FURTHER THAT** the aggregate salary, perquisites, bonus, benefits, allowances and other payments payable to Mr. Desh Deepak Khetrpal shall be subject to the limits prescribed under Section 197 and other applicable provisions of the Companies Act and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act for the time being in force.

**RESOLVED FURTHER THAT** the aggregate salary, perquisites, bonus, benefits, allowances and other payments paid to Mr. Desh Deepak Khetrpal shall be subject to revision w.e.f. April 1, 2021.

**RESOLVED FURTHER THAT** notwithstanding anything to the contrary herein contained, in the event of loss or inadequacy of profits in any financial year during his tenure, the Company will subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Mr. Desh Deepak Khetrpal as provided in this resolution, as minimum remuneration even if it exceeds 5 (five) percent of the net profits of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and the Company Secretary be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approvals/ sanctions of the Government and/ or other authorities/ agencies as may be applicable and to settle any question or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution."

**By order of the Board of Directors**

Place: New Delhi  
Date: May 22, 2020

**Nidhi Bisaria**  
Company Secretary  
(M.No.FCS-5634)

## NOTES:

1. In view of the prevailing COVID-19 pandemic across the country and restrictions on the movements apart from social distancing, restriction of gatherings, travel restrictions and other preventive advisories being issued by the Government from time to time, Ministry of Corporate Affairs ("MCA"), vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars"), permitted the companies to hold their Annual General Meeting ("AGM") through video conferencing ("VC") or other audio visual means ("OAVM") for the calendar year 2020 without the physical presence of the shareholders at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. In compliance with the aforesaid MCA Circulars and the Securities and Exchange Board of India ("SEBI") circular dated May 12, 2020 (hereinafter referred to as "SEBI Circular"), owing to the difficulties involved in dispatching of physical copies of the Annual Report for the financial year 2019-20 including financial statements (along with Board's Report, Auditor's Report or other documents required to be attached therewith), Notice of the 9<sup>th</sup> AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those shareholders whose email addresses are registered with the Company/ Depositories/ Registrar and Share Transfer Agent of the Company. Shareholders may note that this Notice alongwith Annual Report for the financial year 2019-20 will also be available on the website of the Company at [www.orientcement.com](http://www.orientcement.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the AGM is annexed hereto.
4. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars and SEBI Circular, physical attendance of shareholders has been dispensed with. **Accordingly, the facility for appointment of proxies by the shareholders will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.** The Route Map for the AGM is also not annexed with this AGM Notice.
5. The Company has appointed M/s KFin Technologies Private Limited, the Registrar and Share Transfer Agent ("KFin Tech" or "RTA"), to provide VC/OAVM facility and e-voting facility for the Annual General Meeting.
6. **As per the provisions of Section 103 of the Act, shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum.**
7. The Company has appointed Mr. Atul Kumar Labh, Practicing Company Secretary, (Membership No. FCS 4848/CP 3238), to act as the Scrutiniser for scrutinising the e-voting process in a fair and transparent manner.
8. Pursuant to Section 113 of the Act, Corporate shareholders are required to send the scanned copy (in PDF or JPG format) of the certified Board Resolution / Authority Letter from its governing body, as the case may be, authorising their representative(s) to attend this AGM through VC / OAVM and vote on their behalf through remote e-voting or at the AGM, by email from their registered email addresses to the Scrutiniser through e-mail to [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com), with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com) or [investors@orientcement.com](mailto:investors@orientcement.com).
9. 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 annual closing and for determining the entitlement of the shareholders to the final dividend for financial year 2019-20.
10. The dividend on Equity Shares, if declared at the AGM, will be credited on or before 10<sup>th</sup> August, 2020 to the bank account of the shareholders whose bank mandate are updated in the records of the Depository Participants/Company as on the book closure date. For shareholders whose bank mandates are not updated with the Depository Participants /Company as on the book closure date, demand drafts or warrants or cheques shall be sent by speed post upon normalization of printing and postal services in terms of SEBI Circular.
11. Shareholders who have not so far encashed their dividend paid by the Company upto and during the financial year ended March 31, 2020, may immediately approach the Company / RTA for claiming dividend amount. Information in respect of the unclaimed dividend as on March 31, 2020, will be uploaded on the website of Investor Education and Protection Fund

("IEPF") of the Government. [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company, [www.orientcement.com](http://www.orientcement.com).

