

Responsible & agile

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Market capitalisation

₹ 2,252.53 crore

EBITDA

₹ 376.56 crore

PAT

₹ 122.82 crore



The government’s focus on infrastructure development, impetus for ‘Housing for All’, and robust revival of the real estate sector continues to boost the requirement for superior quality cement.

Chairman



Scan QR code to see digital version of this report

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company’s expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words. Forward looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Corporate information

Board of Directors

- Mr. Chandrakant Birla
Chairman
- Mrs. Amita Birla
- Mr. Rajeev Jhawar
- Mr. Rabindranath Jhunjhunwala
- Mr. Janat Shah
- Mr. Swapan Dasgupta
- Mr. I.Y.R. Krishna Rao
- Mrs. Varsha Vasant Purandare
- Mr. Desh Deepak Khetrpal
Managing Director & CEO

Key Managerial Persons

- Mr. Desh Deepak Khetrpal
Managing Director & CEO
- Mr. Prakash Chand Jain
Chief Financial Officer
- Mrs. Nidhi Bisaria
Company Secretary

Statutory Auditors

M/s. B S R & Associates LLP
Salarpuriya Knowledge City,
Orwell, B Wing, 6th Floor, Unit-3,
Sy No. 83/1, Plot No. 02, Raidurg,
Hyderabad – 500 081

Registered Office

Unit-VIII, Plot No.7, Bhoinagar,
Bhubaneswar-751012 (Odisha)

Corporate Identification No.

L26940OR2011PLC013933

Manufacturing Plants

Devapur:
P.O. Devapur Cement Works
Dist. Mancherla - 504218 (Telangana)

Jalgaon:
Nashirabad, Dist. Jalgaon - 425309
(Maharashtra)

Chittapur:
Village Itaga, Malkhaid Road,
Taluka Chittapur,
Dist. Kalaburagi - 585292
(Karnataka)

Registrar & Share Transfer Agent

KFin Technologies Limited
Unit: Orient Cement Limited
Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy,
Telangana-500032
Toll Free No. 1800-309-4001
E-mail: einward.ris@kfintech.com

Bankers

State Bank of India
HDFC Bank Limited
Axis Bank Limited

12th Annual General Meeting

(Through Video Conferencing/Other Audio Visual Means)

Date: 1st day of August, 2023
Day: Tuesday
Time: 3:30 P.M.

Book Closure for AGM

Wednesday, 26th day of July, 2023 to
Tuesday, 1st day of August, 2023
(Both days inclusive)

Website

www.orientcement.com

In a volatile and unpredictable world, where change is the only constant, we pursue sustainability, constantly.....

Sustainability is not stability; it is not passive or constant. It is not even uni-dimensional. We believe the quest for sustainability involves consistently seeking equilibrium on a real-time basis, even as the variables around us move constantly and remain largely unpredictable.

Sustainability for us is acting with responsibility and creating value while balancing the interests of all stakeholders.

In a journey spanning several decades, we have navigated many winds of change. Change in the macro-economic environment, geopolitical conflicts, humanitarian crisis, change in customer preferences and their aspirations, change in technology and operational framework and changes in industry specific dynamics.

Amidst these winds of change, our foundational belief has always been to remain 'responsible' for now and for the future. We see sustainability through the lens of an all-encompassing sense of responsibility, which touches our customers, investors, business partners, teams, communities and the planet.

Our customer-centric approach and focus on innovation are only an extension of our deep sense of responsibility. We have progressively adopted contemporary systems, processes, technology and resources, which help conserve the environment and reduce our carbon footprint. Our community initiatives are also imbued with the belief that if you light a lamp for someone, it will also brighten your own path.

Responsible and agile, we, at Orient Cement, are ever more committed to be a valued partner in progress, for all our stakeholders.

We leverage the lessons
from the fable of
The Ant
and The Grasshopper

We take our
inspiration even
from **ants**.

We work on
retaining our
humility to
learn.

*"The best
preparation
for tomorrow
is doing your
best today"*

H. Jackson Brown, Jr.

Ants behave
responsibly, march
towards a unified
goal, promote
sustainability and
work together
as a team.



Agile

actions to drive

sustainability

Ants also have an impact on the environment way bigger than their tiny size. They play important roles in pollination and seed dispersal, and can also influence the abundance and diversity of other species in their ecosystem.

We believe:
If you are not agile, you are fragile.

We learn to be agile; to respond to changes quickly.



AGILITY IS OUR ANTI-FRAGILITY.

'Sustainability'

for us means to create everything in an enduring, resilient and long-lasting manner. Environmental sustainability and circularity have been internalised and adopted as a

'way of life'

through frugal use of all resources and increasing substitution of non-renewable resources by waste or by-products of other industries and society.

We are dedicated to achieving a 'Net Zero Carbon' status by 2050 and beyond. To accomplish this ambitious goal and actively contribute to the reduction of global warming, we recognise the need to introduce breakthrough innovations and advancements throughout our value chain. This roadmap reflects our commitment to becoming a carbon-neutral company and intensifying our efforts towards sustainability, encompassing both greener products and greener operations.

We are a member of the Global Cement and Concrete Association, (starting earlier with the Cement Sustainability Initiative under the aegis of the World Business Council for Sustainable Development).

- Mr. Satyabrata Sharma
President Manufacturing.

Birla.A1 OrientGreen

After the hugely successful premium product 'Birla.A1 StrongCrete', we introduced a breakthrough brand 'Birla.A1 OrientGreen' late in the year under review. Positioned as a 'responsible cement for the responsible consumer', it is a green cement with 15% lower carbon footprint than the industry average. Moreover, the product is rust resistant, sold in moisture and tamper proof packaging and provides superior strength.



15%

Lower carbon footprint than the industry average

'Birla.A1 OrientGreen' has recently been made available across most of our markets and is receiving a very encouraging response from influencers and users.

Green energy

As part of our long-term strategy to increase our overall energy consumption from renewable resources to 50% by 2030, we continued to scale up our effort. During FY23, we almost doubled our share of renewable energy to 14.4% of the total energy mix, as compared to FY22.

57%

of our Devapur facility is a green belt

Ongoing investments

- for setting up a 10.1 MW WHRS (Waste Heat Recovery System);
- for sourcing solar power to substitute thermal power at Chittapur and Jalgaon plants;

which will substantially reduce our consumption of power from fossil fuels.

Collaborating to fulfil shared goals

Ants demonstrate a remarkable level of cooperation, collaborating with each other to accomplish shared objectives. They are able to coordinate their actions and respond to changing conditions in their environment with agility and dynamism.

**We are a team.
We respond
swiftly to
changes.**

**We are a
cohesive force.
Our strength is
in resilience.**

TOGETHER WE ACHIEVE THE EXTRAORDINARY.

The most visible value of our Company is: Collaboration, the Orient Cement Way. The wins are celebrated together and failures are embraced as learnings. At the core of our

'Dahi-Handi'

philosophy is the conviction that Trust and Mutual Support are essential ingredients in enabling our team-members to surpass their limitations and transcend their everyday experiences. During the year, we implemented key projects and conducted important learning sessions, that only strengthened our belief of

'togetherness'.

Project Prakhar

During FY23, we took a big leap in our digitisation journey with 'Project Prakhar'. It involved enhancing our information processing backbone from SAP ECC to SAP S/4HANA Rise, on cloud using Google as a partner. The teams from all functions collaborated extensively for successful implementation of the project in record time of just three-and-a-half months. This migration has prepared us to accelerate our digital and analytics journey forward and also deploy tools using artificial intelligence and machine learning.

"The collaborative team effort across all functions made it possible to complete 'Project Prakhar' and make it 'go live' with speed, decisiveness and accuracy, without any stoppage in business operations.

We dared.
We believed.
We achieved."

- Mr. G. Abhishekam Reddy,
Deputy General Manager – IT.

First

Indian cement company to implement an integrated platform for operations connected on cloud.

Mastering social intelligence

A training programme on social intelligence was organised especially for our sales team to understand the importance of key elements of social skills so as to understand the customers and serve them better.

152

Individuals participated in social intelligence programme.

Technical Utkrishthata programme

To enhance operational excellence in engineering and manufacturing processes, we have been driving different learning programmes as a part of the 'Technical Utkrishthata' campaign. Teams from all the plants attended the 3-day workshop covering all aspects of operations, sharing their experiences, practical problems at sites, innovative ideas, interplanting synergies and cross-functional knowledge.

96

Individuals trained under Technical Utkrishthata programme

Charting a path for balanced growth

Ants can be seen as promoters of the circular economy due to their efficient methods of resource utilisation. Ants are known for their ability to scavenge and collect resources, such as dead insects or plant materials, and bring them back to their nest.

We champion the cause of sustainability. We are committed.

We defy the odds. Pushing beyond limits.



WE ARE COMMITTED TO LEAVING AN INDELIBLE POSITIVE MARK ON THE WORLD AROUND US.

The concept of circular economy has emerged as a much-required paradigm in the business world, characterised by the sustainable use of resources and the minimisation of waste. Our Company has been at the forefront in this direction, striving to integrate circularity into our business practices and operations. By embracing a circular approach, we are able to create value by

reusing, recycling, and repurposing materials and resources, while reducing our

environmental footprint.

1.14 times

Plastic positive

Alternative fuels and raw materials (AFR)

The increasing use of alternative fuels today is helping us reduce our use of non-renewable fossil fuels and simultaneously facilitating waste management and reducing environmental pollution for the communities (like reducing waste to landfills). We continue to scale up our investments in consumption of AFR at both our plants, backed by regular training and awareness sessions. Today, for use of AFR, we are only limited by the availability of enough AFR around our clinker production facilities.

Responsible waste management

At our Jalgaon unit, we have established a waste segregation yard, known as the 'Renewable Depot,' for the scientific storage and disposal of biodegradable (paper and so on) and non-biodegradable waste (plastic, metal, rubber, and glass et al). This initiative not only contributes to a more sustainable environment but also supports our commitment to the circular economy and responsible waste management.

Our alternative fuels

1

RDF (Refuse Derived Fuel)

2

MSW (Municipal Solid Waste)

3

Plastic waste

4

Bio Mass (Rice Husk)

5

Industrial waste

6

Cloth waste

"Apart from the cost advantages, our commitment towards sustainability drives us to use AFR. AFR from waste generated from different activities like agriculture, processes like pharma, municipal and hazardous waste and so on, continue to increase our AFR share of total fuels and ensure cost efficiency. Our efforts towards sustainable development are visible in more ways than one."

- Mr. P. Sreenivasa Raju
Vice President - Sustainability.

Amplifying growth

through continuous learning

Ants are highly organised social insects. They live in colonies, which can range from a few dozen individuals to millions of ants. Each ant has a specific role within the colony, as a worker, soldier or a queen.

We unleash the power of synergy. We are a force to reckon with.

Like a symphony of brilliance, we harmonise efforts to create a masterpiece.



UNITED IN PURPOSE, WE BELIEVE IN TEAMWORK.

Being essentially a human organisation, we realise the importance of

teamwork, collaboration and camaraderie.

We proudly employ people from diverse backgrounds, passionately fulfil organisational objectives and foster effective communication across the organisational verticals to succeed in a competitive market. Our profound ability to embed a mindset of continuous learning further empowers us to

drive business performance.

Diversity and inclusion

The journey of diversity and inclusion at Orient Cement has been ongoing for years. While women play an important role in different positions in our organisation, there remains a robust framework to promote equal opportunity for each team member and promote a sense of belonging to the workplace.

E-Learning

We have provided our team members access to E-learning platforms, making access to learning easier and simpler. This has helped in providing flexibility of self-learning at one's own pace, convenience, anytime and anywhere.

Human rights

Respect for human rights is fundamental to the sustainability of the Company and the communities in which we operate. We at Orient Cement believe that business can flourish in societies where human rights are protected and respected. We recognise that business has the responsibility to respect human rights and the ability to contribute to positive human rights impacts.

Recognition

A global programme called 'Best Managed Companies', run by Deloitte worldwide, launched its second edition in India. Deloitte's process for selecting the best-managed companies is extremely robust. They take the selected company through a 4-stage evaluation and screening process, where it has to make a detailed presentation of its strategy, communication and execution capabilities. Innovation, cultural and commitment, financial performance, sustainability and governance form the pillars of the evaluation process. Through this stringent evaluation, Orient Cement has featured among a handful of 'Best Managed Companies' for the year 2022.



During the year, the Company has been certified as a 'Great Place to Work' for the fourth year in a row by the Great Place to Work Institute. The Company has also made it to the list of 'Top 100 India's Best Companies to Work for 2023' and gained the top position in the Cement & Building Materials industry.



CK Birla Group

With over 150-years of history behind us, we embark on a journey towards an even more promising future.

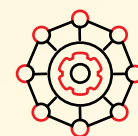


CK Birla Group is a well-established and highly diversified conglomerate with a global presence and a long-standing history of fostering enduring relationships with renowned companies across the world. The group has a revenue of ~\$2.9 billion, which is a testament to its success in various industries. With a commitment to excellence, the CK Birla Group has established itself as a leader in its respective field of operations, and its expertise and influence are recognised globally.

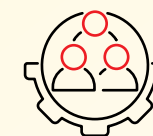
Having a highly skilled team of over 30,000 employees, we count among our clients some of the most renowned companies in the world. We believe that our success is not only the result of our own efforts, but also of the partnerships we have established with several global leaders in their respective fields. These partnerships enable us to tap into their expertise and enhance our operations through the latest technologies and industry best practices.

The group maintains a forward-thinking approach and consistently seeks new avenues for growth and expansion. It operates in three industry clusters: technology & automotive, home & building solutions and healthcare & education. The ultimate objective is to create value that aligns with the ever-evolving needs of our customers, partners, and communities in the 21st century.

In addition to our business pursuits, we are deeply committed to giving back to society. We recognise the importance of scientific research and development in driving progress and improving people's lives. We also understand the significance of preserving India's cultural heritage and are dedicated to supporting initiatives that promote this goal. By investing significant resources into these philanthropic endeavours, we hope to make a positive impact on society and contribute to a better future for all.



~\$2.9 billion
Conglomerate



30,000+
Workforce



Five
Continents



Presence across
105
Countries



Focused on

Long-term
value creation

Cementing our position as a trusted name

Orient Cement has carved a niche for itself as a trusted name for fulfilling diverse construction needs through innovative and superior quality products.

Since its inception in 1979, the Company has witnessed steady growth and today, features among the most respected cement companies in India.

With a diversified portfolio of new-age products for construction, we remain committed to meet evolving consumer requirements. From ensuring resilience and durability of structures to addressing sustainability concerns, we continue to set new industry benchmarks with the quality of our products and processes.

Our integrated cement manufacturing plants and split clinker grinding unit enable us to capture a growing market share in the states of Maharashtra, Karnataka, Telangana, Andhra Pradesh, Madhya Pradesh and south Gujarat. As we prepare to expand our footprint further, we seek to become the preferred partner for our clients with an emphasis on lasting value creation.



8.5 MTPA

Cement manufacturing capacity

5.5 MTPA

Clinker manufacturing capacity

11 States

Market presence

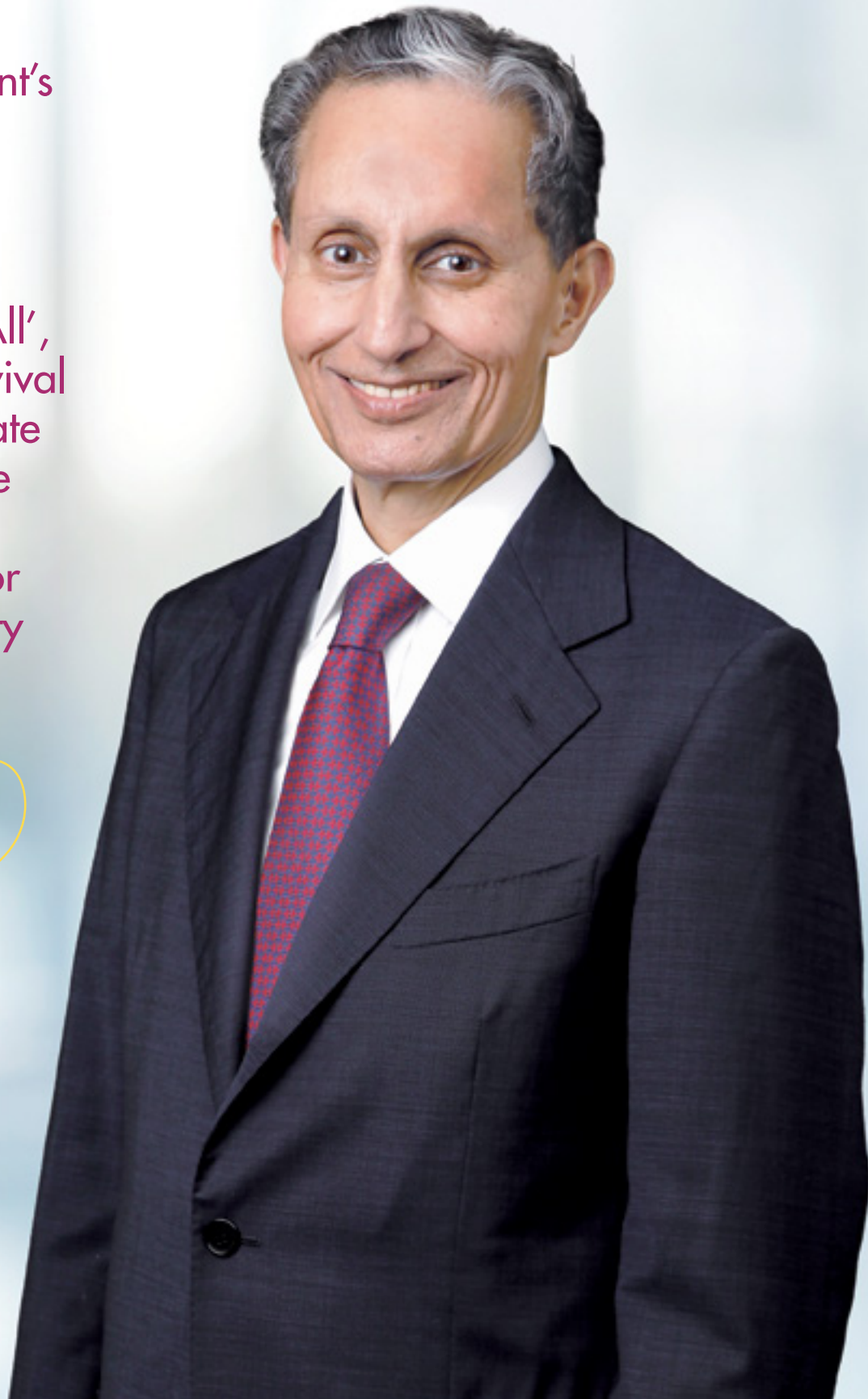


OUR VISION & VALUES



Chairman's message

The government's focus on infrastructure development, impetus for 'Housing for All', and robust revival of the real estate sector continue to boost the requirement for superior quality cement.



Dear Shareholders,

The fiscal year 2022-23 proved to be yet another challenging year for businesses. The market realities of muted demand and energy cost inflation intensified during the year and our results in the earlier part of the year, especially Q2 were severely impacted. However, in the latter part of the year, a demand pickup was noticed but the cement prices could not accommodate the additional costs – mostly incurred due to high fuel costs.

Despite a challenging market, we ended the fiscal year with total sales volume of ~58 lakh tonnes, 5% greater than the previous year, thanks largely to better demand witnessed post October 2022 in the B2B segment.

To meet our evolving requirements, we continued to drive our digital transformation to boost process optimisation, improve efficiency, increase the availability of equipment and enable advanced analytics. We migrated from SAP ECC to SAP S/4HANA Rise and moved to the cloud. I am extremely pleased to inform you that we are the first cement company in India to have successfully completed this transition.

To align with our vision of building a safer and sustainable future, we have proudly introduced Birla.A1 OrientGreen – The Responsible Cement. An eco-friendly product, it has received the 'GreenPro' certification from the Confederation of Indian Industry (CII)- Green Products and Services Council. It is, therefore, preferred by green buildings and green companies as it helps to save natural resources and has a 15% lower carbon footprint. Our premium cement Birla.A1 StrongCrete continues to earn customers' preference and has achieved a growth of 17% during the year in the face of muted overall growth.

Keeping our focus on a responsible today for a sustainable tomorrow, we remain committed to diligently adhere to sustainability principles and adopt innovative methods to significantly reduce our environmental impact.

Going forward, we anticipate the demand for cement to grow strongly in the near future. The government's focus on infrastructure development, impetus for 'Housing for All', and robust revival of the real estate sector continue to boost the requirement for superior quality cement. Our customer-centric approach allows us to align our business with changing aspirations of the cement users and influencers. It drives us to constantly innovate new-age solutions that help create better infrastructure for tomorrow. With a strong emphasis on quality, efficiency and service excellence, we remain determined to strengthen the foundation of a resilient and responsible business.

Thank you for your trust in Orient Cement and its leadership team. We are profoundly grateful to all our stakeholders and look forward to your continued support in the times ahead.

Regards,

CK. Birla
Chairman

Despite a challenging market, we ended the fiscal year with total sales volume of ~58 lakh tonnes, 5% greater than the previous year, thanks largely to better demand witnessed post October 2022 in the B2B segment.



Managing Director's message

We remain committed to reduce our carbon footprint and engage in eco-conscious efforts that ensure our growth and success in the longer term.



Dear Shareholders,

The year gone by witnessed severe implications arising from the geopolitical crisis in Europe, multi-decade high inflation rates and the lingering impact of the COVID-19 threat in some parts of the world. Increased costs during the fiscal exerted significant strain on individuals as well as businesses. Amid rising inflation and high fuel costs, the impact was also felt by the Indian cement industry as the cement prices remained almost flat. It led to significant margin erosion for Indian cement producers, and we were no exception.

Despite facing challenges in the first half of the fiscal year, we are pleased to report that your Company's performance exhibited significant improvement in the latter part of FY23. While we acknowledge falling short of our financial targets for the year as a whole, we remain encouraged by our progress despite the obstacles encountered. The consumer segment, which has traditionally been a source of our strength, experienced a marked decrease in demand during the year. However, we remain proud of our nimble response to market conditions as we effectively pivoted towards emerging opportunities in the B2B space in select attractive markets. This strategic shift enabled us to successfully compensate for diminished consumer volumes, with impressive growth in our B2B volumes. Overall, our moderate volume growth is in line with the industry growth. It must be noted that the B2B segment prefers unblended cement (OPC) which has cost implications created by the change in the product mix.

More importantly, even during tough times, we kept a laser sharp focus on combining our excellence in cost management and operational efficiency with our sustainability endeavours. We continued to make

As we commission the WHRS, the proportion of green energy in our total energy mix at the Chittapur plant would be ~53%.



prudent investments in our energy transition journey as part of our plan to shift to 50% renewable energy in our overall energy mix by 2030. I am pleased that we have almost doubled the usage of renewable energy to 14.4% from the previous financial year. We continue to adopt the latest digital technologies in innovative industry-first ways. An outstanding example is that by using artificial intelligence/ machine learning, we have achieved an unprecedented number of days of using our kilns without major shutdowns (more than double of industry norm).

I would also like to mention that with our waste heat recovery system (WHRs) at Chittapur under commissioning, the proportion of green energy in our total energy mix at Chittapur plant would be ~53%. Besides, during the fiscal, to contribute towards a circular economy, we have adapted to the use of several alternative fuels like RDF, MSW, plastic waste, paper cups, cloth waste and many more. In the use of waste as fuel in our unrelenting pursuit of circularity, we are only constrained by the availability of such waste around our plants.

Our premium product Birla.A1 StrongCrete has been gaining strength and in FY22-23, it has recorded a volume growth of over 17% YoY. Late in the year, we further pushed the boundaries to deliver on our sustainability commitments and launched

another premium product, under the brand name Birla.A1 OrientGreen. Targeting eco-conscious customers, the product is designed to minimise our environmental impact and is a step forward in our effort to make way for a cleaner, greener and better tomorrow. I am overjoyed that we have received a very encouraging initial response and we are now pushing Birla.A1 OrientGreen into all our serviced markets to further enhance its reach to 'responsible' customers. This is another step towards our goal of creating a rich brand portfolio of differentiated products to service the specific needs of our customers. We plan to cross 30% of our B2C sales with our portfolio of premium products within the next couple of years.

With our Rajasthan mines becoming available again, we now have an opportunity to enter markets in Northern India with over 3 million tonnes of greenfield capacity there, giving us much needed access to the diversified geographical markets, de-risking us even further.

Given the government’s continued thrust on infrastructure development, we are optimistic about sustained demand growth for superior quality cement in the coming years and remain confident about undertaking plans for steady capacity expansion.



Awards and accolades

In the past years, our commitment to quality, customer satisfaction, and sustainable development has earned us several awards and accolades from prestigious institutions, Government bodies and respected organisations. Bringing us even more pride, during the year under review, we also made it to the small, exclusive group of ‘Best Managed Companies’ recognised by Deloitte in the global programme run by them. Given the tough competition and rigorous evaluation criteria, it is indeed a matter of great honour and pride for us at Orient Cement to be called a ‘Best Managed Company’.

Central to our success and progress have been our talented people and their efforts to nurture an inclusive and diverse workplace that recognises potential and offers opportunities for ‘becoming’ and ‘belonging’, and to develop and prosper. With extreme pleasure, I would like to reiterate that we have been recognised as a ‘Great Place to Work’, yet another time.

This year, we have made it to the list of ‘Top 100 India’s Best Companies to Work for 2023’ and gained the top position in the Cement & Building Materials industry.

Digitalisation as a driver of growth and efficiency

We continue to adopt and deploy digital tools and applications across our plants to optimise operations and enhance productivity and efficiency. The AI tools to optimise the kiln and mill operations and the feed mix optimiser are some of the advanced systems implemented at our plants. With determined efforts to utilise data analytics across our plants and in other operations, we are continually enabling the Company as a flexible, scalable and data-driven Company.

Road ahead

As we enter the fiscal 2023-24, we continue to be bolstered by our innovative and agile capabilities to drive cost leadership and environmental sustainability. As a responsible organisation, we believe in doing our part for the planet we inhabit. Along with the adoption of sustainable methods across our processes, we remain committed to reduce our carbon footprint and engage in eco-conscious efforts that ensure our growth and success in the longer term. We also prioritise the safety of our people and are determined to remain mindful of the requirements of our people and of communities where we operate.

We are also gearing up for the brownfield capacity expansion at our Chittapur (Kalaburagi, Karnataka) plant and also at our Devapur (Mancherial, Talangana) site, besides the greenfield capacity in Rajasthan.

We are committed to conducting business in an environmentally responsible manner that enables us to make a positive contribution to society and the national economy. We are always seeking ways to accelerate a sustainable transition to becoming a larger business.

Given the government’s continued thrust on infrastructure development, we are optimistic about sustained demand growth for superior quality cement in the coming years and remain confident about undertaking plans for steady capacity expansion, in a responsible and sustainable way.

I thank all our shareholders, customers and other stakeholders for their continued support and encouragement for Orient Cement.

Regards,

Deepak Khetrpal
Managing Director and CEO

Our Board of Directors

Leading from the front

Mr. Chandrakant Birla
(Chairman)

| |
|--|
| Date of appointment: 23 rd July, 2011 |
| DIN: 00118473 |
| Qualification: Bachelor of Arts |
| Occupation: Industrialist |
| Expertise in specific functional areas: Industrialist having rich business experience in managing diversified industrial enterprises. |

Mr. Janat Shah
(Independent Director)

| |
|--|
| Date of appointment: 30 th April, 2014 |
| DIN: 01625535 |
| Qualification: Fellow of IIMA (equivalent to PhD) in Operations Management, B. Tech (Mechanical) from IIT Mumbai |
| Occupation: Service |
| Expertise in specific functional areas: Operations, strategy and supply chain management. |

Mr. Swapan Dasgupta
(Independent Director)

| |
|---|
| Date of appointment: 4 th August, 2015 |
| DIN: 07113693 |
| Qualification: PhD from the School of Oriental & African Studies (London) and a former Fellow of Nuffield College, Oxford |
| Occupation: Writer, broadcaster, public policy analyst and former Member of Parliament |
| Expertise in specific functional areas: Writing and public policy analysing. |

Mr. Desh Deepak Khetrpal
(Managing Director & CEO)

| |
|---|
| Date of appointment: 2 nd April, 2012 |
| DIN: 02362633 |
| Qualification: Honours degree in Business & Economics and Master’s degree in Business Administration in Marketing and Finance from the Delhi University |
| Occupation: Service |
| Expertise in specific functional areas: Professional business leader with a proven track record of leading sustainable transformation in large and diversified organisations, across various industries, including services, manufacturing, consumer and retail businesses with a focus on ESG and climate change. |

Mr. Rabindranath Jhunjhunwala
(Independent Director)

| |
|---|
| Date of appointment: 9 th August, 2014 |
| DIN: 00050729 |
| Qualification: B.A., LL. B (Hons.) from National Law School of India University, Bangalore |
| Occupation: Partner in Khaitan & Co. |
| Expertise in specific functional areas: Corporate Laws-domestic and cross border mergers and acquisitions, private equity investment, foreign investments advisor (both inbound and outbound). |

Mr. I.Y.R Krishna Rao
(Independent Director)

| |
|---|
| Date of appointment: 5 th May, 2017 |
| DIN: 00481367 |
| Qualification: M.A. (Economics) |
| Occupation: Retired IAS-Chief Secretary, Andhra Pradesh |
| Expertise in specific functional areas: Administration, economics and finance. |

Mrs. Amita Birla
(Non- Executive Director)

| |
|--|
| Date of appointment: 27 th March, 2015 |
| DIN: 00837718 |
| Qualification: GCE-A Level |
| Occupation: Industrialist |
| Expertise in specific functional areas: Management and operation of diverse nature of business. |

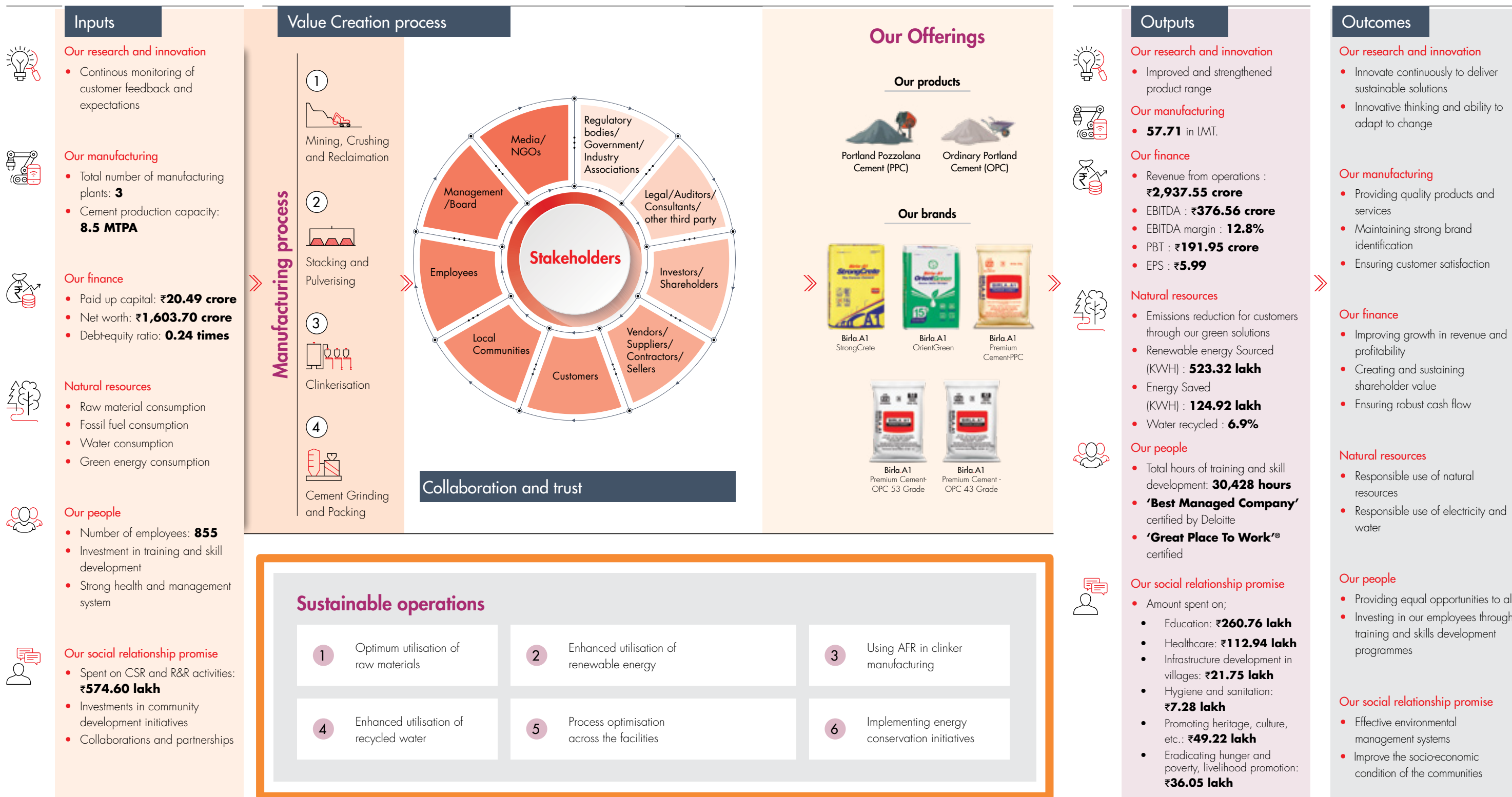
Mr. Rajeev Jhawar
(Independent Director)

| |
|---|
| Date of appointment: 9 th August, 2014 |
| DIN: 00086164 |
| Qualification: Commerce graduate and Management Development course from London Business School |
| Occupation: Industrialist |
| Expertise in specific functional areas: Industrialist having rich business experience in managing diversified industrial enterprises |

Mrs. Varsha Vasant Purandare
(Independent Director)

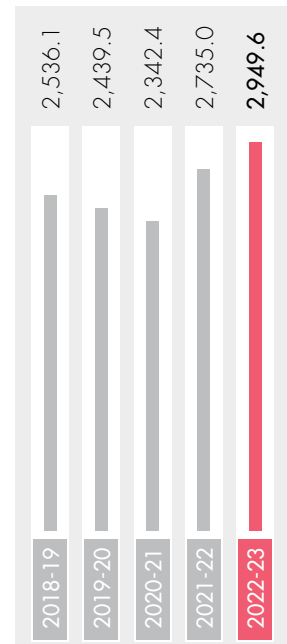
| |
|--|
| Date of appointment: 8 th February, 2019 |
| DIN: 05288076 |
| Qualification: Bachelor of Science (Chemistry), Diploma in Business Management |
| Occupation: Retired Banker |
| Expertise in specific functional areas: Credit, forex, treasury, capital markets, investment banking and private equity businesses. |

Creating long-term value for all stakeholders

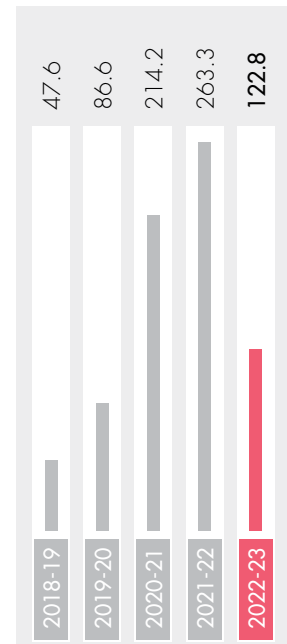


Financial highlights

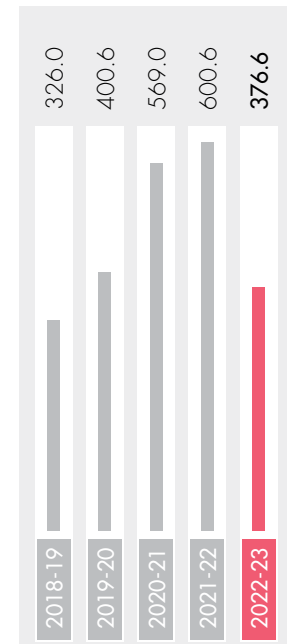
Total income (₹ crore)



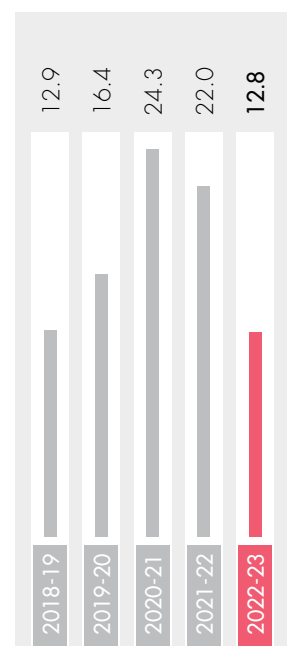
Net profit (₹ crore)



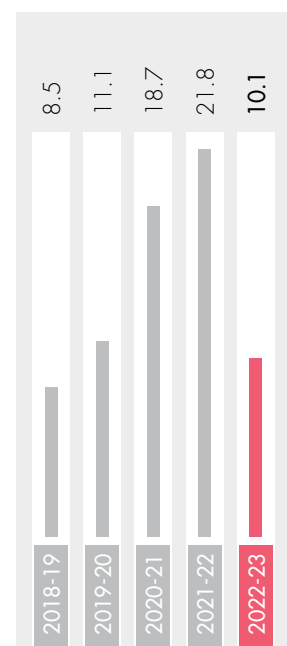
EBITDA (₹ crore)



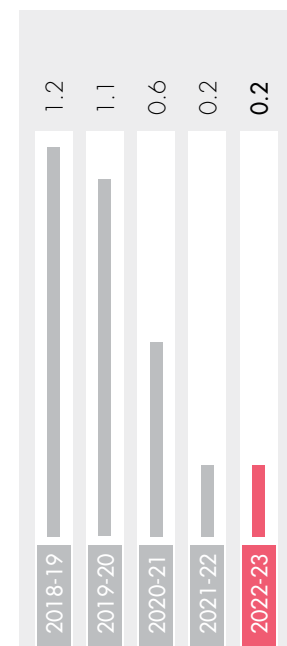
EBITDA margin (%)



ROCE (%)

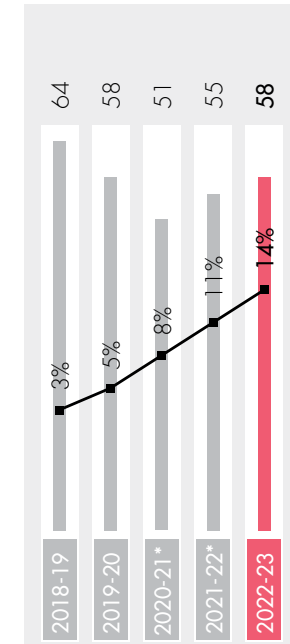


Debt-equity (times)



Total volume sold (lakh tonnes)

Premium product (of trade volume) (%)



*impacted by COVID-19

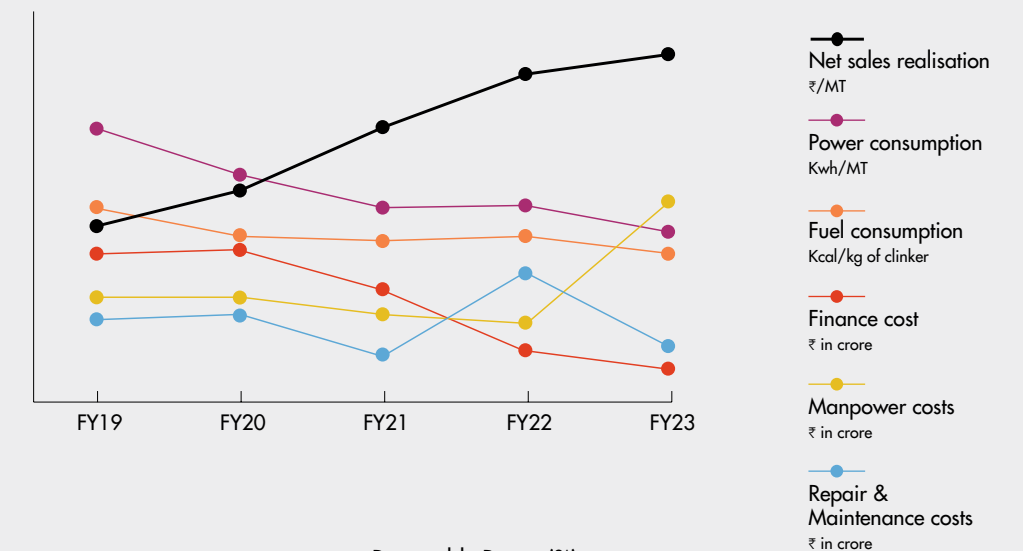
Despite a challenging H1 FY23, we were able to rebound, while maintaining our prices and increasing volumes. By capitalising on opportunities across B2B and premium product sales, we were able to achieve significant growth in the topline. Our ability to adapt and take advantage of market conditions has contributed to our sustained performance.

- Mr. Manish Dua,
President – Sales & Marketing.

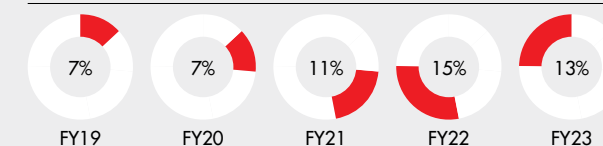


Unlocking value, consistently

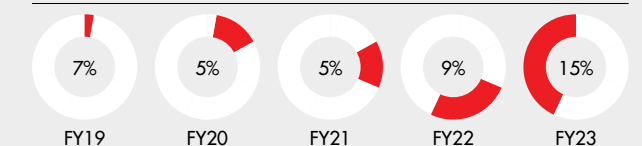
We continue to foster a culture of increasing realizations and decreasing costs, to optimize resources, improve profitability, and create a solid foundation for sustainable growth.



AFR consumed (%)



Renewable Power (%)



Engaging with responsibility

Ants demonstrate remarkable responsibility towards the community they belong to. Instead of being driven by individual needs, they remain dedicated to fulfilling the requirements of their colony. Keeping the community at the core of their existence, they continue to fulfil their obligations to ensure harmonious co-existence with others.

Business must be a 'force for good'

For us, being responsible and more responsive to the needs of the community and the environment continues to be a core value influencing our day-to-day affairs. We are ardently creating and implementing a roadmap to fulfil our belief that 'Business has to be a force for good', to give back to society, remain focused on meaningful changes and aspire to truly make a difference to lives.

To enable socio-economic development, we engage in various initiatives encompassing the following domains:

Education



Healthcare



Infrastructure, especially rural infrastructure



Transforming lives through hygiene and education

With the aim of creating a healthy and empowering learning environment, Orient Cement undertook a transformative CSR initiative at ZP Girls School No-2 in Nashirabad, Jalgaon. The construction of a new toilet block addressed the unhygienic conditions, ensuring the girls' health, dignity, and privacy. Additionally, the installation of a main gate enhanced security, fostering a safe learning environment. Recognising the potential for expansion, similar improvements were extended to other schools in nearby areas.



50,000+

People benefitting from the dispensary and other medical camps every year

100%

Workers covered under health and accident insurance

3,550+

Students benefited from school and other educational activities conducted by the Company during the year

Bridging the digital divide

We implemented impactful CSR initiatives in Diggaon village that left a lasting impression on the community. Computer training classes were organised at the local government school, equipping students with essential computer skills and recognising their achievements. We also provided computer training to dropout

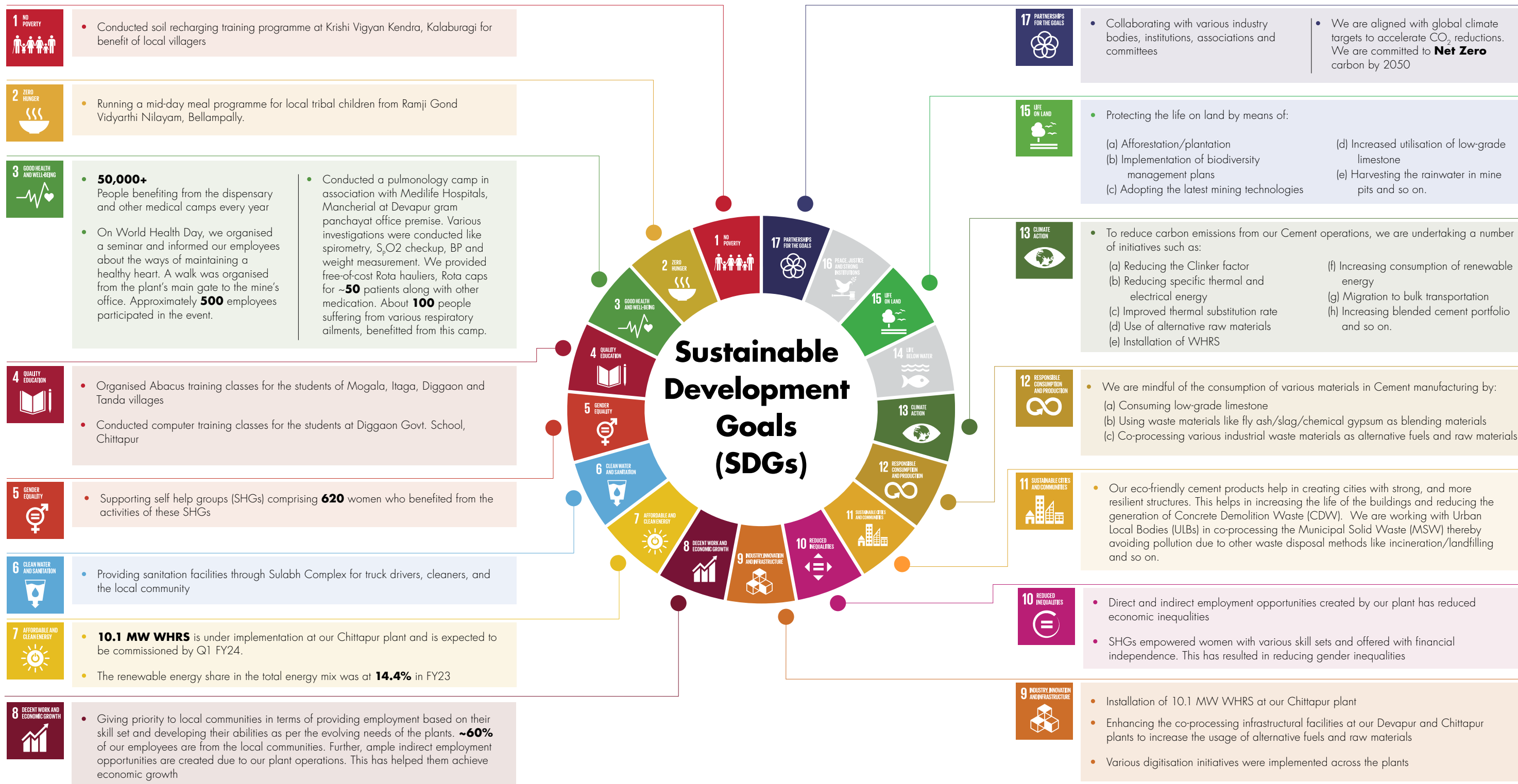
students, empowering them to pursue their academic goals. Abacus training offered at the government school showcased exceptional progress in mental calculations and supported students' learning journey. These efforts received heartfelt gratitude from students, villagers, and community leaders, reinforcing our commitment to empowering communities through meaningful CSR endeavours.