12. Please note that the unpaid/unclaimed dividend for the Financial Year 2012-13 shall become due to transfer to IEPF on September 11, 2020 upon completion of seven years in terms of section 124(6) of the Act. The corresponding shares shall be transferred to relevant Demat Account of the IEPF Authority as per Rule 6 of the IEPF Rules, 2016, as amended. You are thus requested to claim the unclaimed dividend by sending a written application to KFin Tech or to the Company's Registered / Corporate Office along with (a) copy of PAN Card; (b) a cancelled cheque of your registered bank account; and (c) the original un-encashed Dividend warrant or a duly filled in indemnity letter in the format available on the website of the Company, [www.orientcement.com](http://www.orientcement.com). The said application should reach the Company on or before September 4, 2020 so as to enable us to submit your request to the bankers for transfer by NEFT or issuance of Demand Draft. In case no claim is received with respect to the above dividend, the shares (whether held in physical or electronic form) will be transferred by the Company to the Demat Account of the IEPF Authority. However, the shareholders, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same as well as the corresponding dividend by making an application to the IEPF Authority, in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The shareholder can file only one consolidated claim in a financial year as per the IEPF Rules.

13. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source at the prescribed rates from dividend to be paid to shareholders. For the prescribed rates under various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits.

Above documents can be provided either by sending an email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or by uploading the self-attested documents at <https://ris.kfintech.com/form15> on or before July 20, 2020.

14. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its RTA cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. The Members holding shares in physical form are requested to advise any change of address/and /or email address and / or bank mandate immediately to M/s. KFin Technologies Private Limited, 6F – 025, 6<sup>th</sup> Floor, Selenium (Tower B), Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

15. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. SEBI has also mandated that the requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except in the cases of transmission or transposition of securities. In view of above, shareholders holding shares in physical form are requested to open a demat account with a Depository Participant (DP) and deposit their physical shares with such DP and get their shares demat at the earliest to avoid any kind of inconvenience.

16. Details as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms an integral part of the Notice.

17. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements shall be available for inspection by the Members on the website of the Company, [www.orientcement.com](http://www.orientcement.com). upto the date of AGM.

**18. Procedure for obtaining the Annual Report, AGM Notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:**

Members who have not registered their email addresses and in consequence the Annual Report including Notice of AGM and e-voting instructions could not be serviced, may get their email address and mobile number registered with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

Alternatively, members may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for obtaining the Annual Report, Notice of AGM and the e-voting instructions.

**19. Voting through electronic means (Remote E-Voting):**

- I. The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting through electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended) Standard 2 of the Secretarial Standards on General Meetings, Reg. 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, (as amended) and the MCA Circulars, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by KFin Tech.
- II. The facility for voting shall be made available at the AGM and the Members attending the Meeting who have not cast their vote through remote e-voting shall be able to exercise their right at the meeting. Please note that the voting through electronic means is optional for shareholders.
- III. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date of Friday, July 24, 2020 shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not members as on the cut-off date should treat this Notice for information purposes only.
- IV. The Notice will be displayed on the website of the Company [www.orientcement.com](http://www.orientcement.com) and on the website of KFin Tech, [www.kfintech.com](http://www.kfintech.com).
- V. The members who have cast their vote through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- VI. The remote e-voting period commences on Tuesday, July 28, 2020, at 9:00 a.m. IST and ends on Thursday, July 30, 2020 at 5:00 p.m. IST. During this period, members of the Company holding shares either in physical or dematerialised form, as on the cut-off date of Friday, July 24, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFin Tech for voting thereafter.
- VII. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, July 24, 2020, i.e. the cut-off date are entitled to vote on the Resolutions set forth in this Notice. Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date, i.e., Friday, July 24, 2020 may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
- VIII. Members who are already registered with KFin Tech for remote e-voting can use their existing user ID and password for casting their vote. In case they don't remember their password, they can reset their password by using "Forgot User Details/Password" option available on <https://evoting.karvy.com>.
- IX. Members are requested to follow the instructions below to cast their vote through e-voting:

**Upon receipt of an e-mail from KFin Tech (for Members whose e-mail addresses are registered with the Company/ Depository Participants):**

- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- (ii) Enter the login credentials (i.e. User ID and Password which are mentioned in the email). Your Folio No./ DP ID- Client ID will be your User ID.
- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the "EVENT" i.e., Orient Cement Limited.
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- (ix) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (x) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).
- (xi) In case of any queries, please visit Help and Frequently Asked Questions (FAQs) section available at KFin Tech's website [www.evoting.karvy.com](http://www.evoting.karvy.com).

**20. Instructions for the Members for attending the AGM through VC/OAVM:**

- a. Members will be provided with a facility to attend the AGM through VC/OAVM platform through the RTA of the Company. Members may access the same at <https://emeetings.kfintech.com/> under shareholders/members login by using the remote e-voting credentials.
- b. The link for AGM will be available in shareholder/members login where the EVENT '5342' and the name of the Company 'ORIENT CEMENT LIMITED' can be selected. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.
- c. The facility for participation at the AGM through VC / OAVM platform shall open 15 minutes before the time scheduled for the AGM and will be closed on expiry of 15 minutes from the scheduled time of the AGM. The facility will be made available for 1000 members on first come first serve basis. This will not include large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration cum Compensation Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first serve basis.
- d. Members are encouraged to join the Meeting through laptops with Google Chrome for better experience.
- e. Further, Members will be required to allow camera, if any, and hence, use Internet with a good speed to avoid any

disturbance during the Meeting.

- f. Please note that Members connecting from mobile devices or tablets or through laptop, connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- g. Members who need technical assistance before or during the AGM, can contact KFinTech at <https://ris.kfintech.com/agmqqa/agmqqa/login.aspx>.

**Submission of Questions / Queries prior to AGM:**

- h. Members desiring any additional information or having any question or query pertaining to the business to be transacted at the AGM are requested to write to the Company on the email-id i.e. [investors@orientcement.com](mailto:investors@orientcement.com) on or before July 25, 2020. The Company will respond to the Members suitably.
  - i. Alternatively, Members holding shares as on the cut-off date may also visit <https://evoting.karvy.com> and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be activated during the remote e-voting period i.e. from July 28, 2020 (9:00 a.m. IST) to July 30, 2020 (5:00 p.m. IST).
  - j. Please note that, Members' questions will be answered only if they continue to hold the shares as on the cut-off date i.e. Friday, July 24, 2020.
  - k. Members who would like to express their views/ask questions during the AGM may register themselves at <https://ris.kfintech.com/agmvcspeakerregistration> and may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number from July 28, 2020 (9:00 a.m. IST) to July 29, 2020 (5:00 p.m. IST). The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the AGM conference.
21. Voting at the AGM: Members who could not vote through remote e-voting may avail the e-voting system provided at the venue by the RTA. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote through remote e-voting are eligible to vote through e-voting in the AGM. However, members who have voted through remote e-voting will be eligible to attend the AGM.
22. A Member can opt for only one mode of voting i.e. either through remote e-voting or at the Meeting. If a Member casts votes by both modes, then voting done through e-voting shall prevail.
23. The Scrutiniser shall, after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter, count the votes cast through remote e-voting and shall submit a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or any officer of the Company so authorised by the Board. Result of the voting shall be declared forthwith, but within 48 hours from the conclusion of the AGM.
24. The results declared alongwith the Scrutiniser's report, will be posted on the website of the Company [www.orientcement.com](http://www.orientcement.com) and on the website of KFin Tech at [www.evoting.karvy.com](http://www.evoting.karvy.com) and will be communicated to the Stock Exchanges, where the Company's shares are listed.
25. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM, i.e. Friday, July 31, 2020.