5.75 crore

Community development expenditure (CSR and R&R)

Our commitment to Sustainable Development Goals (SDGs)



Awards and accolades

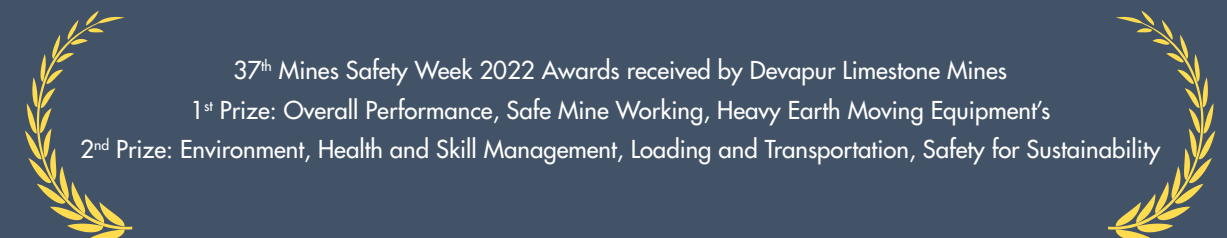
Your Company has been certified as a 'Great Place to Work' for the fourth year in a row through the assessment conducted by the Great Place to Work Institute. The Company has also made it to the list of 'Top 100 India's Best Companies to Work for 2023' and gained the top position in the Cement & Building Materials industry.

The Company was chosen as a 'Best Managed Company' for the year 2022 as part of a global programme run by Deloitte, a leading global consulting firm.

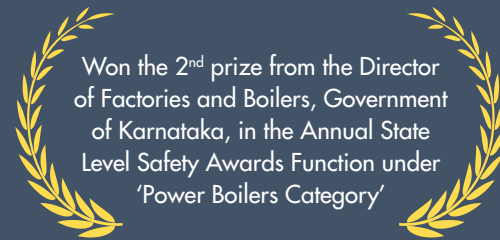
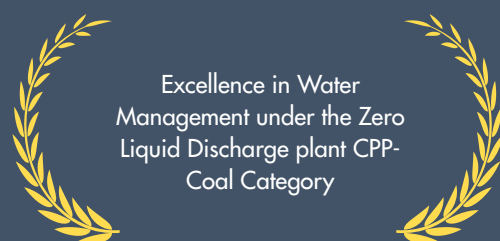
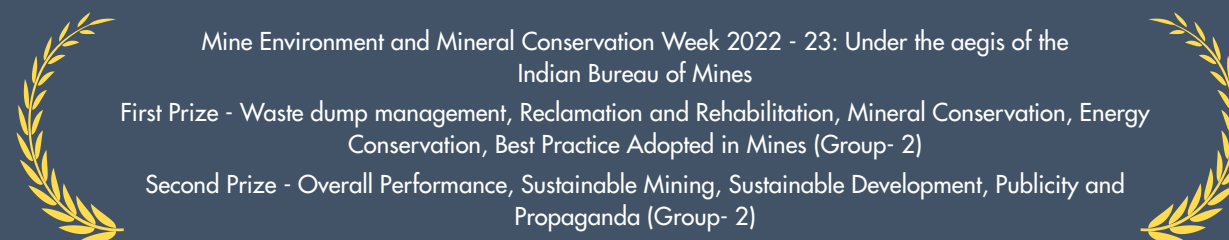
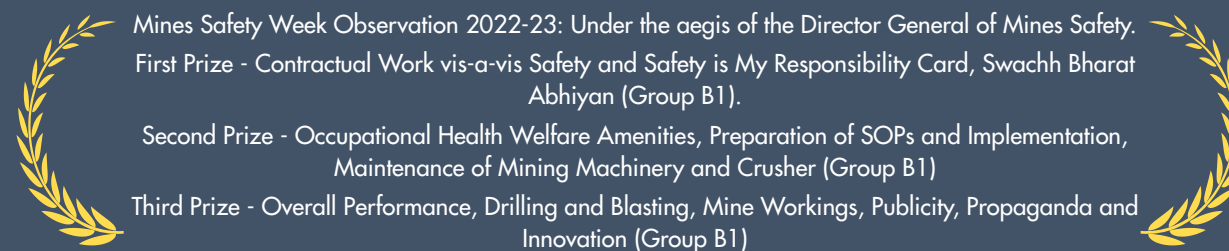
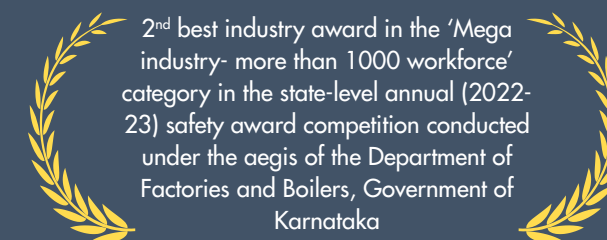
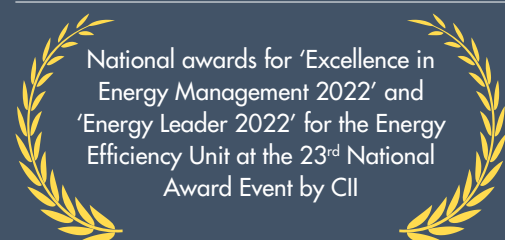
All the three manufacturing plants received several awards from government and non-government bodies, for excellence in the field of safety, environment, and energy efficiency.

Some of the awards are mentioned below:

Devapur plant:



Chittapur plant:



Jalgaon plant:



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, 3rd 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 12th Annual General Meeting of the Members of Orient Cement Limited will be held on **Tuesday, the 1st day of August, 2023** at 3:30 p.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, 2023, including the audited Balance Sheet as at March 31, 2023, 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 ₹1/- (100%) per equity share for the financial year ended March 31, 2023 and to confirm the interim dividend of ₹0.50 (50%) per equity share paid during the financial year 2022-23.
3. To appoint a Director in place of Mr. Chandrakant Birla (DIN 00118473), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

Special Business

Item No. 4- To ratify the remuneration payable to Mr. Somnath Mukherjee, Cost Auditor of the Company for the financial year 2023-24 and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Members of the Company hereby ratify the payment of remuneration, as approved by the Board of Directors, to Mr. Somnath Mukherjee, Cost Accountant in Practice (M.NO.-F5343), the Cost Auditor of the Company, amounting to ₹1,00,000/- (Rupees one lakh only) plus applicable taxes and out of pocket expenses to

conduct the audit of the cost records of the cement activity for the financial year 2023-24.”

Item No. 5- To consider and approve the terms of remuneration of Mr. Desh Deepak Khetrpal, Managing Director & Chief Executive Officer (DIN 02362633) for the financial year 2023-24 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder and the provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time and subject to such approvals as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such approval(s) and as agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any Committee thereof or any person authorized by the Board in this behalf), the consent of the Members be and is hereby accorded for payment of remuneration to Mr. Desh Deepak Khetrpal (DIN 02362633) as the Managing Director and Chief Executive Officer (“MD & CEO”) of the Company for the financial year 2023-24 as per the following terms and conditions, with the authority to the Board, on the recommendation of Nomination and Remuneration cum Compensation Committee, to alter and vary the terms and conditions related to remuneration payable to him in such manner as may be agreed between the Board and Mr. Desh Deepak Khetrpal:

| Particulars | Per Month (Rupees) | Per Annum (Rupees) |
|--------------------------------------|-----------------------|-----------------------|
| Basic Salary/ Basic Pay | 44,00,000 | 5,28,00,000 |
| Allowances and perquisites | | |
| Special Allowance/ Pay | 6,97,410 | 83,68,920 |
| Medical Allowance/ Reimbursements | 10,000 | 1,20,000 |
| Leave Travel Allowance | 1,00,000 | 12,00,000 |
| Gross Salary | 52,07,410 | 6,24,88,920 |

In addition to the above, Mr. Khetrapal will be entitled to:

- (i) Suitable Company leased accommodation/house rent allowance of ₹3,40,000/- (Rupees three lakh forty thousand) per month.
- (ii) Company car fully maintained and chauffeur driven.
- (iii) Annual performance linked variable pay of ₹2,66,76,000/- (Rupees two crore sixty six lakh and seventy six thousand only), payable up to 120% of the said amount subject to the performance of the Company and achievement of agreed targets as may be decided by the Board.
- (iv) Perquisite value, if any, arising on account of exercise of Employee Stock Options granted earlier under the Employee Stock Option Plan 2015 of the Company.
- (v) Contribution to Provident Fund, Gratuity Fund and National Pension Scheme as per the Rules of the Company.
- (vi) Encashment of un-availed leave at the end of the tenure or at specified intervals as per the Rules of the Company.
- (vii) Appointment will be terminable by either party by giving three months' notice or salary in lieu thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the financial year, the aggregate salary, perquisites, bonus, benefits, allowances and other payments paid to Mr. Desh Deepak Khetrapal shall be paid as minimum remuneration subject to compliance with the provisions of Section 197 of the Companies Act, 2013 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, 2013 for the time being in force.

RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary be and are hereby severally authorized to take all such steps as may be necessary for obtaining necessary approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be necessary, proper, expedient or incidental for giving effect to this resolution."

Item No. 6- To consider and approve the amendment in the Orient Cement Employees Stock Option Scheme 2015 and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Clause 16.1 of the Orient Cement Employees Stock Option Scheme 2015 ("Scheme"), the consent of the members be and is hereby accorded to modify the definition of the term 'Exercise Period' at Clause 3.1.17 of the Scheme as the time period after Vesting within which the Participant can Exercise his right to apply for Shares to be issued to him against the Options vested in him in pursuance of this Scheme and shall be as set out in the Award Agreement. The maximum Exercise Period shall not exceed 4 years from the date of Vesting.

RESOLVED FURTHER THAT the term 'Exercise Period' used in any other clause of the Scheme or any another reference to the maximum period within which the options are required to be exercised shall be read and understood as per the revised definition."

Item No. 7- To consider and approve the Orient Cement Employee Stock Option Scheme 2023 and in this regard, to consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and Rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "SEBI SBEB & SE Regulations"), Foreign Exchange Management Act, 1999 and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, and upon recommendation of the Nomination & Remuneration cum Compensation Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded for the approval of the Orient Cement Employee Stock Option Scheme – 2023' (hereinafter referred to as the "Scheme") the salient features of which are furnished in the Explanatory Statement to this Notice and to the Board of Directors of the Company hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination & Remuneration cum Compensation Committee ("Committee") which the Board has constituted/ delegated in order to exercise its powers, including the powers, conferred by this resolution to create, grant, offer, issue and allot employee stock options ("Options") under the Scheme from time to time, in one or more tranches not exceeding 36,00,000 (thirty six lakh) Options, exercisable into 36,00,000 equity shares of the Company having face value of INR 1/- per equity share ("Equity Shares") to the Employees (as defined in the Scheme and the SEBI SBEB & SE Regulations), specifically, (i) an employee as designated by the Company, who is exclusively working in India or outside India; or (ii) a director of the Company, whether a whole time director or not, including a non - executive director who is not a promoter or member of the promoter group, but excluding an independent director; or (iii) an employee as defined in sub - clauses (i) or (ii), of a group company including a subsidiary or its associate company, in India or outside India, or of a holding company of the Company, but does not include (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company as selected in accordance with the Scheme ("Eligible Employees"), at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board/Committee in accordance with the Scheme and applicable law.

RESOLVED FURTHER THAT the maximum number of Equity Shares granted/offered to Eligible Employees under the Scheme may exceed 1% of the paid-up equity share capital of the Company on the date of this resolution but shall not exceed 36,00,000 Equity Shares of the Company having face value of INR 1/- per equity share (as adjusted for any corporate action and/or change in the capital structure) at such price or prices as may be determined by the Board in its sole and absolute discretion.

RESOLVED FURTHER THAT the Committee shall act as the Compensation Committee in terms of Regulation 5 of the SBEB & SE Regulations and shall be authorised to implement, administer, alter and supervise the Scheme, in the manner as it may deem fit, which authority shall include but not limited to, determine the criteria of the Employee (as defined in the Scheme and the SBEB & SE Regulations) who will be eligible to grant of Options under the Scheme, the quantum of Options to be granted to Eligible Employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Options shall lapse and to grant such number of Options, to such Eligible Employees, at par or at such other price, at such time and on such terms and conditions as set out in the Scheme, the acceleration of the vesting of the Options, and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the Scheme including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule, vesting conditions, etc., as the Committee may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Committee shall do all such acts, deeds and things as may be required, and to execute all such deeds, documents, writings, including but not limited to the letter of grant, award letter and to give such directions and/or instructions as may be necessary for proper administration and implementation of the Scheme and to determine, in its absolute discretion, all the questions of interpretation, disputes, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with the Scheme.

RESOLVED FURTHER THAT the Board and the Committee is hereby authorised to issue and allot Equity Shares to the Eligible Employees from time to time in accordance with the Scheme and other applicable laws in force and such Equity Shares shall rank pari passu in all respects including dividend with the existing Equity Shares.

RESOLVED FURTHER THAT the Scheme shall be implemented through direct route, for extending the benefits to the eligible employees by way of fresh allotment of equity shares and will follow cash mechanism.

RESOLVED FURTHER THAT the Board/Committee is empowered to make fair and reasonable adjustment, in its sole and absolute discretion in accordance with applicable law to the terms of grant and/or offer made under the Scheme in case of any corporate action(s) such as rights issue, bonus issue, change in capital structure,

merger and sale of division/undertaking or other re-organisation, change in capital and others, or sub-division or consolidation of Equity Shares.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Committee to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the Scheme as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment or listing of Equity Shares, the Board be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to sign any documents, deeds, settle any issues, questions, difficulties or doubts that may arise in this regard, including to sign stock option agreements/ issue grant letter/s and do all such acts, deeds and things for and on behalf of the Company as may be necessary for granting Options to the eligible employees as may be determined by the Board from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein, to the Committee, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc., as may be necessary in this regard.

RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorised to take requisite steps for listing of the Equity Shares allotted under the Scheme on the stock exchanges where the Equity Shares are listed and in due compliance with SEBI SBEB & SE Regulations and other applicable laws.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme (including but not limited to terms of grant under the Scheme) subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification,

change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB & SE Regulations and any other applicable laws in force.

RESOLVED FURTHER THAT the Company should confirm to the accounting policies prescribed from time to time under the SEBI SBEB & SE Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Scheme.

RESOLVED FURTHER THAT any of the Directors, Chief Executive Officer, Chief Financial Officer and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable

for such purpose including giving effect to the aforesaid resolution and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

By order of the Board of Directors

Nidhi Bisaria

Company Secretary
(M.No.FCS-5634)

Place: New Delhi

Date: 28-4-2023

NOTES:

1. The Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect to the special businesses to be transacted at the AGM is annexed hereto. Additional information as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard -2 ("SS-2") on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director retiring by rotation seeking re-appointment at this AGM are furnished in the Notice of AGM.
2. The Ministry of Corporate Affairs ("MCA") vide its General Circular dated December 28, 2022 read with its earlier circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and May 5, 2022 (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") up to September 30, 2023 without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at Unit VIII, Plot No. 7, Bhoingar, Bhubaneswar – 751012, Odisha, which shall be deemed venue of the AGM.
3. Since the AGM will be held through VC/ OAVM, pursuant to the MCA Circulars, physical attendance of the members is not required at the AGM, and attendance of the members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Act. Route map of the venue of the Meeting is accordingly not annexed hereto.
4. Pursuant to the provisions of section 105 of the Act and Regulation 44(4) of the Listing Regulations, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM pursuant to the applicable MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of Proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. For enabling the Members to participate at the 12th AGM, **the Company has entered into an agreement with National Securities Depository Limited ("NSDL") to provide VC/OAVM facility and e-voting facility for the Annual General Meeting.** The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on a first-come-first-served basis as per the MCA Circulars.
6. Corporate/Institutional members (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting during the e-voting period and / or during the AGM. Corporate/ Institutional members are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote / attend AGM, to the Scrutinizer by e-mail at aklabhcs@gmail.com with a copy marked to National Securities Depositories Limited ('NSDL') (agency for providing the Remote e-Voting facility) at evoting@nsdl.co.in and the Company at investors@orientcement.com. They can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login at e-voting portal.

7. **Dispatch of Annual Report through Electronic Mode:**

In compliance with the MCA Circulars and the Securities and Exchange Board of India ("SEBI") circular dated January 5, 2023 read with circular dated May 12, 2020, January 15, 2021 and May 13, 2022 (hereinafter referred to as "SEBI Circulars"), Notice of the 12th AGM along with the Annual Report for the financial year 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant/ Registrar and Share Transfer Agent of the Company. The Company shall send physical copy of the Annual Report for the financial year 2022-23 to those members who request for the same at investors@orientcement.com mentioning their Folio No./DP ID and Client ID. Members may note that this Notice along with the Annual Report for the financial year 2022-23 will also be available on the website of the Company at www.orientcement.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also on the website of NSDL at www.evoting.nsdl.com.

8. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, July 26, 2023 to Tuesday, August 1, 2023**, both days inclusive, for annual closing and for determining the entitlement of the Members to the final dividend for financial year 2022-23, if approved at the AGM.

9. **Payment of Dividend:** The dividend on Equity Shares, if declared at the AGM, will be paid, subject to deduction of tax at source, on or before August 30, 2023 to the Members whose names appear on the Company's Register of Members as on the close of business hours on Tuesday, July 25, 2023 and whose bank mandate are registered in the records of the Depository Participants/RTA. For Members whose bank mandates are not updated with the Depository Participants /RTA as on the book closure date, demand drafts or warrants or cheques shall be sent through post.

10. **Tax Deduction at Source on Dividend:** Pursuant to Income-Tax Act, 1961, as amended, the dividend income is now taxable in the hands of members and therefore, the Company shall be required to deduct tax at source ('TDS') at the prescribed rates from dividend paid to members. For the prescribed rates for various categories, members are requested to refer to the Finance Act, 2020 and amendments thereof.

For Resident members, TDS shall be deducted under Section 194 of the Income-Tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during the financial year 2022-23, provided PAN is provided by the member. If PAN is not submitted to the Company / RTA (in case shares are held

in physical mode) / updated in their demat account (in case shares are held in demat mode), TDS would be deducted @ 20% as per Section 206AA of the Income-Tax Act, 1961.

However, no TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during the financial year 2023-24 does not exceed ₹5,000.

A resident individual member 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. Further, in terms of Section 206AB of the Income Tax Act, 1961, effective from July 1, 2021, TDS deducted shall be higher of the following i.) Twice the rate specified in the relevant provision of the Income-tax Act; or ii) Twice the rate or rates in force; or iii) the rate of 5%, in case the person has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted/collected, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. It shall not be limited to TDS only on dividend income received by the member but will include all TDS transactions of the member during the relevant financial year.

Non-resident members 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.

Members may submit the aforementioned documents by sending an email to einward.ris@kfintech.com or by uploading the self-attested documents at <https://ris.kfintech.com/form15/> on or before Tuesday, July 25, 2023 in order to enable the Company to determine and deduct appropriate tax. No communication on the tax determination / deduction shall be entertained post Tuesday, July 25, 2023. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from the members, there would still be an option available with the members to file the return of income and claim an appropriate refund, if eligible.

Members may download the TDS certificate from the Income Tax Department's website <https://www.incometax.gov.in/> (refer to Form 26AS). If any member need assistance in obtaining the TDS certificate, he / she may write to the Company at investors@orientcement.com or to RTA at einward.ris@kfintech.com.

11. Members are requested to address all correspondences, including for dividends, to the RTA of the Company, at:

| Name | KFin Technologies Limited |
|---------------------------------------|--|
| Address | Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana - 500 032. |
| Email ID | einward.ris@kfintech.com |
| Toll Free | 1800 309 4001 |
| WhatsApp Number | (91) 910 009 4099 |
| KPRISM | https://kprism.kfintech.com |
| KFin Corporate Website Link | https://www.kfintech.com |
| Corporate Registry (RIS) Website Link | https://ris.kfintech.com |
| Investor Support Centre Link | https://ris.kfintech.com/clientservices/isc |

As an ongoing endeavour to enhance Investor experience and leverage new technology, our Registrar and Share Transfer Agent, KFin Technologies Limited has been continuously developing new applications. Here is a list of applications that has been developed for our investors.

Investor Support Centre: A webpage accessible via any browser enabled system. Investors can use a host of services like post a query, raise a service request, track the status of their DEMAT and REMAT request, dividend status, interest and redemption status, upload exemption forms (TDS), download all ISR and other related forms.

URL: <https://ris.kfintech.com/clientservices/isc>

eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests and can be accessed via the link below.

URL: <https://ris.kfintech.com/clientservices/isr>

KYC Status: Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have the requisite information regarding their folios.

URL: <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>

KPRISM: A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.

URL: <https://kprism.kfintech.com/signin.aspx>

WhatsApp: Modern technology has made it easier to communicate with shareholder across multiple levels. WhatsApp has a wider reach today with majority having a know-how of the application. In order to facilitate the shareholders, KFin has a dedicated WhatsApp number that can be used for a bouquet of services. WhatsApp Number: (91) 910 009 4099

12. Procedure for updating / registering the email address and mobile numbers for receiving Annual Report and other communications from the Company electronically and updation of bank account mandate for receipt of dividend:**Members holding shares in Physical Form:**

Members who have not registered their e-mail address and as a consequence are not receiving communications from the Company electronically (viz. the Annual Report, Notice of AGM, e-voting details, etc.) may get their email address and mobile number registered by providing the same to the Company's RTA, by clicking the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx> for receiving such communications electronically. Members are requested to follow the process as provided in the link for updating their email address and mobile number for receiving the soft copy of the notice(s), Annual Reports and other communications over email in future. In case of any query on registering the email addresses and mobile number, the member may write to RTA at einward.ris@kfintech.com.

Alternatively, Members may send a request to the Company/ RTA, along with the following details / documents for registering / validating / updating their information in database viz. Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card) and AADHAR (self-attested scanned copy of Aadhar Card) at investors@orientcement.com or to RTA at einward.ris@kfintech.com.

Following additional details need to be provided in case of registration / updation in Bank Account details viz. Name and Branch of the Bank in which you wish to receive the dividend, Type of Bank Account, Bank Account Number allotted by their banks after implementation of Core Banking Solutions, 9 digit MICR Code Number, 11 digit IFSC Code and Scanned copy of the cancelled cheque bearing the name of the first shareholder.

The Members may also send the above documents at the following address:

M/s. KFin Technologies Limited

Unit: Orient Cement Limited

Selenium Building, TowerB,

Plot No 31 & 32, Financial District,

Nanakramguda, Serilingampally,

Hyderabad, Rangareddy, Telangana - 500 032.

Members holding shares in Dematerialized Form:

Members holding shares in electronic form are requested to intimate any change in their email address and / or mobile number 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 above-mentioned particulars.

13. **IEPF related information:** Dividends, if not encashed for a consecutive period of 7 years, from the date of transfer to Unpaid/Unclaimed Dividend Account of the Company, are liable to be transferred to Investor Education and Protection Fund ('IEPF'). Further, the shares of a member who does not encash his/ her dividend for a continuous period of 7 years, are also liable to be transferred to the demat account of IEPF Authority.

Members who have not encashed their dividend paid by the Company so far up to and during the financial year ended March 31, 2023, may immediately approach the Company / RTA for claiming dividend amount. Information in respect of the unclaimed dividend up to March 31, 2023, will be uploaded on the website of Investor Education and Protection Fund ("IEPF") Authority of the Government, i.e., www.iepf.gov.in and on the website of the Company, www.orientcement.com after the AGM.

Please note that the unpaid/unclaimed final dividend for the financial year 2015-16 shall become due to transfer to IEPF on **August 28, 2023** 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 address 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. The said application should reach the Company on or before **August 18, 2023** 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.

14. **KYC updation for physical members:** SEBI vide its circular number SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2023/37 dated March 16, 2023 mandated for furnishing of details of PAN, email address, mobile number, bank account details and nomination by holders of physical securities. Folios wherein any one of the cited document / details are not available **on or after October 01, 2023**, shall be frozen by the Registrar and Share Transfer Agent of the Company (RTA) and you will be eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as mentioned herein (i) above and shall also be eligible for receipt of dividend, interest or redemption payment in respect of such frozen folios, only through electronic mode with effect from April 1, 2024 upon receipt of such communication by the Company and furnishing of the complete documents / details as mentioned herein (i) above in this regard. If such folios continue to remain frozen as on December 31, 2025, such frozen folios, thereafter, are required to be reported to administrative authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002. Therefore, members of the Company, holding shares in physical mode are requested to immediately update their aforesaid KYC details with the RTA of the Company to avoid any hardship / consequences as above. For facilitating to update their aforesaid KYC details, the Company has uploaded required forms – ISR1, ISR2, ISR3, ISR4, SH13 and SH14, as applicable, on its website viz. www.orientcement.com.

Members can download the Forms, as applicable / required, fill in the details and send to the RTA of the Company for updating the details.

15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact RTA to seek guidance for the demat procedure. Members may also visit website of depositories viz. National Securities Depository Limited viz. <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited viz. <https://www.cdslindia.com/investors/open-demat.html> for further understanding of the demat procedure.
16. **Procedure for Inspection of Documents:** The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts, Certificate from the Secretarial Auditors on the implementation of ESOP Scheme and other relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during

the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to investors@orientcement.com.

17. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Tuesday, July 25, 2023 by sending e-mail to investors@orientcement.com. The same will be replied by the Company suitably. Please note that the shareholders' questions will be answered only if the shareholder continues to hold the shares as on the cut-off date, i.e., Tuesday, July 25, 2023.

18. **VOTING THROUGH ELECTRONIC MEANS AND ATTENDING THE AGM THROUGH VC/OAVM:**

- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI Listing Regulations read with circular of SEBI no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 regarding e-Voting facility provided by Listed Entities, the Company is providing to its Members facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means ("e-Voting").
- ii. **Remote e-Voting:** Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-Voting"). The facility of casting the votes by remote e-Voting will be provided by NSDL.
- iii. The remote e-Voting period commences on **Saturday, July 29, 2023**, at 9.00 a.m. IST and ends on **Monday, July 31, 2023** at 5.00 p.m. IST. During this period, Members of the Company holding shares either in physical or dematerialized form, as on the cut-off date of **Tuesday, July 25, 2023** ("Cut-off Date") may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter.
- iv. **Voting at the AGM:** Members who have not voted through remote e-Voting may avail the e-Voting facility provided in the AGM by NSDL. 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 at the AGM. However, Members who have voted through remote e-Voting will be eligible to attend the AGM. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned for remote e-Voting.
- v. A Member can opt for only one mode of voting, i.e., either through remote e-Voting or through e-Voting during the Meeting. If a Member cast's votes by both the modes, then voting done through remote e-Voting shall prevail.

- vi. The Voting rights of a Member / Beneficial Owner (in case of electronic shareholding) shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the cut-off date, that is, **Tuesday, July 25, 2023**.

- vii. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company shall be entitled to vote at the 12th AGM.

- viii. Once the vote on a resolution is cast by a Member, whether partially or otherwise, the Member shall not be allowed to change it subsequently or cast the vote again.

- ix. Members who have acquired shares of the Company after the dispatch of this Notice and holding shares as on the cut-off date / member who has forgotten the User ID and Password, may approach NSDL at evoting@nsdl.co.in, for issuance of User ID and Password for exercising their right to vote by electronic means as explained in e-Voting instructions. However, if he/she is already registered with NSDL for remote e-voting then he/ she can use his/ her existing User ID and Password for casting the vote. Individual members holding securities in dematerialized mode may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for individual members holding securities in dematerialized mode."

- x. **The instructions for remote e-Voting and joining the AGM are as under: -**

A. VOTING THROUGH ELECTRONIC MEANS:

Process to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

Step 2: Cast your vote electronically on NSDL e-voting system.



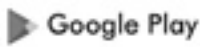

Details on Step 1 are mentioned below:

I) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ Depositories Participants ('DPs') to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ('ESP') thereby not only facilitating

seamless authentication but also ease and convenience of participating in e-voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

Login method for individual members holding securities in dematerialized mode is given below:

| Type of members | Login Method |
|--|--|
| Individual members holding securities in dematerialized mode with NSDL | <p>A. NSDL IDeAS facility</p> <p>If you are already registered with IDeAS, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser and type the following URL: https://eservices.nsdl.com/ either on a computer or on a mobile. 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services under Value Added Services. 4. Click on "Access to e-voting" appearing on the left-hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against Company name or e-voting service provider-NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. <p>If you are not registered with IDeAS, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsdl.com. 2. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5 above. <p>B. E-voting website of NSDL:</p> <ol style="list-style-type: none"> 1. Open web browser and type the following URL: https://www.evoting.nsdl.com/ either on a computer or on a mobile phone. 2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. <p>C. Shareholders/Members can also download NSDL mobile app "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div> |

| Type of members | Login Method |
|--|---|
| Members holding securities in dematerialized mode with CDSL | <ol style="list-style-type: none"> 1. Users who are registered at CDSL Easi/Easiest, can login through their existing User ID and Password. The option will be made available to reach e-voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from the e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual members (holding securities in dematerialized mode) login through their DPs | <ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. 2. Once logged-in, you will be able to see the e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

| Login type | Helpdesk details |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

II) Login method for e-voting and joining virtual meeting for members holding securities in physical mode.

How to Log-in to NSDL e-voting website?

- i. Visit the e-voting website of NSDL. Open web browser by clicking the URL: <https://www.evoting.nsdl.com/> either on a computer or on a mobile.
- ii. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

- iii. A new screen will open. You will have to enter your User ID, Password/OTP and a verification code as shown on the screen.
- iv. Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can login at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you login to NSDL eservices after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- v. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|--|
| a. For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example: If your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12***** |
| b. For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example: If your Beneficiary ID is 12***** then your User ID is 12***** |
| c. For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the Company For example: If EVEN is 123456 and folio number is 001*** then User ID is 123456001*** |

- vi. Password details for members, other than Individual members, are given below:

- a. If you are already registered for e-voting, then you can use your existing Password to login and cast your vote.
- b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your Password.
- c. How to retrieve your 'initial password'?
- i. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file.

The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- ii. In case you have not registered your e-mail address with the Company/ Depository, please

follow instructions mentioned in this Notice.

- vii. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. Click on "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, PAN, name and registered address.
 - d. Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.
- viii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- ix. Now, you will have to click on "Login" button.
- x. After you click on the "Login" button, home page of e-voting will open.

Details on Step 2 are given below:**How to cast your vote electronically and join AGM on NSDL e-voting system?**

- i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and general meeting is in active status.
- ii. Select "EVEN" of Company, which is 124166 for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- iii. Now you are ready for e-voting as the voting page opens.
- iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify or modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- v. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number.
- vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General guidelines for members

- i. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on <https://www.evoting.nsdl.com> to reset the Password.
- ii. In case of any queries related to e-voting, you may refer the Help/Frequently Asked Questions ("Help/FAQs") and e-voting user manual available at the download section of <https://www.evoting.nsdl.com>. For any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Senior Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala

Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, e-mail: evoting@nsdl.co.in, toll free no: 022 - 4886 7000 / 022 - 2499 7000.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL-IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL-IDS FOR E-VOTING:

- i. In case shares are held in physical mode please provide Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investors@orientcement.com.
- ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investors@orientcement.com. If you are an Individual member holding securities in demat mode, you are requested to refer to the login method explained above at **Step 1**, i.e., **Login method for e-Voting and joining virtual meeting for Individual members holding securities in demat mode**.
- iii. Alternatively, member may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Members will be able to attend the AGM through VC/OAVM through the NSDL e-voting system. After successful login, you can see VC/ OAVM link placed under Join meeting menu against the Company name. This link will be enabled 30 minutes before the schedule time of AGM. **You are requested to click on VC/OAVM link placed under "Join Meeting" menu.** 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. Further, members can also use the OTP based login for logging into the e-voting system of NSDL.
- ii. Members are encouraged to join the AGM through Laptops / computers for better experience and use internet with a good speed to avoid any disturbance during the AGM.
- iii. 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.

- iv. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM.
 - v. Members who need assistance before or during the meeting, can contact NSDL on evoting@nsdl.co.in or call at **022-4886 7000 and 022-2499 7000**. Contact Person at NSDL: **Ms. Pallavi Mhatre, Senior Manager, NSDL**.
 - vi. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker shareholder by sending request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio number, PAN, mobile number at investors@orientcement.com between July 29, 2023 (9.00 a.m. IST) and July 31, 2023 (5.00 p.m. IST). Those members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers and time for speaking, depending on the availability of time for the AGM.
 - vii. Further members, who have registered themselves as speaker shareholder, will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
19. The Board of Directors of the Company has appointed Mr. Atul Kumar Labh, a Practicing Company Secretary, (Membership No. FCS 4848/CP 3238), as the Scrutiniser to scrutinise the e-voting process before and during the AGM in a fair and transparent manner.
20. The Scrutiniser shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast prior to AGM) and make 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.
21. The results shall be declared along with the Scrutiniser's report within 2 working days from the conclusion of AGM and shall be placed on the website of the Company www.orientcement.com and on the website of NSDL at www.evoting.nsdl.com immediately. The Company shall simultaneously communicate the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The recorded transcript of the 12th AGM shall also be made available on the website of the Company, www.orientcement.com in the Investor's section, as soon as possible after the AGM is over.
22. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM, i.e., Tuesday, August 1, 2023.
- By order of the Board of Directors**
- Nidhi Bisaria**
Company Secretary
(M.No.FCS-5634)
- Place: New Delhi
Date: 28-4-2023

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

Item No. 4

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 April 28, 2023, the Board has approved the re-appointment of Mr. Somnath Mukherjee, Cost Accountant in Practice (M.NO.:F5343), as Cost Auditor of the Company for conducting the audit of the cost records of the Company for the financial year ending March 31, 2024, 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 ₹1,00,000/- (Rupees one lakh only) plus applicable taxes and 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 ratified by the shareholders of the Company. Accordingly, the members are requested to ratify the remuneration of the Cost Auditors for the financial year 2023-24 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. 4 of the Notice for the ratification by the members.

Item No. 5

The shareholders on June 19, 2022, by way of Postal Ballot, approved the re-appointment of Mr. Desh Deepak Khetrapal (DIN 02362633) as Managing Director of the Company for another term of 2 years commencing April 1, 2022 up to March 31, 2024, not liable to retire by rotation on such remuneration as may be recommended by the Nomination and Remuneration cum Compensation Committee from time to time, subject to the approval of the Board and the shareholders of the Company. Mr. Desh Deepak Khetrapal is not debarred for such appointment by any order of the SEBI or any authority.

Further, on the recommendation of the Nomination & Remuneration cum Compensation Committee of the Company, the Board of Directors in their meeting held on April 28, 2023 has recommended revision in the remuneration of Mr. Khetrapal for the financial year 2023-24 as set out in resolution no. 5 of the Notice, subject to the approval by the Members of the Company and such other consents and approvals that may be required.

Mr. Khetrapal, aged 67 years, is a professional, holding 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, manufacturing, consumer and retail businesses with a focus on ESG and climate change. He has been associated with the Company as Managing Director and CEO since 2012. Mr. Khetrapal is the driving force behind the Company. Mr. Khetrapal is a man with a vision to create a business of excellence and is an inspiration for all, as he spearheads the Company's management and operations; strategizing and directing it through its next phase of growth.

Mr. Khetrapal continues to hold 4,99,140 stock options vested in him during his term as the Managing Director and Chief Executive Officer of the Company from April 2015 up to March 2020.

None of the Directors, except Mr. Khetrapal, Key Managerial Personnel of the Company and their respective relatives (to the extent of their shareholding in the Company, if any) is in any way concerned or interested, financially or otherwise, in the said Resolution. All relevant documents are available for inspection by Members electronically up to the date of e-voting. Members seeking to inspect such documents can send an email to investors@orientcement.com.

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 shareholders in the Annual General Meeting held on July 25, 2015 approved the Orient Cement Employees Stock Option Scheme 2015 ("Scheme") with a tenure of 10 years effective from July 25, 2015, till July 24, 2025.

Presently, the Exercise Period has been defined to mean the time period within which a Participant (as defined under the Scheme) can exercise his vested options with a rider that the Exercise Period cannot exceed beyond the Closing Date or 4 years from the date of vesting, whichever is earlier. The objective of the Scheme is to incentivise the employees of the Company by aligning their interests with that of the interest and growth of the Company. The exercise period as defined presently in the Scheme restricts the Company's ability to determine a vesting period ensuring to keep it in line with the exercise period, which ultimately restricts the employees to avail of a reasonable period of time to exercise their options.

Therefore, in order to give the employees a reasonable period of time to exercise the stock options, the Board of Directors on the recommendation of Nomination and Remuneration cum Compensation Committee in its meeting held on April 28, 2023, has proposed to amend Clause 3.1.17 of the Scheme, that is, the

definition of 'Exercise Period' across the Scheme and the said term used at any other place in the Scheme be read and understood as per the revised definition, pursuant to Clause 16.1 of the Scheme.

The resolution seeks the approval of the members for the amendment to the Scheme in terms of substituting the Clause 3.1.17 with the following language: "Exercise Period means the time period after Vesting within which the Participant can Exercise his right to apply for Shares to be issued to him against the Options vested in him in pursuance of this Scheme and shall be as set out in the Award Agreement. The maximum Exercise Period shall not exceed 4 years from the date of Vesting".

The draft Scheme is available for inspection by the members in the manner provided in the Notes to this Notice. The directors and key managerial personnel of the Company may be deemed to be concerned or interested in this Resolution only to the extent of any stock incentives that may be granted to them (along with the resultant equity shares issued) in accordance with the Scheme.

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

Item No. 7

In today's competitive world, the employees of a company are one of its most important resource and asset. Your Company fully recognizes the same and therefore wants its employees to participate and share the fruits of growth and prosperity along with the Company.

Equity based compensation is an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation scheme/plan. Your Company believes in rewarding its employees including Directors of the Company for their continuous hard work, dedication, and support, which has led the Company on the growth path. Accordingly, the Company proposes to implement the Orient Cement Employee Stock Option Scheme - 2023 (hereinafter referred to as the "Scheme") to align the interests of its employees with the long-term interests of the Company by motivating the employees with incentives and reward opportunities under the Scheme to create a sense of ownership and participation amongst the employees in the sustained growth of the Company. The Scheme was adopted by the Company's Board of Directors ("Board") through resolution dated April 28, 2023, subject to the approval of the members by a special resolution.

Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (hereinafter referred to as "SEBI SBEB & SE Regulations"), the Company seeks members' approval in respect of the Scheme and grant share-based incentives and thereby issue equity shares of the Company having face value of INR 1 per share ("Equity Shares") to the employees/ Directors of the Company and that of its holding company or subsidiary company(ies) ("Eligible Employees")

as decided by the Nomination & Remuneration cum Compensation Committee ("Committee") on such terms and conditions and at such price from time to time in due compliance of the SEBI SBEB & SE Regulations.

The main features of the Scheme are as under:

a. Brief Description of the Scheme:

This proposed Scheme called the Orient Cement Employee Stock Option Scheme – 2023, provides the Company the ability to grant share incentives to Eligible Employees (as selected by the Committee) and subject to applicable law and terms and conditions of Scheme, the Eligible Employees shall be entitled to receive Equity Shares upon fulfillment of those conditions at such price as is determined by the Committee. Under the Scheme, options will be granted to the Eligible Employee which will entitle him to subscribe to the Equity Shares within a certain period of time ("Exercise Period") at a price determined by the Committee ("Exercise Price") upon fulfilment of vesting conditions ("Vesting").

Thus, the incentives are intended to reward the Eligible Employees for their performance and to motivate them to contribute to the growth and profitability of the Company.

b. The objectives of the Scheme are:

- (i) create a sense of ownership and participation amongst the Employees;
- (ii) motivate the Employees with incentives and reward opportunities;
- (iii) drive entrepreneurship mindset of value creation for the organization;
- (iv) provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company; and
- (v) achieve sustained growth of the Company and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.

c. Total number of Options to be offered and granted under the Scheme:

The total number of options to be granted under the Scheme shall not exceed 36,00,000 options ("Plan Pool"). Each option when exercised would be converted in to one equity share of face value INR 1 (Indian Rupees One). Further, SEBI SBEB & SE Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under the Scheme remain the same after any such corporate action.

Options not vested due to non-fulfillment of any of the vesting conditions, vested Options which the grantees expressly refuse to exercise, Options (vested and not exercised and unvested) which have been surrendered and any Option granted but not vested or exercised within the stipulated time due to any reason in accordance with the Scheme, shall lapse and these Options will be available for grant under this Scheme.

d. Identification of classes of employees entitled to participate in the Scheme and be beneficiaries in the Scheme:

All employees falling within the ambit of 'employee' as defined in the SEBI SBEB & SE Regulations.

The Committee will, from time to time, identify the employees eligible for the purpose of the Scheme after taking into consideration such factors but not limited to performance appraisal, seniority, period of service, role, the present and potential contribution to the growth of the Company.

e. Transferability of the award under the Scheme:

Any Options granted or offer received under the Scheme cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Eligible Employee except under the circumstances provided under the Scheme. Any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted herein shall be void and unenforceable against the Company.

f. Requirements of vesting and period of vesting:

The Vesting criteria and the period of vesting, at the time of grant and thereafter subject to the terms of the Scheme, for the Options Granted to Eligible Employees shall be determined by the Committee in accordance with the Scheme, applicable law and as provided in the Award Letter. Subject to the terms and conditions of the Scheme and SEBI SBEB & SE Regulations, there shall be a minimum period of one year between Grant and Vesting. The Options granted under the Scheme may vest in one or more tranches.

g. Maximum period within which the options shall be vested:

The Vesting Period will be determined by the Committee at the time of grant of options and will be detailed in the Award letter.

h. Exercise price or pricing formula:

The Exercise Price will be determined by the Committee at the time of grant of Options and will be detailed in the award letter, which under no circumstance shall be below 20% of the market price of the share on the date of grant, however, in no event shall it be below the face value of each share.

The Committee will in accordance with the Scheme and the applicable laws, lay down the procedure for making a fair and reasonable adjustment to the number of Options and to

the Exercise Price in case of Corporate Action in accordance with SEBI SBEB & SE Regulations and shall provide necessary procedures and/or mechanism for exercising such options/ subscription to Equity Shares.

i. Exercise Period and the process of Exercise:

The Exercise period will be the period as provided in the Award Letter or such other period as may be intimated by the Committee, from time to time, within which the Eligible Employee may elect to Exercise the Vested Options. The vested Option shall be exercisable by the option grantees by a written application to the Company expressing his/ her desire to exercise such options in such manner and in such format as may be prescribed by the Committee from time to time. Exercise of options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the option grantee. Upon Exercise of Options, the Committee shall cause, within a reasonable period of time, to allot such number of Shares underlying the Vested Options as are Exercised, to the Option Holder, Nominee or former Employee, as the case may be. The Options shall lapse if not exercised within the specified exercise period.

j. The appraisal process for determining the eligibility of employees under the Scheme:

The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time which shall be based on the factors such as performance of the employee for the past financial years (or for the period of his service), onboarding incentive for new employees, attracting talent, position and responsibilities of the concerned employee, the nature of employee's services to the Company and / or to its employing entity, the period for which the employee has rendered his services to the Company or and / or to its employing entity, the employee's present and potential contribution to the success of the Company or its and / or to its employing entity and such other factors as the Committee deems relevant for accomplishing the purpose of the Scheme and as mentioned in the award letter provided to the Eligible Employee.

k. Maximum number of options to be granted and equity shares to be issued per employee and in aggregate:

The maximum number of Options that may be granted to an Eligible Employee will be determined by the Committee on a case to case basis. The number of options granted or offer to subscribe to Equity Shares that may be granted to the Eligible Employees of the Company under the Scheme, in any financial year and in aggregate may exceed 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company but the same shall be within the overall limit of Plan Pool of the Scheme as approved by the shareholders, i.e. 36,00,000 Equity Shares of the Company having face value of INR 1/- each.

The Company does not have any holding or subsidiary company as on the date of this Notice, and therefore separate approval of members by way of special resolution to extend the benefits to the employees of subsidiary company(ies) or holding company(ies) is not proposed as of now, and will be undertaken, if required, at the relevant time.

The Company does not intend to grant Options / benefits to an identified employee during any one year, equal to or exceeding 1% of the issued, subscribed capital of the Company, and therefore separate approval of members by way of special resolution is not proposed as of now, and will be undertaken, if required, at the relevant time.

l. Maximum quantum of benefits to be provided per employee under the Scheme:

Same as the above.

m. Whether the Scheme is proposed to be implemented and administered directly by the Company or through a trust:

The Scheme shall be implemented and administered directly through the Board/Committee of the Company.

n. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:

The Scheme contemplates only issue of new shares by the Company.

o. The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilisation, repayment terms etc.:

Not Applicable.

p. Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase under the scheme:

Not Applicable.

q. Confirmation to the accounting Policies:

The Company shall comply with the fair value method or such valuation method as may be prescribed from time to time in

accordance with applicable laws for valuation of the Options granted to calculate the employee compensation cost.

r. The method which the company shall use to value its options:

The Committee will specify the method which the Company shall use to value its Options in accordance with the SBEB & SE Regulations.

s. Statement with regard to Disclosure in Board's Report:

In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' report.

t. Period of lock-in:

There is no lock-in period.

u. Terms & conditions for buyback, if any, of specified securities covered under these Regulations:

The Committee would determine the procedure for buy-back of Options granted under the Plan, if to be undertaken at any time by the Company, and the applicable terms and conditions in accordance with Applicable Laws.

The Options to be granted under the Scheme shall not be treated as an offer or invitation to the public for subscription of securities of the Company. The Scheme conforms with the SEBI SBEB & SE Regulations. The draft Scheme is available for inspection by the members in the manner provided in the Notes to this Notice.

The directors and key managerial personnel of the Company may be deemed to be concerned or interested in the special resolution only to the extent of any stock incentives that may be granted to them (along with the resultant equity shares issued) in accordance with the Scheme. Save as aforesaid, none of the other Directors/Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said special resolution.

The Board recommends passing of the resolution as set out under Item No. 7 of the Notice for approval of the members as Special resolution.

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

| Name | Mr. Chandrakant Birla |
|---|--|
| DIN | 00118473 |
| Age | 68 years |
| Qualifications | Bachelor of Arts |
| Experience | 46 years |
| Terms and conditions of appointment/ re-appointment including remuneration proposed to be paid | Re-appointment upon retirement by rotation. |
| Details of last remuneration drawn during FY 2022-23 | ₹ 41.50 lacs (Sitting fees and commission) |
| Date of first appointment on the Board | July 23, 2011 |
| Occupation | Industrialist |
| Expertise in specific functional areas | Industrialist having rich business experience in managing diversified industrial enterprises |
| Directorships held in other listed entities in India | <ol style="list-style-type: none"> 1. Orient Paper & Industries Limited 2. HIL Limited 3. Orient Electric Limited 4. Birlasoft Limited |
| Memberships/ Chairmanships of Committees of Board in listed entities in India | <ol style="list-style-type: none"> 1. Orient Electric Limited <ul style="list-style-type: none"> • Nomination & Remuneration Committee - Member 2. Orient Cement Limited <ul style="list-style-type: none"> • Nomination & Remuneration cum Compensation Committee- Member 3. HIL Limited <ul style="list-style-type: none"> • Nomination & Remuneration cum Compensation Committee- Member |
| Shareholding in the Company | 31,53,570 No. of Shares (as on March 31, 2023) |
| Relationship with any other Director/Key Managerial Personnel of the Company | None of the other directors are related to Mr. Chandrakant Birla, except Mrs. Amita Birla, a non-executive Director of the Company, who is the spouse of Mr. Chandrakant Birla. |
| Number of Board Meetings attended during the year 2022-23 | Attended all 5 meetings |
| Names of listed entities from which the person has resigned in the past three years | NIL |

Directors' Report

Dear Members,

Your directors are pleased to present the 12th Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended March 31, 2023.

SUMMARY OF FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2023, is summarised below:

| Particulars | ₹ in Crore) | |
|--|---------------|---------------|
| | 2022-23 | 2021-22 |
| Revenue from operations | 2937.55 | 2725.42 |
| Earnings before interest, depreciation, amortisation and taxation | 376.56 | 600.64 |
| Interest / finance costs | 37.78 | 51.43 |
| Profit before depreciation and taxation | 338.78 | 549.21 |
| Depreciation and amortisation expenses | 146.82 | 145.21 |
| Profit before taxation | 191.96 | 404.00 |
| Taxation | 69.14 | 140.75 |
| Net profit | 122.82 | 263.25 |
| Transferred from Employee stock Options Outstanding | 4.67 | - |
| Profit brought forward from last year | 782.69 | 563.17 |
| Profit available for appropriations | 910.18 | 826.42 |
| Appropriations | | |
| Other comprehensive income | 1.32 | 2.37 |
| Dividend on equity shares | 46.10 | 46.10 |
| Balance carried to balance sheet | 865.40 | 782.69 |
| EPS (₹) | 5.99 | 12.85 |

BUSINESS AND FINANCIAL PERFORMANCE

The financial year 2022-23 has been considerably impacted by sustained cost inflation, particularly in energy sources, driven by global supply chain dislocations, disruption in global trade in the wake of continuing geopolitical conflict in Europe, rupee depreciation against USD/EURO and prolonged excessive rains, especially in the markets your Company serves. Inflationary pressures in the economy have prompted central banks worldwide, including India, to tighten monetary policy, which has dampened the economy's money supply, consumer sentiment and demand, notably in the retail consumer segment.

The year commenced with very soft demand across markets, with a revival in demand seen only from November 2022 onwards, largely in the B2B segment consuming Ordinary Portland Cement (OPC), putting further pressure on profitability. Despite unrelenting inflation in input costs, market dynamics did not allow your Company to pass on the increased costs to consumers. Thus, with soft demand, inflated energy costs and flat prices, the financial results for FY23 have been subdued and are significantly below the preceding year.

Your Company is widely acknowledged for its commitment towards energy and resource efficiency, social responsibility and environmental consciousness and has progressively adopted green, clean and sustainable materials and processes. As part of its commitment to sustainability and circularity, your Company has pushed its efforts further and enhanced its capabilities to use agro, industrial and municipal waste products, with the required care and precautions.

In terms of cost parameters, the Company remains one of the best in the industry, with its quest for efficiency, cost management, and innovation intensifying further during FY23. Significant savings have been achieved through the use of alternative fuels and raw materials (AFR), renewable power and improvements in various operating parameters. This has helped the Company partially mitigate the unprecedented inflation in energy costs and has also promoted green, clean, and sustainable development. Your Company has further enhanced the use of artificial intelligence, machine learning and other digital tools to optimise the fuel and raw mix and related costs. Also, even while optimising costs, future-proofing investments in information technology, analytics, artificial intelligence (AI), machine learning (ML), Waste Heat Recovery System (WHRS), fly-ash rake handling systems and others have been increased further.

Taking a further leap towards digitalisation, your Company has migrated to 'SAP S/4 HANA Rise' and moved to Google Cloud to further strengthen our analytics and decision-making capabilities and making us ready for future growth.

Your Company has entered the exclusive club of 'Best Managed Companies' for the year 2022 under a global programme run by Deloitte using rigorous evaluation. This is an affirmation of the Company's policies, processes, and overall management.

In pursuance of the Company's strategy towards improving its premium brand portfolio and product mix, after achieving encouraging success with its super-premium brand 'Birla.A1 StrongCrete', your Company has launched a new premium 'Responsible Cement' brand, 'Birla.A1 OrientGreen', leveraging its commendable track record of lower carbon footprint. The launch of this premium brand has created a brand portfolio for us which is unique in the industry, and which will

be further embellished soon with the launch of a new water-repellent cement brand "Birla.A1 Dolphin".

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

- Total sales volume for the year stood at 58 lakh tonnes against 55 lakh tonnes in FY22, a growth of ~5%.
- While trade (B2C) sales had a de-growth of 9% during the year, non-trade (B2B) volumes registered a growth of 29%.
- As a result of the shift in the market mix, the blended cement sale was 57% for the year vs. 63% in FY 2021-22.
- Despite the muted overall B2C demand, the super-premium brand of your Company grew by 17% and of both the premium brands combined by 22% in FY23 vs. last year.
- The overall capacity utilisation stood at 68%.
- EBITDA for the year was ₹376.56 crore, representing a 37% decline over ₹600.64 crore for last year.
- The finance costs for the year are lower by 27% over FY 2021-22.
- Net profit for the year has come down by 53% vs. last year; it was ₹122.82 crore as compared to ₹263.25 crore in FY 2021-22.

A key priority for your Company throughout the FY23 remained the safety and well-being of its employees, the communities within which it operates and its channel partners, vendors and customers. Your Company also extended all assistance and support to the communities around its area of operations to mitigate their hardship, in consultation and collaboration with the local administration.

DIVIDEND

During the financial year, your Company has paid an interim dividend of ₹0.50/- per equity share (50%) of face value of ₹1/- each to the shareholders whose names appeared on the register of members as on February 10, 2023, the record date fixed for this purpose. Additionally, your directors are pleased to recommend a final dividend amounting to ₹1/- (100%) per equity share of face value of ₹1/- each for the financial year ended March 31, 2023, as against an interim and final dividend of ₹0.75/- (75%) and ₹1.75/- (175%), respectively, per equity share totalling ₹2.50/- (250%) paid in the immediately preceding year. The payment of the final dividend for the financial year 2022-23 is subject to the approval of shareholders at the forthcoming Annual General Meeting.

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, July 26, 2023 to Tuesday, August 1, 2023, both days inclusive, for determining the entitlement of the shareholders to the final dividend for financial year 2022-23.

Your Company has been consistently declaring dividends since its inception. Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, as amended (the 'SEBI Listing Regulations'), the Board has adopted a Dividend Distribution policy. Dividends declared or recommended by the Company are in accordance with the Company's Dividend Distribution policy.

The Dividend Distribution policy is available on the website of the Company and can be accessed through the web link: <https://www.orientcement.com/wp-content/uploads/2017/02/Dividend-distribution-Policy.pdf>

BOARD OF DIRECTORS, ITS COMMITTEES AND MEETINGS THEREOF

The Company has a professional Board with an optimal composition of executive, non-executive and independent directors, including two female directors, one of whom is independent. The Board members bring to the fore the right mix of knowledge, skills and expertise and provide strategic guidance and direction to the Company to achieve its business objectives and protect the interests of its 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 each quarter. Additional meetings of the Board or 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, inter-alia, to review the performance of non-independent directors, the Board as a whole and the Chairman.

During the financial year ended March 31, 2023, the Board of Directors met 5 times, viz., on May 11, 2022, July 28, 2022, November 9, 2022, January 31, 2023 and March 31, 2023. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

A detailed update on the Board and its Committees' composition, the number of meetings held during the financial year 2022-23 and the 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, Mr. Chandrakant Birla (DIN 00118473), 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 himself for re-appointment. The Board of Directors recommends the resolution for re-appointment of Mr. Chandrakant Birla, liable to retire by rotation, for the approval of the members of the Company at the ensuing Annual General Meeting.

Brief profiles and other details relating to the directors are furnished in the Annual Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the requisite declarations from each independent director under Section 149 of the Act and Regulation 25 of the SEBI Listing Regulations, confirming that he or she meets the criteria of independence laid down in Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

The independent directors of the Company had their names included in the data bank of independent directors being maintained by the Indian Institute of Corporate Affairs and had also complied with the requirements of the proficiency test under the Companies (Appointment and Qualification of Directors) Rules, 2014.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an annual evaluation of (i) its own performance; (ii) individual directors' performance; (iii) the performance of the Chairman of the Board; and (iv) the performance of all committees of the Board for the financial year 2022-23.

The performance evaluation was conducted using individual questionnaires, covering various aspects, including, inter-alia, the structure of the Board, participation and contribution at the meetings of the Board, receipt of regular inputs and information and the skill set, knowledge and expertise of the directors. The committees of the Board were assessed on, inter-alia, the degree of fulfilment of key responsibilities, the adequacy of committee composition and the efficacy of meetings.

The performance of non-independent directors, the Board as a whole and the Chairman was assessed in a separate meeting of independent directors. A similar evaluation was also carried out by the Board. The performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated. The evaluation was carried out in terms of the Nomination and Remuneration policy of the Company. The Nomination and Remuneration cum Compensation Committee of the Company annually reviews the performance evaluation process.

The evaluation process confirms that the Board and its committees continue to operate effectively and that the performance of the directors meets expectations.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

A note on the familiarisation programme adopted by the Company for orientation and training of the directors in compliance with the Listing Regulations is provided in the report on Corporate Governance, which forms part of this Report.

KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Soumitra Bhattacharyya, Chief Financial Officer (FCA- A059004), resigned from the services of the Company with effect from September 3, 2022. The Board of

Directors approved the appointment of Mr. Prakash Chand Jain (FCA- 079601), Finance Controller of the Company, as the Chief Financial Officer (CFO) of the Company with effect from January 31, 2023, to continue as CFO for the intermittent period till the appointment of the new incumbent to ensure seamless transition and adherence to the regulatory compliances.

In addition, in terms of the provisions of Section 203 of the Companies Act, 2013, Mr. Desh Deepak Khetrapal – Managing Director and CEO (DIN 02362633) and Mrs. Nidhi Bisaria – Company Secretary (FCS-5634) continued to hold their respective offices during the financial year 2022-23 as key managerial personnels.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company endeavours to have an appropriate mix of executive, non-executive and independent directors to maintain independence from management and continuously provide appropriate governance and guidance. The selection and appointment of Board members are done on the recommendations of the Nomination & Remuneration cum Compensation Committee. The appointments are based on merit and have due regard for diversity. 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 Regulations. In the instance of the re-appointment of directors, the Board takes into consideration the results of the performance evaluation of the directors.

The Nomination & Remuneration policy for directors, key managerial personnel and the senior management is placed on the website of the Company and can be accessed through the web link: https://www.orientcement.com/wp-content/uploads/2019/05/NRC_Policy-22_3_2019.pdf.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has in place a robust 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 and Ethics policy.

Adequate safeguards are provided against victimisation for those who take recourse to the mechanism. The details of the Whistle Blower policy are explained in the Corporate Governance Report. The Whistle Blower policy is available on the Company's website and can be accessed through the web link: <https://www.orientcement.com/wp-content/uploads/2016/05/Whistle-Blower-Policy.pdf>.

AUDIT COMMITTEE

The Company has a duly constituted Audit Committee in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. 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.

AWARDS AND RECOGNITIONS

Your Company has been certified as a 'Great Place to Work' for the fourth year in a row through the assessment conducted by the Great Place to Work Institute. This certification demonstrates the organisation's 'High-Trust, High-Performance Culture'. Also, the Company was chosen as a 'Best Managed Company' for the year 2022 as part of a global programme run by Deloitte, a leading global consulting firm.

In recognition of its constant pursuit of excellence in energy efficiency, environmental protection, safety, growth and innovation, your Company has been honoured and recognised at various forums. The prominent awards earned during FY23 are listed below:

Devapur plant:

- 1) 27th Mines Environment and Minerals Conservation Awards 2022 for Devapur Limestone Mines
 - 1st Prize: Waste Dump Management
 - 2nd Prize: Sustainability, Reclamation and Rehabilitation, Mineral Beneficiation
 - 3rd prize: Overall
- 2) Platinum award under the Apex India Green Leaf Award 2021 for 'Energy Efficiency' and 'Environment Excellence' in the Cement sector.
- 3) Winner of the 'Environment Award 2022' from the Greentech Foundation for outstanding achievements in environment protection during the 22nd Annual Greentech Environment Summit.
- 4) 'Excellence in Energy Management 2022' national award for Energy Efficiency Unit from CII (Confederation of Indian Industry) during the 23rd National Award Event.
- 5) Won the Platinum Award 2022 received from the Apex India Foundation for Occupational Health and Safety in the Cement sector.
- 6) Received the National Energy Management Seem Platinum Award 2021 from the Society of Energy Engineers and Managers (SEEM).
- 7) Was honoured with the Platinum Award in the 13th EXCEED Occupational Health and Safety Award 2022 received from the Sustainable Development Foundation (a unit of EK KAAM DESH KE NAAM).
- 8) 37th Mines Safety Week 2022 Awards received by Devapur Limestone Mines:
 - 1st Prize: Overall Performance, Safe Mine Working, Heavy Earth Moving Equipment's
 - 2nd Prize: Environment, Health and Skill Management, Loading and Transportation, Safety for Sustainability
- 9) 28th MEMC Awards 2023, Devapur Limestone Mines:
 - First Prize: Overall Performance, Mineral Conservation, Waste Dump Management, Mineral Beneficiation
 - Second Prize: Reclamation and Rehabilitation
 - Third Prize: Sustainable Development
- 10) Devapur Limestone Mines was awarded a 5-star* rating by the Indian Bureau of Mines (IBM) for exemplary performance in the implementation of the Sustainable Development Framework during 2021-22.
- 11) Platinum award under the Apex India Green Leaf Award 2022 for 'Environment Excellence' in the Cement sector by the APEX India Foundation.

Chittapur plant:

- 1) Platinum award under the Apex India Green Leaf Award 2021 for 'Environment Excellence' in the Cement sector by the Apex India Foundation.
- 2) The National Energy Management Seem 'Gold Award 2021' was received from the Society of Energy Engineers and Managers (SEEM).
- 3) Winner of the 'Environment Protection 2022' Award from the Greentech Foundation for outstanding achievements in Environment protection awarded during the 22nd Annual Greentech Environment Summit.
- 4) Platinum award received from the Apex India Foundation for Occupational Health and Safety and Environment Excellence in the Cement sector.
- 5) National awards for 'Excellence in Energy Management 2022' and 'Energy Leader 2022' for the Energy Efficiency Unit were received from the CII during the 23rd National Award Event.
- 6) 2nd best industry award in the 'Mega industry- more than 1000 workforce' category in the state-level annual (2022-23) safety award competition conducted under the aegis of the Department of Factories and Boilers, Government of Karnataka.
- 7) 'Best Safety Officer' Award from the Director of Factories, Boilers, Industrial Safety and Health, Government of Karnataka, in the 52nd National Safety Day-2023 competition.
- 8) Won the 2nd prize from the Director of Factories and Boilers, Government of Karnataka, in the Annual State Level Safety Awards Function under 'Power Boilers Category'.
- 9) Chittapur Power Plant has been awarded 'Best Energy Efficient Plant - COAL (CPP)' in the Southern Region, under the winner category for Reducing Net Heat Rate (RNHR) at the National Efficiency Awards 2023.

- 10) Winner of efficient management of Fly Ash in the CPP Southern region.
- 11) Excellence in Water Management under the Zero Liquid Discharge plant CPP- Coal Category.
- 12) Mines Safety Week Observation 2022-23: Under the aegis of the Director General of Mines Safety
 - First Prize - Contractual Work vis-a-vis Safety and Safety is My Responsibility Card, Swachh Bharat Abhiyan (Group B1)
 - Second Prize - Occupational Health Welfare Amenities, Preparation of SOPs and Implementation, Maintenance of Mining Machinery and Crusher (Group B1)
 - Third Prize - Overall Performance, Drilling and Blasting, Mine Workings, Publicity, Propaganda and Innovation (Group B1)
- 13) Mine Environment and Mineral Conservation Week 2022 - 23: Under the aegis of the Indian Bureau of Mines
 - First Prize - Waste dump management, Reclamation and Rehabilitation, Mineral Conservation, Energy Conservation, Best Practice Adopted in Mines (Group- 2)
 - Second Prize - Overall Performance, Sustainable Mining, Sustainable Development, Publicity and Propaganda (Group- 2)

Jalgaon plant:

- 1) 'Excellence in Energy Management 2022' Award as an Energy Efficient Unit by CII (Confederation of Indian Industry) at the 22nd National Award Event.
- 2) 'Gold Award 2022' for outstanding achievement under 'Occupational Health and Safety' by Grow Care India, New Delhi.
- 3) 'Greentech Corporate Governance Award 2022' for Excellence in Corporate Governance by the Greentech Foundation.
- 4) Gold award under the Apex India Green Leaf Award 2022 for 'Environment Excellence' and 'Energy Efficiency' in the Cement sector by Apex India Foundation.

STATUTORY AUDITORS

M/s B S R & Associates LLP, Chartered Accountants (ICAI Firm Registration Number 116231W/W-100024), were appointed as Statutory Auditors of the Company by the shareholders at the Annual General Meeting held on August 5, 2021, to hold office as Statutory Auditors for the term of five years from the conclusion of the 10th Annual General Meeting of the Company held in the year 2021 till the conclusion of the 15th Annual General Meeting of the Company to be held in the calendar year 2026.

The Auditors' Report for the financial year 2022-23 does not contain any reservation, qualification or adverse remark on the financial statements of the Company. The Auditors' Report is self-explanatory and therefore, does not require further comments or explanation. The Auditors' Report for the financial year ended March 31, 2023 on the financial statements of the Company forms part of this Annual Report.

Additionally, in terms of Section 143 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended, along with notifications and 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 accordance with Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained cost accounting records. Mr. Somnath Mukherjee, Cost Accountant in practice (M.No.-F5343) has carried out the cost audit for the financial year 2022-23.

Mr. Somnath Mukherjee has consented to act as the Cost Auditor of the Company for the financial year 2023-24 and has confirmed that he is not disqualified for such re-appointment in terms of Section 141 of the Companies Act, 2013. The Board of Directors on the recommendation of the Audit Committee, has appointed Mr. Somnath Mukherjee, Cost Accountant (M.No.-F5343), as Cost Auditor of the Company for the financial year 2023-24. The remuneration proposed to be paid to the Cost Auditor for the financial year 2023-24 is set out in the Notice of ensuing 12th Annual General Meeting for ratification by the shareholders of the Company.

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. FCS-5922/CP No. 6087), were appointed to conduct the Secretarial Audit of the Company for the financial year 2022-23 and have, accordingly, carried out an audit of the secretarial records of the Company for the financial year.

The Secretarial Audit Report, annexed to this report as **Annexure '1'**, does not contain any reservation, qualification or adverse remark and is self-explanatory. Therefore, it does not require further comments or explanation.

Pursuant to the provisions of Regulation 24A of the SEBI Listing Regulations, read with SEBI Circulars issued in this regard, the Company has undertaken an audit for the financial year 2022-23 for all applicable Securities and Exchange Board of India ("SEBI") compliances. The Annual Secretarial Compliance Report issued by M/s Ranjeet Pandey and Associates, Company Secretaries (CP No. 6087), for the financial year ended March 31, 2023 has been submitted to the Stock Exchanges within the prescribed time limit.

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, on the recommendation of the Audit Committee, has appointed M/s Ranjeet Pandey and Associates, as the Secretarial Auditor for the financial year 2023-24.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loan or guarantee and/or provided security that are covered under the provisions of Section 186 of the Companies Act, 2013.

Please refer to note no. 11 of the notes to the financial statements of the Company for the financial year 2022-23 for details regarding inter-corporate investments of the Company as of March 31, 2023.

RELATED PARTY TRANSACTIONS

The Company has adequate procedures for the identification and monitoring of related-party transactions. All transactions entered into with related parties during the financial year were on an arm's length basis and in the ordinary course of business. All related-party transactions were placed before the Audit Committee and the Board for approval, wherever required. Omnibus approval of the Audit Committee and the 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 that may have a potential conflict with the interests 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: <https://www.orientcement.com/wp-content/uploads/2022/04/Related-Party-Transaction-Policy.pdf>.

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

CHANGE IN THE NATURE OF BUSINESS

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

MATERIAL CHANGES AND COMMITMENTS

No material changes or commitments affecting the financial position of the Company have occurred between March 31, 2023, and the date of the report.

RISK MANAGEMENT

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

The Company has a comprehensive Risk Management policy that 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 organisation. 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 that may threaten the existence of the Company. Please refer to the detailed section on risk management covered in the Management Discussion and Analysis Report, which forms an integral part of this Report.

The details about the Risk Management Committee are provided in the Corporate Governance Report, which forms part of this Report.

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 and frameworks 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 and frameworks that are operating effectively within the Company. In line with best practices, the Audit Committee and the Board regularly review the internal control system to ensure that it remains effective and fit for 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 and frameworks include proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, an internal audit framework, an ethics framework, a risk management framework, adequate access controls and 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 the information provided, nothing has come to the attention of the 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 the Audit Committee of the Board, which reviews and approves the risk-based annual internal audit plan. The Audit Committee periodically reviews the performance of the internal audit function.

CORPORATE SOCIAL RESPONSIBILITY

The basic concept of a company's Corporate Social Responsibility ('CSR') is to serve the interests of society in a just and equitable manner while also taking responsibility for the impact of business activities on various stakeholders in all aspects of the company's operations. Your Company has been taking several initiatives under CSR for the society at large, much 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. The details about the CSR Committee are provided in the Corporate Governance Report, which forms part of this Report.

The Board of Directors, based on the recommendation of the Corporate Social Responsibility Committee, in its meeting held on March 31, 2023, approved classifying the Devapur School project as an ongoing project in terms of the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, with an objective to pursue the improvement plans targeted at enhancing the quality and scope of education, learning experience, students' holistic growth and providing increased mobility to its students. During the financial year under consideration, a separate bank account, OCL Unspent CSR Account FY2022-23, has been opened and has been credited with an amount of ₹284.39 lakh to be utilised towards the Devapur School project in the ensuing 3 financial years, i.e., up to financial year 2025-26.

The Annual Report on CSR Activities, pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, forms part of this Report as **Annexure '3'**.

The CSR policy of the Company is placed on the Company's website and can be accessed through the web link: <https://www.orientcement.com/wp-content/uploads/2021/05/corporate-social-responsibility-policy.pdf>.

PARTICULARS OF EMPLOYEES, DIRECTORS AND KEY MANAGERIAL PERSONNEL

The disclosures relating to remuneration and other details as required in terms of the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 are given in **Annexure '4'**, which forms an integral part of this Report.

Further, in terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rules 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information will be made available for inspection through electronic mode by writing to the Company at investors@orientcement.com from the date of circulation of the AGM Notice until the date of the AGM.

SHARE CAPITAL

As on March 31, 2023, 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 during the financial year ended March 31, 2023.

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, the annual return of the Company as on March 31, 2023, can be accessed through the web link <https://orientcement.com/wp-content/uploads/2019/05/2022-23.pdf>

EMPLOYEES STOCK OPTION SCHEME

The Company has in place the Orient Cement Employees Stock Option Scheme 2015 ('ESOP Scheme 2015'), which provides for the grant of stock options to eligible employees of the Company selected by the Nomination & Remuneration cum Compensation Committee from time to time, subject to satisfaction of the prescribed vesting conditions.

During the financial year 2022-23, the Board of Directors granted 3,10,099 stock options under ESOP Scheme 2015 out of which award letters for 2,41,137 stock options have been issued to the eligible employees. The applicable disclosure under SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") as of March 31, 2023, has been uploaded on the website of the Company and can be accessed through the web link <https://orientcement.com/wp-content/uploads/2019/05/2023.pdf>. There was no change in the ESOP Scheme 2015 of the Company during the financial year. Further, the Board of Directors in its meeting held on April 28, 2023, based on the recommendation of the Nomination & Remuneration cum Compensation Committee, has recommended change in the definition of Exercise Period defined under ESOP Scheme 2015, subject to the approval of shareholders. The proposed change in the said Scheme is set out in the Notice of ensuing 12th Annual General Meeting for the approval of shareholders.

A certificate from M/s Ranjeet Pandey and Associates, Company Secretaries (Registration No. FCS-5922/CP No. 6087) and Secretarial 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 shareholders.

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 the 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 an Internal Complaints Committee, which is responsible for redressing complaints related to sexual harassment.

During the financial year ended March 31, 2023, the Company has not received any complaint under the aforesaid regulations, nor was any complaint pending resolution from the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

Corporate Governance ensures the 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 emphasises the need for full transparency and accountability in all its transactions to protect the interests of its stakeholders. The Board considers itself a trustee of the Company's shareholders and acknowledges its responsibilities towards them in creating and safeguarding their wealth. The Company is committed to high levels of ethics and integrity in all its business dealings to avoid conflicts of interest. To conduct business while upholding 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.

As per Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, a detailed report on Corporate Governance forms an integral part of this Annual Report and is set out as a separate section.

The certificate of M/s B S R & Associates LLP (ICAI Firm Registration Number 116231W/W-100024), Chartered Accountants, the Statutory Auditors of the Company, certifying compliance with the conditions of corporate governance as stipulated in the SEBI Listing Regulations is annexed with the Report on Corporate Governance. The Auditors' certificate for the financial year 2022-23 does not contain any qualification, reservation or adverse remark.

LISTING WITH STOCK EXCHANGES

The equity shares of the Company continue to be listed on the National Stock Exchange of India Limited and the BSE Limited. The annual listing fees for the financial year 2023-24 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 states that:

1. In the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed along with a proper explanation relating to material departures, if any;
2. They have selected such accounting policies, applied them consistently and made informed judgements 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 of March 31, 2023, 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 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 such internal financial controls are adequate and operating effectively;
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company consistently strives to conserve energy through enhancing energy efficiency, upgrading technology, process optimisation, resource substitution, digital transformation with data integration and automating information. It continues to prioritise the circular economy and the reduction of carbon footprint. As a part of its endeavour towards a circular economy, the Company is consistently using sub-grade limestone and fly ash in the manufacturing process and has explored new alternative raw materials such as wastes of other industries, to conserve non-renewable natural resources. Several industrial wastes, agro wastes and other wastes such as liquid hazardous waste, refuse-derived fuel, plastic waste, paper cups, cow dung, cloth waste and others are collected from nearby

areas and co-processed at the Company's integrated plants. During the financial year 2022-23, the Company developed infrastructure and feeding facilities to enhance the utilisation of alternative fuels across its integrated plants.

During the financial year 2022-23, the Company continued its journey towards digitisation and various applications were implemented across its plants. Some of these initiatives include:

- a. A mobile app solution was implemented for mine engineers and plant real-time data monitoring.
- b. Plant optimisation through an artificial intelligence tool was used to analyse the disturbance affecting the system's performance.
- c. Artificial intelligence based feed mix optimisation.
- d. Installation of PID control logic initiatives to minimise human intervention and ensure seamless operations at the plant, and so on.

As a result of these initiatives, Orient Cement, especially its integrated cement plant at Chittapur, has one of the lowest specific energy and fuel consumption rates in the cement industry.

To further build on the several measures implemented by the Company during the financial year 2022-23 towards conservation of energy and as part of green energy initiatives, the Company has targeted meeting 50% of its electrical energy requirement through renewable sources by 2030. The Jalgaon plant of the Company consumes 59% of renewable energy in its overall energy mix from the solar power capacity set up in association with AMP Solar Technology Private Limited and AMP Solar Systems Private Limited under the Captive Scheme in Maharashtra with a capacity of 13.5 MWdc. In addition to this, the Company is in the process of commissioning the Waste Heat Recovery System at Chittapur with a capacity of 10.1 MW in the first quarter of FY24.

The Company focuses on the effective management of water within its operations. Further, it implemented several initiatives to reduce freshwater withdrawal, increase rainwater harvesting, build groundwater recharge structures and reduce the dependency on groundwater by increasing the usage of mined-out reservoir water. All our plants are water-positive.

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 and technology absorption are enclosed as **Annexure '5,'** which forms part of this Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year, the Company did not earn any foreign exchange.

The total foreign exchange outgo during the year was ₹ 209.94 crore.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the financial year 2022-23, 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

There are no significant and material orders passed by the regulators, courts or tribunal that would impact the going concern status of the Company and its future operations.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In accordance with the requirements of the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) has been prepared for the financial year 2022-23 and is included as part of this Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

OTHER 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. Transfer or proposed transfer of an amount to reserves.
2. Issue of equity shares with differential voting rights or sweat equity.
3. Applications made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016, during the year, along with their status as at the end of the financial year.
4. Difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the banks or financial institutions, along with the reasons thereof.

ACKNOWLEDGEMENT

Your Directors take this opportunity to extend their gratitude to all shareholders, clients, vendors, banks, ministries and departments of the Government of India, as well as regulatory authorities, for their continued support. The Directors also place on record their deep appreciation to all the employees for their hard work, dedication and commitment, which enabled the delivery of improved performance by your Company during a year full of extreme volatility and challenges.

By order of the Board of Directors
For Orient Cement Limited

CK. Birla

Chairman

(DIN 00118473)

Place: New Delhi

Date: April 28, 2023

Annexure-1

Secretarial Audit Report

For the financial year ended on 31st March, 2023

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Orient Cement Limited,
Unit – VIII, Plot No. 7,
Bhoinagar, Bhubaneswar,
Odisha - 751012

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **"Orient Cement Limited"** (hereinafter called the **"Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Orient Cement Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- v) As confirmed by the management, the following legislations specifically applicable to the Company, being Cement manufacturing Company:-
 - a) The Atomic Energy Act, 1962 read with Atomic Energy (Radiation Protection) Rules, 2004;
 - b) The Explosive Rules, 2008;
 - c) Cylinder Rules, 2004;
 - d) Ammonium Nitrate Rules, 2012;
 - e) Mines Act, 1952;
 - f) Cement (Quality Control) Order, 2003;
 - g) Limestone And Dolomite Mines Labour Welfare Fund Act, 1972;
 - h) Mines and Minerals (Development And Regulation) Act, 1957;
 - i) Mineral Conservation and Development Rules, 1988;
 - j) Metalliferous Mine Regulations, 2012;
 - k) The Explosives Act, 2008 read with rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors/members of the committee, as the case may be, to schedule the Board Meetings including committee meetings during the financial year under review, agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions have been carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, the Company has declared and paid dividend and necessary compliances of the Companies Act, 2013 were made.

FOR RANJEET PANDEY & ASSOCIATES
COMPANY SECRETARIES

CS RANJEET PANDEY

Place: NEW DELHI
Date: 28.04.2023

FCS- 5922, CP No.- 6087
UDIN : F005922E000217342

This report is to be read with our letter of even date which is annexed as **Annexure-I** and forms an integral part of this report.

Annexure-I

To,
The Members,
Orient Cement Limited,
Unit – VIII, Plot No. 7,
Bhoinagar, Bhubaneswar,
Odisha - 751012

Our report of even date is to be read along with this letter:

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR RANJEET PANDEY & ASSOCIATES
COMPANY SECRETARIES

CS RANJEET PANDEY

Place: NEW DELHI
Date: 28.04.2023

FCS- 5922, CP No.- 6087
UDIN : F005922E000217342

Annexure-2

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

2. Details of material contracts or arrangements or transactions at arm's length basis - NIL

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Date(s) of approval by the Board, if any
- (f) Amount paid as advances, if any

By order of the Board of Directors
For Orient Cement Limited

Place: New Delhi
Date: April 28, 2023

CK. Birla
Chairman
(DIN 00118473)

Annexure-3

Annual Report on CSR Activities for financial year 2022-23

1. Brief outline on CSR Policy of the Company:

The Company has a CSR Policy ("**the Policy**") duly approved by the Board of Directors with a view to provide a mechanism for meeting its social responsibility in an effective manner and to provide optimum benefits to various deserving sections of the society. The Policy sets out our commitment to ensure that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The Company primarily focuses on education, healthcare, rural development and infrastructure development.

2. Composition of CSR Committee:

| Sl. No. | Name of Director/ Designation/ Nature of Directorship | Number of meetings of CSR Committee held during FY 2022-23 | Number of meetings of CSR Committee attended during FY 2022-23 |
|---------|--|--|---|
| 1 | Mr. Janat Shah Chairman-Non-Executive - Independent Director | 2 | 1 |
| 2 | Mr. Desh Deepak Khetrapal Member- Executive Director | 2 | 2 |
| 3 | Mr. Rabindranath Jhunjhunwala Member-Non-Executive - Independent Director | 2 | 1 |
| 4 | Mr. I.Y.R. Krishna Rao Member-Non-Executive - Independent Director | 2 | 2 |

3. Provide the web-link(s) where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

The composition of CSR committee, CSR Policy and CSR projects approved by the Board for the financial year 2023-24 are disclosed on website of the Company and can be accessed through the weblink: <https://orientcement.com/other-disclosure/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. **Not Applicable**

5. (a) Average net profit of the Company as per Section 135(5): **₹ 29,228 Lakhs**

(b) Two percent of average net profit of the company as per section 135(5): **₹ 584.57 Lakhs**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **₹ 71.55 Lakhs**

(d) Amount required to be set-off for the financial year, if any: **₹ 71.55 Lakhs**

(e) Total CSR obligation for the financial year (7a+7b-7c): **₹ 513.02 Lakhs**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **₹ 228.63 Lakhs**

(b) Amount spent in Administrative overheads- **NIL**

(c) Amount spent on Impact Assessment, if applicable- **NIL**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] - **₹ 228.63 Lakhs**

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year (in ₹ Lakhs) | Amount Unspent (in ₹ Lakhs) | | | | |
|--|---|------------------|---|---------------------|------------------|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 | | |
| | Amount (in ₹ Lakhs) | Date of transfer | Name of the fund | Amount (in ₹ Lakhs) | Date of transfer |
| 228.63 | 284.39 | April 26, 2023 | Not Applicable | | |

The Company has always taken up social and community development initiatives at its establishments and project sites and has been contributing in the areas of education, healthcare and rural development. Apart from the above expenditure, the Company has also spent ₹345.96 lakhs on projects related to building rural infrastructure and community development programs which are not covered under section 135 of the Companies Act, 2013.

f) Excess amount for set-off, if any:

(₹ in Lacs)

| Sl. No. | Particulars | Amount |
|---------|---|--------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 584.57 |
| (ii) | Total amount spent for the Financial Year | 228.63 |
| (iii) | Excess amount spent for the financial year ((ii)-(i)) | - |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | 71.55 |
| (v) | Amount available for set off in succeeding financial years ((iii)-(iv)) | - |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135(6) (in ₹ Lakhs) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹ Lakhs) | Amount spent in the financial year (in ₹ Lakhs) | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding financial years (in ₹ Lakhs) | Deficiency, if any |
|---------|--------------------------|---|---|---|---|------------------|---|--------------------|
| | | | | | Amount (in ₹ Lakhs) | Date of transfer | | |
| 1 | FY-1 | | | | NIL | | | |
| 2 | FY-2 | | | | | | | |
| 3 | FY-3 | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created/ acquired- **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---------|---|--------------------------------------|------------------|----------------------------|---|------|--------------------|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |

Not Applicable

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5):

In all the preceding years, the Company has always been meeting/ exceeding its CSR obligations. One of the major CSR activities undertaken by the Company, under the category promoting education, is the school run by the Company at Devapur. After becoming aware of the need for improvement of the infrastructure and quality of education at its school in Devapur, efforts were initiated to change the management of the school and seek affiliation of the school with CBSE from the State Board to make sure that the higher outlay of funds resulted in meeting the ambitious goals effectively. While the Company had planned to increase its commitment towards improving the educational infrastructure after the change in management of the school, the administrative approvals from the concerned authorities took longer than anticipated. In the limited time available, the plans could not be implemented. However, the Company and the new management of the school are committed to pursue the improvement plans as these are targeted at enhancing the quality and scope of education, learning experience, students' holistic growth and providing increased mobility to its students. The underspent amount of ₹284.39 lakhs is needed for the completion of this school project in the coming 2-3 years. The matter was duly reported to the CSR Committee who took due cognizance of the circumstances and prevailing constraints during the year.

The Board of Directors, based on the recommendation of the Corporate Social Responsibility Committee approved classifying Devapur School project as an ongoing project in terms of the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

Consequently, a separate bank account, OCL Unspent CSR Account FY2022-23 has been opened and has been credited with an amount of ₹284.39 lakhs to be utilized towards the Devapur School project in the ensuing 3 financial years, i.e., up to the financial year 2025-26

Janat Shah

Chairman of CSR Committee

(DIN 01625535)

Place: Udaipur

D.D. Khetrapal

Managing Director & CEO

(DIN 02362633)

Place: New Delhi

Date: April 28, 2023

Annexure-4

Details pertaining to remuneration

As required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23:-

| S. No. | Name of the Director/ KMP and Designation | Ratio of remuneration of each Director/KMP to median remuneration of employees | % Increase/ (Decrease) in remuneration in the financial year 2022-23 |
|--------|---|--|--|
| 1. | Mr. CK. Birla – Chairman | 3.64 | (12.5%) |
| 2. | Mr. Desh Deepak Khetrapal - Managing Director & CEO | 100.05 | 15% |
| 3. | Mrs. Amita Birla - Director | 1.66 | (29%) |
| 4. | Mr. Rabindranath Jhunjhunwala - Director | 1.66 | (29%) |
| 5. | Mr. Rajeev Jhawar - Director | 1.66 | (29%) |
| 6. | Mr. Janat Shah - Director | 1.66 | (29%) |
| 7. | Mr. Swapan Dasgupta - Director | 1.66 | (29%) |
| 8. | Mr. I. Y. R. Krishna Rao - Director | 1.98 | (24%) |
| 9. | Mrs. Varsha Vasant Purandare – Director | 1.66 | (29%) |
| 10. | Mr. Soumitra Bhattacharyya - Chief Financial Officer (up to 2 nd September 2022) | 16.22 | 15% |
| 11. | Mr. Prakash Chand Jain – Chief Financial Officer (appointed w.e.f. 31 st January 2023) | - | Not Applicable |
| 12. | Mrs. Nidhi Bisaria - Company Secretary | 4.11 | 15% |

- (ii) During the financial year 2022-23, there was an increase of 9% in the median remuneration of employees.
- (iii) There were 855 management staff on the rolls of the Company as on March 31, 2023.
- (iv) Average percentile increase made in the salaries of employees other than the managerial personnel in the financial year 2022-23 was below 11%. Keeping in view the duties and responsibilities cast on the Managing Director & CEO and considering his knowledge on various aspects relating to the Company's affairs, the percentile increase in the managerial remuneration for the same financial year was 15%.
- (v) It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

By order of the Board of Directors
For Orient Cement Limited

CK. Birla
 Chairman

(DIN 00118473)

Place: New Delhi
 Date: April 28, 2023

Annexure-5

Conservation of Energy and Technology Absorption

| A) | Conservation of energy: |
|---|---|
| (i) The steps taken or impact on conservation of energy | <p data-bbox="448 395 539 422">Devapur:</p> <ul data-bbox="448 426 1439 768" style="list-style-type: none"> • Raw Mill -1: 250 kW Vent fan motor changed to 200kW and resulted in savings of 10 kWh. • Kiln-1: K-string, kiln feed air slide blower discharge line modification resulted in savings of 1.5 kWh. • Kiln-1: PC firing coal conveying blower discharge line modification resulted in saving of 4 kWh. • Raw Mill-2: Silo top air slide blower air pipeline modification in savings of 3.7 kWh. • Kiln-3: Variable Frequency Drive (VFD) installed on coal conveying blower resulted in saving of 4 kWh noticed. • Raw Mill -3: Optimization of SKS fan resulted in savings of 100 kWh. • Packer-3: VFD installation in Packer-3 old dust collector and savings of 5 kWh. • Implementation of digital technologies- Installed AI based feed mix optimizer software and realized various benefits on process and plant optimization, reduction in fuel consumption, optimum utilization of raw mix and fuel mix. <p data-bbox="448 774 547 801">Chittapur:</p> <p data-bbox="448 808 1439 868">Cement Plant implemented various energy conservation measures with internal resources and realized good benefits. Few of the measures are as given below:</p> <ul data-bbox="448 876 1439 1100" style="list-style-type: none"> • Replacement of reject screw conveyor system of Packer 4 and 5 with air slides resulted in power savings of 4 kWh for each packer. • Measures like zero gap adjustment, installation of split seal at Cement mills helped in improved reliability and ease of operation. • Blending silo feed bucket elevator discharge air slide modification by installing manual slide gates for isolating air slides of raw mill 1 & 2 resulted in increased reliability and production. • Avoiding dip tube failure by installing new design locking arrangement of support flange. <p data-bbox="448 1108 671 1135">Digital Transformation:</p> <p data-bbox="448 1141 1439 1201">Implementation of various digital technologies resulted in reduced overall specific power by around 1 kWh/Ton of cement along with other benefits as given below:</p> <ul data-bbox="448 1210 1439 1433" style="list-style-type: none"> • Implementation of Artificial Intelligence (AI) based software cum analytical tool kit resulted in various benefits like i) increased alternate fuel consumption; ii) reduction on specific power consumption; iii) better control of process; iv) Reduction in Cement mill loading fluctuation error; and (v) stabilisation of coal mill operation. • Implementation of mobile App solution for Mines and plant teams to help with real time data related to on-line charging of material type/ material source / material destination, material wise weightment reports and monitor the expiry dates of various permits with timely alerts. <p data-bbox="448 1442 708 1469">Captive Power Plant (CPP):</p> <ul data-bbox="448 1475 1439 1601" style="list-style-type: none"> • Optimization of station heat rate and meeting the plant energy demand with one boiler helped in achieving net heat rate of 3671 kcal/kwh. • Adjusting Auxiliary Cooling Tower (ACT) fans blade angle resulted in power saving of 53 kWh/day. • Replacing sodium vapor lights with LED light fittings resulted in power saving of 48 kWh/day. <p data-bbox="448 1609 667 1636">Digitalization projects:</p> <ul data-bbox="448 1643 1439 1736" style="list-style-type: none"> • Fine tuning of PID loop parameters of Boiler – 1 resulted in energy saving of 432 Kwh/day. • Fine tuning of Air-Cooled Condenser (ACC) and PID loop parameters resulted in energy saving of 576 Kwh/day for Boiler-2. <p data-bbox="448 1744 533 1771">Jalgaon:</p> <ul data-bbox="448 1777 1439 1866" style="list-style-type: none"> • Cement Mill -2 Process optimisation resulted in energy saving of 1.07 kWh/T of Cement. • Replacement of reciprocating compressor with screw compressor at Wagon Tippler resulted in energy saving of 5kWh. |

| A) Conservation of energy: | | |
|-----------------------------------|--|--|
| (ii) | The steps taken for enhancing alternate sources of fuels | Chittapur and Devapur Plants: <ul style="list-style-type: none"> Capacity enhancement of Rice husk feeding system at Devapur Kin Line 3. Enhanced co-processing of various waste materials at both the plants as per the waste streams indicated in the respective consents. Enhanced utilization of biomass in Captive Power Plants (CPPs). |
| (iii) | The capital investment on energy conservation equipment | Energy conservation measures across the plants were implemented with internal resources and without significant investments. |

| B) Technology absorption: | | |
|----------------------------------|--|--|
| (i) | The efforts made towards technology absorption | Chittapur: <ul style="list-style-type: none"> Waste Heat Recovery System 1 x 10.1 MW erection work in progress. Bulk wagon unloading system and feeding to fly ash silo (Capacity – 4515 Ton) with feeding, aeration and extraction system. Implementation of various measures to prevent the bricks damage at Kiln outlet. |
| (ii) | The benefits derived like product improvement, cost reduction, product development or import substitution | Implementation of various energy conservation measures across all our plants has resulted in the following benefits: <ul style="list-style-type: none"> Process and plant optimisation Optimisation of power consumption Enhanced feeding capacity of AFR Optimum utilization of raw mix and fuel mix Easy and fast communication Improved plant reliability |
| (iii) | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year | |
| (a) | the details of technology imported | Not Applicable |
| (b) | the year of import | Not Applicable |
| (c) | whether the technology has been fully absorbed | Not Applicable |
| (d) | if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | Not Applicable |
| (iv) | The expenditure incurred on research and development | Not Applicable |

By order of the Board of Directors
For Orient Cement Limited

Place: New Delhi
Date: April 28, 2023

CK. Birla
Chairman
(DIN 00118473)

Management Discussion and Analysis Report

Indian economic overview

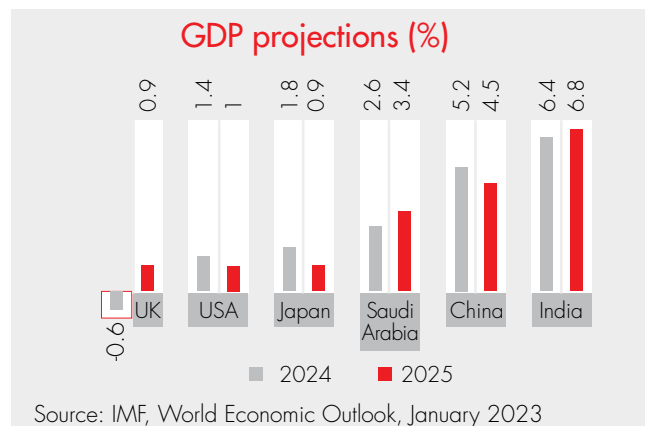
The Indian government has sustained a favourable domestic policy environment and prioritised structural reforms, enabling the nation's economy to remain resilient amid continued global challenges. According to the second advance estimates by the National Statistical Office (NSO), India's economy is estimated to have expanded at a rate of 7%. The prudent measures taken by the Government and the RBI, along with the recent easing of global commodity prices, appear to be working to bring inflation under control.