**By order of the Board of Directors**

**Nidhi Bisaria**

**Company Secretary**

**(M.No.FCS-5634)**

**Place: New Delhi**

**Date: May 22, 2020**



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

### **Item No. 4**

The shareholders of the Company in the Annual General Meeting held on July 23, 2016, approved the appointment of Mr. Swapan Dasgupta (DIN 07113693) as Independent Director of the Company for a period of five years upto August 3, 2020. In terms of the provisions of section 149(10), Mr. Swapan Dasgupta is eligible for re-appointment as an Independent Director of the Company for another term of five years by passing special resolution in this regard.

The Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Swapan Dasgupta for the office of Independent Director, to be re-appointed as such under the provisions of section 149 of the Companies Act, 2013.

Requisite consent has been received from Mr. Swapan Dasgupta pursuant to provisions of section 152 of the Companies Act, 2013. In the opinion of the Board, Mr. Swapan Dasgupta who is proposed to be appointed as an Independent Director of the Company fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Swapan Dasgupta as an Independent Director.

Mr. Swapan Dasgupta is directly concerned and interested in this resolution as it relates to his re-appointment and no other Director or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution.

Mr. Swapan Dasgupta along with his relatives do not hold any shares in the Company and has no relationship with any other Director of the Company.

The resolution seeks the approval of members for the re-appointment of Mr. Swapan Dasgupta as an Independent Director of the Company, not liable to retire by rotation, for the period of 5 years from August 4, 2020 upto August 3, 2025, pursuant to section 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the Special resolution set forth at Item no. 4 of the Notice for the approval of the members.

### **Item No. 5**

In accordance with the provisions of section 148 of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 (the "Rules"), the Company is required to appoint a Cost Auditor to audit the cost records of the Company.

On the recommendation of the Audit Committee at its meeting held on May 22, 2020, the Board has approved the re-appointment of Mr. Somnath Mukherjee, Cost Accountant in Practice (M.NO.-F5343), as Cost Auditors of the Company for conducting the audit of the cost records of the Company for the financial year ending March 31, 2021, required to be audited under the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), at a Cost Audit fees of ₹85,000/- (Rupees eighty five thousand only) plus out of pocket expenses.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Cost Audit fees to be paid to the Cost Auditors of the Company has to be approved by the shareholders of the Company. Accordingly, the members are requested to approve the remuneration of the Cost Auditors for the financial year 2020-21 as set out in the resolution for the aforesaid services to be rendered by him.

None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the proposed resolution.

The Board recommends the Ordinary resolution set forth in Item no. 5 of the Notice for the approval of the members.



**Item No. 6**

The Members at their Annual General Meeting held on July 25, 2015 re-appointed Mr. Desh Deepak Khetrpal (DIN 02362633) as Managing Director & CEO ("MD & CEO") of the Company for a period of 5 years w.e.f. 1<sup>st</sup> April, 2015, subject to revision in his remuneration every year. Further, on the recommendation of the Nomination & Remuneration cum Compensation Committee of the Company, the Board of Directors in their meeting held on March 23, 2020 has recommended the re-appointment of Mr. Desh Deepak Khetrpal for another period of two years, i.e. from April 1, 2020 upto March 31, 2022 and in their meeting held on April 27, 2020 has recommended payment of remuneration for the financial year 2020-21, subject to the approval by the members of the Company and such other consents and approvals that may be required.

Pursuant to the Notification no. S.O.2922(E) dated September 12, 2016 issued by the Ministry of Corporate Affairs ("Notification"), the Company with the approval of members by passing special resolution can pay the remuneration to the MD & CEO in case it has no profit or inadequacy of profit, without the approval of Central Government if, the managerial person is:-

- (i) not having any interest in the capital of the company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures and not having any direct or indirect interest; or
- (ii) not related to the directors or promoters of the company or its holding company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment and possesses graduate level qualification with expertise and specialized knowledge in the field in which the company operates.

Mr. Khetrpal fulfills the conditions mentioned in the aforesaid Notification.

Mr. Khetrpal is a professional and he holds Honours Degree in Business & Economics and Masters Degree in Business Administration in Marketing & Finance from the Delhi University.