The Indian government's initiatives, such as the PM Gati Shakti - National Master Plan, the National Monetisation Plan (NMP) and the Production-Linked Incentive (PLI), have been instrumental in fostering economic growth. The Reserve Bank of India (RBI) has also taken prudent and proactive measures to ensure financial stability and address liquidity constraints. These factors have contributed to the Indian economy's resilience and stimulated substantial investments.

India's performance indicators do not reflect the slowdown observed in global economic activity, leading to a sense of cautious optimism. The economic activities and human consumption have continued to grow, as reflected by GST collections, direct tax collections, growing railway freight, E-Way Bills, air traffic and PMI data. These indicators point towards broad-based growth across the manufacturing and services sectors. Moreover, higher disposable income and continued investment in infrastructure development are expected to contribute positively to economic growth in the near future. The capital expenditure (CAPEX) of the Government, which increased by 63.4% in the first eight months of FY23, was another major driver of the Indian economy.

The Government's proposed allocation for capital expenditure (CAPEX) touched ₹10 lakh crore in the Union Budget for FY24, indicating an increase of 37.40%, compared to the previous year. This demonstrates the Government's unwavering focus on driving infrastructure development, which acts as a tailwind to drive long-term economic growth.

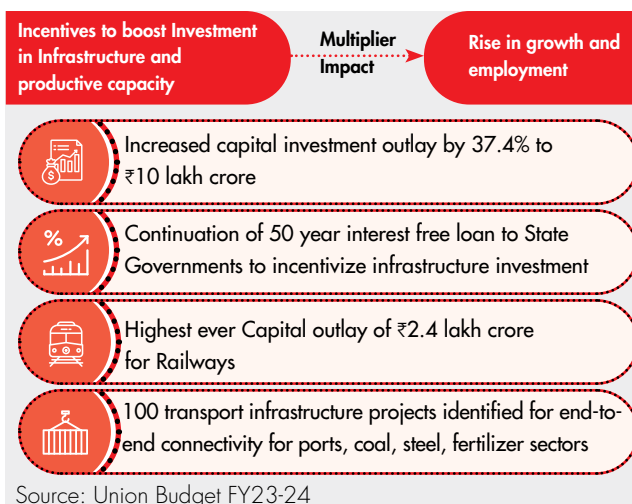
The much improved financial health of public sector banks and significantly strengthened balance sheet of corporates provide a platform for a new cycle of private capex too.



Outlook

India is expected to remain the fastest-growing nation among the G20 nations in the coming years. India's presidency of the G20 Summit in 2023 has also reinforced its global stature.

The country's continued growth momentum is poised to make it an attractive destination for investments. Stronger prospects for manufacturing, services, agriculture and related industries, improved business and consumer confidence and accelerated credit expansion are expected to support domestic consumption and investment. The Government's incentives to drive investment in infrastructure and productive capacity are expected to trigger a multiplier impact, enhancing India's potential for growth and employment generation.



Industry overview

India's cement industry overview

The Indian cement industry is the second-largest cement producer globally, after China. The industry has an installed capacity of over 550¹ million metric tonnes per year and its contribution to the global output has surged to 8%.²

Cement, a critical building block for infrastructure and construction, is essential for shaping our future in numerous ways. Despite its significance, the cement market in India is still considered an underpenetrated market in comparison to other major economies worldwide, according to ICRA. The global per capita cement consumption average ranges between 500 and 550 kilograms per capita, whereas in India, it is a mere 240-250 kilograms per capita.³

¹<https://www.cmaindia.org/>

²<https://www.iea.org/reports/cement>

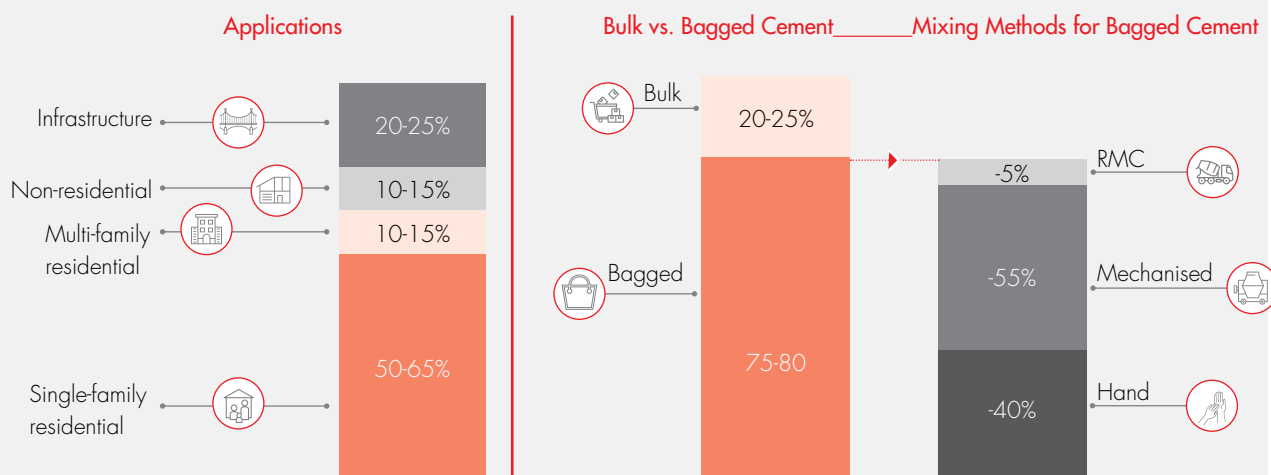
³<https://indbiz.gov.in/indian-cement-industry-worlds-2nd-largest/>

The Indian cement industry is widely acknowledged for its commitment to energy and resource efficiency, social responsibility and environmental consciousness, positioning it as a leading player in the global cement sector. The industry has always prioritised the promotion of green, clean and sustainable development. The industry has a unique capability to dispose of various types of industrial and municipal waste safely. This disposal can be accomplished by providing segregated waste to be used as an alternative to conventional fuel and raw materials.

2nd largest

Cement producer in the world

A snapshot of cement use in India



[Source: <https://www.weforum.org/agenda/2022/12/here-s-how-india-cement-net-zero/>]

As per industry estimates by CRISIL and ICRA, sectoral demand growth between FY22 and FY27 is estimated to be as below:

| SECTOR | CAGR (in %) |
|---------------------------|-------------|
| Industrial and Commercial | 5-6 |
| Urban Housing | 7-8 |
| Rural Housing | 7-8 |
| Infrastructure | 8-9 |

Growth drivers

Urbanisation

The nation's economy has undergone and is still undergoing a massive revolution, raising the standard of living not just in Tier I and Tier II cities, but even in Tier V cities. It is estimated that by the end of FY25, 37% (541 million) of India's population will reside in urban areas. According to CRISIL, the need for housing in both urban and rural regions is steadily expanding.

Government initiatives

| | Capital expenditure (₹ lakh crore) | Growth (%) |
|------|---------------------------------------|------------|
| FY20 | 3.4 | 13% |
| FY21 | 4.1 | 22% |
| FY22 | 5.5 | 34% |
| FY23 | 7.5 | 35% |
| FY24 | 10.0 | 33% |

Housing for all

The Finance Ministry increased the budget allocation for the Pradhan Mantri Awaas Yojana from ₹48,000 crores to ₹79,000 crores for FY24. With a target of building 29.5 million houses by FY24, 21.1 million houses have already been constructed and the remaining houses are expected to be constructed by March 2024.⁴

⁴<https://newsonair.gov.in/Main-News-Details.aspx?id=455071#:~:text=The%20Government%20has%20also%20enhanced,13%20percent%20over%20previous%20year>

Metro, Regional Rapid Transit System (RTS) and Airports

Based on a recent report by Invest India, the country is set to become the world's third-largest aviation market by FY24. The number of airports built in recent years has more than doubled and the Ministry of Aviation expects roughly 100 new airports to be built in the next 5 years. The current length of the metro rail in India is also set to double by FY25.

In the Union Budget for FY24, the Indian government has designated a total of ₹19,518 crores for all metro projects across the country. The National Capital Region Transport Corporation (NCRTC) will receive ₹3,596 crores for the nation's first Regional Rapid Transit System (RTS) project.⁵

PM Gati Shakti - National Master Plan

The National Planning Group, formed under the PM Gati Shakti programme assessed and proposed over 250 essential infrastructure projects so far, from several ministries, including rail, road and ports. The Government's capital spending for this programme totalled ₹75,000 crores in the annual budget for FY24, facilitating the sector's expansion.⁶

Outlook

Considering the strong focus on the housing and infrastructure sectors in the FY24 Budget, demand for cement in India is predicted to grow by 8-10%. This includes investments in road, rail, port, housing and other critical infrastructure development. Consequently, demand for cement is expected to soar to support these projects.

Non-residential sectors such as infrastructure development and commercial projects are expected to drive cement market growth in the short and long term. The eastern regions are predicted to grow the fastest, followed by the central and southern regions, with the northern and western regions expected to grow more slowly. The mining of iron ore, limestone, and stone aggregate has risen due to increased development in housing, infrastructure and steel, as demonstrated by growth in cement demand.

Company overview

Orient Cement Limited is a leading mid-sized cement company in India with a mission to provide high-quality cement products to its customers, with 'sustainability' as the core theme. Since its inception in 1979, the Company has developed to become a major participant in the cement sector, with an annual production capacity of 8.5 million tonnes.

The Company has a strong market presence in the states of Maharashtra, Telangana, Andhra Pradesh, Karnataka, Madhya Pradesh and South Gujarat. It operates with state-of-the-art manufacturing facilities equipped with the latest technological equipment to produce high-quality cement products. The product range of Orient Cement includes

a diverse selection of cement products, including Ordinary Portland Cement (OPC) and Portland Pozzolana Cement (PPC) with increasing proportion of value-added premium products.



Core competencies

Data-driven company

In Q2 of FY23, the Company became the first ever cement company in India to migrate from SAP ECC to SAP S/4HANA Rise, on Cloud. Typically, this migration takes about 6-9 months, but the Company completed it in about 3.5 months, with no dislocation of ongoing operations. Your Company is fast evolving into a data driven Company, with decisions made mostly based on data and analytics.

Innovation for sustainability

Orient Cement is always developing and innovating to provide a best-in-class service and drive cost leadership while constantly increasing its sustainability quotient.

Wide distribution network

Orient Cement has an expansive distribution network extending to remote and rural areas in the markets addressed by it. The Company has a robust dealer and retailer network, helping it reach clients with speed and flexibility.

Strategically located for efficient customer service

The Company has strategically positioned its plants and distribution network to serve its clients effectively while optimising freight expenses. The Devapur and Chittapur facilities, in particular, are strategically located to meet the requirements of South Indian markets and neighbouring parts of Maharashtra, while the Jalgaon plant meets the demands of Western and Central India.

Financial overview

During the year under review, your Company has reported revenues of ₹2,949.57 crore, a growth of 8% compared to ₹2,734.98 crore in the previous year. The capacity utilisation of the Company for the full year under review has been ~68%, an improvement of 300 percentage points over the previous year. Total sales volume for the year has grown by 5% to nearly 58 lakh metric tonnes during the year despite the tightening of monetary policy by the Central Bank to control the Inflationary pressures in the economy which has negatively

⁵<https://economictimes.indiatimes.com/industry/transportation/railways/rs-19518-cr-allocated-to-metro-projects-across-india-in-budget-2023-24/articleshow/97529904.cms>

⁶<https://pib.gov.in/PressReleaseSelfframePage.aspx?PRID=1904263>

impacted the money supply in the economy, consumer sentiments and demand, especially in the retail segment.

The Company's EBITDA stood at ₹376.56 crore in FY 2022-23, a decrease of 37% compared to ₹600.64 crore in the previous year, mainly on account of unprecedented, sustained cost inflation throughout the year specially in energy sources and higher demand from B2B segment specially after Nov' 22 which has led to higher sale of Ordinary Portland Cement (OPC) and dented the profitability further. All other discretionary costs like repair and maintenance, advertising, and other fixed expenses have been managed at the lowest levels. Despite a sharp increase in costs, the market dynamics did not allow the costs to be passed to the consumers.

The Company has reported a posttax profit of ₹122.82 crore in 2022-23, compared to ₹263.25 crore in FY 2021-22, a decrease of 53%. The Board had declared an interim dividend of ₹0.50/- per equity share worth ₹1/- (fully paid up) for the financial year 2022-2023 and has now proposed a final dividend of ₹1/- per equity share worth ₹1/- (fully paid-up) for the financial year 2022-23.

Global supply chain dislocations and disruption in global trade in the wake of continuing geopolitical conflict in Europe have stoked the inflation in power and fuel costs (which is a major contributor to the total cost of cement production) and also impacted other raw materials costs severely, except for some marginal relief late in the year. Your Company has managed to mitigate the impact partially by further improving its operating efficiencies using digital tools, taking strategic and timely calls on procuring fuels, ensuring price arbitrage and availability and an overarching thrust on replacement of fossil fuels with alternative fuels. During the year, your Company continued its initiative to enlarge its alternative fuel source basket and further improved its technical capabilities to handle both hazardous and non-hazardous waste streams. This has helped the Company to address one of the prime objectives of environmental sustainability by promoting green, clean, and sustainable operations along with reducing costs.

During the year, your Company utilised its solar power capacity set up under Captive Scheme with AMP Solar Systems Private Limited at its optimum and substituted ~59% of its power needs at the Grinding Unit at Jalgaon, Maharashtra. Your Company continued to source renewable power at its Chittapur plant, Karnataka, whenever available and financially viable, through open access sources and IEX exchanges. Construction of 10.1 MW WHRS facility for the Chittapur plant is at its peak and it is expected to start generating and supplying power during first quarter of FY 23-24 which will help in further reduction in power cost and CO₂ emission.

Your Company is building a fly ash rake handling facility at its Chittapur plant, Karnataka, which will further support fly ash cost saving through flexibility to source fly ash from distant, but cheaper sources, apart from reducing road traffic and pollution.

Higher B2B sales, which have longer credit periods, and import of pet coke in vessel load late in the year have stretched the working capital and the Company had to resort to additional short term and medium-term borrowings to manage the cash flow for additional working capital and capex during the year.

With soft consumer demand, sharply inflated fuel costs and flat cement prices, the results for the year have been subdued and significantly below the preceding year. The key financial ratios are as under:

Key financial ratios

| Particulars | 31 st March 2023 | 31 st March 2022 | Change (%) |
|--------------------------------------|-----------------------------------|-----------------------------------|---------------|
| Earnings Per Share (₹)* | 5.99 | 12.85 | (53%) |
| Return on Net Worth * | 7.93% | 18.76% | (58%) |
| Debt Equity Ratio | 0.24 | 0.20 | 20% |
| Interest Coverage [@] | 23.00 | 16.31 | 41% |
| Operating Profit Margin [#] | 12.82% | 22.04% | (42%) |
| Net Profit Margin [#] | 4.23% | 9.75% | (57%) |
| Debtors' Turnover | 17.39 | 21.40 | (19%) |
| Inventory Turnover ^{\$} | 10.92 | 15.21 | (28%) |
| Current Ratio | 1.04 | 0.85 | 22% |

*EPS and return on net worth declined due to a decrease in the current year's profit.

[@]Interest coverage ratio improved due to repayment of debt.

[#]Operating profit margin and net profit margin ratio declined due to a decrease in the profit for the current year mainly on account of higher fuel price.

^{\$}Inventory turnover ratio declined on account of an increase in inventories, particularly fuel.

Operational overview

The Company is consistently enhancing its operational efficiency through various measures: (a) optimising thermal and electrical energy; (b) promoting circular economy through initiatives like migration to pet coke, co-processing of waste materials as alternative fuels and raw materials and switching to renewable energy. (c) resource optimisation, like greater utilisation of sub-grade materials through planned and assured raw mix quality and so on.

Digitisation

Digital transformation helps the Company by offering real-time operational data to enhance process optimisation, operational efficiency, equipment availability and sustained performance.

Key initiatives in our digitisation journey

- Implementation of mobile app solution in the mines operation
- Implementation of AI based tool to optimise the kiln and mill operations
- Developed a new app to monitor consent and document expiry dates and send advance reminders to concerned personnel
- Implementation of AI-based feed mix optimisation at Chittapur and Devapur plants
- Implementing PID control logic to minimise human intervention and enhance plant operations

Sales and distribution

Orient Cement made a substantial investment in enhancing its sales and distribution channels and capabilities over the years. The Company's focus on digitalisation and automation, such as implementing Sales Force Automation (BizSmart), Dealer Management System, Electronic Proof of Delivery (EPOD), analytical tools like Qlik Sense and CRM Platforms (SFDC), has helped to achieve operational excellence.

Key initiatives

Premium product focus

In line with the Company's vision to 'Build Sustainably' it has launched a new premium product, 'Birla.A1 OrientGreen', in November 2022 specifically positioned as 'The Responsible Cement'. Also, 'Birla.A1 StrongCrete' continues to gain strength as a super-premium product. With a structured lead generation and management system, the sales and technical teams jointly persuade prospective sites/customers to use value-added premium products (StrongCrete and OrientGreen). In Q1, the Company increased the price premium of 'Birla.A1 StrongCrete' by ₹10/bag. Based on its quality and service, your Company registered a 22% YoY growth in premium products compared to last year, despite subdued consumer demand for cement in general. Our premium product share in the trade segment has improved from 11.7% in FY22 to 15.4% in FY23.

Micro market penetration

Considering the urbanisation of Tier 1, 2 and 3 category towns combined with rural development, the Company deepened its reach in rural markets. A special drive was conducted to appoint channel partners in up to 3,000 population markets.

Industry's 1st initiative to align channel interest by introducing a percentage-linked incentive structure

The shift from the prevalent flat per-bag incentive structure to a percentage-based incentive structure for select channel partners has been well appreciated as it successfully aligns the channel's objective with your Company's objectives.

Digital task force

This initiative's aim is to identify opportunities to automate and simplify the non-selling activities with the full involvement of the sales team, simplify processes without compromising controls and make the Company more productive and paperless. The team has identified 25 non-selling activities. Out of them, 10 have been automated, 6 such activities are in progress and 9 are under evaluation.

Channel bulletin automation

Automated the complete analytics of dealer and retailer channels on Qlik Sense, thereby providing real-time reports to the sales team. The entire report is generated in real-time without manual intervention.

Bulk and bag container rake

To reduce its dependence on road transportation for bulk and bag cement, the Company uses rail, which is a greener mode of transportation. The Company made arrangements with a third-party vendor and started transporting bulk container through rakes.

Branding and marketing

Key initiatives

'The Responsible Cement for The Responsible You'

Launched Birla.A1 OrientGreen- Greener. Better. Stronger.

The launch of OrientGreen reflects the Company's commitment to sustainability. By introducing a product with a unique value proposition, the Company has targeted a new segment of customers who prioritise environmental consciousness without compromising on quality. The response from both channel partners and end consumers has been positive, indicating a strong market demand for green products.

'We Care'

As part of this initiative:

1. The Company partnered for 'Health Talks' with qualified experts to support female family members of its channel partners, discussed their health concerns with them and helped them get expert advice without any hesitation.
2. It also hosted 'Fit Together' physical fitness sessions with a certified physical fitness instructor to conduct morning fitness sessions for stakeholders and their families.

Brand awareness

Leveraging market presence:

Birla.A1 StrongCrete digital campaigns

- **Monsoon campaign:** To reinforce Birla.A1 video campaign promoting Birla.A1 StrongCrete as the ideal cement even during monsoons was launched on social media.
- **OrientGreen campaign:** To raise awareness and establish the newly launched brand Birla.A1 OrientGreen, a social media campaign was launched.
- **Name Plate campaign:** On 'Women's Day', a campaign was launched that underscored the necessity of respecting and honouring women, not just with love but also with 'Samman', to strengthen relationships and inspire societal change. This created 47 million impressions, and 29 million views and had 70% of views on YouTube.
- **OTT and digital campaign:** To continue and reinforce the 'Forever Cement' positioning, the Company executed a video campaign on popular OTT and video viewing platforms.

Birla.A1 StrongCrete Radio campaign: With a focus on the brand promise, the campaign was broadcasted by 27 stations across 6 channels in the Company's core markets.

Birla.A1 StrongCrete TV campaign: To build an emotional connection with consumers and improve brand recall, the campaign was run across 33 channels in the Company's core markets.

Digital Engagement

The Monsoon cement campaign

- The Company implemented a 2-month digital campaign in Maharashtra, Telangana, Karnataka, Madhya Pradesh, Andhra Pradesh and Gujarat, that generated 46 million impressions, reached 11 million people and the video was viewed 27 million times.

OrientGreen Launch- Awareness campaign

- In FY23, the Company launched 'Birla.A1 OrientGreen' as the 'The Responsible Cement'. To reach more audiences, the Company launched ad campaign on various social media platforms, including Google Display Network, YouTube and

Facebook. The campaign crossed 36 million impressions and generated over 10 million views across social channels.

Contest and key digital posts: The Company executed a weekly construction-related contests for 3 months. The contests on the social media handles generated 2000+ engagements each. The number of followers on Instagram has increased by 48% since starting the contest.

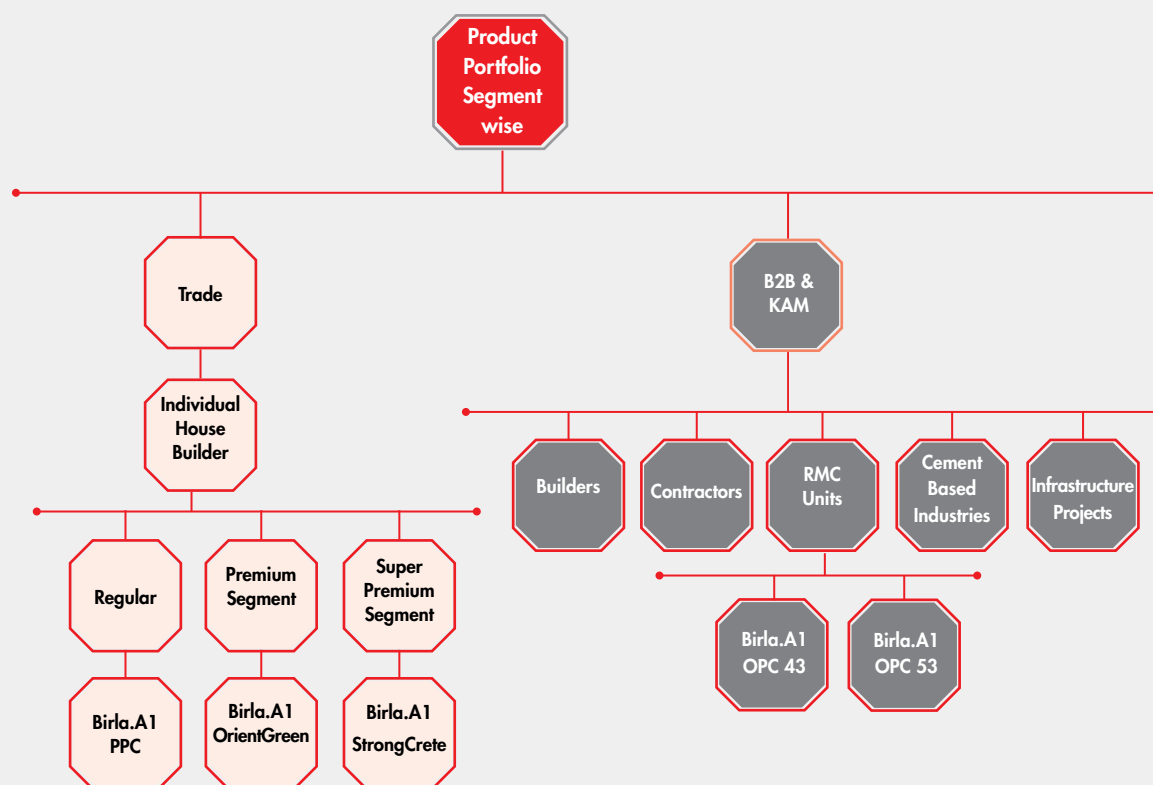
129 million +

Total impressions

66 million +

Total views

Products



Birla.A1 StrongCrete

Birla.A1 StrongCrete, preferred for concrete applications such as foundations, beams, columns and slabs, is specially engineered using innovative technology. Birla.A1 StrongCrete, with the power of OptiMix18™, not only helps in building stronger homes but also ensures that they last for ages.

Key features:

- Achieves higher strength, faster
- Finest blaine, better finish
- OptiMix18™
- Lower heat of hydration
- Double calcium-silicate-hydrate gel

Birla.A1 OrientGreen

To align with the Company's vision of building safe and sustainable ecosystems for future generations, it has introduced Birla.A1 OrientGreen, which offers consumers superior and eco-friendly experiences throughout its life-cycle. It has been awarded the 'GreenPro certification' by the CII - Green Products and Services Council.

Key features:

- Lower carbon footprint
- Rust resistant
- Needs less water
- Moisture and tamper-proof packaging
- Superior strength

Birla.A1 Premium Cement – PPC

Birla.A1 Premium Cement is manufactured by the inter-grinding of clinker, gypsum and very fine-grained highly reactive fly ash. Its uniform particle size distribution gives greater strength and helps achieve a higher density with lower porosity in concrete made from it. This ensures increased durability. It achieves a minimum of 53 MPa as compressive strength after 28 days of curing.

Key features:

- Higher strength and more resistant
- Higher resistance to 'cracking' due to low heat-of-hydration

Birla.A1 Premium Cement – OPC 53 Grade

One of the pioneers of 53-Grade Cement in India, Orient Cement opened up a whole new dimension in building construction with the launch of the Orient Gold 53-Grade cement in 1992. The runaway success of Orient Gold is a testimony to the Company's efforts to provide consumers with only the very best. The brand has now been

integrated under the Company's umbrella brand and rechristened as Birla.A1 Premium Cement – OPC 53 Grade. It achieves a minimum of 53 MPa as compressive strength after 28 days of curing.

Key features:

- High compressive strength
- Economic construction with less construction time

Birla.A1 Premium Cement – OPC 43 Grade

Originally named Orient 43 Grade Cement, it was among the earliest successes of Orient Cement. Manufactured under controlled process conditions with sophisticated plant & machinery, it gained immense popularity in a short span of time and was instrumental in making Orient Cement a household name. The brand has now been integrated under the Company's umbrella brand and rechristened as Birla.A1 Premium Cement – OPC 43 Grade. It achieves a minimum of 43 MPa as compressive strength after 28 days of curing.

Key features:

- General-purpose cement suited for pre-cast, pre-stressed RCC constructions.
- Suitable for general civil engineering construction works like buildings, bridges, and so on.

Logistics

The Company is vigilant about the logistics and its associated environmental footprint with respect to transport emissions, CO₂-equivalent emissions and plastic waste. The Company is implementing various measures consistently to reduce its Scope 3 CO₂ emissions footprint.

The latest initiative is the rake handling system for fly ash at the Chittapur plant. The new investment provides the much-needed flexibility to your company to source fly ash from the most cost-effective sources overcoming the distance constraints imposed by road logistics. This also reduces Scope 3 CO₂ emissions inherent in road logistics and helps to overcome vehicular emissions and traffic challenges.

During the year, the Company initiated the shipment of bulk cement through railway rakes. Rail is a greener mode of transport and therefore this initiative will help in protecting the environment and by also reducing the use of plastic for cement packaging bags.

Procurement

Orient Cement has made significant strides in digital transformation and procurement optimisation by implementing a range of technologies and initiatives that have streamlined operations and improved efficiencies. The Company adopted 'Procure Engine', an IT-based platform, during the year 2021-22, to streamline its procurement process. The Company put enormous efforts into capacity-building programmes for the successful induction of various stakeholders in its supply chain. This helped the Company track orders, invoices and payments in real time and made the operations

more transparent and efficient by reducing time and cost. Also, it led to better decision-making, eliminated paperwork and built strong relations with all stakeholders.

Sustainability

The Company recognises its responsibility towards our planet and people. It aspires to achieve the following targets by the year 2030:

- 25% Thermal Substitution Rate (TSR) (substitution of fossil fuels by alternative ones)
- 50% of the total energy to come from renewable energy and Waste Heat Recovery Systems (WHRS)
- Achieved 40% reduction in Scope 1 and 2 CO₂ emissions, with the base year 2020-21. For this, the Company strives to enhance its sustainability performance in various areas, which are discussed in detail in the following section:

Environment

Orient Cement is a member of the Global Cement and Concrete Association (GCCA), which helps in monitoring the global CO₂ reduction/abatement progress. The Company aggressively pursues various CO₂ reduction measures, as indicated below:

- Scope 1 emissions: The Company continuously pursues the following measures to reduce its Scope 1 emission:
 - ✓ Clinker factor reduction
 - ✓ Improving the product portfolio with more blended cement
 - ✓ Reduction of Specific Thermal and Specific Electrical Energy in the kiln and captive power plant
 - ✓ Improvement in TSR
 - ✓ Enhanced utilisation of alternative raw materials
 - ✓ Migration towards renewable energy
 - ✓ Establishment of Waste Heat Recovery Systems
 - ✓ Improved operational efficiency
 - ✓ Upgrading the plants from time to time by adopting the latest technologies
- Scope 2 emissions:
 - ✓ Migration towards renewable energy
 - ✓ Reduction in plant-specific electrical energy
- Scope 3 emissions: Currently, the Company is working on the logistics' CO₂ footprint by migrating towards bulk transportation and improving fleet efficiency.

These efforts have helped the Company to achieve specified net CO₂ emissions of 601 kg CO₂/T of cementitious material (as per the

GCCA CO₂ protocol sheet) and 14.3% of its energy needs through renewable energy.

Water: Orient Cement is mindful of the water scarcity in the country and is tirelessly working towards achieving 'water security'. Some of the notable initiatives in this area are as follows:

- Reducing specific water consumption through process efficiency
- Adherence to 'zero liquid discharge'
- Enhanced utilisation of recycled water from sewage treatment plant and waste treatment plant
- Water harvesting in mined-out pits
- Water harvesting initiatives in the nearby communities.

All these initiatives helped the Company achieve a specific water consumption of 264 litres/tonne of cementitious material and harvest 34.6 lakh m³ of water in the mined-out pits.

Biodiversity: The Company is conscious of its impact on biodiversity due to its mining operations. Therefore, in coordination with the local forest officials, Orient Cement takes up mass plantation activity across its locations by planting native and multi culture species. The Company achieved a >90% survival rate in its plantation drive. These initiatives have resulted in the planting of approximately 11,000 species during FY23.

Certifications: All the plants of the Company are certified by the 'Integrated Management System', covering the following areas:

- ISO 9001- Quality Management System
- ISO 14001 – Environment Management System
- ISO 450001 - Occupational Health and Safety Management System
- ISO 50001 – Energy Management System
- ISO 27001 – Information Security Management System (ISMS)

Waste Heat Recovery System project at Chittapur

Your Company is carrying out the commissioning of a 10.1 MW Waste Heat Recovery System (WHRS) at its Chittapur Integrated Cement Plant to utilise the waste heat available in the pyro section. The project is expected to be commissioned by the end of May 2023 and is expected to generate 55.6 million units of electrical energy and contributing to 35% of the total energy requirement of the plant. This will also help in meeting 53% of plant energy requirements through renewable energy.

Circular economy

The Company is committed to the concept of circularity and is cognisant of its role in reducing its environmental footprint, as well as its contribution to achieving 'Energy Security'. To this end, the Company is enhancing its co-processing and pre-processing

facilities at the Devapur and Chittapur plants to co-process various waste materials, such as plastic waste, Refuse-derived fuel (RDF) / Municipal Solid Waste (MSW), paper cups, cow dung, cloth waste and so on. During FY23, the Company co-processed various waste materials, which helped achieve the following benefits:

- Consumed 72,591 tonnes of waste material - Alternative Fuels (AF)
- Achieved 13.2% of AF Substitution Rate (AFR) replacing conserving 55,900 tonnes of fossil fuel, i.e., coal
- The Company became 1.14 times plastic-positive by co-processing plastic waste from other industries and Municipal Solid Waste (MSW)

At the Company's integrated plant at Devapur, subgrade limestone is being utilised in the raw material mix, which has resulted in significant resource conservation. The Company's dedication to sustainable practices and resource conservation is an integral part of its overall business strategy.

Health and safety

In recent months, the Company has conducted mandatory safety training for all employees, covering topics such as electrical safety, road safety, railway safety and behaviour-based safety. It has introduced monthly safety themes to raise awareness and reinforce safe work practices among its workforce. The team also successfully refurbished, tested and commissioned the high-velocity water spray system for transformer fire protection in Power Distribution Transformers (PDTs) 4, 5 and 6.

In collaboration with ITC Ltd., the Company has conducted an awareness session on the 'zero waste' aspiration at the GP Birla Centre for its Hyderabad office team, housekeeping staff and GP Birla Centre employees. This initiative was supported under ITC's 'Well-being Out of Waste' (WOW) programme. Further, the Company also installed a plastic shredding machine to shred plastic waste on premises.

As the Company continues to grow, it remains focused on enhancing its safety culture, minimising its environmental impact and promoting responsible practices across its operations. It seeks to retain its position as a leader in health and safety by collaborating with all stakeholders, while also shaping a sustainable future for all.

Zero fatality

The Company's continued efforts resulted in achieving a remarkable record of 'zero fatality' for the last five years across its operations (employees, workmen and contract workmen). It's a testimony to the organisation's commitment to ensuring the safety of its stakeholders.

Human resource

73

Great Manager Institute-certified managers

Talent management

85% of mid to senior leadership positions filled leveraging

internally developed talent pool.

The Company prioritises internal talent development and promotions for building a committed and productive workforce. The Company's approach to achieving its talent management goals involves implementing a structured programme for managing talent, utilising internal recruitment for leadership positions and fostering transparent communication about career aspirations. In FY23, the Company made significant talent management transitions up to the level of President-Manufacturing, Plant Heads, HODs, Head – Key Accounts, and zonal managers, among others, from its internal talent pool.

Over 85% of positions from zonal managers to President level are filled with internal talent, minimising lateral recruitment at mid to senior leadership positions.

Learning and development (L&D)

Nearly 31,000 man-hours invested in training and development.

The Company invests in the development and growth of its talent pool, retaining its reputation as a 'learning organisation'. It implements training programmes aligned with its key performance indicators (KPIs) and also with the growth of its people. It strengthens the second line of each functional area, developing potential successors to ensure business continuity and creating a capable and future-ready talent pool. The Company has targeted learning initiatives to enhance technical, functional and managerial capabilities for all team members.

Mastering social intelligence

154 customer facing team members trained for Social Intelligence.

Recognising that social intelligence is a crucial skill for customer-facing roles in competitive markets, the Company has organised two-day workshops on 'Mastering Social Intelligence' for its sales team. The workshop was designed with inputs from the sales leadership team and other team members and covered 154 sales team members in six batches.

Technical Utkrishthata

It is a special initiative for building technical capabilities for shop floor team members from all major technical areas, viz., electrical, mechanical, instrumentation and process. The core objective of this initiative is to enrich the technical skills of team members by upskilling, reskilling and multiskilling them, thus enriching a well-trained technical pool across plants. This was conducted in collaboration with OEMs and covered 115 members of the technical team in 2 specific programmes.

Skill Soft e-learning platform

To upskill personnel in areas such as business, digital dexterity and project management among others, the Company has adopted a soft skill e-learning platform. Through a nomination procedure, 400 selected members were granted access, and participation is at 86%, with an average access rate of 77% per learner.

Theatre-based technique — Communication skills

The Company has conducted a 2-day theatre-based workshop for customer-facing roles in Technical Services to improve communication skills. The workshop significantly enhanced their verbal and non-verbal communication skills.

Prayas 2.0 – Cross-functional knowledge sharing

Prayas is a platform that encourages cross-functional learning within SCM and other cross-functional teams. Sessions are held fortnightly, with topics chosen by the presenter. These seminars cover both technical and non-technical topics. 130 members from SCM and other cross-functional teams participated in these sessions during the year.

Prevention of Sexual Harassment (POSH)

Since 2014, your Company has had a POSH committee at the corporate office and at all plant locations to address any concerns voiced by team members. To ensure compliance with the POSH policy, all team members are required to attend e-learning sessions annually. This session is accessible through the Company's internal portal, called 'Sahayog'. Additionally, special awareness-building sessions are conducted yearly for the internal committee members to keep them informed about the latest developments.

Employee engagement

Certified Great Place to Work once again; joined top 50 Manufacturing Organisations.

In 2022-23, life gradually returned to normalcy after the pandemic-induced lockdown. However, as the health and wellness of team members and their families continued to be the Company's priority, it continued the weekly health posts. Health talks were conducted on a monthly basis. Medical and blood donation camps were conducted at all major locations.

Regular connections with the MD and CEO along with leaders in Townhalls (virtual and in person), is a great opportunity for all team members to interact with the top leadership of the company. During FY23, 4 Townhalls were conducted. Besides, on the Company's internal communication platform, Workplace@Facebook, its MD and CEO had live sessions, shared various business updates, aligned everyone with the direction and goals and encouraged team members towards risk-taking, innovation, sustainability and adoption of digital tools and methods.

'People Connect', is a listening platform to understand team perspectives and seek feedback to develop ideas that make the workplace more progressive. Over 54 'People Connect' sessions were conducted this year.

'Coffee with Leaders' is a freewheeling and candid discussion in which the leaders get to know the team members personally, learn about their professional aspirations and resolve their challenges. In FY23, 10 'Coffee with Leaders' sessions were organised, in which 98 team members participated.

In the New Hands Meet, the Leadership team along with the HR representatives met the new hires one month after their joining. Through this interaction, new members got an opportunity to learn about the organisation, its values and inspiring stories from the leaders.

Team members and their families were experiencing fatigue from prolonged virtual interactions and were eagerly expecting to resume physical interactions and social gatherings. Their spirits were high and they enthusiastically participated in celebrations held at the Company's plant locations to mark various events, such as Holi, Independence Day, Ganesh Chaturthi, Navratri, Diwali and New Year's Eve.

Deserving Company employees are recognised as 'Stars of the Month' for their outstanding performance every month. They receive certificates, badges and gift vouchers. Applause is another programme to applaud the team members for their achievements. Such appreciation motivates the members to excel, which enhances overall productivity.

As a result of these initiatives, the Company was certified as a 'Great Place To Work' once again and it also featured in the Top 50 Manufacturing organisations.

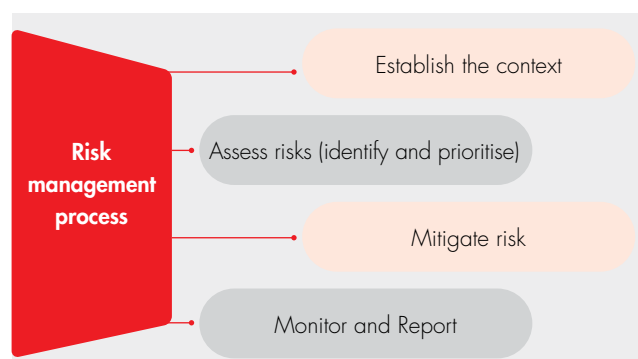
Human rights

Orient Cement is committed to respecting human rights of its workforce, communities and those affected by its operations. The Company has implemented policies and practices to identify, assess and minimise potential violations and resolve grievances effectively. It aligns with internationally recognised frameworks and creates awareness for contractors and suppliers to ensure their compliance.







Risk management

Orient Cement Limited operates in a dynamic business environment. The Company's ability to create sustainable value for its stakeholders depends on identifying, tracking and effectively addressing key risks within its operating environment.

The Company has a resilient risk management policy that has been approved by the Board. The policy outlines the aims and principles of risk management, as well as an overview of the risk management process, procedures and associated responsibilities of committee members. The Risk Management Committee and the Audit Committee supervise the implementation of the Risk Management Framework. An illustration of the Risk Management Framework is depicted below.



The Governance Risk and Compliance Committee (GRCC) comprises the executive management that oversees the effective roll-out of the risk management programme. The Internal Audit (IA) team is responsible for reviewing and providing independent assurance on the effectiveness of defined risk mitigation strategies. On a half-yearly basis, a formal report on 'Risks that Matter' is reviewed by the GRCC, submitted to the Risk Management and Audit Committees of the Board for their review and guidance and subsequently presented to the Board.

| | Risks | Mitigation strategies |
|---|---|--|
|  | Excess capacity and increasing competition | The leadership regularly reviews capacity expansion and growth strategies. Southern India has a structural overcapacity, while competition is intensifying in the Company's core markets in Maharashtra, Telangana and Karnataka. The Company is working to improve brand positioning, strategies for effective channel engagement and competitiveness to stay ahead. |
|  | Health and safety | While safety activities are continuously monitored, the priority now is enhancing and monitoring safety performance at project sites. |
|  | Volatile prices of raw materials and fuels Global tensions have led to increased prices for pet coke and coal, causing problems for the cement industry. | Efforts are being made to mitigate risks by optimising fuel procurement for arbitrage and availability. Measures include expanding the supplier base for pet coke and chemical gypsum, increasing the use of AFR and improving the sourcing of fly ash for the Chittapur plant. The Company has made long-term arrangements to improve fly ash sourcing, and the fly ash rake handling system operational from April 2023 would provide further cost savings through increased availability. |
|  | Cyber security | The Company has implemented SAP S/4HANA with SAP Rise, implying the data centre is now open to Cloud and its security aspects are being taken care of by SAP/ Google. The network is secured using the NextGen firewall, a VPN solution and multi-factor authentication for connectivity across all locations and the Cloud. External assessments through VAPT (Vulnerability assessment and Penetration testing) are carried out annually. End points like laptops, desktops, servers are secured using NextGen Anti-Virus technology. Awareness communications and trainings on cyber security are being imparted from time to time across the organisation. |
|  | Regulatory non-compliance | The Company's legal team regularly monitors regulatory compliance, assessing and maintaining the legal compliance environment in key jurisdictions. Compliance activities are centrally monitored, facilitated by a system-based tool. |
|  | Inefficient distribution and supply chain Malpractices such as backdropping or diversion can cause revenue losses, market share declines and operational disruptions. | To enhance transparency and track deliveries effectively, the Company is increasingly implementing digital solutions like GPS and Electronic Proof of Delivery (EPOD) with geo-tagging capabilities. |

CSR initiatives

The Company is endeavouring to build stronger communities through its CSR initiatives. In FY23, it undertook various projects for the well-being of its communities. The projects involved promoting education and healthcare, including preventive healthcare, sanitation, the eradication of hunger, poverty and malnutrition among other projects for driving rural development.

Providing holistic learning experiences

The change of school management at our Devapur School, effective September 14, 2022, is a significant move towards enhancing the school's educational quality. Also, it is working to shift the affiliation from the State Board to the CBSE Board, which would enhance the quality of education and increase mobility for its students. This

is a strategic decision that reflects the Company's commitment to providing students with a holistic learning experience that equips them with the necessary skills and knowledge to succeed in their future endeavours.

The transition is expected to take place within the next 2-3 years, providing ample time for the school management to prepare and ensure a smooth transition to the new curriculum and upgradation of the infrastructure. This move is expected to have far-reaching benefits for students, including increased exposure to a wider range of academic opportunities, higher standards of teaching and the potential to compete globally.

At Nashirabad, near our Jalgaon plant, we have constructed 5 toilet blocks for female students at the ZP Girls School, Nashirabad, to promote girl child education, health and hygiene.

Promoting health and wellness

To promote health and wellness in the local community, the Company has organised various health camps and webinars. These events are conducted every month and offer an opportunity for people to consult and get diagnosed with any health-related concerns they may have. This includes providing support to not only individuals but also to their families.

The monthly webinars provide a valuable platform for individuals to learn various health-related topics, including nutrition, exercise, mental health and disease prevention. These webinars are accessible to everyone and offer a great opportunity to interact with presenters, making the experience both informative and immersive. Additionally, the Company has also organised health camps for diabetic and BP patients. These camps offer much-needed support for individuals with chronic health conditions, helping them access consultations and diagnoses and manage their health effectively.

At the plants, the Company has conducted camps on pulmonary and dental health, along with seasonal health and awareness sessions. From the Company's plant dispensary, over 100 patients from the nearby villages are served daily.

Internal control systems and their adequacy

The Company has necessary internal control systems commensurate with the business requirements, scale of operations and applicable statutes. The Board of Directors and the Audit Committee are independent from the Management and oversee the Company's internal controls' adequacy and effectiveness. The Company has implemented control mechanisms to mitigate identified risks. Such controls are deployed through policies, SOPs and Internal Financial Control (IFC) risk and control matrices.

Digitisation initiatives, including sales force automation for interactions between the sales team and customers, transaction flow through electronic proof of delivery (EPOD), invoice upload to the customer portal and automating invoice matching, approval workflow automation as per the approved DOA with SharePoint 2.0 and its integration with SAP transactions, have further bolstered the control environment. Cybersecurity assessments are conducted with the increasing use of digital applications and exposure to an external network.

Ernst & Young (E&Y) has been appointed as the Internal Audit (IA) partner. With standard risk coverage, all critical business processes were thoroughly examined to understand the operations relevant to the Company's business. Continuous Control Monitoring (CCM) remains an important component of gaining value from data analytics. Also, the Company has an internal audit department staffed by qualified professionals who plan, conduct, coordinate and monitor audit activities and follow up on compliance and specific actions identified.

Additionally, the Company's whistle-blower policy provides a platform for various stakeholders to report and help the organisation in averting and preventing any suspicious activity or behaviour. The whistle-blower mechanism then investigates allegations of violations in a comprehensive manner. Appropriate recommendations are followed for rigorous implementation. The whistle-blower policy offers complete confidentiality and protection to the whistle-blower against any attempted harassment.

The Company has an advanced internal financial controls (IFC) framework where process owners self-assess critical controls on a quarterly basis using the control's self-assessment tool, along with external evaluations by audit partners. Revised practices are updated in the control documents and timely updates to responsibilities in the execution of controls are undertaken.

Looking ahead, the Company will leverage data analytics and automation in audit procedures to appropriately scope and deep dive into identified focus areas. To bring in a unified audit approach to processes, systems, controls, analytics and MIS reports for a combined process maturity assessment. The Company will continue to increase stakeholder awareness of governance, risk and compliance through training, workshops and culture-building.

Cautionary statement

Certain statements in the MDA section concerning future prospects may be forward-looking statements that involve a number of underlying identified/non-identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, such ongoing geopolitical developments present unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and its operating environment.

The results of these assumptions, relying on available internal and external information, are the basis for determining certain facts and figures in the report. Since the factors underlying these assumptions are subject to change over time, so are the estimates on which they are based. These forward-looking statements represent only the Company's current intentions, beliefs or expectations and any forward-looking statement speaks only as of the date it was made. The Company assumes no obligation to revise or update any forward-looking statements, as a result of new information, future events, or otherwise.

By order of the Board of Directors
For Orient Cement Limited

Place: New Delhi
Date: April 28, 2023

CK. Birla
Chairman
(DIN 00118473)

Corporate Governance Report

COMPANY'S GOVERNANCE PHILOSOPHY

The Board and Management team of Orient Cement Limited attach utmost importance to the principles of corporate governance and ensure that the highest standards of corporate governance are established and maintained in the Company on an ongoing basis to safeguard the interests of all stakeholders at all times.

The Company is committed to adhering to the corporate governance practices that are best in class, to ensure and sustain business fundamentals and deliver optimum performance under all circumstances.

The robust corporate governance framework that has been put in place, enables Orient Cement to be managed effectively and ensures the integrity, transparency and fairness of all processes and practices aimed at creating and enhancing value for all stakeholders, in a balanced and fair manner.

All corporate governance initiatives undertaken by the Company adhere to the sound principles of integrity, transparency, professionalism, trusteeship, accountability and corporate responsibility through relentless focus on these core principles:

- (a) **Transparency:** By classifying and explaining the Company's policies and actions to all those that are concerned, including its employees, the Company aims at maximum possible level of disclosures without hampering the interests of the Company and its shareholders. The Company believes in promotion of ethical values and behavior and setting exemplary standards in our conduct towards our business partners, colleagues, shareholders and the general public
- (b) **Accountability:** The Company ensures that there is absolutely no compromise in the areas of accountability and responsibility even as it pursues growth
- (c) **Professionalism:** The Company ensures that management teams across all levels are professionally qualified who have a clear understanding of their roles and are capable of exercising sound judgment, keeping in view the Company's interests, without being subject to undue influence from any external or internal pressure
- (d) **Trusteeship:** 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 constantly emphasizes the fiduciary role of the management to align and direct all actions of the organization towards creating lasting shareholder value
- (e) **Corporate Responsibility:** The Company includes sustainable development - environmental and social - as a key strategic objective which is enshrined in its core vision - 'Build Sustainably to be a Valued Partner in Progress'

- (f) **Integrity:** Besides enforcing a demanding code of conduct for the employees, vendors and Board, the Company ensures an independent verification and truthful presentation of the Company's financial position and performance. For this purpose, the Company has constituted an Audit Committee which pays particular attention to the financial management and reporting process. A robust whistle-blower mechanism is also in force under the direct supervision of the Board.

This Report has been prepared in accordance with the requirements laid down under the Companies Act, 2013 ("Act"), Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and with a view to meticulously attain the highest standards of governance.

BOARD OF DIRECTORS

COMPOSITION

The Board of Directors ("the Board") plays a fundamental role in upholding and nurturing the principles of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its members and other stakeholders and the utilization of resources for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company and all its stakeholders in a fair and transparent manner.

The Board of Directors is at the core of the Company's Corporate Governance practices and oversees how management serves and protects the interests of its stakeholders at all times. It brings in strategic guidance, leadership and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby, ensuring that the management adheres to highest standards of integrity, transparency and fairness.

The Company's policy towards the composition of the Board is to have appropriate professionalism, diversity, knowledge and experience in areas critical to the organization. This helps to drive value-based guidance whilst maintaining the independence of the Board and to separate its functions of Governance and Management.

The Company has a balanced Board with a combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations.

As on March 31, 2023, the Board consists of 9 (nine) Members of whom 1 (one) is an Executive Director, i.e., Managing Director & CEO and 8 (eight) members are Non-Executive Directors including 2 Women Directors. Amongst the 8 (eight) Non-Executive Directors, 6 (six) are Independent Directors including 1 (one) Woman Independent Director.

The size and composition of the Board conforms to the requirements of Regulation 17 of the SEBI Listing Regulations and the Companies Act, 2013. Other details relating to the Directors as on March 31, 2023 are as follows:

| Name of the Director | Position held in the Company | Directorship in Companies@ (including Orient Cement) | Committee Membership in listed and unlisted Companies# (including Orient Cement) | Committee Chairmanship in listed and unlisted Companies# (including Orient Cement) |
|------------------------------|-----------------------------------|--|--|--|
| Mr. Chandrakant Birla | Chairman, Non-Executive, Promoter | 8 | - | - |
| Mr. Desh Deepak Khetrapal | Managing Director & CEO-Executive | 3 | 4 | - |
| Mrs. Amita Birla | Non-Executive, Promoter Group | 4 | 1 | - |
| Mr. Rajeev Jhawar | Non-Executive-Independent | 3 | 3 | - |
| Mr. Rabindranath Jhunjunwala | Non-Executive-Independent | 3 | 2 | - |
| Mr. Janat Shah | Non-Executive-Independent | 2 | 2 | - |
| Mr. Swapan Dasgupta | Non-Executive-Independent | 1 | 2 | - |
| Mr. I.Y.R. Krishna Rao | Non-Executive-Independent | 2 | 2 | 2 |
| Mrs. Varsha Vasant Purandare | Non-Executive-Independent | 10 | 9 | 5 |

@Excluding private limited companies, foreign companies, high value debt listed entities and companies formed under section 8 of the Act.

#Represents membership/chairmanship of Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies-listed and unlisted (other than foreign companies, private limited companies, high value debt listed entities and companies formed under section 8 of the Act).

Details of directorship of Directors of the Company as on March 31, 2023, in other listed entities:

| Name of the Director | Name of other listed entities in which Directors of the Company are Directors | Category of Directorship |
|------------------------------|---|-----------------------------|
| Mr. Chandrakant Birla | 1. Orient Paper & Industries Limited | Non-Executive-Chairman |
| | 2. HIL Limited | Non-Executive-Chairman |
| | 3. Orient Electric Limited | Non-Executive-Chairman |
| | 4. Birlasoft Limited | Non-Executive |
| Mr. Desh Deepak Khetrapal | 1. HIL Limited | Non-Executive |
| | 2. Orient Electric Limited | Non-Executive-Vice Chairman |
| Mrs. Amita Birla | 1. Birlasoft Limited | Non-Executive-Chairperson |
| Mr. Rajeev Jhawar | 1. Usha Martin Limited | Executive |
| Mr. Rabindranath Jhunjunwala | 1. TCPL Packaging Limited | Independent |
| Mr. Janat Shah | NIL | - |
| Mr. Swapan Dasgupta | NIL | - |
| Mr. I.Y.R. Krishna Rao | NIL | - |
| Mrs. Varsha Vasant Purandare | 1. The Federal Bank Limited | Independent |
| | 2. Deepak Fertilisers and Petrochemicals Corporation Limited | Independent |

None of the Directors on the Board of the Company is a Director in more than seven listed companies and/or is a member of more than ten committees and/or acts as a chairman/chairperson of more than five committees across all the listed and unlisted companies in which he/she is a Director.

Further, no Independent Director serves in more than seven listed companies and no person who is serving as a Whole-time Director/Managing Director in a listed company is serving as an Independent Director in more than three listed companies.

Except Mrs. Amita Birla, a Non-Executive Director of the Company, who is the spouse of Mr. Chandrakant Birla, Chairman of the Company, no other directors are related to each other.

Further in the opinion of the Board, the Independent Directors fulfil the conditions specified in these SEBI Listing Regulations and are independent of the management.

Skills / Expertise / Competencies of Board of Directors:

The Company's Board members are from diverse backgrounds with skills and experience that provides adequate guidance and support to the complex and dynamic business environment in which the Company operates. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory, as well as business requirements. In terms of requirement of SEBI Listing Regulations, the Board has identified following expertise and competencies required for the business of the Company to function effectively:

- 1. Leadership:** The Board as a whole, encompasses visionary leadership with an ability to steer the goals and objectives of the Company through its effective management, delegation, communication and negotiation skills based on its in-depth knowledge of markets and changing business environments.
- 2. Management and operation of industrial enterprises:** The members of the Board conduct the management and operation of the business with efficacy based on their ability of understanding the multifaceted business operations.
- 3. Knowledge on various laws for compliances oversight:** The Board brings to the table their in-depth knowledge regarding various laws that aid in effective planning and forecasting of the Company's various policies and programs.
- 4. Expertise in operations and strategic planning:** The Board possesses a deeper understanding of the continuously changing business environment and has the expertise to strategically plan the future course of Company's operations.
- 5. Analytical skills:** The Board possesses analytical skills to solve complex matters.
- 6. Experience in administration, economics and financial matters:** The Board brings with it, its experience in administration, economics and financial matters that helps in effective decision making.

All the Members of the Board of the Company bring in high quality expertise and possess all requisite skill sets and competencies as mentioned above, for efficient conduct of board proceedings and provide guidance to the Company. A separate section on 'Our Board of Directors' forming part of this Annual Report provides details of the expertise held by each Director of the Company.

Board Functioning and Procedure

The Board of Directors is an apex body constituted by the members for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic directions of the Company, Management's policies and their effectiveness and ensures that the long-term interests of the shareholders are being served.

The Board meetings are generally held at the Corporate Office of the Company at New Delhi. During the year under review, the Board meeting(s) were held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') as per the relaxations granted by MCA / SEBI. The Board meets at least once in a quarter to review the performance of the Company and approves, inter alia, the financial results. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. The Board oversees the process of disclosure and communication. Independent Directors are regularly updated on the performance of the Company, the business strategy and new initiatives being taken/ proposed to be taken by the Company. The Board meetings of the Company are governed by a structured agenda. The Company Secretary in consultation with the Managing Director & CEO and Chief Financial Officer finalizes the agenda of the Board Meetings. All major agenda items are backed up by relevant and comprehensive background information, they are sent well in advance of the date of the Board Meeting(s) to enable the Board Members to take informed decision. In case of exigencies/ sensitive matters, the details are directly placed at the meeting, with the permission of the Chair. Any Board member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the Board meeting for consideration by the Board.

The Board periodically reviews the compliance status of all the laws applicable to the Company, as certified by the Chief Compliance Officer/Company Secretary, as well as the steps undertaken to rectify instances of non-compliances, if any.

Availability of information to the Board

The Board has unrestricted access to all Company-related information, including that of our employees. At Board meetings, managers and representatives who can provide additional insights into the items being discussed are invited. Information is provided to the Board Members on a continuous basis for their review, inputs and approval. Strategic and operating plans are presented to the Board in addition to the quarterly, half yearly and annual financial statements. Specific details regarding future expansion plans, important managerial decisions, material positive / negative developments and statutory matters are presented to the committees of the Board and later, with the recommendation of the Committees, to the Board for its approval.

As a process, information to Directors is submitted along with the agenda well in advance of Board Meetings. Inputs and feedback of Board Members are taken and considered while preparing the agenda and documents for the Board Meetings. At these meetings, Directors can provide their inputs and suggestions on various strategic and operational matters.

Meetings of Board and attendance during the year

During the financial year under review, 5 (five) Board meetings were held. These were held on May 11, 2022, July 28, 2022, November 9, 2022, January 31, 2023 and March 31, 2023.

The following table gives the attendance record of the Directors at the aforementioned Board Meetings and at the last Annual General Meeting which was held on July 28, 2022.





























| Name of Director | No. of Board Meetings attended | Attendance at last AGM |
|------------------------------|--------------------------------|------------------------|
| Mr. Chandrakant Birla | 5 | Yes |
| Mr. Desh Deepak Khetrapal | 5 | Yes |
| Mrs. Amita Birla | 5 | Yes |
| Mr. Rajeev Jhawar | 5 | Yes |
| Mr. Rabindranath Jhunjunwala | 4 | Yes |
| Mr. Janat Shah | 3 | Yes |
| Mr. Swapn Dasgupta | 5 | Yes |
| Mr. I.Y.R. Krishna Rao | 5 | Yes |
| Mrs. Varsha Vasant Purandare | 5 | Yes |



COMMITTEES OF DIRECTORS

In terms of the SEBI Listing Regulations and the Act, the Board has constituted 5 (Five) Committees viz. Audit Committee, Nomination & Remuneration cum Compensation Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. Keeping in view the requirements of the Act as well as the SEBI Listing Regulations, the Board decides the terms of reference of these Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

Each of these Committees have the requisite expertise to handle issues relevant to their field. These Committees spend adequate time and give focused attention to the various issues placed before them. The guidance provided by these Committees provides immense value to and enhances the decision-making process of the Board. The Board reviews the functioning of these Committees from time to time.

Below table shows composition of the Board level Committees:

| Name of Director | Audit Committee | Nomination & Remuneration cum Compensation Committee | Corporate Social Responsibility Committee | Risk Management Committee | Stakeholders' Relationship Committee |
|------------------------------|---|---|--|---|---|
| Mr. Chandrakant Birla | |  | | | |
| Mr. Desh Deepak Khetrapal |  | |  |  |  |
| Mrs. Amita Birla | | | | | |
| Mr. Rajeev Jhawar |  |  | |  |  |
| Mr. Rabindranath Jhunjunwala |  |  |  |  | |
| Mr. Janat Shah |  |  |  |  | |
| Mr. Swapn Dasgupta |  |  | |  |  |
| Mr. I.Y.R. Krishna Rao |  | |  |  | |
| Mrs. Varsha Vasant Purandare |  |  | |  |  |

 Chairperson
  Member

(a) Audit Committee

The Audit Committee of the Board of Directors comprises of qualified and independent members who are financially literate and have requisite accounting and financial management expertise. The Company Secretary acts as the Secretary of the Audit Committee.

Terms of reference of the Audit Committee

Primarily, the Audit Committee is responsible for:








1. Overseeing the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statements are correct, sufficient and credible
2. Recommending to the Board, appointment, re-appointment, remuneration and terms of appointment of Auditors of the Company
3. Approval of payment to Statutory Auditors for any other services rendered by them
4. Examining and reviewing with the Management, the financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement which is to be included in the Board's Report in terms of section 134(3)(c) of the Companies Act, 2013
 - (b) Changes, if any, in accounting policies and practices and reasons for the same
 - (c) Major accounting entries involving estimates based on the exercise of judgment by the Management
 - (d) Significant adjustments made in the financial statements arising out of audit findings
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions
 - (g) Qualification in the draft Auditor's Report
5. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval
6. Reviewing with the Management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency tracking the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
7. Reviewing and monitoring the Auditor's independence and performance and effectiveness of the audit process
8. Approval or any subsequent modification of transactions of the Company with related parties,
9. Scrutiny of inter-corporate loans and investments
10. Valuation of undertakings or assets of the Company, wherever it is necessary
11. Evaluation of internal financial controls and risk management systems
12. Reviewing with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
14. Discussion with Internal Auditors on any significant findings and follow up there on
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area(s) of concern
17. Looking into the reasons of substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
18. Reviewing the functioning of vigil mechanism
19. Approval of appointment of Chief Financial Officer (i.e., whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate
20. Reviewing of Management Discussion and Analysis of financial condition and results of operations
21. Reviewing of significant related party transactions submitted by Management
22. Reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors
23. Reviewing internal audit reports relating to internal control weaknesses
24. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor

25. To do such act as specifically prescribed by the Board
26. Carrying out functions and is empowered to act in terms of Companies Act 2013, read with rules framed there under, SEBI Listing Regulations, including any amendment or modification thereof
27. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments as on the date of coming into force of this provision
28. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., of the listed entity and its shareholders
29. Reviewing the statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and 32(7)
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

Meetings of the Audit Committee and attendance during the year

4 (Four) meetings of the Audit Committee were held during the financial year under review. These were held on May 11, 2022, July 28, 2022, November 9, 2022, and January 31, 2023.

The attendance of members of Audit Committee at the said meetings was as follows:

| Name of the Member | Position | No. of meetings attended |
|-------------------------------|---|--------------------------|
| Mr. I. Y. R. Krishna Rao |  | 4 |
| Mr. Desh Deepak Khetrapal |  | 4 |
| Mr. Rajeev Jhawar |  | 4 |
| Mr. Rabindranath Jhunjhunwala |  | 2 |
| Mr. Janat Shah |  | 2 |
| Mr. Swapan Dasgupta |  | 4 |
| Mrs. Varsha Vasant Purandare |  | 4 |



Chairperson



Member

The Chairman of the Audit Committee, who is an Independent Director, was present at the Annual General Meeting of the Company held on July 28, 2022.

The Audit Committee meetings are also attended by the Chief Financial Officer, the representatives of the Statutory Auditors and the Internal Auditors, Group Internal Auditor and Head-Internal Audit of the Company. The representatives of the Statutory Auditors are permanent invitees to the meeting. The Board has accepted all recommendations made by the Audit Committee.

(b) Nomination & Remuneration cum Compensation Committee

The role, powers and terms of reference of the Nomination and Remuneration Cum Compensation Committee covers all the areas prescribed under Section 178 of the Companies Act, 2013 and Regulation 19(4) of the Listing Regulations besides other terms as referred by the Board of Directors from time to time. The Company Secretary of the Company acts as the Secretary to the Committee.

Terms of reference

Primarily, the Nomination & Remuneration cum Compensation Committee is responsible for:

1. Identifying candidates who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down
2. Recommending to the Board, appointment and removal of directors and senior management
3. Recommending to the Board, whether to extend or continue the term(s) of appointment of the independent director, based on the report of the performance evaluation of independent directors
4. Formulating the criteria for evaluation of independent directors and the Board and carrying out evaluation of every director's performance
5. Formulating the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees
6. Devising a policy on Board diversity
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management
8. Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the roles and capabilities required on every appointment of an independent director. The candidate recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- (a) use the services of external agencies, if required

(b) consider candidates from a wide range of backgrounds, having due regard to diversity







(c) consider the time commitments of the candidates.

9. To do such act(s) as specifically prescribed by Board
10. Carrying out functions, and is empowered to act, in terms of Companies Act 2013, read with rules framed thereunder and SEBI Listing Regulations including any amendment or modification thereof.

Meetings of Nomination & Remuneration cum Compensation Committee and attendance during the year

3 (Three) meetings of Nomination & Remuneration cum Compensation Committee were held during the financial year ended March 31, 2023. These were held on May 11, 2022, November 9, 2022, and January 31, 2023.

The attendance of members of Nomination & Remuneration cum Compensation Committee at the meeting was as follows:

| Name of the Member | Position | No. of meetings attended |
|-------------------------------|---|--------------------------|
| Mr. Rabindranath Jhunjhunwala |  | 2 |
| Mr. Chandrakant Birla |  | 3 |
| Mr. Rajeev Jhawar |  | 3 |
| Mr. Janat Shah |  | 1 |
| Mr. Swapan Dasgupta |  | 3 |
| Mrs. Varsha Vasant Purandare |  | 3 |

 Chairperson  Member

(c) Stakeholders' Relationship Committee

The Company has constituted a Stakeholders' Relationship Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/ notices/annual reports, etc.

Shareholders may note that the share transfers, dividend payments and all other investor-related activities are attended to and processed at the office of the Company's Registrar and Share Transfer Agent (RTA).

For any grievances / complaints, shareholders may contact KFin Technologies Limited, RTA, at einward.ris@kfintech.com. For any escalations and queries on dividend tax, shareholders may write to the Company at investors@orientcement.com

The addresses and contact details of RTA, depositories for investor queries in respect of equity shares in India and listed on

stock exchanges are provided further in the General Shareholder Information section of this Corporate Governance Report.

The Company Secretary of the Company acts as the Secretary to the Committee.

Contact details of the Secretary/Compliance Officer:

Mrs. Nidhi Bisaria
Company Secretary
Birla Tower 3rd Floor,
25, Barakhamba Road,
New Delhi-110 001
Telephone: 011- 42092253
Email for investors: investors@orientcement.com

Terms of reference

Primarily, the Stakeholders' Relationship Committee is responsible for:

- Overseeing the performance of the Registrar and Share Transfer Agent of the Company and recommending measures for the overall improvement in the quality of Investor Services
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Approving requests of security transfers, transmission and those pertaining to re-materialization of security/ sub-division/ consolidation/ issue of renewed and duplicate certificates, etc.
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of securities issued by the Company
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent
- Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company
- Issue of duplicate certificates and new certificates on split/ consolidation/renewal
- Carrying out any other function(s) as specifically prescribed by the Board of Directors, under the SEBI Listing Regulations,

the Companies Act, 2013 and the rules and regulations made thereunder, each as and when amended from time to time.

The details of investors' complaints received and resolved during the financial year ended March 31, 2023:





| No. of Investors' complaints received from April 1, 2022 to March 31, 2023 | No. of Investors' complaints resolved from April 1, 2022 to March 31, 2023 | No. of Investors' complaints pending as at March 31, 2023 |
|--|--|---|
| NIL | NIL | NIL |

In the absence of any specific communication on the resolution provided to the investor/ member in relation to the complaints, it is assumed that all the complaints are resolved to the satisfaction of the complainant. Any member / investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary with a copy of the earlier correspondence.

Meetings of Stakeholders' Relationship Committee and attendance during the year

4 (Four) meetings of Stakeholders' Relationship Committee were held during the year ended March 31, 2023. These were held on May 11, 2022, July 28, 2022, November 9, 2022, and January 31, 2023.

The attendance of members of the Stakeholders' Relationship Committee at the said meetings was as follows:

| Name of the Member | Position | No. of meetings attended |
|------------------------------|---|--------------------------|
| Mrs. Varsha Vasant Purandare |  | 4 |
| Mr. Desh Deepak Khetrapal |  | 4 |
| Mr. Rajeev Jhawar |  | 4 |
| Mr. Swapn Dasgupta |  | 4 |



Chairperson



Member

(d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board has been constituted to oversee the Corporate Social Responsibility Policy of the Company and to recommend projects/ activities and the expenditure to be incurred on the activities, in accordance with Schedule VII of the Act.

The Company Secretary of the Company acts as the Secretary to the Committee.

Terms of Reference

Primarily, the Corporate Social Responsibility Committee is responsible for:





1. Formulating and recommending the CSR Policy to the Board and suggest changes therein, from time to time
2. Identifying the areas of CSR activities to be taken up by the Company every year in accordance with this Policy
3. Recommending the CSR Budget every year and the projects or activities to be undertaken
4. Formulating and recommending to the Board for its approval, an annual action plan every financial year outlining the following:
 - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act
 - (b) the manner of execution of such projects or programmes
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes
 - (d) monitoring and reporting mechanism for the projects or programmes and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the Company.
5. Implementing, overseeing and monitoring the progress of the project or activity rolled out under this policy
6. Providing an update to the Board on all CSR activities undertaken during the financial year, and
7. Such other functions and responsibilities, as may be assigned by the Board from time to time and specified under the Act, Rules and Regulations made thereunder and/or SEBI Listing Regulations, each including any amendment(s) or re-enactment(s) thereof from time to time.

The Corporate Social Responsibility Policy of your Company is available on the Company's website and can be accessed through the web link: <https://www.orientcement.com/wp-content/uploads/2021/05/corporate-social-responsibility-policy.pdf>. The CSR Annual Report, as required under the Companies Act, 2013, for the year ended March 31, 2023, is attached as Annexure 3 to the Board's report.

Meetings of Corporate Social Responsibility Committee and attendance during the year

2 (Two) meetings of Corporate Social Responsibility Committee were held during the financial year ended March 31, 2023. These were held on May 11, 2022, and March 31, 2023.

The attendance of members of the Corporate Social Responsibility Committee at the said meetings was as follows:

| Name of the Member | Position | No. of meetings attended |
|-------------------------------|---|--------------------------|
| Mr. Janat Shah |  | 1 |
| Mr. Desh Deepak Khetrapal |  | 2 |
| Mr. Rabindranath Jhunjhunwala |  | 1 |
| Mr. I.Y. R. Krishna Rao |  | 2 |

 Chairperson  Member

(e) Risk Management Committee

As per Regulation 21 of the SEBI Listing Regulations, the Company being one of the top 1000 listed entities, (determined on the basis of market capitalization as at the end of the immediate preceding financial year) has formulated a Risk Management Committee. The details of the same are provided herein below:

The Company Secretary acts as the Secretary of the Risk Management Committee.

Terms of reference

Primarily, the Risk Management Committee is responsible for:

- Formulating a risk management policy of the Company which shall include:
 - A framework for identification of internal and external risks, in particular including financial, operational, sectoral, strategic, compliance, reputational, sustainability (particularly ESG related risks), business continuity plan, information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
- Reviewing the risk management policy periodically, at least once in two years, by considering the changing industry dynamics and evolving complexities.
- Ensuring that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company.
- Monitoring and overseeing implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems.
- Keeping the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- Appointment, removal and terms of remuneration of the Chief Risk Officer, if any.








- Ensuring compliance with regulatory requirements and best practices with respect to risk management.
- Submitting half-yearly report on effectiveness of Risk Management Framework to the Board of Directors and Audit Committee.
- Such other duties as may be assigned by the Board from time to time and/or specified under the Act, Rules and Regulations made thereunder and/or SEBI Listing Regulations, each including any amendment(s) or re-enactment(s) thereof from time to time.

The Committee shall co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors. Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

Meetings of Risk Management Committee and attendance during the year

2 (Two) meetings of the Risk Management Committee were held during the financial year under review on September 21, 2022 and March 14, 2023.

The attendance of members of the Risk Management Committee at the said meetings was as follows:

| Name of the Member | Position | No. of meetings attended |
|-------------------------------|---|--------------------------|
| Mr. I. Y. R. Krishna Rao |  | 2 |
| Mr. Desh Deepak Khetrapal |  | 2 |
| Mr. Rajeev Jhavar |  | 1 |
| Mr. Rabindranath Jhunjhunwala |  | 1 |
| Mr. Janat Shah |  | 2 |
| Mr. Swapan Dasgupta |  | 2 |
| Mrs. Varsha Vasant Purandare |  | 2 |

 Chairperson  Member

MANAGEMENT COMMITTEES

With a view to have a close focus on various facets of the business risks and compliances, the management has constituted the following Committees viz Governance, Risk & Compliance Committee (GRCC), responsible for ensuring effective roll-out of the Risk Management Programme; and Steering Committee, responsible for ensuring effective roll-out of the Compliance Management Program.

(a) The Governance Risk and Compliance Committee

The Company has in place a mechanism to inform the Risk Management Committee, Audit Committee and Board members about the risk assessment and mitigation plans and periodical reviews through the Governance Risk and Compliance Committee ("GRCC") to ensure that critical risks are monitored and mitigated by the Management. Business Risk Evaluation and Management is an ongoing process within the Company. The Company has a robust management framework to identify, monitor, mitigate and minimize risks and to identify business opportunities.

The GRCC has been constituted to identify and periodically review all the risks faced by the Company and to provide operational and policy guidance to the Company for effective risk management.

Composition

As on March 31, 2023, the GRCC comprised of following members, namely:

- (i) Chief Executive Officer
- (ii) Chief Financial Officer
- (iii) Chief HR Officer/ HR Head
- (iv) President – Manufacturing
- (v) President – Sales & Marketing
- (vi) President – Projects
- (vii) Chief Risk Officer

The Committee meets as and when required.

Terms of reference

Primarily, the GRCC is responsible for:-

1. Risk identification and prioritization

Review and sign off on the results of risk identification and prioritization.

2. Risk mitigation

Review the mitigation plans developed along with the root causes, risk management and reporting ownerships, timelines, and implementation statuses.

3. Risk monitoring and reporting

Review results of Risk Management as reported by the Functional Heads/Unit Heads or the Executive-in-Charge. Submit the results for review and approval of the CEO.

4. With regard to the Risk Management Framework

- Provide overall guidance related to the Risk

Management processes across the Company.

- Review the need for additional Risk Management related activities across the Company and assign responsibilities.
- Review the effectiveness of Risk Management Framework on half-yearly basis.
- Submit the half yearly Risk and Mitigation Plan Assessment Report to the CEO for review and approval.
- Present half yearly Risk and Mitigation Plan Assessment Report to the Risk Management Committee and the Audit Committee and
- Such other duties as may be assigned from time to time by the Risk Management Committee.

The Company has not identified any risk which, in the opinion of the Board, may threaten the existence of the Company.

(b) Steering Committee

Recognizing the importance of compliance with various laws and regulations, the Company constituted a Steering Committee on May 8, 2015.

The Steering Committee plays an important role in building a regime of zero tolerance to any form of non-compliance.

Composition

As on March 31, 2023, the Steering Committee comprised of following members, namely:

- (i) Chief Financial Officer
- (ii) Chief Operating Officer
- (iii) Chief HR Officer/HR Head
- (iv) Chief Compliance Officer
- (v) Company Secretary

The Committee meets as and when required.

Terms of reference

Primarily, the Steering Committee is responsible for:-

1. Identification of necessary compliances
2. Prioritization of compliances and fixing ownership of compliances
3. Monitoring of compliances
4. Remedial actions in case of non-compliances

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The Nomination & Remuneration cum Compensation Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Nomination and Remuneration Policy of the Company is available on our website, at https://www.orientcement.com/wp-content/uploads/2019/05/NRC_Policy-22_3_2019.pdf.

Succession Planning

The Nomination and Remuneration cum Compensation Committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board, in an endeavour to introduce new perspectives while maintaining experience and continuity.

By integrating workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met.

Our Board members bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy. In

addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

Criteria for selection of Directors

- The Nomination & Remuneration cum Compensation Committee identifies and ascertains the integrity, qualification, expertise and experience of the candidate for appointment as a director and ensures the same.
- The Nomination & Remuneration cum Compensation Committee ensures that the candidate proposed for appointment as director, is compliant with the provisions of the Act and of the SEBI Listing Regulations.
- The candidate's appointment as recommended by the Nomination & Remuneration cum Compensation Committee requires the approval of the Board.
- In case of appointment of Independent Directors, the Nomination & Remuneration cum Compensation Committee satisfies itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.
- The Nomination & Remuneration cum Compensation Committee ensures that the candidate identified for appointment as a director is not disqualified for appointment under section 164 of the Act or by any order of SEBI or any other regulatory authority.

REMUNERATION OF DIRECTORS

Remuneration of Managing Director & CEO

The Company pays remuneration to its Managing Director & CEO by way of salary and other benefits as per the terms agreed with the Company. The remuneration is approved by the Board of Directors and is within the overall limits approved by shareholders of the Company and is as per the provisions of the Act and SEBI Listing Regulations including any amendment(s) or re-enactment(s) thereof from time to time.

Remuneration paid/accrued to the Managing Director & CEO for the financial year ended March 31, 2023 is as follows:

| Name | Salary and allowances (₹)* | Annual performance variable pay** (₹) and performance criteria | Perquisite (₹) | Retiral Benefits (₹) | Total (₹) | Stock Options granted | Notice Period | Severance Pay |
|--------------------------|----------------------------|---|------------------|----------------------|--------------------|-----------------------|---------------|---------------|
| Mr. Desh Deepak Khetrpal | 5,98,16,600/- p.a. | 2,10,60,000/- (Managing Director & CEO's performance and Company's performance) | 17,08,800/- p.a. | 1,25,47,080/- p.a. | 9,51,32,480/- p.a. | NIL | Three months | NIL |

*Salary and allowances include ₹17,00,000/- towards encashment of earned leave as per policy of the Company.

**Annual Performance variable pay is as accrued for the financial year 2022-23.

Mr. Khetrpal holds 4,99,140 stock options, convertible into equal number of equity shares of ₹1/- each. Exercise price is ₹135/- per share for exercising each option. The vested options can be exercised on or before August 3, 2023.

Remuneration of Non-Executive Directors

The Board, while deciding the basis for determining the compensation of the independent directors, takes various things into consideration. These include global board compensation benchmarking, participation of individual directors in Board and committee meetings, other responsibilities, such as membership or chairmanship of committees, time spent in carrying out other duties, roles and functions as prescribed in Schedule IV of the Act, SEBI Listing Regulations and such other factors as the Board deems fit.

The shareholders, at the AGM held on September 23, 2017, approved a sum not exceeding 1% of the net profit of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act to be paid and distributed among some or all of the Non-Executive Directors of the Company in a manner decided by the Board.

This payment will be made with respect to the profits of the Company for each year.

The amount payable to Independent Directors for the year ended March 31, 2023 is ₹1.50 crores.

Additionally, Independent Directors are paid sitting fee for attending the Board and Committee meetings and are also reimbursed expenses incurred by them in the performance of their official duties. We confirm that no single Non-Executive Director received remuneration exceeding 50% of the total remuneration paid to all the Non-Executive Directors during the year ended March 31, 2023.

The details of sitting fees and commission paid/payable to Non-Executive Directors for the financial year 2022-23 and their shareholding as on March 31, 2023, are as follows:

| S. No. | Name of director | Sitting fees (₹)* | Commission (₹) | Shareholding (Nos.) |
|--------|-------------------------------|-------------------|----------------|---------------------|
| 1. | Mr. Chandrakant Birla | 6,50,000 | 35,00,000 | 31,53,570 |
| 2. | Mrs. Amita Birla | 5,00,000 | 16,00,000 | 3,88,000 |
| 3. | Mr. Rajeev Jhavar | 13,50,000 | 16,00,000 | - |
| 4. | Mr. Rabindranath Jhunjhunwala | 8,50,000 | 16,00,000 | - |
| 5. | Mr. Janat Shah | 7,50,000 | 16,00,000 | - |
| 6. | Mr. Swapan Dasgupta | 14,00,000 | 16,00,000 | - |
| 7. | Mr. I.Y.R. Krishna Rao | 11,50,000 | 19,00,000 | - |
| 8. | Mrs. Varsha Vasant Purandare | 14,00,000 | 16,00,000 | - |

*For attending the Board Meetings, Audit Committee Meetings, Stakeholders' Relationship Committee Meetings, Corporate Social Responsibility Committee Meetings, Nomination & Remuneration cum Compensation Committee Meetings, Risk Management Committee Meetings and separate Meeting of Independent Directors.

The Company has not granted stock options to Non-Executive Directors.

Apart from receiving directors' remuneration, no Non-Executive Director except Mr. Rabindranath Jhunjhunwala, who is a partner with Khaitan & Co., LLP and Khaitan & Co. had any pecuniary relationship with the Company. The transactions entered into with Khaitan & Co. LLP and Khaitan & Co., during the financial year 2022-23 were in ordinary course of business and at arms' length basis.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out the performance evaluation of its own performance, the Directors individually, Chairman as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration cum Compensation Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The performance evaluation was done using questionnaires, covering amongst others, composition of Board, receipt of regular inputs and information, functioning, performance & structure of Board Committees, skill set, knowledge and expertise of directors, contribution at Board Meetings and leadership. 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 Board expressed that the Committees of Board, each Individual Director and the Board as a whole are meeting the criteria and expectations. The Board noted that the Board as a whole is a coherent and balanced Board that compliments the individual strength of the Board members. The Board has good representation of experienced professionals from diverse fields related to the business of the Company and bring with them rich experience. The Board members guide/advise the management on the Company's business development and growth. The Board members proactively participate in its meetings and oversee effective compliance of key regulations and policies with focus on corporate governance, financial accounting, transparency, etc.

INDEPENDENT DIRECTORS' MEETING

During the year under review, 1 (One) meeting of the Independent Directors of the Company was held on November 9, 2022 without the attendance of Non-Independent Directors and members of Management to, inter alia,

- Review the performance of Non-independent Directors and the Board of Directors as a whole
- Review the performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors
- Assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

BOARD FAMILIARIZATION PROGRAM

A formal letter of appointment is given to Independent Directors at the time of their appointment detailing the terms and conditions of their appointment, expectations, roles, functions, duties and

responsibilities. The Directors immediately upon appointment are familiarized inter-alia with the Company, nature of industry in which the Company operates, business model of the Company, Code of Conduct for the Directors, reports and policies of the Company as part of their induction programme. At the Board and Committee meetings, the Independent Directors are familiarized with the Company's business performance, operations, projects, market share, financial parameters, working capital management, fund flows, change in senior management, major litigation(s), compliance(s) etc. They are also appraised about risk assessment and mitigation processes.

With a view to familiarize the Independent Directors with the Company's operations, the Managing Director & CEO has a personal discussion with the newly appointed Independent Director. The above initiatives help such Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfil his/her role as a Director of the Company.

The details of programs for familiarization of the Independent Directors are available on the Company's website and can be accessed through the web link: <https://orientcement.com/disclosure-reg-46/familiarisation-programme/>

GENERAL BODY MEETINGS

(a) Location and time of last three Annual General Meetings are as under:

| Financial year | Date | Day | Time | Venue | Special resolutions passed |
|----------------|----------------|----------|------------|---|--|
| 2019-20 | July 31, 2020 | Friday | 11:00 A.M. | Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, Odisha | (i) Re-appointment of Mr. Swapan Dasgupta (DIN 07113693) as an Independent Director |
| 2020-21 | August 5, 2021 | Thursday | 2:00 P.M. | Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, Odisha | (i) Re-appointment of Mr. I.Y.R. Krishna Rao (DIN 00481367) as an Independent Director |
| 2021-22 | July 28, 2022 | Thursday | 3:30 P.M. | Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, Odisha | NIL |

(b) Extraordinary General Meeting (EGM)

During the financial year, no Extraordinary General Meeting was held.

(c) Details of special resolution passed through postal ballot, the person who conducted the postal ballot exercise and details of the voting pattern

During the financial year, no special resolution was put through Postal Ballot. However, during the financial year 2022-23, a Postal Ballot was conducted to seek the consent of the shareholders for the following ordinary resolutions:

- Approval of the re-appointment of Mr. Desh Deepak Khetrapal (DIN 02362633) as the Managing Director of the Company for a term of 2 years commencing from April 1, 2022, up to March 31, 2024.
- Approval of the terms of remuneration of Mr. Desh Deepak Khetrapal, Managing Director & Chief Executive Officer (DIN 02362633) for the financial year 2022-23.

The Board of Directors appointed Mr. A.K. Labh, Practicing Company Secretary (Membership No. FCS - 4848 / CP - 3238) as Scrutiniser for scrutinising the Postal Ballot process in a fair and transparent manner. The details of the voting pattern are as under:

| Resolution | No. of valid votes | No. of votes in favour | No. of votes against | No. of invalid votes | Result |
|--|--------------------|-------------------------|----------------------|----------------------|--------------------------------|
| Item No. 1: Ordinary resolution for approval of the re- appointment of Mr. Desh Deepak Khetrapal (DIN 02362633) as the Managing Director of the Company for a term of 2 years commencing from April 1, 2022, up to March 31, 2024. | 138454064 | 138450380 (99.9973%) | 3684 (0.0027%) | - | Passed with requisite majority |
| Item No. 2: Ordinary resolution for approval of the terms of remuneration of Mr. Desh Deepak Khetrapal, Managing Director & Chief Executive Officer (DIN 02362633) for the financial year 2022-23. | 138452967 | 138446751 (99.9955%) | 6216 (0.0045%) | - | Passed with requisite majority |

(d) Details of resolution proposed to be passed through Postal Ballot and procedure for postal Ballot

None of the business is proposed to be passed through Postal Ballot.

MEANS OF COMMUNICATION

Results: The financial results are generally published in 'Business Standard' in English and 'Utkal Mail' in vernacular language.

Website: The financial results are posted on the Company's website viz. www.orientcement.com.

News release, Presentations: The press releases/official news, detailed presentation made to media, analysts, institutional investors etc. are displayed on the Company's website. Official media releases are also sent to the stock exchanges before dissemination to the media.

Intimation to the Stock Exchanges: The Company intimates the Stock Exchanges on all price sensitive information or such other matters which in its opinion are material and of relevance to the Investors.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated exclusive email address: The Company has designated the following email address for investor servicing: investors@orientcement.com. Investors can also mail their queries to Registrar and Share Transfer Agent at einward.ris@kfintech.com.

GENERAL SHAREHOLDER INFORMATION

Financial Year

The financial year covers the period starting from 1st April of a year and ending on 31st March of subsequent year.

Financial Calendar

| | |
|---|---|
| Board Meeting for consideration of unaudited quarterly results | Within forty-five days from the end of the quarter, as stipulated under the SEBI Listing Regulations. |
| Board Meeting for consideration of audited results | Within sixty days from the end of the last quarter, as stipulated under the SEBI Listing Regulations. |
| Book Closure date | July 26, 2023 to August 1, 2023 (both days inclusive). |
| Dividend payment date | On or before August 30, 2023 |
| Day, date, time and venue of Annual General Meeting | Tuesday, August 1, 2023 at 3:30 p.m. through video conferencing at Unit -VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012, (Odisha) in terms of Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 3/2022 dated May 5, 2022 and 10/2022 dated December 28, 2022 issued by Ministry of Corporate Affairs. |

Listing

Equity Shares of the Company are currently listed on the following Stock Exchanges:

BSE Limited (BSE)

1st Floor, New Trading Ring
Rotunda Building, P.J. Tower
Dalal Street, Fort,
Mumbai – 400001

National Stock Exchange of India Limited (NSE)

Exchange Plaza, C-1, Block G, 5th Floor,
Bandra Kurla Complex
Bandra (E), Mumbai – 400051

The annual listing fees for the financial year 2022-23, as applicable, have been paid to both BSE and NSE. The Company's stock codes are:

BSE 535754

NSE ORIENTCEM

Payment of Depository fees

Annual Custody/Issuer fee for the financial year 2022-23 has been paid by the Company to NSDL and CDSL. The ISIN No. of the Company on both NSDL and CDSL is INE876N01018.