The information as required by second provision of Paragraph B of Section-II of Part-II of Schedule V of the Companies Act, 2013, is given below:-

**I. GENERAL INFORMATION:**
**(1) Nature of industry**

The Company is primarily engaged in the manufacture and sale of cement and its manufacturing facilities at present are located at Devapur in Telangana, Chittapur in Karnataka and Jalgaon in Maharashtra.

**(2) Date or expected date of commencement of commercial production**

Devapur – 16<sup>th</sup> September , 1982

Jalgaon – 28<sup>th</sup> November, 2000

Chittapur- 26<sup>th</sup> September, 2015

**(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**

Not applicable

**(4) Financial performance based on given indicators**

	(₹ in crores)		
Particulars	2019-20	2018-19	2017-18
Revenue from operations	2,421.80	2,522.17	2,310.85
Earnings before interest, depreciation, amortisation & taxation	400.59	326.01	325.41
Net Profit before taxation	137.40	74.79	70.03
Net profit	86.59	47.55	44.22
Dividend on equity shares	15.37	15.37	10.24
EPS	4.23	2.32	2.16

**(5) Foreign investments or collaborations, if any.**

NIL

## **II. INFORMATION ABOUT THE APPOINTEE:**

**(1) Background details**

Mr. Khetrpal, aged 64, holds Honours Degree in Business & Economics and Masters Degree in Business Administration in Marketing & Finance from the Delhi University. He has vast work experience in service, industrial, consumer and retail businesses.

Before joining Orient Cement Limited, Mr. Khetrpal was the Group Chief Executive Officer of Jumbo Group of Companies. He has also worked with Raymond Limited as Chief Operating Officer.

**(2) Past remuneration (p.a.)**

(Amount in ₹)

Particulars	2019-20	2018-19	2017-18
Salary	3,60,00,000	3,12,00,000	2,58,24,000
<b>Allowance and Perquisites:</b>			
Personal allowance/ Pay	1,92,00,000	1,62,00,000	1,29,60,000
Special allowance/ Pay	1,89,33,840	1,63,07,832	1,33,76,520
Medical allowance	1,20,000	1,20,000	1,00,000
LTA	30,00,000	26,00,000	21,52,000
Performance variable pay	1,75,95,000	1,62,00,000	1,50,00,000
Company leased accommodation/ House rent allowance	48,00,000	48,00,000	48,00,000
Leave Encashment	7,80,000	9,32,533	8,68,000
<b>Total</b>	<b>10,04,28,840</b>	<b>8,83,60,365</b>	<b>7,50,80,520</b>

In addition to the above, the MD & CEO was:

- (i) Provided Company's car (fully maintained and chauffeur driven) for official use.
- (ii) Entitled to the shares of the Company in accordance with the Employees Stock Option Scheme as adopted by the Company.
- (iii) Entitled for contribution to Provident Fund, Gratuity and Superannuation Fund as per the Rules of the Company.
- (iv) Entitled for encashment of un-availed leave at the end of the tenure or at specified intervals as per the Rules of the Company.

**(3) Recognition or awards**

Under the dynamic leadership of Mr. Desh Deepak Khetrpal as MD & CEO, the Company was awarded several prestigious awards including the following awards to name a few during the financial year 2019-20:

**Devapur Plant:**

- 1) Birla.A1 Premium Cement (PPC) awarded with the 'GreenPro Certification' by CII - Green Products and Services Council at the 15<sup>th</sup> Green CemenTech – 2019 held in Hyderabad on 30<sup>th</sup> May 2019.
- 2) "EXCELLENCE IN ENERGY MANAGEMENT 2019" award as Energy Efficiency Unit by CII received at Hyderabad on 18<sup>th</sup> Sep 2019 during 20<sup>th</sup> National Award function.
- 3) AWARDS received from Apex India Foundation for 2019 in Cement Sector on 24<sup>th</sup> 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 26<sup>th</sup> Sep, 2019.
- 5) Winner in Cement Sector with "Greentech Safety Award 2019" from Greentech Foundation for outstanding achievements in Safety Management received on 8<sup>th</sup> Dec, 2019 at New Delhi.