Payment of fees to Statutory Auditors

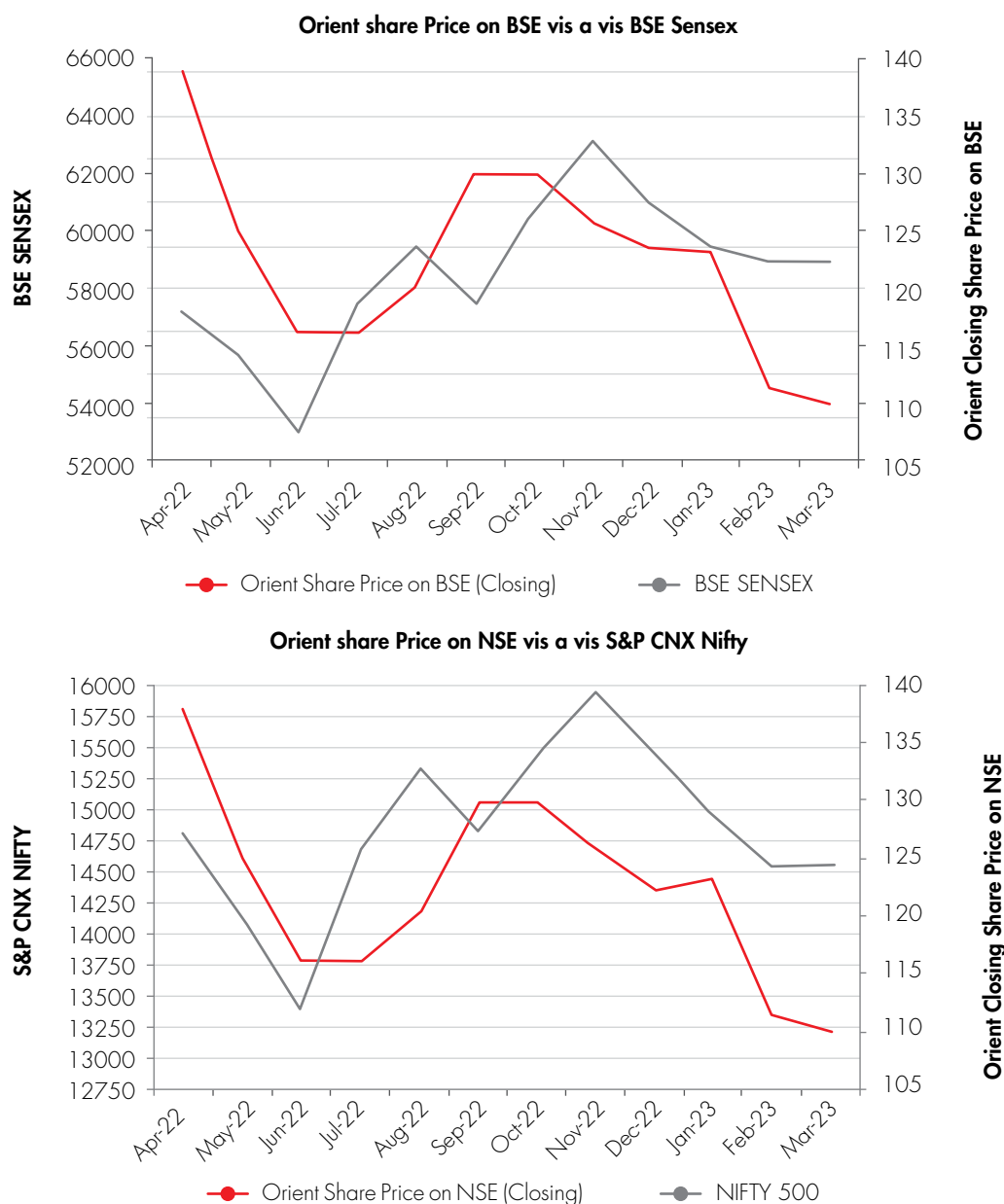
During the financial year ended March 31, 2023, the Company has paid an amount of **₹76.90 lacs** towards fees for audit and related services (excluding applicable taxes) to **M/s B S R & Associates LLP**, the Statutory Auditors of the Company, their affiliate firms and other firms in the network entity of which the Statutory Auditor are a part of.

Market price data Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)

| Month | BSE | | NSE | |
|----------------|----------------|---------------|----------------|---------------|
| | High Price (₹) | Low Price (₹) | High Price (₹) | Low Price (₹) |
| April 2022 | 157.45 | 136.85 | 157.50 | 136.80 |
| May 2022 | 139.85 | 108.70 | 138.90 | 108.85 |
| June 2022 | 131.00 | 95.65 | 131.30 | 95.60 |
| July 2022 | 122.55 | 111.00 | 122.55 | 110.95 |
| August 2022 | 126.05 | 113.75 | 126.15 | 113.75 |
| September 2022 | 142.00 | 117.75 | 142.10 | 117.75 |
| October 2022 | 134.60 | 118.00 | 134.65 | 117.95 |
| November 2022 | 138.50 | 120.55 | 138.60 | 120.50 |
| December 2022 | 136.80 | 118.40 | 136.95 | 118.10 |
| January 2023 | 148.70 | 121.05 | 148.70 | 121.00 |
| February 2023 | 127.80 | 109.20 | 128.00 | 109.20 |
| March 2023 | 118.70 | 104.70 | 118.70 | 104.60 |

Performance in comparison to BSE Sensex and S&P CNX Nifty

| Month | BSE (Closing price) (₹) | BSE Sensex (Closing) | NSE (Closing price) (₹) | S&P CNX Nifty 500 (Closing) |
|----------------|----------------------------|-------------------------|----------------------------|--------------------------------|
| April 2022 | 137.80 | 57060.87 | 137.85 | 14783.35 |
| May 2022 | 124.65 | 55566.41 | 124.85 | 14119.60 |
| June 2022 | 116.10 | 53018.94 | 116.15 | 13387.55 |
| July 2022 | 116.10 | 57570.25 | 116.15 | 14665.65 |
| August 2022 | 120.30 | 59537.07 | 120.35 | 15325.05 |
| September 2022 | 130.05 | 57426.92 | 129.65 | 14829.35 |
| October 2022 | 129.85 | 60746.59 | 130.00 | 15424.00 |
| November 2022 | 125.85 | 63099.65 | 125.65 | 15946.15 |
| December 2022 | 123.10 | 60,840.74 | 122.20 | 15448.85 |
| January 2023 | 123.15 | 59,549.90 | 123.10 | 14935.50 |
| February 2023 | 111.20 | 58,962.12 | 111.30 | 14518.75 |
| March 2023 | 109.80 | 58,991.52 | 109.95 | 14557.85 |



Share Transfer system and other related matters

As mandated by SEBI and in terms of Regulation 40 of SEBI Listing Regulations, the Company's shares can be transferred/traded only in dematerialized mode following the procedure as prescribed by SEBI under SEBI Listing Regulations read with relevant circulars issued by SEBI. Therefore, shareholders are requested to open a demat account with a Depository Participant (DP) and deposit their physical shares with such DP to get the shares demat at the earliest to avoid any kind of inconvenience.

The Company, its RTA and Stock Exchanges in compliance with the SEBI circular dated March 16, 2023 have disseminated the requirement of the holders of physical securities of the Company to furnish valid PAN, mandatory linking of PAN, furnishing KYC details and Nomination details, on their respective websites. Form ISR-1 to furnish PAN, KYC details, Form SH-13, ISR-3 and SH-14 to furnish

nomination and opting out nomination details, respectively and Form ISR-2 to furnish for bank attested signatures of the security holder, are hosted on the respective websites of the Company.

Folios wherein any one of aforesaid document / details are not available on or after October 1, 2023, shall be frozen by the RTA and holder(s) shall not be able to lodge grievance or avail service request from the RTA and shall not be eligible for any payment including dividend unless such documents and or information is furnished as required.

Further, the security holder/ claimant shall submit duly filled up Form ISR-4 hosted on the website of the Company for requests regarding issue of duplicate certificate, claim from unclaimed suspense account, transmission and other related service requests, along with the documents / details specified therein. The RTA / Company shall verify and follow process of approving the service requests as prescribed in SEBI circular dated March 16, 2023.

During the year, the Company obtained certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, transposition, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies and deletion of names were issued as required under Regulation 40(9) of the Listing Regulations. The certificate was duly filed with the Stock Exchanges.

Distribution of shareholding by ownership as on March 31, 2023

| S. No. | Category | Number of shares held | Percentage of shareholding |
|------------|--|-----------------------|----------------------------|
| (A) | Promoter and Promoter Group | | |
| | Total shareholding of Promoter and Promoter Group | 7,76,49,413 | 37.90 |
| (B) | Public | | |
| 1. | Institutional Investor | 3,53,54,381 | 17.26 |
| | Mutual Funds | 1,46,74,365 | 7.16 |
| | Financial Institutions | 62,250 | 0.03 |
| | Alternative Investment Fund | 6,00,000 | 0.29 |
| | Banks | 1,47,660 | 0.07 |
| | Insurance Companies | 40,61,562 | 1.98 |
| | NBFCs registered with RBI | 600 | 0.00 |
| | Foreign Portfolio Investors | 1,58,07,944 | 7.72 |
| 2. | Central Government/State Government(s) | 61,148 | 0.03 |
| 3. | Non-institutional Investor | 9,18,03,818 | 44.81 |
| | Overseas Corporate Bodies | 36,82,240 | 1.80 |
| | Bodies Corporate (not mentioned above) | 1,45,38,050 | 7.10 |
| | Non-Resident Individuals | 26,62,692 | 1.30 |
| | IEPF | 9,04,121 | 0.44 |
| | Resident Individuals/HUF | 4,82,24,756 | 23.54 |
| | Others (Cooperative Societies, Trusts, Clearing Members) | 2,17,91,959 | 10.63 |
| | Total Public Shareholding | 12,72,19,347 | 62.10 |
| | TOTAL (A) + (B) | 20,48,68,760 | 100.00 |

Distribution of shareholding by size as on March 31, 2023

| From-To | No. of shares | Percentage of total no. of shares |
|--------------|---------------------|-----------------------------------|
| | Number | % |
| 1-500 | 90,82,015 | 4.43 |
| 501-1000 | 44,62,417 | 2.18 |
| 1001-2000 | 48,39,137 | 2.36 |
| 2001-3000 | 32,61,861 | 1.59 |
| 3001-4000 | 20,36,138 | 1.00 |
| 4001-5000 | 25,04,271 | 1.22 |
| 5001-10000 | 62,51,348 | 3.05 |
| 10001-50000 | 1,25,86,594 | 6.14 |
| 50001-100000 | 49,91,245 | 2.44 |
| Above 100001 | 1,54,853,734 | 75.59 |
| Total | 20,48,68,760 | 100.00 |

Dematerialization of shares and liquidity

The Company has provided demat facility to its shareholders with National Securities Depository Limited as well as Central Depository Services Limited. Members holding shares in physical mode are urged in their own interest to hold these shares in dematerialized form with any Depository Participant.

As on March 31, 2023, 99.67% of the equity shares of the Company are held by 113407 equity shareholders in dematerialized form and the balance 0.33% is held by 255 equity shareholders in physical form.

The entire equity shareholding of the Promoters and the members belonging to the promoter group of the Company is held in dematerialized form. A summary of transfer and transmission of shares of the Company and the Reconciliation of Share Capital Audit Report by Savita Jyoti & Associates, the Practicing Company Secretary is presented to the Board at the quarterly Board meetings.

Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has not issued any Global Depository Receipts/ American Depository Receipts/Warrants etc., during the financial year 2022-23.

Commodity price risk or foreign exchange risk and hedging activities

The Company is not exposed to foreign exchange risk and commodity price risk. Further, the Company is not carrying out any hedging activities.

Plant Locations

The Company's plants are located at:

Devapur:

P.O. Devapur Cement Works
Dist. Mancherial - 504218 (Telangana)

Jalgaon:

Nashirabad,
Dist. Jalgaon - 425309 (Maharashtra)

Chittapur:

Village: Itaga, Malkhaid Road,
Taluka Chittapur, Dist. Kalburagi,
Karnataka - 585292

Credit Ratings

The Company has received the following ratings from CARE Ratings Limited as detailed below:

| Facilities | Ratings |
|----------------------------|-----------------------------|
| Long term Bank facilities | CARE AA- (Outlook: Stable) |
| Commercial Paper | CARE A1+ |
| Short term bank facilities | CARE A1+ (Outlook : Stable) |

There is no change in the said ratings during the financial year 2022-23, except for change in outlook from positive to stable.

Registrar and Share Transfer Agent

KFin Technologies Limited is acting as the RTA of the Company for handling shares related matters both in physical as well as electronic mode.

Shareholders are therefore advised to send all their correspondence directly to the RTA. The address for communication is:

KFin Technologies Limited

Unit: Orient Cement Limited
Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana - 500 032.
Toll Free No. 1800 309 4001
Email: einward.ris@kfintech.com

However, for the convenience of shareholders, correspondence relating to shares received by the Company is forwarded to the RTA for necessary action thereon.

Address for correspondence with the Company

Mrs. Nidhi Bisaria
Company Secretary
Orient Cement Limited
Birla Tower 3rd Floor,
25, Barakhamba Road,
New Delhi-110 001
Telephone: 011 42092253

Exclusive email id for investors:

The Company has designated an e-mail address to enable the Members and Investors to correspond with the Company. The e-mail address is investors@orientcement.com.

GO GREEN INITIATIVE

To contribute towards a greener environment, the Company proposes to send documents like Shareholders Meeting Notice/other Notices, Audited Financial Statements, Directors' Report, Auditors' Report or any other document, to members in electronic form at the e-mail address provided by them and/or made available to the Company by the Depositories.

The shareholders having shares in physical form are requested to register their e-mail address with the Company or Company's RTA at the address given in this report, to enable the Company to send any document, notice, communication, annual report, etc. through e-mail.

The shareholders holding shares in dematerialized form are requested to register their e-mail address with their respective Depository Participant for the above purpose.

COMMUNICATION BY MEMBERS

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain their Demat Account(s) for queries relating to shareholding, change of address, updation of bank details for electronic credit of dividend, etc. However, queries relating to non-receipt of dividend or non-receipt of annual reports of the Company should be addressed to the Company.

Members who hold shares in physical form should address their queries to the RTA/Company for change of address, change in bank details, processing of unclaimed dividend, issue of duplicate share certificates signed by the first named Member as per the specimen signature registered with the Company. The RTA/Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID and Client ID/Ledger Folio number in their correspondence with the RTA/Company and to provide their email addresses and telephone number(s) to facilitate prompt response from the Company.

CHANGE OF ADDRESS

Members holding equity share(s) in physical form are requested to notify change of address/dividend mandate, if any, to the Company's RTA, at the address mentioned above.

The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding equity share(s) in dematerialized form are requested to submit their PAN and notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN and notify the change of address/dividend mandate, if any, to the Company/RTA.

DISCLOSURES

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large

All the transactions entered into with Related Parties as per the Act and Regulation 23 of the SEBI Listing Regulations during the financial year 2022-23 were in the ordinary course of business and at an arm's length basis and do not attract provisions of section 188 of the Act. Further, there was no material related party transaction which required shareholders' approval and was required to be disclosed quarterly along with the compliance report on Corporate Governance.

The required statements / disclosures with respect to the related party transactions are placed before the Audit Committee on a

regular basis. Suitable disclosures as required by the Accounting Standards have been made in the notes to the Financial Statements.

The Company's policy relating to dealing with Related Party Transactions is uploaded on the website of the Company and can be accessed through the web link: <https://www.orientcement.com/wp-content/uploads/2022/04/Related-Party-Transaction-Policy.pdf>

(b) Disclosures on material, financial and commercial transactions, where Senior Management have personal interest that may have a potential conflict with the interest of the Company

No transaction has been entered into during the financial year where Senior Management has personal interest that may have a potential conflict with the interest of the Company.

(c) Non-compliance by the Company, penalties, strictures imposed by the Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets during the last three years

Neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital markets, during the last three years.

(d) Whistle Blower and Vigil Mechanism Policy

As per section 177 of the Act and Regulation 22 of SEBI Listing Regulations a comprehensive Whistle Blower Policy ("Policy") has been implemented within the organization. The Policy enables the stakeholders (including directors, individual employee(s) and their representative bodies, vendors and suppliers) to report concerns about illegal or unethical 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 including access to the Chairman of the Audit Committee in exceptional cases. This Policy safeguards the whistleblowers from reprisals or victimization. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and that no discrimination will be meted out to any person for a genuinely raised concern.

The Whistle Blower Policy is available on Company's website and can be accessed through the web link: <https://www.orientcement.com/wp-content/uploads/2016/05/Whistle-Blower-Policy.pdf>

It is hereby confirmed that no person has been denied access to the Audit Committee.

The contact details of the Designated Officer for vigil mechanism are:

Company Secretary

Email address: whistleblower@orientcement.com

Telephone: 011 42092253

The contact details of the Chairman of the Audit Committee for Vigil Mechanism are:

Chairman of the Audit Committee

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

Email address- whistleblower@orientcement.com

Telephone: 011 42092253

(e) Compliance with mandatory requirements

The Company has complied with all the mandatory requirements of SEBI Listing Regulations.

(f) Compliance with non-mandatory provisions

The Board – The Chairman of the Company is a Non-Executive Director and does not maintain the Chairman's office at the Company's expenses.

Audit Qualifications – There was no qualification by the Auditors on the financial statements of the Company.

Reporting of Internal Auditor – The Audit Committee is briefed through discussions and presentations of the observations, review, comments, recommendations, etc. through an Internal Audit presentation made by the Internal Auditor of the Company.

(g) Disclosure of accounting treatment in preparation of financial statements

The Company has followed the guidelines of Accounting Standards notified under the Act as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements. The significant accounting policies which are consistently applied have been set out in the "Notes to the financial statements".

WEBSITE

The Company is maintaining a functional website viz: www.orientcement.com and is disseminating information on its website as required under SEBI Listing Regulations, which, inter alia includes:

- Details of its business
- Terms and conditions of appointment of Independent Director
- Composition of various committees of Board of Directors
- Code of conduct of Board of Directors and Senior Management Personnel
- Whistle Blower Policy
- Policy on dealing with related party transactions
- Policy for determination of Materiality of Event
- Archival Policy

- Dividend Distribution Policy
- Nomination & Remuneration policy for Directors, KMPs & Senior Management
- Corporate Social Responsibility Policy
- Code of Practices and Procedures for UPSI
- Details of familiarization programs imparted to the Independent Directors
- Email address for grievance redressal and contact information of Compliance Officer
- Financial information including notice of meeting of Board of Directors to be held for discussion of financial results and annual reports and
- Shareholding pattern

NOMINATION FACILITY

The shareholders holding shares in physical form are mandatorily required to furnish to the Company's RTA, their PAN, KYC details, the details of nomination in hard copy or through electronic mode with e-signature as follows:

- Either,
 - Nomination through Form SH-13 as provided in the Rules 19 (1) of Companies (Shares capital and debenture) Rules, 2014 or
 - 'Declaration to Opt-out', as per Form ISR-3
- In case of cancellation of nomination by the holder(s) through Form SH-14, then 'Declaration to Opt-out' shall be provided by the holder(s)
- Securities holder(s) can change their nominee through Form SH-14

Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the Nomination facility.

RECONCILIATION OF SHARE CAPITAL AUDIT

As required by Securities Exchange Board of India, quarterly audit of the Company's share capital is being carried out by Company Secretary in practice with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and held in physical form with the issued and listed capital. The Company files this audit report with the Stock Exchanges on or before the due date.

DIVIDEND AND OTHER RELATED MATTERS

The Company provides the facility for direct credit of the dividend to the Members' bank account. SEBI Listing Regulations also mandate

Companies to credit the dividend to the Members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' "Automated Clearing House" mode. Members who hold shares in dematerialized mode should inform their Depository Participant, whereas members holding shares in physical form should inform the Company of the banking account details allotted to them by their bankers. In cases where the banking details are not available, the Company will issue dividend warrants to the members.

Further, the Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years from the date the dividend has become due for payment to the Investor Education & Protection Fund (IEPF) established by the Government.

Pursuant to the provisions of Sections 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended, unpaid and/or unclaimed final dividend of ₹11,27,886 pertaining to the financial year ended on March 31, 2015 was transferred during the year to the Investor Education and Protection Fund ("IEPF").

Further, 5072 equity shares of face value of ₹1 each, in respect of which dividend was not paid or claimed by the members for seven consecutive years or more, have been transferred by the Company to IEPF during the year. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

The information on unclaimed dividend is posted on the website of the Company www.orientcement.com.

UNCLAIMED DIVIDEND & UNCLAIMED SHARES

Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), as amended, mandates that companies transfer dividend(s) that has/have remained unclaimed / unrealised for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate that the shares on which dividend(s) has/have not been claimed/encashed for seven consecutive years or more be transferred to the IEPF.

The following table provides a list of years for which unclaimed dividends and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:

| Year | Type of Dividend | Dividend per share (₹) | Date of declaration | Due date for transfer | Amount unclaimed as on March 31, 2023 (₹) |
|---------|------------------|------------------------|---------------------|-----------------------|---|
| 2015-16 | Final | 1.00 | 23-07-2016 | 28-08-2023 | 11,83,174.00 |
| 2016-17 | Final | 0.50 | 23-09-2017 | 25-10-2024 | 6,89,475.50 |
| 2017-18 | Final | 0.75 | 17-08-2018 | 24-09-2025 | 9,96,774.00 |
| 2018-19 | Final | 0.75 | 01-08-2019 | 04-09-2026 | 9,53,705.25 |
| 2019-20 | Final | 0.75 | 31-07-2020 | 02-09-2027 | 9,65,726.75 |
| 2020-21 | Interim | 0.50 | 28-01-2021 | 03-03-2028 | 2,72,811.50 |
| 2020-21 | Final | 1.50 | 05-08-2021 | 07-09-2028 | 7,74,670.00 |
| 2021-22 | Interim | 0.75 | 31-01-2022 | 06-03-2029 | 3,00,174.25 |
| 2021-22 | Final | 1.75 | 28-07-2022 | 29-08-2029 | 6,62,801.25 |

In order to educate the shareholders and with an intent to protect their rights, the Company also sends regular reminders to shareholders to claim their unclaimed dividends/shares before it is transferred to IEPF. Shareholders may note that both unclaimed dividends and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed from IEPF following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

Dividend remitted to IEPF during the last three years

| Fiscal | Type of Dividend | Dividend declared on | Date of transfer to IEPF | Amount transferred to IEPF (₹) |
|---------|------------------|----------------------|--------------------------|--------------------------------|
| 2012-13 | Final | 07-08-2013 | 22-09-2020 | 22,37,280 |
| 2013-14 | Interim | 31-01-2014 | 18-03-2021 | 8,66,113 |
| 2013-14 | Final | 09-08-2014 | 21-09-2021 | 9,54,914 |
| 2014-15 | Interim | 22-01-2015 | 09-03-2022 | 8,83,841 |
| 2014-15 | Final | 25-07-2015 | 28-08-2022 | 11,27,886 |

Note: Accordingly, corresponding shares have been transferred to IEPF.

There are no unclaimed shares lying with the Company.

CODE OF CONDUCT

The Company has also adopted a Code of Conduct ("Code") for the Members of the Board of Directors, and Senior Management and all other senior functionaries as defined in the said Code. The Code provides for their annual confirmation of compliance with the Code. The Code is available on Company's website and can be accessed through the web link: <https://www.orientcement.com/wp-content/uploads/2016/05/Code-of-Conduct-for-Directors-and-Senior-Management.pdf>. The roles and responsibilities of Independent Directors as prescribed in Schedule IV of the Act and/or prescribed in SEBI Listing Regulations forms part of the appointment letters issued to the Independent Directors.

All members of the Board and the Senior Management Personnel have affirmed compliance to the Code as on March 31, 2023. A declaration to this effect, signed by the CEO & MD, forms part of the Annual Report.

POLICIES & CODE AS PER SEBI INSIDER TRADING REGULATIONS

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by Designated Persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information.

The Company's Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on Company's website https://www.orientcement.com/wp-content/uploads/2019/04/CODE_OF_CONDUCT_OF_PRACTICES_AND_PROCEDURES_FOR_FAIR_DISCLOSURE_OF_UNPUBLISHED_PRICE_SENSITIVE_INFORMATION.pdf

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.

The details of the number of cases filed under sexual harassment and their disposal, during the financial year 2022-23 is as under:

| | |
|---|-----|
| Number of complaints filed during the financial year | Nil |
| Number of complaints disposed of during the financial year | Nil |
| Number of cases pending as on the end of the financial year | Nil |

The details of complaints filed, disposed off and pending during the financial year pertaining to sexual harassment are provided in the Business Responsibility and Sustainability Report forming part of this Annual Report.

ADDITIONAL DISCLOSURES

- The Company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.
- Further, there has been no non-compliance in terms of paras (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations.
- During the period under review, Company has not raised any funds through preferential allotment or qualified institutions placement.
- As noted in the Board's Report, the Company has no subsidiaries and hence, is not required to formulate policy for determining 'material' subsidiaries.

CEO AND CFO CERTIFICATION

A certificate signed by the Managing Director & CEO and Chief Financial Officer as stipulated in the Regulation 17(8) of SEBI Listing Regulations and declaration signed by the Chief Executive Officer as stipulated under Regulation 26(3) of SEBI Listing Regulations, were placed before the Board along with financial statement(s) for the year ended March 31, 2023. The Board reviewed and took the same on record. The certificate and declaration are enclosed with this section as Annexure A.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

M/s Balika Sharma & Associates, Practicing Company Secretaries, have issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as Annexure B.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Statutory Auditor's certificate on corporate governance is enclosed with this section as Annexure C.

By order of the Board of Directors
For Orient Cement Limited

Place: New Delhi
Date: April 28, 2023

CK. Birla
Chairman
(DIN 00118473)

Annexure A

CEO & CFO CERTIFICATION

To
The Board of Directors,
Orient Cement Limited

We the undersigned, in our respective capacities as Managing Director & CEO and Chief Financial Officer of Orient Cement Limited ("the Company") certify that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2023 and that to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

For Orient Cement Limited

Place: New Delhi
Date: April 28, 2023

D. D. Khetrapal
Managing Director & CEO
(DIN 02362633)

Prakash Chand Jain
Chief Financial Officer
(FCA- F079601)

Compliance with Code of Conduct

To
The Board of Directors,
Orient Cement Limited

In compliance with the requirements of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby confirmed that all the Board members and the Senior Management Personnel have confirmed compliance with the Company's Code of Conduct for Directors and Senior Management for the financial year ended March 31, 2023.

For Orient Cement Limited

Place: New Delhi
Date: April 28, 2023

D. D. Khetrapal
Managing Director & CEO
(DIN 02362633)

Annexure B

CERTIFICATE

Under Regulation 34(3) read with Schedule V(C)(10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

On the basis of the confirmations received from the Directors of Orient Cement Limited (CIN: L26940OR2011PLC013933) having Registered office at Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha-751 012, we hereby confirm that:

As on March 31, 2023, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Balika Sharma & Associates

Company Secretaries

FCS No: 4816 C.P. No : 3222

UDIN : F004816E000212969

Place: New Delhi

Date: 28.04.2023

Annexure C

Independent Auditors' Certificate on compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members of **Orient Cement Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 9 September 2021 and the addendum to the engagement letter date 28 March 2023.
2. We have examined the compliance of conditions of Corporate Governance by Orient Cement Limited ("the Company"), for the year ended 31 March 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2023.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as

applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Associates LLP

Chartered Accountants

ICAI Firm's Registration No: 116231W/W-10024

Vikash Somani

Partner

Place: Hyderabad

Date: 28 April 2023

Membership No: 061272

UDIN: 23061272BGYRVH1556

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of listed entity

| | | |
|-----|--|--|
| 1. | Corporate Identity Number (CIN) of the Company | L26940OR2011PLC013933 |
| 2. | Name of the Company | Orient Cement Limited |
| 3. | Year of Incorporation | 2011 |
| 4. | Registered Office Address | Unit -VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012, (Odisha) |
| 5. | Corporate Address | 5-9-22/57/D, 2 nd Floor, GP Birla Centre, Adarsh Nagar, Hyderabad, Telangana – 500063 |
| 6. | Email Address | prakash.jain@orientcement.com |
| 7. | Telephone | 91-40-23688600 |
| 8. | Website | www.orientcement.com |
| 9. | Financial Year Reported | April 1, 2022- March 31, 2023 |
| 10. | Name of the Stock Exchanges where shares are listed | National Stock Exchange of India Limited BSE Limited |
| 11. | Paid-up Capital | ₹20,48,68,760/- |
| 12. | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Prakash Chand Jain, Chief Financial Officer 040-23688788 prakash.jain@orientcement.com |
| 13. | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone basis as there is no other entity forming part of the financial statements of the Company. |

II. Products/Services

14. Details of business activities (accounting for 90% of the turnover)

| Sl. No. | Description of Main Activity | Description of Business Activity | % of turnover of the Company |
|---------|----------------------------------|----------------------------------|------------------------------|
| 1. | Clinker and Cement Manufacturing | Manufacturing and sale of Cement | 99.89% |

15. Products/Services sold by the Company (accounting for 90% of the turnover)

| Sl. No. | Product/Service | NIC Code | % of total turnover contributed |
|---------|--------------------|----------|---------------------------------|
| 1. | Clinker and Cement | 2394 | 99.89% |

III. Operations

16. Number of locations where plants and/or operations/offices of the Company are situated:

| Locations | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | 3 | 32 | 35 |
| International | NIL | NIL | NIL |

17. Markets served by the Company

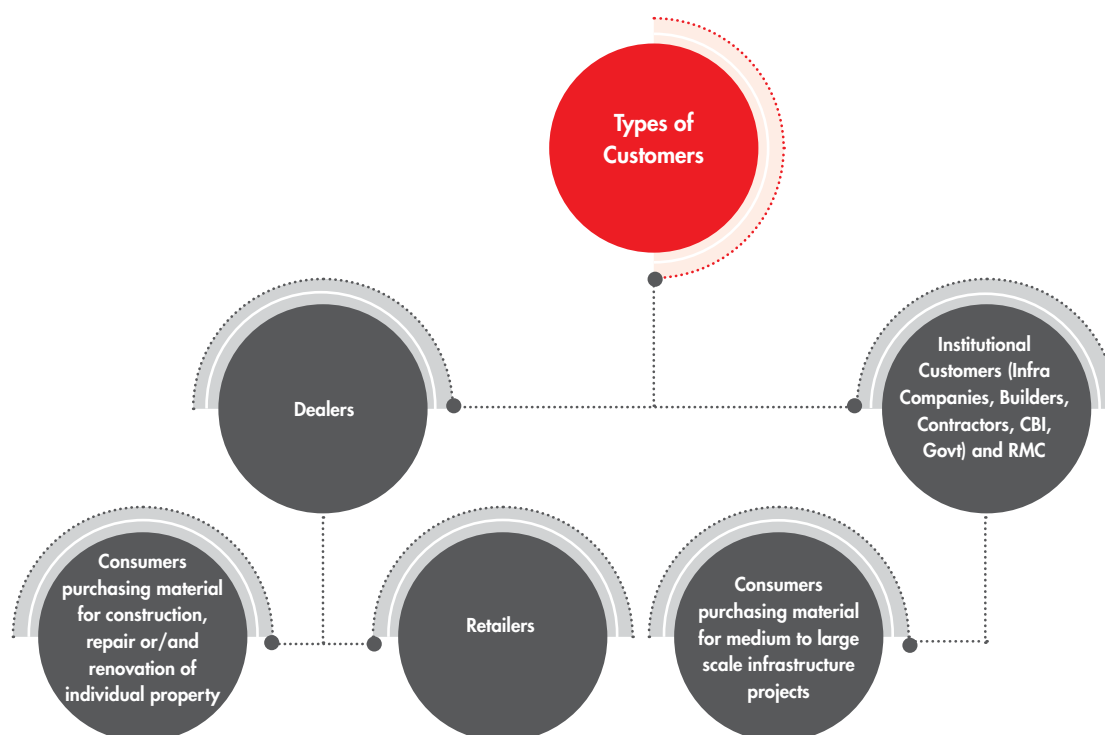
a. Number of locations

| Locations | Number |
|----------------------------------|--------|
| National (No. of States) | 11 |
| International (No. of Countries) | NIL |

b. What is the contribution of exports as a percentage of the total turnover of the Company?

Nil. The products are sold only in India.

c. Types of customers



IV. Employees

18. Details as at the end of Financial Year, i.e., March 31, 2023

a. Employees and workers (including differently abled):

| Sl. No. | Particulars | Total (A) | Male | | Female | |
|-----------|--------------------------|-----------|---------|---------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 855 | 825 | 96.49% | 30 | 3.51% |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | Total employees (D+E) | 855 | 825 | 96.49% | 30 | 3.51% |

| Sl. No. | Particulars | Total (A) | Male | | Female | |
|---------|--------------------------|-----------|---------|---------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 420 | 405 | 96.43% | 15 | 3.57% |
| 5. | Other than Permanent (G) | 3267 | 3147 | 96.33% | 120 | 3.67% |
| 6. | Total workers (F+G) | 3687 | 3552 | 96.34% | 135 | 3.66% |

b. Differently abled Employees and workers:

| Sl. No. | Particulars | Total (A) | Male | | Female | |
|-----------------------------|---|-----------|---------|---------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 2 | 2 | 100% | - | - |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | Total differently abled employees (D+E) | 2 | 2 | 100% | | |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | 1 | 1 | 100% | - | - |
| 5. | Other than Permanent (G) | 1 | - | - | 1 | 100% |
| 6. | Total differently abled workers (F+G) | 2 | 1 | 50% | 1 | 50% |

19. Participation/Inclusion/Representation of Women

| | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|---------|
| | | No. (B) | % (B/A) |
| Board of Directors | 9 | 2 | 22 |
| Key Management Personnel | 3 | 1 | 33 |

20. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)

| | FY2023 | | | FY2022 | | | FY2021 | | |
|---------------------|--------|--------|-------|--------|--------|-------|--------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 14.85 | 0.94 | 15.79 | 14.45 | 1.75 | 16.20 | 10.36 | 1.28 | 11.64 |
| Permanent Workers | 4.29 | 0.23 | 4.52 | 4.39 | - | 4.39 | 9.77 | - | 9.77 |

Note: This includes employees/workmen who have retired during the year.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Name of holding/subsidiary/associate companies/joint ventures

| Sl. No. | Name of the holding/subsidiary/associate companies/joint ventures (A) | Indicate whether Holding/Subsidiary/Associate/Joint Venture | % of shares held by the Company | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No) |
|---------|---|---|---------------------------------|---|
| NIL | | | | |

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/No) Yes**

(ii) Turnover (in ₹ Lacs): ₹2,93,754.56 lacs

(iii) Net worth (in ₹ Lacs): ₹1,60,370.17 lacs

VII. Transparency and Disclosure Compliances

23. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom compliant is received | Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redressal policy) | FY2023 | | | FY2022 | | |
|---|---|---|---|---------|---|---|---------|
| | | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks | No. of complaints filed during the year | No. of complaints pending resolution at close of the year | Remarks |
| Communities | Yes | 0 | 0 | - | 0 | 0 | - |
| Investors (other than shareholders) | Yes | 0 | 0 | - | 0 | 0 | - |
| Shareholders | Yes | 0 | 0 | - | 1 | 0 | - |
| Employees and workers | Yes | 1 | 0 | - | 0 | 0 | - |
| Customers | https://www.orientcement.com/wp-content/uploads/2016/05/Whistle-Blower-Policy.pdf | 3 | 2 | - | 4 | 0 | - |
| Value Chain | | 1 | 0 | - | 1 | 0 | - |
| Partners | | | | | | | |
| Others (Anonymous) | | 2 | 0 | - | 1 | 0 | - |

24. Overview of the Company's material responsible business conduct and sustainability issues pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same approach to adapt or mitigate the risk along with its financial implications, as per the following format:

| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|--|--|---|--|---|
| 1 | Health and safety of employees and workers | Risk | The Company's biggest assets are its employees and workers. Their health and safety are of prime importance to the Company. | The Company prioritises safety. The safety system includes training, awareness programmes, and the proper use of protective equipment. The Company complies with legal requirements and rewards employees for safe operations. It also has safety champions and an ideas forum for safety improvements, conducts regular inspections, and emphasises hazard communication. Safety meetings, celebrations and motivational programmes are organised and housekeeping is undertaken for a safe work environment. | Company's efforts have resulted in achieving zero fatalities and zero Lost Time Injuries (LTI) during the FY 2022-23. Thus, "No negative financial impact". |

| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|---|--|---|--|--|
| 2 | Local community involvement and social development | Opportunity | Maintaining positive relationships with local communities has allowed the Company to effectively contribute to social development and lay the foundation for a sustainable business. | <ul style="list-style-type: none"> - The Company continues to engage in CSR activities at all plants to create deeper bonds with the community at large. - At our manufacturing plants, apprenticeship programmes are in place with the objective of providing the local villagers with vocational skills to improve their employability. - Both Devapur and Chittapur provide primary and secondary schooling facilities and medical facilities to the local community. | Please refer Principle-9 of this report & Annexure 3 'Annual Report on CSR' forming a part of the Directors' Report for details of the expenses incurred by the Company. "No negative financial impact" on account of issues related to local communities. |
| 3 | Labour / industrial relations | Risk | <ul style="list-style-type: none"> - Maintaining strong relations with Labour Unions and addressing labour concerns. - Action against human rights violations. | <ul style="list-style-type: none"> - The Company has recognised the role of Labour Unions and fostered harmonious relations with them. - It has also taken proactive steps to resolve concerns that crop up from time to time. | No material impact during the period under review has been reported. Thus, "No negative financial impact". |
| 4 | Environmental Compliance | Risk | Ensuring compliance with MOEF and other regulatory requirements. | <ul style="list-style-type: none"> - The Company continues to closely monitor and comply with regulatory requirements and has the necessary infrastructure at all plants to regularly review the process and ensure compliance. - Third-party services were utilised to ensure compliance. | The Company has not received any direction from the regulators related to environmental compensation/issues. Thus, "No negative financial impact". |
| 5 | Energy, Fuel and usage of alternative fuels or hazardous wastes | Opportunity and Risk | <p><u>Risk</u> –</p> <ul style="list-style-type: none"> - High volatility in coal and petcoke availability and prices. - Hazardous wastes require specific safety protocols to be maintained right through their life cycle (i.e., transportation, handling and disposal or usage). | <ul style="list-style-type: none"> - Permission from the Pollution Control Board is obtained for the use of hazardous waste. SOPs are defined and continuously monitored to ensure compliance. - The Company has a robust infrastructure to reduce pollution. - Continuous efforts are made and monitoring mechanisms are in place to address process variability and ensure that there is no impact on quality. Investments in digitally enabled monitoring and process optimisation systems during the year are further supporting this initiative. | Additional expenditure was incurred to install AFR handling systems at both plants. During FY23, 13.2% of alternative fuels were co-processed in kilns and 5.7% of alternative fuels were consumed in the Captive Power Plant, substituting fossil fuels and promoting circularity. The total savings achieved during the year by using AFR was approximately ₹39.6 crore. |

| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|-----------------------------|--|--|---|--|
| | | | <ul style="list-style-type: none"> - Changes in legislative norms on waste collection and utilisation. - Process variability caused by the variable chemistry of different alternative raw materials or fuels may impact quality. <p>Opportunity – AFR, including hazardous wastes, helps mitigate availability, lower cost, promote a circular economy and contribute towards sustainability goals.</p> | | Additional resources were deployed to procure RDF, Plastic waste and use locally generated agri-waste to improve thermal substitution, promoting interdependence with local communities. Thus, this opportunity resulted in "Positive financial impact". |
| 6 | Material/ Services sourcing | Risk | <p>Surge in the cost of raw materials</p> <ul style="list-style-type: none"> - High dependency on local vendors and sources. - Increased logistics costs due to the rise in fuel prices. - Quality and consistency in the parameters of raw materials is a challenge. - The service provider's adherence to statutory compliances like labour, SHE etc. | <ul style="list-style-type: none"> - Optimised fuel procurement based on arbitrage and availability, locally as well as globally. - Efforts are ongoing to expand the supplier base and have long-term contracts. - Adoption of a Green Logistics Policy which means exploring and applying reverse logistics wherever possible to minimise dead freight. - A progressive shift from road to rail mode to reduce cost and emissions. - Quality parameters are contractually specified, tracked in-house and strictly enforced - The EHS policy is an integral part of all service contracts, which is shared with the provider and strictly enforced. | Despite the Company successfully addressing the challenges concerning fuel availability and associated cost impacts, the Company experienced negative financial impact. |

| Sl. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---------|---------------------------|--|---|---|---|
| 7 | Water management | Risk | <ul style="list-style-type: none"> - Excessive consumption of water for operations as well as for dust suppression. - Discharge of effluents contaminating soil and ground water. | <ul style="list-style-type: none"> - Most water requirements to run the plants are fulfilled with available water from mines and rainwater reservoirs. - Close monitoring and management of water consumption to ensure our plants are water positive. - Utilisation of treated water for dust suppression and green belt development. - Zero liquid discharge. | Various measures implemented by the organization has resulted in water security with better management. This resulted in "positive financial impact" with respect to water charges. |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|--|---------------|-----|-----|-----|-----|--------|-----|-----|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes Note 1 | Yes | Yes | Yes | Yes | | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Note - 3 | No | No | Yes | No | No | Note 2 | Yes | No |
| c. Weblink of the policies, if available | * | ** | - | # | ## | *** | | # | - |
| 2. Whether the Company has translated the policy into procedures. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | | Yes | Yes |
| 3. Do the enlisted policies extend to the Company's value chain partners? (Yes/No) | Yes | Yes | No | No | No | Yes | | No | Yes |
| 4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle. | The policies are based on prescribed principles, the Bureau of Indian Standards (BIS), conformance to the spirit of International Standards, including, ISO 9001, ISO 14001, ISO 27001, ISO 45001, ISO 50001 GRI-standards and ILO principles, GCCA/WBCSD, PAT (Performance, Achieve Trade), NABL and GPTW (Great Place to Work), wherever applicable. | | | | | | | | |
| 5. Specific commitments, goals and targets set by the Company with defined timelines, if any. | The commitments and goals, wherever required, are set by the Company and have been mentioned in the respective principles. | | | | | | | | |

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|

6. Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met. NA

Note-1:- The policy is embedded in the Company's quality, environment, energy, safety policies which, inter alia, relate to safe and sustainable products.

Note-2:- The need for a formal policy was not identified.

Note-3:- The Code of Conduct for Directors and Senior Management and the Whistle Blower Policy of the Company are approved by the Board of Directors of the Company and are signed by the Managing Director and CEO of the Company.

*<http://www.orientcement.com/wp-content/themes/orient/assets/pdfs/Acrobat-Document.pdf>

**<http://www.orientcement.com/sustainability/>

#<https://www.orientcement.com/wp-content/uploads/2021/05/corporate-social-responsibility-policy.pdf>

##<http://www.orientcement.com/wp-content/uploads/2018/03/OCL-Human-Rights-Policy.pdf>

***<http://www.orientcement.com/sustainability/>

Governance, leadership and oversight

7. Statement by Director, responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)
Statement by the Managing Director & CEO highlighting the relevance of sustainability to the organisation is mentioned at page nos. 20 to 22 of this Annual Report FY23. Please refer page nos. 30 and 31 of this Annual Report FY23 for ESG achievements of the Company.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). Mr. Desh Deepak Khetrapal
Managing Director & CEO
DIN: 02362633
9. Does the Company have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.
The Managing Director and CEO, Chief Financial Officer, Plant Heads, HR Head, Sales and Marketing Head and Procurement Head evaluate the Company's business responsibility performance on a regular basis. Overall performance is assessed at least once a year by the Board.
The targets related to environmental KPIs, such as the reduction of water usage in operations, the use of alternative fuels and raw materials, as well as the mitigation and management of climate change impacts, are part of the KRA of senior management. The Managing Director reviews performance against these KRAs on a quarterly basis. The Board is kept informed about the progress on these parameters.

10. Details of review of NGRBCs by the Company:

| Subject for review | Indicate whether review was undertaken by Director/ Committee of the Board/any other Committee | | | | | | | | | Frequency (Annually/Half yearly/Quarterly/Any other - please specify) | | | | | | | | |
|--|--|-----|-----|-----|-----|-----|-----|-----|-----|---|-----|-----|-----|-----|-----|-----|-----|-----------|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | | | | | | | | | | | | | | | | | | Quarterly |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | | | | | | | | | | | | | | | | | | Quarterly |

| | | | | | | | | | | |
|-----|---|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 11. | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| | Has the entity carried out independent assessment /evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. | Yes, the Company has engaged M/s TUV India Private Limited to conduct the Limited Assurance of this report. | | | | | | | | |

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| The entity does not consider the Principle material to its business (Yes/No) | | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

Not applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Orient Cement has built a robust and fair governance framework to promote and enforce ethical values throughout the Company's culture and to safeguard the interests of all stakeholders. To prevent unlawful practices, the Company's Code of Conduct establishes objectives, tasks and rules for employees and senior management, which must be adhered to by all. It underscores the Company's commitment to meeting required ethical principles and prepares all workers to adopt the Code of Conduct's principles into their daily actions. If deviations are found or reported, they are addressed with appropriate firmness and visibility.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|--|--|--|
| Board of Directors Key Managerial Personnel | The Board of Directors and KMPs have attended approximately 18 familiarisation opportunities at the Board meetings and other Committee meetings. | The topics are aligned with the material topics as identified during the stakeholder consultation, including, but not limited to, Business & Financial performance, Corporate Social Responsibility (CSR), assessment of Risks associated with Business, Evaluation of internal financial controls, Digitisation initiatives, compliance and governance parameters, etc. | 100% |

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|--|---|---|---|
| Employees other than Board of Directors and KMPs | The employees other than the Board of Directors and KMPs have undergone 152 awareness sessions and training programmes. | The topics were aligned with material topics as identified during stakeholder consultation, including, but not limited to, POSH, water and energy conservation, IT security, incident investigation, productivity, environment protection, digitisation and fire safety | POSH coverage is 100%. Other programs on skill development, productivity, Environment, Sustainability, coverage of 81%. |
| Workers | 24 Awareness (all Plants) and 14 Skill Development Programmes at Plants. | Awareness Programmes on Health and Safety and On-skill Development Programmes | Health and Safety 100%. Skill development - 81% |

Open house sessions (total 7 nos.) were conducted from time to time by the Managing Director and CEO of the Company. These sessions were conducted in person at our Plants, on Workplace@facebook.com (our internal communication platform) and/or through Zoom with Q&A sessions. During these meetings, the Managing Director and CEO addressed the staff and familiarized them with business updates, developments in the cement industry, obstacles encountered, new initiatives launched on environmental and social fronts to satisfy the Company's commitments, and so on. Further, Managing Director and CEO also gave updates on the previous Townhalls, key suggestions and way forward. These sessions are attended by a large number of team members. They can also access recordings of such meetings on the Workplace platform at their leisure. In addition to these engagements during the fiscal year, the Plant Leadership Team and Functional Leadership Team organized numerous smaller-group meetings to reinforce key principles, values and policies across levels.

2. Details of fines /penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year.

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

The Company periodically evaluates the regulatory compliance risks pertaining to its business and takes necessary actions to mitigate such risks. Its commitment to regulatory compliance is reaffirmed by the online compliance tool 'Kavach'. The tool, which links statutory compliances to each area of corporate activity, is managed by the Company's Legal Head. No Regulatory authority or Courts issued or imposed any order or penalty on the Company that could have a negative impact on its future operations.

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

No Regulatory authority or Courts issued or imposed any order or penalty on the Company. Hence not applicable.

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The policy on bribery and corruption prevention is embedded in the Company's Codes of Conduct (namely, the Code of Conduct for employees, the Code of Conduct for Directors and Senior Management, and the Supplier Code of Conduct), Whistle Blower Policy and HR policies and practices.

The required steps to ensure proper reporting of incidents are outlined in the Whistle Blower policy. All complaints received are placed before the Audit Committee and the Board of Directors on a quarterly basis. The Company also raises awareness about the Whistle Blower mechanism and the Code of Conduct to ensure proper implementation of the Codes.

The relevant policies can be accessed at <https://orientcement.com/policies/>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

The Directors, KMPs, employees or workers have not been subjected to any action by law enforcement agencies for charges of bribery or corruption in the current financial year or the previous financial year.

| | FY2023 | FY2022 |
|-----------|--------|--------|
| Directors | NIL | NIL |
| KMPs | NIL | NIL |
| Employees | NIL | NIL |
| Workers | NIL | NIL |

6. Details of complaints with regard to conflict of interest.

No complaints with regard to the conflict of interest of Directors and KMPs have been received in the current fiscal year or the previous year.

| | FY2023 | | FY2022 | |
|--|--------|---------|--------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | NIL | NIL | NIL | NIL |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | NIL | NIL | NIL | NIL |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest.

Not applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topics/principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|--|---|--|
| 45 unique Programmes (conducted at the plants multiple times) | Training sessions were conducted for contractors (including their supervisors and workmen), covering majorly maintaining inward and outward registers, verifying needful documents for inward and outward returnable and non-returnable materials, behaviour-based safety and avoiding unsafe practices, limestone mining practices, types of emergencies and threats, electrical safety awareness, firefighting and maintenance of fire hydrants, etc. | Out of total 27 high value chain partners, we have trained 100% of our partners on all safety related training, training for security personnel for maintaining different registers, records and safety and the remaining were provided the function related training programs |
| 20 unique programmes (conducted at multiple locations several times) | Awareness programmes for our channel partners, influencers and customers were conducted with the primary objective of promoting product awareness, good construction practices, and learnings from the various technical points to ensure appropriate construction practices. Also, to raise premium product awareness, StrongCrete is promoted for its unique features, benefits, and cost savings. Value-added services are provided by the technical team. They offer technical training at plants, conduct health programmes for value chain partners and their family members. | 80% awareness and information building session for masons, architects, engineers, dealers, retailers were conducted to build product awareness and good construction practices. |

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

According to the Company's Code of Conduct, the Directors and the Senior Management are required to take utmost care when participating in any transaction directly or indirectly in which they have a direct or indirect interest that conflicts, or may conflict, with the interests of the Company. They are expected to:

- avoid conflicts of interest
- refrain from accepting benefits from third parties
- disclose interest in a proposed transaction or arrangement (transactional conflicts)
- declare interest in an existing transaction or arrangement.

Every member of the Board and Senior Management must submit an affirmation of compliance with the provisions of the Code of Conduct annually.

Principle 2: Business should provide goods and services in a manner that is sustainable and safe

Orient Cement strives to manufacture products that have a minimal impact on the environment and communities in which they operate. The Orient Cement website provides IHBs (individual house builders) with the knowledge they need about good construction practices through home building videos, estimation and costing tools for various stages via a cost calculator, and literature on Vaastu compliance. All these inputs are available at the link: Construction Planning Tools for Your Next Build-Birla A1 and will help the IHBs build a sustainable dream home with optimum usage of resources. Our blended cement products have been certified 'Green Product' by the Confederation of Indian Industry -CII's Green Products and Services Council since 2019.

Sustainability has always been embedded in the philosophy and operations of the Company through operational and resource efficiency. To accomplish this objective, the Company proactively strives to reduce the environmental impact of all business operations and to promote ethical standards that support sustainable growth.

Essential Indicators

- 1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

| Segment | FY2023 | FY2022 | Details of improvements in environmental and social impacts |
|---------|--------|--------|---|
| R & D | - | - | - |
| Capex | 15.9% | 7.08% | Details of projects implemented in FY23: <ul style="list-style-type: none"> • Installed bag filters to reduce air pollution. • Resources developed to enhance the percentage of Biomass usage. • Installation of solar lights, etc |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the Company's sourcing policies and procedures focus on continuously increasing sustainable sourcing. For all supply and service contracts, these processes include vendor selection, vendor onboarding, contract negotiation and award, as well as post-contract support. All expectation from vendors and service providers are discussed openly and aligned for a sustainable journey throughout the sourcing lifecycle.

- b. If yes, what percentage of inputs were sourced sustainably?

Approximately 55% of our vendors and suppliers of input materials (including vendors /suppliers of alternative fuels and raw materials) have confirmed compliance with the requirements of social and environmental standards and are

certified in this regard by the International Organization for Standardisation. The Company has also been increasing the use of rail transportation for shipment of cement and raw materials. The Company also conducts regular safety training sessions for drivers, including those employed by logistics partners.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Cement is packed in PP (polypropylene) bags, which generate a certain amount of plastic waste depending on sales. The Company procures an equivalent quantity of plastic waste from multiple sources and co-processes it in the kiln circuit, including internal plastic wrappers as a fuel in line with plastic waste management guidelines. E-waste and hazardous waste generated are disposed to authorised recycler(s).

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to Orient Cement Limited. The Company has submitted its action plan on plastic waste management to the Central Pollution Control Board, in line with the EPR policy.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

This year the Company has not carried out Life Cycle Perspective / Assessments (LCA) for its products. However, Company is planning to carry out LCA in coming years.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your

products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

This year the Company has not carried out Life Cycle Perspective / Assessments (LCA) for its products. However, our usual rigorous monitoring measures ensure that there are no significant social or environmental concerns.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material # | |
|---|--|--------|
| | FY2023 | FY2022 |
| Fly Ash, Lime sludge, Iron slag and Chemical Gypsum | 15.63% | 16.51% |

The above numbers are based on quantity on mass basis.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY2023 | | | FY2022 | | |
|--------------------------------|---------|----------|-----------------|---------|----------|-----------------|
| | Re-used | Recycled | Safely Disposed | Re-used | Recycled | Safely Disposed |
| Plastics (including packaging) | - | - | - | - | - | - |
| E-waste | - | - | - | - | 3.8 | - |
| Hazardous waste | 17.3 | 21.0 | - | 30.3 | 13.3 | - |
| Other waste | - | - | - | - | - | - |
| Battery waste | - | 20.2 | - | - | 2.3 | - |
| Bio-medical waste | - | - | 0.2 | - | - | 0.2 |

Previous year figures have been regrouped/corrected wherever considered necessary.

Reused waste consists of used oil, oil-soaked cotton waste and these materials co-processed in the Kiln.

Recycled waste consists of Battery waste, Oil sludge, used oil etc., disposed to authorised recycler.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---------------------------|---|
|---------------------------|---|

The end product is cement and it is utilised in the form of concrete for construction purposes. Therefore, it cannot be reclaimed. As regard, packaging material, please refer essential indicator 3 above

Principle 3: Business should respect and promote the wellbeing of all employees, including those in their value chains

As a people-centric Company, Orient Cement considers employee well-being and happiness to be crucial for its growth and productivity. Those who are qualified to perform the assigned duties are offered equal employment opportunities by the Company, which adopts fair employment policies. The Company prioritises the health and safety of its workers, with a special focus on lowering safety risks through engineering and management solutions.

The Company's philosophy of 'Work Safe-Live Safe' is recognised and integrated into the corporate operational operations through the Company's Environment, Health and Safety (EHS) policy. To ascertain the employees' wellbeing, the Company has stringent safety protocols and procedures, which are implemented across all operational sites. These measures of protection were created in response to the different health hazards associated with the cement industry. The Company has mechanised all its mining operations and has SOPs in place for each operation to avoid workplace accidents. Additionally, it makes sure that safety toolbox briefings are conducted at each site once a permit has been issued but before work is started.

The Company has taken proactive steps to ensure the wellbeing of its employees as well as their family members. Healthcare facilities are available 24 hours a day to workers, their families in and around the plant's vicinity. The 'We Care' initiative, which began as a feedback and query mechanism, has evolved into a comprehensive program that focuses on health, wellness, idea generation, and engagement for team members and other stakeholders near the Company's operating locations.

From the day of induction, all employees and workers undergo several modules of training to learn and improve their safety skills. All employees, including temporary and contracted workers, receive this training. The first step for employees is a check-up to determine their level of physical fitness. Employees that are newly hired participate in the organisation's safety induction programme, where they learn about the requirements for infrastructural, electrical, and fire safety. A Behaviour-Based Safety Training Programme is conducted for existing employees to refresh their knowledge and practice of safety protocols. Routine safety inspections and audits (internal as well as external) are conducted to ensure proper implementation of safety practices by all employees, from the leadership team to the contractual workforce, security guards and guests.

Essential Indicators

1. a. Details of measures for the well-being of employees:

The Company prioritises employee well-being through several people-centric policies. Along with health and accident insurance policies, non-occupational medical and healthcare services are offered to permanent employees and workers. The details are provided below:

| Category | % of employees covered by | | | | | | | | | | |
|--------------------------------|---------------------------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|----------------------|---------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day Care facilities# | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 825 | 825 | 100% | 825 | 100% | 0 | 0 | 825 | 100% | 0 | 0 |
| Female | 30 | 30 | 100% | 30 | 100% | 30 | 100% | 0 | 0 | 30 | 100% |
| Total | 855 | 855 | 100% | 855 | 100% | 30 | 3.51% | 825 | 96.49% | 30 | 3.51% |
| Other than Permanent employees | | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - |

[#] At the plants, members are covered through facilities available at their respective locations. For members based out of office locations (where the number of total employees at each location is very less) the Company has explored tie-ups with professional facility partners.

b. Details of measures for the well-being of workers:

| Category | % of workers covered by | | | | | | | | | | |
|------------------------------|-------------------------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent Workers | | | | | | | | | | | |
| Male | 405 | 405 | 100% | 405 | 100% | 0 | 0 | Not Applicable | | | |
| Female | 15 | 15 | 100% | 15 | 100% | 15 | 100% | 0 | 0 | 15 | 100% |
| Total | 420 | 420 | 100% | 420 | 100% | 15 | 3.57% | 0 | 0 | 15 | 100% |
| Other than Permanent Workers | | | | | | | | | | | |
| Male | 3147 | 3147 | 100% | 3147 | 100% | 0 | 0 | Not Applicable | | | |
| Female | 120 | 120 | 100% | 120 | 100% | 120 | 100% | 0 | 0 | 120 | 100% |
| Total | 3267 | 3267 | 100% | 3267 | 100% | 120 | 3.67% | 0 | 0 | 120 | 100% |

2. Details of retirement benefits, for Current and Previous Financial Year.

The Company also offers provisions for PF, Gratuity and ESI to the employees and the details are provided below:

| Benefits | FY2023 | | | FY2022 | | |
|------------------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | 100% | Y | 100% | 100% | Y |
| ESI* | 0.1% | 100% | Y | 0.58% | 100% | Y |
| Others- please specify | - | - | - | - | - | - |

* In FY 2022-23 we have only 1 member covered under ESI. For FY 2021-22 we had 5 members covered under ESI.

3. Accessibility of workplaces

Are the premises/offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

Yes, the Company offices are made accessible through ramps, lifts, etc., wherever required and the facility of western restrooms is available across all the operational sites.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The equal opportunity policy is embedded in the Code of Conduct policy of the Company which can be accessed via this link : <https://www.orientcement.com/wp-content/themes/orient/assets/pdfs/Acrobat-Document.pdf>. The Code of Conduct is shared with all the employees as a part of their induction programme.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent Employees | | Permanent Workers | |
|--------------|---------------------|----------------|--|----------------|
| | Return to work rate | Retention Rate | Return to work rate | Retention Rate |
| Male | 100% | 100% | No permanent worker availed maternity benefit. | |
| Female | 100% | 100% | | |
| Total | 100% | 100% | | |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If yes, then give details of the mechanism in brief) |
|--------------------------------|---|
| Permanent workers | Yes |
| Other than permanent workers | Yes |
| Permanent employees | Yes |
| Other than permanent employees | Yes |

Orient Cement's open-door policy provides opportunities for employees to freely communicate their concerns. Mentioned here are a few initiatives taken by the Company to ensure a conducive working environment.

- **WE CARE:** Employees can express their concerns, ideas, and proposals on this platform. Employees are updated about the progress of the issues forwarded through 'wecare@orientcement.com' from time to time. Throughout the reporting period, 4 replies were sent via the WE CARE platform, and all of them were dealt with in a timely manner.
- **POSH (Prevention of Sexual Harassment):** The policy on prevention of sexual harassment has been formulated to ensure the safety of its team members at the workplace (including while on official work outside the base location). A dedicated internal committee has been formed to address any issues raised by any team member/s. The Company also conducted awareness

sessions and has launched an e-learning module to offer a better understanding of the policy.

- **Whistle-blower Policy:** This policy enables internal team members and external stakeholders to raise concerns. The concerns are addressed by the Whistle Blower Committee, headed by the Managing Director and CEO, the Chief Financial Officer and the Chief HR Officer. It is also reported to the Audit Committee and the Board of Directors. The Committee investigated all matters reported during the financial year and took necessary action, under report to the Audit Committee and the Board.
- Employees and workers also have the opportunity to report their grievances or suggestions to the respective locational HR SPOC (Single Point of Contact) and functional heads. Respective grievances are addressed as per the defined grievance redressal procedure. The Company also conducts programmes such as P-Connect, Coffee with Leaders and Town Halls that allow employees to communicate their concerns with team members and top management. All points that are raised are tracked and updated back to individuals/teams in a transparent manner. It also enables quick resolution of various issues. To improve the working environment, various committees - Canteen Committee, Sports Committee, School Committee, Colony Committee, Welfare and Safety Committee and Workmen Committee - have been formed. A welfare officer is appointed as the convener of each committee and grievances are addressed on a priority basis. Team member(s) can also express their concerns to Manager, Skip Level Manager, HOD, location HR Head, Plant Head/Functional Head, Chief HR Officer as well as the Managing Director and CEO.

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

None of the permanent employees are the members of any Association(s) or Union(s) recognised by the Orient Cement. However, the male and female workers at Devapur Plant of the Company are part of a workers' union recognised by an authorised entity. The details of such membership/s are provided below:

| Category | FY2023 | | | FY2022 | | |
|----------------------------------|---|--|--------|---|--|--------|
| | Total employees/ workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | %(B/A) | Total employees/ workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | %(D/C) |
| Total Permanent Employees | NIL | NIL | NIL | NIL | NIL | NIL |
| - Male | NIL | NIL | NIL | NIL | NIL | NIL |
| - Female | NIL | NIL | NIL | NIL | NIL | NIL |
| Total Permanent Workers | 271 | 271 | 100% | 270 | 270 | 100% |
| - Male | 258 | 258 | 100% | 258 | 258 | 100% |
| - Female | 13 | 13 | 100% | 12 | 12 | 100% |

8. Details of training given to employees and workers:

Training is an important aspect of talent and skill development. Therefore, the Company conducts various programmes to meet these requirements throughout the year. The details are provided below:

| Category | FY2023 | | | | | FY2022 | | | | |
|-----------|--------------|----------------------------------|---------|-------------------------|---------|--------------|---|---------|-------------------------|---------|
| | Total (A) | On health and safety measures | | On skill upgradation | | Total (D) | On health and safety measures [#] | | On skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 825 | 651 | 79% | 645 | 78% | 831 | 521 | 63% | 620 | 75% |
| Female | 30 | 23 | 77% | 17 | 57% | 27 | 11 | 41% | 18 | 67% |
| Total | 855 | 674 | 79% | 662 | 78% | 858 | 532 | 62% | 638 | 74% |
| Workers | | | | | | | | | | |
| Male | 405 | 390 | 96% | 250 | 62% | 330 | 319 | 97% | 72 | 22% |
| Female | 15 | 15 | 100% | 12 | 80% | 12 | 12 | 100% | 0 | 0 |
| Total | 420 | 405 | 96% | 262 | 62% | 342 | 331 | 97% | 72 | 21% |

[#] Note: Every member was given health and safety training virtually and / or physically.

9. Details of performance and career development reviews of employees and workers:

Performance reviews are conducted twice a year, along with yearly career development reviews. For workmen, performance and development reviews are conducted yearly and rewards are linked to skills and performance. The details are provided below:

| Category | FY2023 | | | FY2022 | | |
|----------------------------|------------|------------|---------------|------------|------------|---------------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Employees | | | | | | |
| Male | 825 | 825 | 100% | 831 | 831 | 100% |
| Female | 30 | 30 | 100% | 27 | 27 | 100% |
| Total | 855 | 855 | 100% | 858 | 858 | 100% |
| Workers[#] | | | | | | |
| Male | 405 | 349 | 86.17% | 330 | 178 | 53.90% |
| Female | 15 | 9 | 60% | 12 | 3 | 25.00% |
| Total | 420 | 358 | 85.24% | 342 | 181 | 52.92% |

[#] Note: (1) Performance reviews are conducted for all non-unionised workmen on a yearly basis.

(2) Unionised workmen who have spent at least five years in a particular grade/trade are reviewed along with HODs on a yearly basis.

10. Health and Safety Management System:

At Orient Cement, vigilance is incorporated into the Company's operations, to continually ensure the health and safety of all its employees. The Company's commitment to safe and sustainable working conditions is highlighted by its philosophy of 'Work Safe-Live Safe' and its Corporate Environment, Health & Safety (EHS) Policy. To ascertain the Company's employees' wellbeing, it has stringent safety protocols and procedures which are implemented across all its operational sites.

The Company also implements safety toolbox talks and awareness sessions at every site before work permit issuance. Its employees have access to detailed information on all safety

protocols through the Company's Corporate Safety Manual and safety trainings, which are conducted at various stages. Annual medical examinations are being organised for all employees to monitor health status as per guidelines.

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, all plants of Orient Cement have implemented ISO 45001 – the Occupational, Health and Safety Management System and the scope of certification covers product manufacture and supply.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

To ensure adherence to prescribed safety norms, teams visit workplaces and locations to carry out inspections and assessments of potential hazards that could harm workers. Teams interact with the workmen and explain hazards and risks involved in allocated activities through toolbox talks. The Company also has a Hazard Identification and Risk Assessment (HIRA) process that involves identification of existing as well as potential routine and non-routine workplace hazards, viz., periodic review of risks, determining and implementing a hierarchy of controls for safe operations. Hazards related to working at height, working in confined spaces, hot work, conveyor belts, inadequate guarding, maintenance, etc. are covered under the HIRA register.

c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)

Yes, apart from implementing safety measures, the Company encourages its employees and workmen to report work

hazards, near misses, unsafe acts etc. During the daily toolbox sessions, work related hazards noticed while performing the activities are shared by workmen with the concerned in-charge and appropriate actions are initiated to mitigate these hazards. The process has been made robust to implement corrective and preventive measures that safeguard employees from potential hazards.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, along with health and accident insurance policies and hospital tie-ups, non-occupational medical and healthcare services are offered to permanent employees and workers who are based at the respective plants from our Health Centres. For up country-based team members, in addition to health and accident insurance policies, the Company has hospital tie-ups that support all medical needs.

11. Details of safety related incidents, in the following format:

The Company strives to minimise safety incidents through advanced engineering and management solutions. The Company achieved Zero LTI during the financial year. The details are as provided below:

| Safety Incident /Number | Category | FY2023 | FY2022 |
|---|-----------|--------|--------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | Nil | Nil |
| | Workers | Nil | 0.09 |
| Total recordable work-related injuries | Employees | Nil | Nil |
| | Workers | Nil | 1 |
| No. of fatalities | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | Nil | Nil |
| | Workers | Nil | Nil |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company implemented the following steps to ensure a safe and healthy workplace:

- Various safety trainings and awareness programmes are organised across operations, like HIRA (Hazard Identification and Risk Assessment), energy isolation, excavation and scaffolding safety, emergency preparedness, mock drills for fire safety, handling of AFR materials, maintenance of safety data sheets, work in confined spaces, mining safety, etc. Trainings on lifting tools and tackles, power tools, electrical safety, road safety, railway safety and behaviour-based safety and work at height safety are provided by the Company. Cardinal Rules are also shared during these safety trainings and awareness programmes.
- The Company has designated teams to monitor the activities to ensure all safety protocols are followed.
- Across the plants of Orient Cement, an 'Applause' programme is followed, wherein employees and workmen are felicitated for sharing the best ideas, the highest number of near-miss incidents, initiatives for environmental improvement and energy efficiency. A reward for 'Safety Employee of the Month' and 'Stars of the Month' is also given.

13. Number of Complaints on the following made by employees and workers:

The Company did not receive any complaints from employees and workers during the current reporting period. The details are provided below:

| | FY2023 | | | FY2022 | | |
|--------------------|-----------------------|---|---------|-----------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working Conditions | Nil | Nil | - | Nil | Nil | - |
| Health & Safety | Nil | Nil | - | Nil | Nil | - |

14. Assessments for the year:

Periodic assessments are conducted on health and safety measures by both internal and external agencies. The ISO certifying agencies—M/s DNV GL (Det Norske Veritas, Germanischer Lloyd) and M/s BSI—British Standards Institution—periodically (half-yearly) carry out assessments on health and safety practices across all plants and offices. Visits from statutory authorities are also welcomed by the Company.

| | % of plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Health and safety practices | 100% |
| Working Conditions | |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

A hierarchy of controls and a number of safety protocols are in place to reduce risks and guarantee the team members' and the workplace's safety. As a proactive measure, various incidents that have occurred across the cement industry and other industries are collated, analysed and a detailed presentation on key lessons to learn is prepared and circulated to all plants to help them learn, assess and take necessary corrective and preventive actions. All leading and lagging indicators are captured and accordingly, corrective and preventive actions are planned and implemented across operations.

Also, a number of activities were carried out throughout the factories, including workplace safety inspections, safety toolbox presentations, and awareness seminars. Annual medical examination, free medical treatment, organising medical camps, awareness programmes on various aspects (Sanitation, AIDS, Environment, Heat Stress Management, HIRA etc.) are undertaken by the Company.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

The Company extends its Group Personal Accident Policy and Employee Deposit-Linked Insurance Policy for any unfortunate event/s to all permanent employees and permanent workers to support the aggrieved family.

2. Provide the measures undertaken by the entity to ensure payment of statutory dues by the value chain partners.

Contracts executed by the Company with the value chain partners have 'Standard Terms and Conditions,' including but not limited to payment of 'Taxes and Duties', 'Compliance with Laws', 'Compliance with Statutory Obligations', 'Indemnification', 'Audit Provisions,' etc., which bind the value chain partners to ensure payment of statutory dues. These contractual obligations are reviewed regularly to ensure that the payment of statutory dues such as PF, gratuity, insurance, taxes, etc. is made and complied with by the value chain partners.

3. Provide the number of employees/workers having suffered grave consequences due to work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

| | Total No. of affected employees/workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|---|--------|---|--------|
| | FY2023 | FY2022 | FY2023 | FY2022 |
| Employees | NIL | NIL | NIL | NIL |
| Workers | NIL | NIL | NIL | NIL |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Health and safety practices | 65% of the Company's value chain partners are PSUs and OEMs. All these vendors maintain processes and systems to operate in a sustainable manner, thereby having minimal impact on the environment and maintaining safe working conditions. |
| Working Conditions | Company is reviewing their sustainability disclosures to monitor the performance. |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

We have not carried out the assessment of health and safety practices of our value chain partners. However, we are planning to carry out this assessment in the coming years.

Principle 4: Business should respect the interests of and be responsive to all its stakeholders

Orient Cement strongly believes in the philosophy of ensuring business success by meeting the expectations of its expanding fraternity of stakeholders, including customers, suppliers, vendors, government authorities, regulatory agencies, investors and employees. Effective stakeholder engagement allows the Company to gain precious insight into stakeholders' material concerns and expectations. The Company, therefore, remains committed to transparency, continuous dialogue and engagement with all its stakeholders and establishes long-term relationships with them.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the Company.

Stakeholder mapping is undertaken at various levels, covering the Company's plant locations, sales locations, central and state regulatory bodies, other nodal agencies, key customers and channel partners, shareholders, financiers, and the investor community. The Company follows a hybrid policy where identification and engagement of local stakeholders are largely decentralised but with a level of central oversight by the executive leadership team. On the other hand, stakeholders representing central, and state regulatory bodies and other nodal agencies are identified and managed by respective members of the executive team with assistance from the liaison team. Identification and engagement with shareholders, financiers and investors are largely centralised and managed by the Investor Relations team under the supervision of the Managing Director and CEO and the Chief Financial Officer. Customer and channel partner relationships are largely handled by the sales teams, duly guided by the President-Sales and Marketing and the Managing Director and CEO.

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as vulnerable & marginalised group (Yes/ No) | Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others) | Frequency of engagement (Annually, Half yearly, quarterly /others- please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--|---|---|--|---|
| Regulatory bodies/ Government/ Industry Associations | No | Written and verbal communication | As and when required | Compliance-related requirements such as the filing of periodic returns, reports, payment of taxes, etc. |
| Legal/ Auditors/ Consultants/ other third party | No | Written and verbal communication | As and when required | Compliance to legal requirements, advice on business, legal, tax and environment-related issues. |

| Stakeholder Group | Whether identified as vulnerable & marginalised group (Yes/No) | Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others) | Frequency of engagement (Annually, Half yearly, quarterly /others- please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|--|--|---|--|--|
| Investors/ Funders/ Shareholders | No | Quarterly Results publication to the Stock Exchange, Annual Report, Quarterly Investor and Analyst presentations, Quarterly Financial Follow up reports, Annual Credit Monitoring Arrangement reports and Annual Covenant compliance to Financiers. | Quarterly | Financial performance and business updates |
| Vendors/ Suppliers/ Contractors/ Sellers | No | Written and verbal communication (Contracts, SOPs, guidelines, training). | As and when required | To maintain ethical and responsible business practices, it is imperative to establish clear expectations and obligations for all parties involved and ensure that vendors and suppliers adhere to laws prohibiting practices like child labour. |
| Customers | No | Written and verbal communication | As and when required | Promote and grow business by educating them about the product, services and new initiatives (if any). Understanding their expectations about products and services and ways to improve them. Fulfil transactions involved for doing business. Brand Satisfaction Survey. |
| Local communities | Yes* | Verbal communication (community meetings, survey, grievance redressal) | As and when opportunity is identified | To build community support and focus on community growth. |
| Employees | No | Written and verbal communication (training, issuing guidelines, meetings, email, SMS, Notice Board, Website, Workplace@facebook.com) | Ongoing | Enhancing efficiency and productivity. Imparting training through regular programmes; increasing awareness of all aspects of the business (codes, values, etc.). The Company has established CEO and the chairman's circle for grooming future leaders. |

| Stakeholder Group | Whether identified as vulnerable & marginalised group (Yes/ No) | Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others) | Frequency of engagement (Annually, Half yearly, quarterly /others- please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-------------------|---|---|--|--|
| Management/ Board | No | Written communication (reports, data submission, policies) | Board meetings with defined frequency. Regular monthly review meetings. | To meet the highest standards of governance. Guidance on smooth operations, improving efficiency and productivity |
| Media/NGOs | No | Verbal and written communication (meetings, telephonic, video, print media) | As and when required | Maintaining quality standards, health, well-being and inclusive growth in the community. Interaction is done with NGO's to do need analysis for the CSR project related to Local Community and communication to local media for awareness. |

*Yes, Orient Cement has identified the disadvantaged, vulnerable and marginalised stakeholders in its areas of operation. It includes, among others, people affected by its projects, land sellers and local residents. Orient Cement undertakes conscious efforts to engage with such stakeholders, identify their needs and concerns and address issues appropriately. Based on their needs, the Company engages in initiatives related to healthcare, education, skill development, infrastructure development, provision for safe drinking water and sanitation, sustainable livelihoods, etc. To achieve these objectives, the Company also has a strong CSR policy.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company performs the materiality assessment periodically. By using the Principles of Global Reporting Initiatives to pinpoint the Company's crucial economic, environmental, and social issues, stakeholder assessment was carried out. The identification of material issues is based on inputs from the stakeholder engagement process, global and sectoral sustainability trends, and other factors. The comprehensive materiality evaluation helps the Company prioritise strategies, policies, and action plans relating to economic, environmental, and social consequences by providing context for sustainability. The Board was notified of the conclusions of the stakeholder engagement and the materiality assessment.

The Risk Management Committee also reviews the identification and mitigation of material risks which are classified as Risks that Matter (RTM). All RTM are reviewed by this committee and communicated to the Board for effective monitoring and mitigation every quarter. The risk identification process takes into account, environmental, economic and social topics and their evolution to assess whether certain elements should be considered RTM for appropriate monitoring and mitigation.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Initial identification of environmental and social aspects / topics was done at the project conceptual stage i.e., the Environmental clearance stage. Further we continue the engagement with the communities while designing various initiatives like skill development program, beautician and tailoring course for ladies, providing sewing machines for ladies, motor vehicle driving course for youth, self-help groups for women, medical camps etc., Similarly, on environment topics like water etc., we engage with the communities and provide the required support. We take this feed back into consideration while designing our future CSR programs.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Yes. As explained in question 2 above, we implement various customised programs / actions to address the concerns of one of vulnerable stakeholder group i.e., women.

Principle 5: Business should respect and promote human rights

Human rights are enshrined in Orient Cement's core values of 'Respect for All' and 'Celebrate Diversity', where 'All' includes the Company's

employees, workers, contractors, suppliers, channel/business partners and the communities where it operates. The Company follows a work culture that permits a varied workforce to demonstrate their personal and professional qualities and abilities at the workplace, regardless of their gender, age, nationality, region, religion, sexual orientation or disability. Respect for human rights is the fundamental characteristic of the manner in which the Company carries out its operations and treats its people. The Company is committed to working for the well-being of humanity, saving the planet as well as defending and advancing privacy, safety, freedom of opinion and expression, and other human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Training sessions are conducted periodically to make the employees and workers aware of the policies of the Company.

| Category | FY2023 | | | FY2022 | | |
|------------------------|-------------|---------------------------------------|-------------|-------------|---------------------------------------|---------------|
| | Total (A) | No. of employees /workers covered (B) | % (B/A) | Total (C) | No. of employees /workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 855 | 855 | 100% | 858 | 858 | 100% |
| Other than Permanent | - | - | - | - | - | - |
| Total Employees | 855 | 855 | 100% | 858 | 858 | 100% |
| Workers | | | | | | |
| Permanent | 420 | 420 | 100% | 342 | 187 | 54.68% |
| Other than Permanent | 3267 | 2353 | 72% | 3270 | 1103 | 33.73% |
| Total Workers | 3687 | 2773 | 75% | 3612 | 1290 | 35.71% |

Note: All aspects of Prevention of Sexual Harassment (POSH), Child Labour, legal compliances, customer orientation, diversity and equal opportunities to all the Company's employees in Management Staff were covered. In case of workmen, the Company has covered the aspects of POSH, Child Labour and other labour related awareness programmes as part of its regular training sessions.

2. Details of minimum wages paid to employees and workers, in the following format:

The Company follows the minimum wage regulations notified in its area of operations. During the reporting period, the Company paid more than the minimum wage to all of its permanent and non-permanent employees as well as permanent workers. The non-permanent workers are paid an amount equal to the minimum wage applicable in respective states. The details are provided below :

| Category | FY2023 | | | | | FY2022 | | | | |
|----------------------|--------------|--------------------------|------------|---------------------------|------------|--------------|--------------------------|------------|---------------------------|------------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 855 | - | - | 855 | 100% | 858 | - | - | 858 | 100% |
| Male | 825 | - | - | 825 | 100% | 831 | - | - | 831 | 100% |
| Female | 30 | - | - | 30 | 100% | 27 | - | - | 27 | 100% |
| Other than Permanent | - | - | - | - | - | - | - | - | - | - |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |
| Workers | | | | | | | | | | |
| Permanent | 420 | - | - | 420 | 100% | 342 | - | - | 342 | 100% |
| Male | 405 | - | - | 405 | 100% | 330 | - | - | 330 | 100% |
| Female | 15 | - | - | 15 | 100% | 12 | - | - | 12 | 100% |
| Other than Permanent | 3267 | 3267 | 100% | - | - | 3270 | 3270 | 100% | - | - |
| Male | 3147 | 3147 | 100% | - | - | 3143 | 3143 | 100% | - | - |
| Female | 120 | 120 | 100% | - | - | 127 | 127 | 100% | - | - |

3. Details of remuneration/salary/wages, in the following format:

The details are provided below:

| | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median remuneration/salary/wages of respective category | Number | Median remuneration/salary/wages of respective category |
| Board of Directors (BoD) | 7 | Please refer Annexure-4 of | 2 | Please refer Annexure-4 of |
| Key Managerial Personnel (KMP) | 2 | Directors' Report for FY23 | 1 | Directors' Report for FY23 |
| Employees other than BoD and KMP | 823 | 964044 | 29 | 717600 |
| Workers | 405 | 915180 | 15 | 913632 |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

At present we do not have any focal point responsible for addressing human rights related issues. We are considering deploying focal point/s both at corporate and individual plant levels in the coming years. However, the Company employs stringent measures to ensure that there are no human rights violations in its area of influence. The daily routine includes encouraging the creation of and providing opportunities for gainful employment to people with disabilities in accordance with policies that promote equal opportunity for everyone without discrimination, zero-tolerance for any instance of child labour or forced or involuntary labour, even by contractors, subcontractors, or vendors. It also involves caring for the marginalised sections of society. The Company has also established a POSH Committee, which is active for larger establishments, including the plants and monitors activities, conducts trainings and carries out investigations to minimise irregularities. Employees are also allowed the opportunity to lodge complaints or grievances via email as per the Whistle Blower policy of the Company and its 'WE CARE' campaign. Human rights concerns within

the organisation are addressed at the level of the Senior Vice-President, the Chief HR Officer and the Managing Director and CEO.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

As stated above, employees have the freedom to lodge complaints or express their concerns and grievances via email, as per the Whistle Blower policy of the Company and its 'WE CARE' campaign. Human rights concerns within the organisation are addressed by the Chief HR Officer and the Managing Director and CEO.

Detailed mechanism of the Company's Whistle Blower Policy is available at - <https://www.orientcement.com/wp-content/uploads/2016/05/Whistle-Blower-Policy.pdf>

As per the POSH Policy, each complaint of sexual harassment is dealt with utmost confidentiality and on a priority basis by the Committee. The Committee maintains a register to endorse the complaint received by it and keeps the contents confidential, if so desired, except to use the same for discreet investigation.

6. Number of Complaints on the following made by employees and workers:

The details are provided below:

| | FY2023 | | | FY2022 | | |
|-----------------------------------|-----------------------|---|---------|-----------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual Harassment | Nil | Nil | Nil | Nil | Nil | Nil |
| Discrimination at workplace | Nil | Nil | Nil | Nil | Nil | Nil |
| Child Labour | Nil | Nil | Nil | Nil | Nil | Nil |
| Forced Labour/ Involuntary Labour | Nil | Nil | Nil | Nil | Nil | Nil |
| Wages | Nil | Nil | Nil | Nil | Nil | Nil |
| Other Human rights related issues | Nil | Nil | Nil | Nil | Nil | Nil |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Please see the answer of question number 5 above.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, it is clearly mentioned in all the business agreements and contracts that all the statutory obligations applicable at the place of work have to be followed.

9. Assessment for the year:

| | % of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties) |
|--------------------------------------|--|
| Child Labour | 100% |
| Forced Labour/ Involuntary Labour | 100% |
| Sexual Harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Other- please specify | Nil |

Note: The Internal Auditors conduct assessments wherever required as per their audit schedule i.e., Half yearly. Additionally, assessments are also carried out by the respective Government authorities and the Company has not received any non-compliance report. Secretarial Auditors also conduct annual audit on the above stated laws.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No instances or grievances relating to child labour, forced labour and/or involuntary labour, sexual harassment, discrimination at the workplace, wages, etc. have been noted or reported during the year. Various awareness and e-learning sessions are held on a regular basis to educate all employees and workers on the subject.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

The Company has not received any grievances / complaints on human rights issue. Hence, no business modifications are required.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Company has not received any grievances / complaints on human rights issue. Hence, no due diligence was required.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|--------------------------------------|--|
| Sexual Harassment | During the current year the formal assessment is not done. We may carry out the assessment progressively in the coming years. However, close vigilance is exercised on a constant basis. |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/ Involuntary Labour | |
| Wages | |
| Others – please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

During the current year the assessment is not done. We may carry out the assessment progressively in the coming years and will take necessary corrective actions as required

Principle 6: Business should respect and make efforts to protect and restore the environment.

The Company is committed to safeguarding the environment and has identified areas where it can reduce its carbon footprint. It has aligned its objectives to achieve Net Zero Carbon emissions by 2050, which reflects its recognition of the symbiotic relationship it has with the environment. To meet its sustainability goals, the Company has implemented innovative and effective measures. It complies with all environmental regulations and has put in place a robust mechanism to mitigate compliance risks. Additionally, it is dedicated to create a circular economy by making sincere efforts to pursue by-product synergy and industrial ecology.

Through its operations, the Company takes various initiatives to reduce its impact on the environment and restore it to its natural state. It has implemented measures to promote resource efficiency and actively seeks out ways to reduce and mitigate the impacts of its operations. Overall, the Company's commitment to environmental sustainability is an integral part of its ethos and reflects its commitment in creating a better world for the present and future generations.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

As a cement manufacturing Company, Orient Cement consumes energy which is a mix of renewable and non-renewable sources. The details of energy consumption are provided below:

| Parameter | FY2023 | FY2022 |
|---|-------------------|-------------------|
| Total electricity consumption (A) | 1321.29 TJ | 1269.7 TJ |
| Total fuel consumption (B) | 16834.03 TJ | 17258.0 TJ |
| Energy consumption through other sources (C) | - | - |
| Total energy consumption (A+B+C) | 18155.3 TJ | 18527.7 TJ |
| Energy intensity per rupee of turnover (TJ/INR) (Total energy consumption/turnover in rupees) | 0.000000618 | 0.0000006798 |
| Energy intensity kWh/T of Cement /Clinker | 62.7 | 63.9 |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s. TUV India Private Limited has conducted the Limited Assurance.

- Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes, the sites and facilities of Devapur, Chittapur and Jalgaon plants are Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme. However, Devapur plant is covered under PAT Cycle 1 and 2 and has already surpassed the targets of PAT Cycle 1 and 2. The Company, at its Devapur Plant has been earning energy saving certificates in each PAT cycle for its exemplary performance in going beyond the targeted specific energy consumption.

- Provide details of the following disclosures related to water, in the following format:

The Cement Industry is not water intensive industry, being a responsible corporate, your Company is mindful about the changes in the precipitation pattern induced due to Climate Change and its associated impacts leading to heavy / no precipitation leading to flood / draught. The Company strives to conserve water through continuous monitoring, management, awareness efforts etc. Overall

the company harvested 37.6 lakh cubic meters of water in its mine pits and rainwater harvesting structures created at its operations. The Company is committed to "Zero Discharge Policy" and uses all the recycled water in its operations. All these efforts help the Company in its journey to achieve water security.

| Parameter | FY2023 | FY2022 |
|---|----------------|----------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface | 1482807 | 1480852 |
| (ii) Groundwater | 15714 | 16384 |
| (iii) Third party water | 28629 | 30538 |
| (iv) Seawater / desalinated water | Nil | Nil |
| (v) Others | Nil | Nil |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 1527150 | 1527774 |
| Total volume of water consumption (in kilolitres)* | 1527150 | 1527774 |
| Water intensity litre per rupee of turnover (Water consumed / turnover) | 0.0520 | 0.0560 |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |

*water consumption includes water for both the Cement Plant and CPP

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s. TUV India Private Limited has conducted the Limited Assurance.

- Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, all of Orient Cement's plants maintain Zero Liquid Discharge, ensuring that water discharge or runoff from its operations does not impact any water bodies or habitats. The wastewater generated from the operations of the CPP undergoes treatment at a Common Effluent Treatment Plant, after which the treated water is utilised for dust suppression and developing greenery.

5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:

The Company strives to reduce emissions from its areas of operation through mechanisms for continuous monitoring of air quality.

| Parameter | Unit | FY2023 | FY2022 |
|---|--------------------|------------------------------------|------------------------------------|
| NO _x | MT | 2649.6 | 2754.6 |
| SO _x | MT | 856.8 | 1037.0 |
| Particulate matter (PM) | MT | 410.3 | 439.8 |
| Persistent organic pollutants (POP) | Mg/Nm ³ | - | - |
| Volatile organic compounds (VOC) | Mg/Nm ³ | Well within the permissible limits | Well within the permissible limits |
| Hazardous air pollutants (HAP) | Mg/Nm ³ | Well within the permissible limits | Well within the permissible limits |
| Others – please specify Mercury, Cadmium, Chromium etc. | Mg/Nm ³ | Well within the permissible limits | Well within the permissible limits |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s. TUV India Private Limited has conducted the Limited Assurance.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

The details are provided below:

| Parameter | Unit | FY2023 | FY2022 |
|--|---|---------|---------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 3485763 | 3243783 |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 34626 | 27583 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | Kg CO ₂ / Rupee of turnover | 0.120 | 0.120 |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | KG CO ₂ /MT of Cementitious material | 601 | 587 |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s. TUV India Private Limited has conducted the Limited Assurance. There has been a marginal increase during the year because of change in market demand of unblended OPC cement.

7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company is constantly on the look out for reducing GHG gases and the latest projects under commissioning are Waste Heat Recovery to replace thermal power usage, increase in using waste instead of fossil fuels, fly ash rake handling system and increase investments in additional renewable power. In the current financial year, green energy accounts for 14.4% of the total energy mix, which is double the proportion of renewable energy power compared to the previous financial year. Over the last year, we have expanded our alternative fuels range by including various sources such as plastic waste, paper cups, cow dung, and cloth waste, which were collected from nearby areas and co-processed at our integrated plants, while also setting up infrastructure for co-processing of RDF/MSW waste collected from nearby Municipalities/ULBs at our Devapur plant, and improving our infrastructure facilities and feeding capacities at our integrated plants.

During the financial year, the Waste Heat Recovery System (WHRS) at Chittapur has been initiated, which, once commissioned, will provide power without burning any fuel to the extent of 10.1 MW. The commissioning of WHRS would increase the overall green energy mix to approximately 53% in the total energy mix at Chittapur plant.

The switch to rake transportation and creation of this fly ash reception facility, will result in the creation of an additional 3.5 days' worth of fly ash storage and a reduction in truck movement both inside and outside the plant (i.e., bulkers), thus, significantly reducing the plant's CO₂ footprint.

Several energy conservation initiatives implemented towards reduction of GHG emissions are mentioned in Annexure-5 of the Directors' Report included in this Annual Report.

8. Provide details related to waste management by the Company, in the following format:

Cement manufacturing process does not generate any process related waste and consumes various other waste materials from other industries in the cement manufacturing process. However, the Company generates some amount of waste materials like used oil, e-waste, bio-medical waste etc., from its other activities. The Company follows stringent waste management processes to ensure the safe disposal through authorized recyclers as per the applicable regulations and co-process the other waste in cement Kilns. Waste by-products such as fly-ash, chemical gypsum is procured from external sources for use in the cement manufacturing process.

The required details are provided below:

| Parameter | FY2023 | FY2022 |
|--|-------------|-------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A)* | NA | NA |
| E-waste (B) | 0.0 | 3.8 |
| Bio-medical waste (C) | 0.2 | 0.2 |
| Construction and demolition waste (D) | Nil | Nil |
| Battery waste (E) | 20.2 | 2.3 |
| Radioactive waste (F) | Nil | Nil |
| Other Hazardous Waste. (G) Please specify, if any. Waste Oil, Oil soak cotton waste, oil sludge | 38.3 | 43.6 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | Nil | Nil |
| Total (A + B + C + D + E + F + G + H) | 58.7 | 49.9 |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 41.2 | 19.4 |
| (ii) Re-used | 17.3 | 30.3 |
| (iii) Other recovery operations | Nil | Nil |
| Total | 58.5 | 49.7 |
| For each category of waste generated, total waste disposed of through disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | 0.2 | 0.2 |
| (ii) Landfilling | Nil | Nil |
| (iii) Other disposal operations | Nil | Nil |
| Total | 0.2 | 0.2 |

Previous year figures have been regrouped/corrected wherever considered necessary.

* No plastic waste is generated during the cement manufacturing process

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s. TUV India Private Limited has conducted the Limited Assurance.

9. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company complies with all regulations governing the safe and responsible disposal of waste. The waste, including waste oil and grease, electronic waste, battery waste, biomedical waste, etc., is disposed off to authorised recyclers. For hazardous waste, the relevant returns are filed with the respective regulatory authorities from time to time. Please refer to essential indicator 8 and the relevant disclosure above.