#### **Chittapur Plant:**

- 1) Unnatha Suraksha Puraskara from National Safety Council, Karnataka Chapter on 9<sup>th</sup> Sep, 2019.
- 2) Apex India Occupational Health and Safety Platinum Award on 25<sup>th</sup> Sep, 2019.
- 3) Greentech Safety Award on 8<sup>th</sup> Dec, 2019.
- 4) Apex India Environment Excellence Gold Award on 25<sup>th</sup> Sep, 2019.
- 5) National Energy Management Award from CII on 18<sup>th</sup> Sep, 2019.
- 6) Apex India Energy Efficiency Platinum Award on 25<sup>th</sup> Sep, 2019.
- 7) SEEM National Energy Management Award on 26<sup>th</sup> 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 8<sup>th</sup> 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 20<sup>th</sup> National Award for Excellence in Energy Management, CII, Maharashtra.

#### **(4) Job profile and his suitability**

Taking into consideration the size of the Company, the complex nature of its operations, and Mr. Khetrapal's broad functional and general management skills, his rich experience of over 42 years, the Board re-appointed Mr. Desh Deepak Khetrapal (DIN 02362633) as MD & CEO for another period of 2 years w.e.f. April 1, 2020, subject to revision in his remuneration every year.

Mr. Khetrapal, MD & CEO of the Company is the driving force behind the Company. Mr. Khetrapal is a man with a vision to create a business of excellence and is the inspiration for all, as he spearheads the Company's management and operations; strategizing and directing it through its next phase of growth. Mr. Khetrapal is a professional business leader with a track record of leading and transforming large and diversified organisations, across various industries including service, industrial, consumer and retail businesses.

#### **(5) Remuneration proposed**

As set out in the resolution proposed.

#### **(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

The proposed remuneration is comparable considering the industry, size of the Company, the managerial position, the credentials and responsibilities of the MD & CEO.

#### **(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**

Except the remuneration and perquisites as stated above, Mr. Desh Deepak Khetrapal has no direct or indirect pecuniary relationship with the Company or managerial personnel. Further, he does not hold any shares in the Company.

### **III. OTHER INFORMATION**

#### **(1) Reasons of loss or inadequate profits**

The country's cement industry is witnessing increasing competition on account of the geographic concentration of cement plants, supply overhang and low levels of capacity utilization. Increased competition can create pressure on

margins, market share etc. Increase in the costs of raw material, power and fuel due to inflation or global price trends may impact profitability. Further, the Indian cement industry is labour-intensive; it is exposed to health and injury risks due to accidents or negligence. As a result of which there are likely to be losses or inadequate profits during his tenure of appointment.

Further, the ongoing impact of COVID 19 pandemic and the nationwide lockdown since 25<sup>th</sup> March 2020 is likely to affect the business of the Company and its operations in terms of demand, supply chain disruption and adverse liquidity. These events are likely to impact the overall performance of the Company during the financial year 2020-21.

## **(2) Steps taken or proposed to be taken for improvement**

- (a) The Company is leveraging its expertise and experience, investing continuously in enhancing the equity of its Birla A1 brand by focusing on quality, cost, timely delivery, customer service, advertising and brand promotion. The Company is investing in marketing and promotions to sustain brand equity in its areas of operation, strengthen brand salience in new markets and enhance its competitiveness.
- (b) The Company is employing various means to reduce the impact of rising costs through better fuel sourcing processes, dynamic fuel mix capabilities to capitalise on emerging price trends and the use of alternative fuels.
- (c) As regards labour problems, the Company has implemented various measures which include the development and implementation of critical safety standards across units and project sites, establishment of processes for safety training across levels, promotion of a safety culture for staff members, and contract workers with appropriate insurance coverage.
- (d) Taking into consideration the unprecedented level of uncertainty in current scenario and its impact on operations, the Company has decided to adopt a strategy of preserving cash to appropriately deal with unpredictable emergent events. Among several cost management measures adopted by the Company, it has also reduced the remuneration payable to its Key Managerial Personnel and Senior Management Personnel with effect from April 1, 2020, till the business conditions stabilise.

## **(3) Expected increase in productivity and profits in measurable terms**

The renewed push by the government in various construction and infrastructure initiatives, augurs well for the sector in the years ahead. It is expected that given the outlook for cement demand, the Company will witness robust growth led by demand recovery. Existing plants in Jalgaon, Devapur and Chittapur are expected to gain from price improvement across the markets. With the expected demand recovery and the Company being one of the low cost cement producers, it is expected that the profitability in the coming year is likely to improve.

All relevant documents are available for inspection on the website of the Company, [www.orientcement.com](http://www.orientcement.com) upto date of the Annual General Meeting.

Mr. Khetrpal is a non-executive Director of HIL Limited and Orient Electric Limited. Mr. Khetrpal along with his relatives does not hold any shares in the Company nor has any relationship with any of the Directors of the Company. Mr. Khetrpal has been granted 8,31,900 stock options convertible into equivalent number of equity shares of the Company in terms of the Employees Stock Option Scheme 2015.

Mr. Khetrpal is directly concerned and interested in this resolution, as it relates to his remuneration. Except Mr. Khetrpal, no other Director or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set forth in Item no. 6 of the Notice for the approval of the members.

**Details of Directors seeking appointment and re-appointment at the Annual General Meeting pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings**

Particulars	Mrs. Amita Birla	Mr. Desh Deepak Khetrpal	Mr. Swapan Dasgupta
DIN	00837718	02362633	07113693
Age	63 years	64 years	64 years
Qualifications	GCE-A Level	Honours Degree in Business & Economics and Masters Degree in Business Administration in Marketing & Finance from the Delhi University	Ph.D from the School of Oriental & African Studies (London) and a former Fellow of Nuffield College, Oxford
Experience	39 years	42 years	45 years
Terms and conditions of appointment/ re-appointment	Re-appointment upon retirement by rotation.	Re-appointment as Managing Director & CEO	Re-appointment as an Independent Director
Date of first appointment on the Board	March 27, 2015	April 2, 2012	August 4, 2015
Occupation	Industrialist	Managing Director & CEO	Writer, broadcaster, public policy analyst and Member of Parliament
Expertise in specific functional areas	Expertise in Management and Operation of diverse nature of business	Marketing, Finance and Business Administration	Writing and public policy analysing
Directorships held in other listed entities in India	1. Birlasoft Limited	1. HIL Limited 2. Orient Electric Limited	NIL
Memberships/ Chairmanships of Committees of Board in listed entities in India	1. Birlasoft Limited <ul style="list-style-type: none"> <li>Nomination &amp; Remuneration Committee – Member</li> <li>Corporate Social Responsibility Committee – Chairman</li> </ul>	1. HIL Limited <ul style="list-style-type: none"> <li>Audit Committee-Member</li> <li>Nomination &amp; Remuneration Committee – Member</li> <li>Corporate Social Responsibility Committee –Chairman</li> <li>Risk Management Committee- Member</li> </ul> 2. Orient Electric Limited <ul style="list-style-type: none"> <li>Audit Committee-Member</li> <li>Nomination &amp; Remuneration Committee – Member</li> <li>Corporate Social Responsibility Committee –Member</li> <li>Risk Management Committee – Member</li> </ul>	1. Orient Cement Limited – <ul style="list-style-type: none"> <li>Audit Committee-Member</li> <li>Stakeholders' Relationship Committee –Member</li> <li>Nomination and Remuneration cum Compensation Committee –Member</li> <li>Risk Management Committee – Member</li> </ul>

Particulars	Mrs. Amita Birla	Mr. Desh Deepak Khetrpal	Mr. Swapan Dasgupta
		3. Orient Cement Limited <ul style="list-style-type: none"> <li>• Audit Committee-Member</li> <li>• Stakeholders' Relationship Committee – Member</li> <li>• Corporate Social Responsibility Committee –Member</li> <li>• Risk Management Committee – Member</li> </ul>	
Shareholding in the Company	3,88,000 No. of Shares (as on March 31, 2020)	Nil	Nil
Number of Board Meetings attended during the year 2019-20	3 out of 5 meetings	All the 5 meetings	All the 5 meetings