Waste generated from the captive power plant, i.e., fly ash, is completely consumed in the cement manufacturing process. While co-processing hazardous waste material, compliance issues are strictly adhered to. The Company has also received numerous awards for its green and safe practices and has been certified for 'GreenPro Certification' by the CII's Green Products and Services Council for PPC grade.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No, the Company is not operating in ecologically sensitive areas.

| Sl. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|----------------|--------------------------------|--------------------|--|
| Not applicable | | | |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|-----------------------------------|----------------------|------|---|--|-------------------|
| Not applicable | | | | | |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N).

Yes, the Company complies with Indian environmental laws, regulations, and guidelines.

If not, provide details of all such non-compliances, in the following format:

| Sl. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|----------------|---|---------------------------------------|---|---------------------------------|
| Not applicable | | | | |

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter | FY2023 | FY2022 |
|---|-------------------|-------------------|
| From renewable sources | | |
| Total electricity consumption (A) | 188.4 TJ | 107.7 TJ |
| Total fuel consumption (B) | 417.2 TJ | 824.1 TJ |
| Energy consumption through other sources (C) | - | - |
| Total energy consumed from renewable sources (A+B+C) | 605.6 TJ | 931.8 TJ |
| From non-renewable sources | | |
| Total electricity consumption (D) | 1132.9 TJ | 1162.0 TJ |
| Total fuel consumption (E) | 16834.0 TJ | 17219.0 TJ |
| Energy consumption through other sources (F) | - | - |
| Total energy consumed from non-renewable sources (D+E+F) | 17966.9 TJ | 18381.0 TJ |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s. TUV India Private Limited has conducted the Limited Assurance at our Jalgaon plant and Corporate.

2. Provide the following details related to water discharged:

The Company is not discharging any water; hence this is not applicable.

| Parameter | FY2023 | FY2022 |
|--|--------|--------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| i) To Surface water | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (ii) To Groundwater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iii) To Seawater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third-parties | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| Total water discharged (in kilolitres) | - | - |

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

This is not applicable, as the Company does not operate in water stressed areas.

| Parameter | FY2023 | FY2022 |
|---|--------|--------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | - | - |
| (ii) Groundwater | - | - |
| (iii) Third party water | - | - |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | - | - |
| Total volume of water withdrawal (in kilolitres) | - | - |
| Total volume of water consumption (in kilolitres) | - | - |
| Water intensity per rupee of turnover (Water consumed / turnover) | - | - |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |
| Water discharge by destination and level of treatment (in kilolitres) | | |
| i) Into Surface water | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (ii) Into Groundwater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |

| Parameter | FY2023 | FY2022 |
|--|----------|----------|
| (iii) Into Seawater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third-parties | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| Total water discharged (in kilolitres) | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | FY2023 [#] | FY2022 [#] |
|---|---|---------------------|---------------------|
| Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ equivalent | 54287 | 46508 |
| Total Scope 3 emissions per rupee of turnover | Kg CO ₂ /Rupee turnover | 0.0018 | 0.0017 |
| Total Scope 3 emission intensity kg CO ₂ /T of Cementitious material | Kgs | 9.4 | 8.5 |

[#] Emissions calculated for inbound and outbound materials transportation.

Note: Indicate if any independent assessment, evaluation, or assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s. TUV India Private Limited has conducted the Limited Assurance.

5. With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable.

6. If the entity provided below taken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sl. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---------|--|---|---|
| 1 | Utilization of subgrade limestone at Devapur Plant | 27% i.e., 8,99,392 tons of subgrade limestone used by replacing high grade limestone | Conservation of high grade limestone and enhancing the mine life. |
| 2 | Technology adoption | Implementation of artificial intelligence tool Implementation of AI-based feed mix optimization solution at Chittapur and Devapur plants | Enhanced utilization of alternative fuels through process optimization & reduction in specific power consumption Process and plant optimization, reduced fuel consumption, and optimal utilisation of raw and fuel mix |
| 3 | Resource optimization | Innovative ways of promoting blended Cements | Conserving natural resources and more reliable structures with long term strength with structural integrity. |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, our Onsite Emergency Plan (OEP) is a comprehensive response plan to react to foreseeable emergencies, in accordance with ISO 14001, ISO 45001 and all applicable requirements. Emergency/ disaster planning is integral to the management of an incident or event to minimise environmental impact and human losses, is part of the overall loss control programme and is essential for the smooth operations of the organisation. The objectives of OEP are to ensure protocols are in place for emergency preparedness and response organisation, resources are available and response actions are applicable to deal with various types of emergencies with the shortest response time possible during an emergency.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

We have not carried out any supply chain assessment with respect to Environment impact during the FY23. However, we may consider doing the same during the coming years and will collaborate with the supply chain regarding the mitigation and adaptation measures as required.

9. % of Value chain partners (by value of business done with such partners) that were assessed for Environmental Impacts?

We have not carried out any supply chain assessment with respect to Environment impact during the FY23. However, we may consider doing the same during the coming years and will collaborate with the supply chain regarding the mitigation and adaptation measures as required.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Orient Cement is mindful of the impact that public policy and regulatory frameworks have on its operations and the ecosystem in which it operates. The Company recognizes its responsibility to contribute towards the development of public policy that aligns with its objectives of social and environmental stewardship through responsible action. It actively participates in the formulation and development of policies that have a significant impact on the public without being limited to its own business objectives.

Orient Cement takes a responsible approach to its role as a contributor to public policy and regulatory frameworks. The Company works closely with regulatory authorities to fulfil its duties towards stakeholders, including customers, employees, suppliers, vendors, and communities, in a responsible and effective manner. This enables the Company to align its operations with the interests of all stakeholders while also promoting sustainable development and ensuring compliance with relevant regulations.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

Please refer details at point b below.

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

| Sl. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/ National) |
|---------|---|--|
| 1 | CMA-Cement Manufacturing Association | National |
| 2 | GCCA-Global Cement & Concrete Association | International |
| 3 | National Safety Council, India | National |
| 4 | NCCBM-National Council for Cement and Building Materials | National |
| 5 | SICMA-South India Cement Manufacturing Association | Southern Region |
| 6 | Development Council for Cement Industry- under the aegis of Department for Promotion of Industry and Internal Trade | National |
| 7 | CII – Confederation of Indian Industry | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

There have been no adverse orders against the Company pertaining to anti-competitive conduct from regulatory bodies.

| Name of the authority | Brief of the case | Corrective action taken |
|-----------------------|-------------------|-------------------------|
| Nil | Nil | Nil |

Leadership Indicators

1. Details of public policy positions advocated by the Company:

The Company actively participates in various industry bodies and associations, such as the CMA, CII, GCCA and DCCI, to advocate for environmental protection and a regulatory framework governing mine, pollution control measures, and extended producer responsibility (EPR). It also collaborates with stakeholders on issues related to municipal waste and RDF usage, workers' wages and facilities through collective bargaining.

| Sl. No. | Public Policy advocated | Method resorted for such advocacy | Whether information available in public domain? (Yes/ No) | Frequency of Review by Board (Annually/ Half yearly/Quarterly/ Others- please specify) | Web Link, if available |
|---------|-------------------------------|-----------------------------------|---|--|---|
| 1 | Carbon neutral concrete @2050 | Seminars, Conferences, Workshops | Yes | As and when required | https://gccassociation.org/concretefuture |

Principle 8: Businesses should promote inclusive growth and equitable development.

Encouraging inclusive growth is a priority that Orient Cement firmly believes is vital for attaining organisational success. The Company is dedicated to sustainable value creation and acting in society's best interests by ensuring fair access to development opportunities. Orient Cement has created specific Corporate Social Responsibility (CSR) projects that promote equitable growth as part of its consistent efforts. With these programmes, the Company hopes to have a beneficial influence on the areas where it operates and provide long-term value for its stakeholders.

Orient Cement is committed to fostering sustainable and equitable growth to improve the future of all its stakeholders and advance the overarching objective of fostering a more just and equitable society.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.

During the reporting period, the Company was not liable to conduct the Social Impact Assessment (SIA).

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:

The Company is carrying out the Rehabilitation and Resettlement (R&R) programme around its Chittapur plant in Gulbarga, Karnataka, in accordance with the guidelines issued by the Ministry of Environment and Forests (MoEF) while granting environmental clearance. A 10-year plan has been finalised and necessary steps are being taken to implement the plan effectively and beneficially for the communities around the plant. The project has not resulted in the displacement of families and has not affected local communities. The project wise details of expenditure made by the Company on R&R activities during FY 2022-23 are mentioned below:

| Sl. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amount sent on R&R activities during FY 2022-23 (In INR) |
|----------|--|-----------|------------|---|--------------------------|--|
| I | Development Initiatives | | | | | |
| 1 | Infrastructure development in the villages | Karnataka | Kalaburagi | NA | NA | 17,53,983 |
| 2 | Education | Karnataka | Kalaburagi | NA | NA | 90,27,381 |
| 3 | Hygiene and sanitation | Karnataka | Kalaburagi | NA | NA | - |
| 4 | Health | Karnataka | Kalaburagi | NA | NA | 68,80,694 |

| Sl. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amount sent on R&R activities during FY 2022-23 (In INR) |
|------------|---|-----------|------------|---|--------------------------|--|
| 5 | Livelihood Promotion and Capability building | Karnataka | Kalaburagi | NA | NA | 33,51,701 |
| 6 | Heritage, Culture etc. (Local folk-art promotions etc.) | Karnataka | Kalaburagi | NA | NA | 49,22,029 |
| II | Programme costs | | | | | 2,59,35,788 |
| III | Programme administration monitoring and evaluation | | | | | 86,60,285 |
| | Total project costs (II+III) | | | | | 3,45,96,073 |

3. Describe the mechanisms to receive and redress grievances of the community.

Both verbal and written complaints may be lodged and the Company has a dedicated email address for this purpose: info@orientcement.com. On receiving a complaint, company officials investigate into the issue and promptly respond to the complainant. Grievances are escalated, if necessary, to Senior Management for additional evaluation. Orient Cement works cooperatively with the complainant to achieve a suitable resolution in order to address community complaints in a dialogue-based manner. Every complaint is addressed individually, taking into account the special conditions and relevant facts. The business is dedicated to taking the necessary corrective action to allay the worries of the impacted communities and assuring that its operations comply with the interests of all stakeholders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| Parameter | FY2023 | FY2022 |
|---|--------|--------|
| Directly sourced from MSMEs/small producers | 10% | 6.9% |
| Sourced directly from within the district and neighbouring districts. | 11% | 16% |

Previous year figures have been regrouped/corrected, wherever considered necessary.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
| Not applicable as no social impact assessment is carried out during FY 2022-23 | |

2. Provide the following information on CSR projects undertaken by the Company in the designated aspirational districts as identified by government bodies:

| Sl. No. | State | Aspirational District | Amount spent (In INR) |
|---------|-------|-----------------------|-----------------------|
|---------|-------|-----------------------|-----------------------|

There are no designated aspirational districts in the areas of operations of the Company.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No) - No
 (b) From which marginalized/vulnerable groups do you procure? – Not applicable
 (c) What percentage of total procurement (by value) does it constitute? – Not applicable
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the Company (in the current financial year), based on traditional knowledge:

| Sl. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/ No) | Benefit shared (Yes/No) | Basis of calculating benefit share |
|---------|--|---------------------------|-------------------------|------------------------------------|
|---------|--|---------------------------|-------------------------|------------------------------------|

The Company does not own / acquired any intellectual properties based on traditional knowledge. Hence not applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of authority | Brief of the Case | Corrective action taken |
|--|-------------------|-------------------------|
| As no intellectual properties involved, this is not applicable | | |

6. Details of beneficiaries of CSR Projects:

The Company actively interacts with the community and performs need-based assessments for the implementation of CSR activities. The details of all CSR activities undertaken by the Company during the financial year 2022-23, can be accessed in the Annual Report on CSR forming part of Directors' Report.

| Sl. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalised groups |
|---------|------------------------------|--|--|
| 1 | School | 1 327 students every year | 70% |
| 2 | Dispensary | More than 36500 local villagers per year | More than 80% |
| 3 | Health care support | Besides providing primary healthcare to villagers around the plants at its facilities on a regular basis, the Company: <ul style="list-style-type: none"> A dental camp was conducted at OHC (Devapur) in collaboration with Dr. N. Manisha, M.D.S. (Oral Medicine and Radiology) from 'Manisha Super Specialty Dental Hospital' in Mancherial. A total of 37 individuals participated in the camp. In collaboration with Medilife Hospitals, Mancherial, a pulmonology camp was organised for the nearby villagers at the Devapur Gram Panchayat office premises. The camp included spirometry, an SpO2 checkup, BP and weight measurement. The attendees were provided with free Rota halers, Rota caps (for approximately 50 patients) and other medications. Around 100 individuals suffering from respiratory diseases were treated by the doctors, who were satisfied with the treatment provided. | More than 50% |
| 4 | Learning & Training sessions | <ul style="list-style-type: none"> Abacus classes were held for government school children in Mogala and Diggaon villages. Computer classes were organised for Diggaon Village Government School students. A literature learning programme was conducted for women at Mogala Village. English language speaking skill classes were conducted for drop-out students & youth of Diggaon Village. | 100% |

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Orient Cement is a customer-focused company that actively engages with its customers to understand their needs and aligns its business operations to maximise value creation. By prioritising consumer satisfaction and fostering customer loyalty, Orient Cement is able to gain an edge over its competitors while driving growth and profitability.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Orient Cement has a comprehensive mechanism in place to receive and respond to consumer feedback and complaints. Customers can reach out to the Company directly through various channels, such as the customer care number and email address printed on the bags, or

through channel partners. All customer complaints are handled by a qualified technical services team, whose primary responsibility is to address customer grievances and educate them on proper construction practices. Each complaint is documented using a complaint form that captures important details about the kind and scope of the concern. The technical services team promptly resolves each complaint by visiting the customer's site and escalating the matter to the appropriate officials if necessary. The entire process is closely monitored and tracked until a satisfactory resolution is provided to the customer.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

| | As a percentage to total turnover |
|---|--|
| Environmental and social parameters relevant to the product | 100% of our cement bags are labelled with all the necessary information as prescribed by the BIS and Legal Metrology Act. |
| Safe and responsible usage | |
| Recycling and/or safe disposal | All necessary information regarding safe and responsible usage of resources and recycling and disposal of waste is disclosed by the Company, as per regulatory requirements. |

3. Number of consumer complaints in respect of the following:

| | FY2023 | | Remarks | FY2022 | | Remarks |
|--------------------------------|--------------------------|-----------------------------------|------------------------------|--------------------------|-----------------------------------|------------------------------|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | NIL | NIL | No issues have been reported | NIL | NIL | No issues have been reported |
| Advertising | NIL | NIL | | NIL | NIL | |
| Cyber- security | NIL | NIL | | NIL | NIL | |
| Delivery of essential services | Not Applicable | | | Not Applicable | | |
| Restrictive Trade Practices | NIL | NIL | No issues have been reported | NIL | NIL | No issues have been reported |
| Unfair Trade Practices | NIL | NIL | | NIL | NIL | |
| Other (product related) | 64 | 0 | Under investigation | 70 | 1 | Closed in FY23 |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | Nil | - |
| Forced recalls | Nil | - |

5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has been certified for the Information Security Management System Standard: ISO/IEC 27001 and the location scope includes Hyderabad and all 3 manufacturing locations (Devapur, Chittapur and Jalgaon).

The Company has a data privacy policy published on its website www.orientcement.com and the link for the same is shared below.

<https://orientcement.com/wp-content/uploads/2019/07/Orient-Cement-Ltd-Privacy-Policy-1.pdf>

According to the IT security protocols, external audits are conducted to assess cyber security integrity. Vulnerability Assessment and Penetration Testing (VAPT) are also part of this

protocol. Security patching of all systems is done periodically and proactively. Access to systems is strictly defined by roles.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not applicable.

Leadership Indicators

1. Channels/platforms where information on products and services of the Company can be accessed (provide web-link, if available).

The Company's websites, www.orientcement.com and www.birla1.com provide adequate information regarding its products and services.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Orient Cement has made a significant investment in educating all stakeholders about safe and responsible usage of its products and services. To achieve this, the Company has established a dedicated technical services team that works closely with the sales team and channel partners to conduct workshops aimed at educating masons, engineers, architects, and project owners.

During these forums, all the necessary information about product quality, proper usage, good construction practices, and available services is shared with the participants. Additionally, Orient Cement has fully equipped technical vans, called "Concrete Xpert," which are used to provide on-site value-added services to consumers.

Moreover, the Company leverages digital media to educate customers and other stakeholders by sharing informative video content and other resources that promote good construction practices. Through these initiatives, Orient Cement is committed to promoting a culture of safety and responsibility among all its stakeholders.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

This does not relate to our business since we are 24x7 process industry. However, we do have various channels to communicate any such exigency if encountered. The channels to communicate are through mass Email, bulk SMS, Whatsapp and through our social media handles.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to

the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/No)

Orient Cement adheres to the product labelling guidelines set forth by the Bureau of Indian Standards (BIS). Apart from the BIS guidelines, the Company prints product features and certifications on the products for consumer awareness. Furthermore, the Company regularly conducts consumer surveys to evaluate the level of satisfaction with its existing products and collect feedback from customers across all market operations.

In addition to these measures, Orient Cement also provides on-site services to its customers. The details of these services can be found on the Company's website at <https://www.birlaa1.com>. By offering such services, Orient Cement is committed to ensuring the highest level of customer satisfaction and continuously improving its operations to meet the evolving needs of its customers.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches, along with impact

Nil. Orient Cement is certified for ISO 27001.

b. Percentage of data breaches involving personally identifiable information of customers

Nil

By order of the Board of Directors
For Orient Cement Limited

D.D. Khetrapal

Managing Director & CEO
(DIN 02362633)

Place: New Delhi
Date: April 28, 2023

Independent Assurance Statement

To the Directors and Management
Orient Cement Limited,
Birla Tower, 3rd Floor,
25, Barakhamba Road, New Delhi-110001

Orient Cement Limited (hereafter 'OCL') commissioned TUV India Private Limited (TUVI) to conduct independent external assurance of non-financial information (Essential and Leadership Indicators) disclosed in OCL's Business Responsibility and Sustainability Report (hereinafter 'the BRSR') for the period April 01, 2022 to March 31, 2023. The BRSR is based on the National Guidelines on Responsible Business Conduct (NGRBC), SEBI circular: SEBI/HO/CFD/CMD-2/P/CIR/2021/562, dated 10/05/2021 pertaining to Business Responsibility and Sustainability Report (BRSR) requirement. This assurance engagement was conducted in reference with BRSR and ISAE 3000 (Revised) requirement.

Management's Responsibility

OCL developed the BRSR's content. OCL management is responsible for identifying "Essential and Leadership" indicators, carrying out the collection, analysis, and disclosure of the information presented in the BRSR (web-based and print), including website maintenance,

integrity, and for ensuring its quality and accuracy in accordance with the applied criteria stated in the BRSR, such that it's free of intended or unintended material misstatements. OCL will be responsible for archiving and reproducing the disclosed data to the stakeholders upon request.

Scope and Boundary

The scope of work includes the assurance of the following non-financial performance - Essential and Leadership Indicators disclosed in the BRSR report. In particular, the assurance engagement included the following:

- Review of General Disclosure, Management & Process and the disclosures against all 09 BRSR principles submitted by OCL
- Review of the quality of information
- Review of evidence (on a sample basis) for identified non-financial indicators

TUVI has verified the below Essential and Leadership Indicators disclosed in the BRSR

| Principles | Essential Indicators | Leadership Indicators |
|---|-------------------------------------|-----------------------|
| Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable. | 1,2,3,4,5,6,7 | 1,2 |
| Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe. | 1,2,3,4 | 1,2,3,4,5 |
| Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains. | 1,2,3,4,5,6,7,8,9,10,11,12,13,14,15 | 1,2,3,4,5,6 |
| Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders. | 1,2 | 1,2,3 |
| Principle 5: Businesses should respect and promote human rights. | 1,2,3,4,5,6,7,8,9,10 | 1,2,3,4,5 |
| Principle 6: Businesses should respect and make efforts to protect and restore the environment. | 1,2,3,4,5,6,7,8,9,10,11,12 | 1,2,3,4, 5,6,7,8, 9 |
| Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent. | 1,2 | 1 |
| Principle 8: Businesses should promote inclusive growth and equitable development. | 1,2,3,4 | 1,2,3,4,5,6 |
| Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner | 1,2,3,4,5,6 | 1,2,3,4,5 |

The onsite verification was conducted at Jalgaon Grinding Plant (April 18, 2023 to April 19, 2023) and Hyderabad Corporate Office (April 20, 2023 to April 21, 2023). The assurance activities were carried out together with a desk review of other integrated cement manufacturing units located at Chittapur, and Devapur as per reporting boundary i.e. OCL India operations as stated above.

Limitations

TUVI did not perform any assurance procedures on the prospective information disclosed in the Report, including targets, expectations, and ambitions. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI didn't verify any ESG goals and claim through this assignment. TUVI verified data on a sample basis; the responsibility for the authenticity of data entirely lies with OCL. Any dependence of person or third party may place on the BRSR Report is entirely at its own risk.

Our Responsibility

TUVI's responsibility in relation to this engagement is to perform a limited level of BRSR assurance and to express a conclusion based on the work performed. Our engagement did not include an assessment of the adequacy or the effectiveness of OCL's strategy, management of ESG-related issues or the sufficiency of the Report against BRSR reporting principles, other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in reference to the agreed scope of work, which includes non-financial quantitative and qualitative information (KPIs) disclosed by OCL. Reporting Organization is responsible for archiving the related data for a reasonable time period. This assurance engagement is based on the assumption that the data and information provided to TUVI by OCL are complete and true. The intended users of this assurance statement are the management of 'OCL'. The data is verified on a sample basis, the responsibility for the authenticity of data lies with the reporting organization. Reporting Organization is responsible for archiving the related data for a reasonable time period. TUVI expressly disclaims any liability or co-responsibility 1) for any decision a person or entity would make based on this assurance statement and 2) for any damages in case of erroneous data is reported. This assurance engagement is based on the assumption that the data and information provided to TUVI by OCL are complete and true.

Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- TUVI examined and reviewed the documents, data, and other information made available by OCL for non-financial Essential and Leadership Indicators (non-financial disclosures)
- TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of OCL
- TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and quantitative)

- TUVI reviewed the adherence to reporting requirements of "BRSR"

Opportunities for Improvement

The following are the opportunities for improvement reported to OCL. However, they are generally consistent with OCL management's objectives and programs

- OCL may develop the internal application – online for ESG KPI monitoring, safety learning, environment and energy learning with limited access to OCL supply chain and distribution network across all locations
- OCL need to conduct the materiality assessment and may consider expanding their ESG reporting in line with the principles of international norms example GRI, GCCA, IR etc. and report the same publicly
- Internal carbon pricing can be established and utilized as instrument to appraise the renewable and less GHG intensive projects
- OCL may publicly commit its targets example - EP 100 and similar ESG targets as applicable to organization;
- OCL may start verifying set environmental and social goal and targets e.g. zero waste to landfill, water positive index, ESG supply chain audit, EPD/ LCA verification etc.

Our Conclusion

In our opinion, based on the scope of this assurance engagement, the disclosures on BRSR essential indicator performance reported in the BRSR report along with the referenced information provides a fair representation of the material topics, related strategies, and meets the general content and quality requirements of the Report.

Disclosures: TUVI is of the opinion that the reported disclosures generally meet the BRSR requirements. OCL refers to general disclosure to report contextual information about OCL, while the Management & Process disclosures the management approach for each indicator (Essential and Leadership).

Limited Assurance Conclusion: Based on the procedures we have performed; nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement was not prepared in all material respects. TUVI found the information to be reliable in all principles, with regards to the reporting criteria of the BRSR.

Report complies with the below requirements

- Governance, leadership and oversight:** The messages of top management, business model to promote inclusive growth and equitable development, action and strategies, focus on products, risk management, protection and restoration of environment, and priorities are disclosed appropriately.

- B. Connectivity of information:** OCL discloses various principles and their inter-relatedness and dependencies with factors that affect the organization's ability to create value over time.
- C. Stakeholder responsiveness:** The Report covers mechanisms of communication with key stakeholders to identify major concerns to derive and prioritize the short, medium and long-term strategies. The Report provides insights into the organization's relationships (nature and quality) with its key stakeholders. In addition, the Report provides a fair representation of the extent to which the organization understands, takes into account and responds to the legitimate needs and interests of key stakeholders.
- D. Materiality:** The materiality assessment process has been carried out already during GRI reporting, based on the requirements of "GRI". OCL should consider to conduct materiality assessment afresh to arrive at the current material issues.
- E. Conciseness:** The Report reproduces the requisite information and communicates clear information in as few words as possible. The disclosures are expressed briefly and to the point sentences, graphs, pictorial, tabular representation are applied. At the same time, due care is taken to maintain continuity of information flow in the BRSR.
- F. Reliability and completeness:** OCL has established internal data aggregation and evaluation systems to derive the performance. The reported data is duly verified and authenticated by OCL. The majority of the data and information was verified by TUVI's assurance team (on sample basis) during the assessment of the BRSR and found to be fairly accurate. All data, is reported transparently, in a neutral tone and without material error.
- G. Consistency and comparability:** The information in the Report is presented on an annual basis in a reliable and complete manner. Thus, the principle of consistency and comparability is established.

This assurance statement has been prepared in accordance with the terms of our engagement and ISAE 3000 (revised) requirements

Independence:

TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the assurance team is selected to avoid situations of self-interest, self-review, advocacy and familiarity. The assessment team was safeguarded from any type of intimidation.

Quality control:

The assurance team complies with the code of ethics for professional accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In accordance with International Standard on Quality Control, TUVI maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Assurance Team and Independence

TUVI is an independent, neutral third-party providing sustainability services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with OCL on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the BRSR, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of **TUV India Private Limited**

Date: 28-04-2023
Place: Mumbai, India
Project Reference
No: 8120265435
www.tuv-nord.com/in



Manojkumar Borekar
Project Manager and Reviewer
Head – Sustainability Assurance Service

Financial Statements

Independent Auditor's Report

To the Members of **Orient Cement Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Orient Cement Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our

responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition - discounts and rebates

See Note 26 to financial statements

The key audit matter

The Company recognises revenues from sale of goods when control of the goods is transferred to the customer at an amount reflecting the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales consideration, the Company considers the effects of rebates and discounts (variable consideration).

The Company's presence across different marketing regions and the competitive business environment makes the assessment of various types of discounts and rebate schemes as complex and judgmental.

Therefore, there is a risk of revenue being misstated as a result of incorrect computation of discounts and rebates. Accordingly, revenue recognition - discount and rebates etc. was determined to be a key audit matter.

How the matter was addressed in our audit

Our audit procedures included the following:

- We have assessed the compliance of the Company's accounting policies in respect of discounts and rebates with applicable accounting standards.
- We have assessed the design and implementation and tested the operating effectiveness of Company's general IT controls, key manual and application controls over the IT system including controls over provisions, approvals and disbursements of discounts and rebates.
- We have performed substantive testing by selecting statistical samples of discounts and rebates recorded during the year by matching the key parameters with the underlying source documents and credit notes issued by the Company.
- We have assessed the Company's computations for accrual of discounts and rebates, on a statistical sample basis, and compared the year end accruals made with the approved schemes.

The key audit matter**How the matter was addressed in our audit**

- We have assessed expectation of the discount and rebate recognised during the year and compared this expectation against the actual discounts and rebates recognised during the year and obtained underlying documentation for samples selected statistically.
- We have tested manual journal entries posted to revenue to identify unusual or irregular items.

We have assessed the adequacy of relevant disclosures made within the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report including Statutory reports, Management discussion and analysis, Business responsibility and sustainability report, corporate governance and Board's report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 39 to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51(vi) to the financial statements, no funds

have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act.

As stated in Note 47 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.: 116231W/W-100024

Vikash Somani

Partner

Place: Hyderabad

Date: 28 April 2023

Membership No.: 061272

ICAI UDIN: 23061272BGYRVI5134

Annexure A to the Independent Auditor's Report on the Financial Statements of Orient Cement Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

| Description of property | Gross carrying value (In Lakhs) | Held in the name of | Whether promoter, director or their relative or employee | Period held-indicate range, where appropriate | Reason for not being held in the name of the Company. Also indicate if in dispute |
|---|---------------------------------|-----------------------------------|--|---|---|
| Free hold land at Chittapur, Karnataka and Devapur, Telangana | 752.08 | Orient Paper & Industries Limited | No | Since 2012 | Mutation under progress |

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third party, has been physically verified by the management during the year. For stocks lying with third party at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts or dispatch has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, in companies, firms and limited liability partnership. The Company has granted loans to other parties during the year in respect of which the requisite information is as below.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other parties as below:

(₹ in Lacs)

| Particulars | Guarantees | Security | Loans | Advances in nature of loans |
|--|------------|----------|-------|-----------------------------|
| Aggregate amount during the year | | | | |
| Others | - | - | 4.00 | - |
| Balance outstanding as at balance sheet date | | | | |
| Others | - | - | 6.12 | - |

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (₹ in lakhs)** | Period to which the amount relates | Forum where dispute is pending |
|---|----------------------------------|-----------------------|---|---|
| Central Excise Act, 1944 | Excise Duty and Penalty | 565.14 | Apr- 2003 to Jul- 2009 | High Court of Telangana |
| Customs Act, 1962 | Customs and Penalty | 84.35 | Jul- 2012 & Nov- 2012 | Commissioner |
| Customs Act, 1962 | Customs and Penalty | 16.47 (1.23)# | 2014-15 | Customs Excise and Service Tax Appellate Tribunal |
| Tamil Nadu/ Karnataka/ Maharashtra/ Telangana VAT Act | VAT and Penalty | 57.15 (1.04)# | 1996-97, 2004-05, 2008-09, 2016-17, & 2017-18 | Joint Commissioner / Assistant Commissioner / Appellate Deputy Commissioner |
| Entry Tax Act 2001 | Entry Tax and Penalty | 713.30* (126.12)# | 2011-12 to 2017-18 (upto Jun- 17) | High Court of Telangana / Assistant Commissioner |
| Goods and Services Tax, 2017 | GST | 5.88 (0.38)# | 2019-20 | Deputy Commissioner of State Tax (Appeals) |
| Goods and Services Tax, 2017 | GST | 21.32 (1.24)# | 2017-21 | Addl Commissioner of State Tax (Appeals) |
| A. P. Sales Tax & Central Sales Tax Act, 1956 | Sales Tax and CST | 8.14 | 1999-2000 | High Court, Telangana |
| A. P. Sales Tax & Central Sales Tax Act, 1956 | APGST and CST | 82.31** (31.04)# | 1983-85, 1990-91, 1994-95, 2000-2001, 2001-2002 | Assistant Commissioner |
| Income Tax Act, 1961 | Income Tax, Interest and Penalty | 1,038.19 | 2013-14, 2015-16 to 2017-18 | Commissioner (Appeals) |

*Interim stay granted in High court of Telangana.

**Remanded back but cancellation order not passed.

Amounts in paranthesis represents payments made under protest/under court order.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.: 116231W/W-100024

Vikash Somani

Partner

Place: Hyderabad

Date: 28 April 2023

Membership No.: 061272

ICAI UDIN: 23061272BGYRV15134

Annexure B to the Independent Auditor's Report on the financial statements of Orient Cement Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Orient Cement Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering 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 (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.: 116231W/W-100024

Vikash Somani

Partner

Place: Hyderabad

Membership No.: 061272

Date: 28 April 2023

ICAI UDIN: 23061272BGYRVI5134

Balance Sheet

as at March 31, 2023

| Particulars | | Note | March 31, 2023 | March 31, 2022 |
|--|-------------------------|------|--------------------|--------------------|
| (₹ in Lacs) | | | | |
| I) ASSETS | | | | |
| 1) NON-CURRENT ASSETS | | | | |
| a) Property, plant and equipment | 3 | | 1,94,345.39 | 2,05,024.19 |
| b) Capital work-in-progress | 5 a. | | 13,974.28 | 3,976.85 |
| c) Right of use assets | 5 b. | | 633.31 | 584.88 |
| d) Intangible assets | 4 | | 6,026.17 | 5,905.29 |
| e) Financial assets | | | | |
| (i) Investment | 11 | | 416.49 | 416.49 |
| (ii) Loans | 6 | | 2.93 | 2.81 |
| (iii) Other financial assets | 7 | | 2,256.82 | 2,172.14 |
| f) Income tax assets (net) | 8 | | 69.00 | 120.30 |
| g) Other non current assets | 9 | | 3,033.45 | 3,466.44 |
| | (A) | | 2,20,757.84 | 2,21,669.39 |
| 2) CURRENT ASSETS | | | | |
| a) Inventories | 10 | | 35,091.42 | 18,661.89 |
| b) Financial assets | | | | |
| (i) Investments | 11 | | - | 1,001.31 |
| (ii) Trade receivables | 12 | | 16,892.37 | 12,733.25 |
| (iii) Cash and cash equivalents | 13 | | 6,943.78 | 4,308.02 |
| (iv) Bank balances other than (iii) above | 14 | | 67.99 | 70.07 |
| (v) Loans | 6 | | 3.19 | 2.86 |
| (vi) Other financial assets | 7 | | 1,060.19 | 1,089.02 |
| c) Other current assets | 9 | | 6,859.35 | 5,427.65 |
| | (B) | | 66,918.29 | 43,294.07 |
| TOTAL ASSETS (A)+(B) | | | 2,87,676.13 | 2,64,963.46 |
| II) EQUITY AND LIABILITIES | | | | |
| 1) EQUITY | | | | |
| a) Equity share capital | 15 | | 2,048.69 | 2,048.69 |
| b) Other equity | 16 | | 1,58,321.48 | 1,50,494.13 |
| | TOTAL EQUITY (C) | | 1,60,370.17 | 1,52,542.82 |
| 2) NON-CURRENT LIABILITIES | | | | |
| a) Financial liabilities | | | | |
| (i) Borrowings | 17 | | 9,815.85 | 14,800.00 |
| (ii) Lease liabilities | 18 | | 371.41 | 384.35 |
| b) Provisions | 19 | | 5,142.87 | 4,788.74 |
| c) Deferred tax liabilities (net) | 20 | | 28,686.14 | 25,172.22 |
| d) Other non-current liabilities | 24 | | 2,922.55 | - |
| | (D) | | 46,938.82 | 45,145.31 |
| 3) CURRENT LIABILITIES | | | | |
| a) Financial liabilities | | | | |
| (i) Borrowings | 17 | | 29,329.38 | 16,165.81 |
| (ii) Lease liabilities | 21 | | 314.61 | 209.26 |
| (iii) Trade Payables | 22 | | | |
| - Total outstanding dues of micro enterprises and small enterprises | | | 1,026.51 | 1,159.90 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | | 20,440.72 | 21,937.31 |
| (iv) Other financial liabilities | 23 | | 13,958.62 | 12,544.60 |
| b) Other current liabilities | 24 | | 11,747.01 | 12,030.12 |
| c) Provisions | 19 | | 3,400.81 | 3,135.98 |
| d) Current tax liabilities (net) | 25 | | 149.48 | 92.35 |
| | (E) | | 80,367.14 | 67,275.33 |
| TOTAL LIABILITIES (F) = (D)+(E) | | | 1,27,305.96 | 1,12,420.64 |
| TOTAL EQUITY AND LIABILITIES (C)+(F) | | | 2,87,676.13 | 2,64,963.46 |
| Summary of significant accounting policies | 2.1 | | | |

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

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

ICAI firm registration number: 116231W/W-100024

Vikash Somani

Partner

Membership No.: 061272

Place: Hyderabad

For and on behalf of Board of Directors

CK. Birla

Chairman

(DIN 00118473)

D.D. Khetrapal

Managing Director & CEO

(DIN 02362633)

P.C. Jain

Chief Financial Officer

(FCA 079601)

N. Bisaria

Company Secretary

(FCS 5634)

Place: New Delhi

Date: April 28, 2023

Date: April 28, 2023

Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lacs)

| Particulars | Note | March 31, 2023 | March 31, 2022 |
|---|------|--------------------|--------------------|
| I) INCOME | | | |
| Revenue from operations | 26 | 2,93,754.56 | 2,72,541.66 |
| Other income | 27 | 1,202.04 | 956.28 |
| Total income (I) | | 2,94,956.60 | 2,73,497.94 |
| II) EXPENSES | | | |
| Cost of materials consumed | 28 | 40,346.86 | 36,703.75 |
| Changes in inventories of finished goods and work-in-progress | 29 | (1,698.42) | (1,232.96) |
| Employee benefits expense | 30 | 16,609.96 | 15,244.40 |
| Finance costs | 31 | 3,777.80 | 5,142.55 |
| Depreciation and amortisation expenses | 32 | 14,681.71 | 14,521.36 |
| Power and fuel | | 92,808.55 | 62,439.85 |
| Packing, freight & forwarding charges | | 78,697.33 | 71,156.13 |
| Other expenses | 33 | 30,537.32 | 29,122.83 |
| Total expenses (II) | | 2,75,761.11 | 2,33,097.91 |
| III) Profit before tax (I)-(II) | | 19,195.49 | 40,400.03 |
| IV) Tax Expense | 20 | | |
| (1) Current tax | | 7,947.75 | 8,514.66 |
| (2) Deferred tax | | (1,033.77) | 5,560.29 |
| | | 6,913.98 | 14,074.95 |
| V) Profit for the year (III)-(IV) | | 12,281.51 | 26,325.08 |
| VI) Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement gain on defined benefit plans | 35 | 202.98 | 363.85 |
| Income tax effect | 20 | (70.93) | (127.14) |
| Other Comprehensive Income (net of tax) | | 132.05 | 236.71 |
| VII) Total Comprehensive Income for the year (V)+(VI) | | 12,413.56 | 26,561.79 |
| Earnings per equity share (Face value ₹1/- per share) | 34 | | |
| (1) Basic (in ₹) | | 5.99 | 12.85 |
| (2) Diluted (in ₹) | | 5.99 | 12.85 |
| Summary of significant accounting policies | 2.1 | | |

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

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

ICAI firm registration number: 116231W/W-100024

Vikash Somani

Partner

Membership No.: 061272

Place: Hyderabad

Date: April 28, 2023

For and on behalf of Board of Directors

CK. Birla

Chairman

(DIN 00118473)

P.C. Jain

Chief Financial Officer

(FCA 079601)

Place: New Delhi

Date: April 28, 2023

D.D. Khetrapal

Managing Director & CEO

(DIN 02362633)

N. Bisaria

Company Secretary

(FCS 5634)

Statement of Cash Flows

for the year ended March 31, 2023

(₹ in Lacs)

| Particulars | Note | March 31, 2023 | March 31, 2022 |
|--|------|--------------------|--------------------|
| (A) OPERATING ACTIVITIES : | | | |
| Profit before tax | | 19,195.49 | 40,400.03 |
| Adjustments for : | | | |
| Depreciation and amortisation expense | | 14,681.71 | 14,521.36 |
| Finance costs | | 3,777.80 | 5,142.55 |
| Loss/(Profit) on sale / discard of Property, plant and equipment | | 3.09 | (19.19) |
| Bad debts / advances written off | | 42.38 | 34.16 |
| Provision for doubtful debts, advances and other receivables | | - | 73.84 |
| Unspent liabilities and unclaimed balances adjusted | | (444.06) | (396.58) |
| Profit on sale of current investments | | (0.51) | (99.04) |
| Loss on Fair valuation of investments | | - | 6.54 |
| Employee stock option expense | | 23.33 | - |
| Unrealised gain/(loss) on exchange rate fluctuations (net) | | 1.50 | (0.43) |
| Capital expenditure written off | | 12.12 | - |
| Interest income | | (151.64) | (142.06) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 37,141.21 | 59,521.18 |
| Working Capital Adjustments : | | | |
| (Decrease)/Increase in trade payable and other liabilities | | (1,218.10) | 5,076.66 |
| Increase/(Decrease) in provisions | | 514.55 | (841.61) |
| (Increase) in inventories | | (16,429.53) | (1,608.47) |
| (Increase) in trade receivables and other assets | | (5,545.90) | (3,177.83) |
| CASH GENERATED FROM OPERATIONS: | | 14,462.23 | 58,969.93 |
| Income Tax Paid (net of refund) | | (3,362.57) | (6,577.99) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | | 11,099.66 | 52,391.94 |
| (B) INVESTING ACTIVITIES : | | | |
| Purchase of Property, Plant and Equipment and Intangibles (including capital work-in-progress) | | (13,002.15) | (5,339.55) |
| Proceeds from sale of Property, plant and equipment | | 64.88 | 86.13 |
| Investment in Equity and Debt instruments | | - | (416.49) |
| Redemption of Current Investments (net) | | 1,001.82 | 10,598.22 |
| Investment in term deposits with banks | | (795.20) | (3,592.39) |
| Proceeds from maturity of term deposits with banks | | 635.03 | 5,527.54 |
| Interest received | | 114.95 | 153.85 |
| NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES | | (11,980.67) | 7,017.31 |
| (C) FINANCING ACTIVITIES : | | | |
| Proceeds from non-current borrowings | | 8,368.15 | 39,949.88 |
| Proceeds from VAT/GST tax loan - Government grant | | 5,591.86 | - |
| Repayment of non current borrowings | | (14,800.00) | (87,767.72) |
| Repayment of Sales tax deferrment loan | | (1,365.81) | (1,280.32) |
| Proceeds from Current Borrowings (net) | | 13,483.36 | - |
| Payments of Lease Liabilities (Note 37) | | (268.13) | (247.30) |
| Interest paid | | (2,881.05) | (4,653.62) |
| Dividends paid | | (4,611.61) | (4,609.55) |
| NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES | | 3,516.77 | (58,608.63) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | | 2,635.76 | 800.62 |
| Cash and cash equivalents at the beginning of the year | 13 | 4,308.02 | 3,507.40 |
| Cash and cash equivalents at the end of the year | 13 | 6,943.78 | 4,308.02 |

Statement of cash flows has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Act.

For changes in liabilities arising from financing activities refer Note 17

Summary of significant accounting policies

2.1

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

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

ICAI firm registration number: 116231W/W-100024

Vikash Somani

Partner

Membership No.: 061272

Place: Hyderabad

For and on behalf of Board of Directors

CK. Birla

Chairman

(DIN 00118473)

D.D. Khetrapal

Managing Director & CEO

(DIN 02362633)

P.C. Jain

Chief Financial Officer

(FCA 079601)

N. Bisaria

Company Secretary

(FCS 5634)

Place: New Delhi

Date: April 28, 2023

Date: April 28, 2023

Statement of Changes in Equity

for the year ended March 31, 2023

A) Equity Share Capital

| Particulars | No. in Lacs | ₹ in Lacs |
|--|-----------------|-----------------|
| Equity Shares of ₹1 each issued, subscribed and fully paid | | |
| Balance as at April 01, 2021 | 2,048.69 | 2,048.69 |
| Changes in equity share capital during 2021-22 | - | - |
| Balance as at March 31, 2022 | 2,048.69 | 2,048.69 |
| Changes in equity share capital during 2022-23 | - | - |
| Balance as at March 31, 2023 | 2,048.69 | 2,048.69 |

B) Other Equity

(₹ in Lacs)

| Particulars | Reserves and Surplus | | | Total |
|--|----------------------|------------------------------------|-------------------|--------------------|
| | General Reserve | Employee Stock Options Outstanding | Retained Earnings | |
| Balance as at April 01, 2021 | 71,056.95 | 1,168.34 | 56,316.60 | 1,28,541.89 |
| Profit for the year | - | - | 26,325.08 | 26,325.08 |
| Other Comprehensive Income for the year (Remeasurement gain on defined benefit plans) | - | - | 236.71 | 236.71 |
| Total comprehensive Income for the year | - | - | 26,561.79 | 26,561.79 |
| Transactions with owners, recorded directly in equity | | | | |
| Contributions by and distributions to owners | | | | |
| Dividends (Note 47) | - | - | (4,609.55) | (4,609.55) |
| Balance as at March 31, 2022 | 71,056.95 | 1,168.34 | 78,268.84 | 1,50,494.13 |
| Profit for the year | - | - | 12,281.51 | 12,281.51 |
| Other Comprehensive Income for the year (Remeasurement gain on defined benefit plans) | - | - | 132.05 | 132.05 |
| Total comprehensive Income for the year | - | - | 12,413.56 | 12,413.56 |
| Transferred to Retained Earnings* | - | (467.34) | 467.34 | - |
| Transactions with owners, recorded directly in equity | | | | |
| Contributions by and distributions to owners | | | | |
| Share based payments (Note 36) | - | 23.33 | - | 23.33 |
| Dividends (Note 47) | - | - | (4,609.54) | (4,609.54) |
| Balance as at March 31, 2023 | 71,056.95 | 724.33 | 86,540.20 | 1,58,321.48 |

*in relation to options expired after the exercised period.

Summary of significant accounting policies Note 2.1

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

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

ICAI firm registration number: 116231W/W-100024

Vikash Somani

Partner

Membership No.: 061272

Place: Hyderabad

Date: April 28, 2023

For and on behalf of Board of Directors

CK. Birla

Chairman

(DIN 00118473)

P.C. Jain

Chief Financial Officer

(FCA 079601)

Place: New Delhi

Date: April 28, 2023

D.D. Khetrpal

Managing Director & CEO

(DIN 02362633)

N. Bisaria

Company Secretary

(FCS 5634)

Notes to the Ind AS Financial Statements

as at and for the year ended March 31, 2023

1. Corporate information

Orient Cement Limited ("the Company") having CIN: L26940OR2011PLC013933 is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National Stock exchange and Bombay Stock exchange in India. The cement undertaking of Orient Paper & Industries Limited (OPIL) was transferred to the Company on a going concern basis w.e.f. 1st April 2012, pursuant to the scheme of arrangement approved by the Hon'ble High Court of Orissa.

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

2. Basis of preparation

A. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under the Companies Act, 2013 ("Act").

These Ind AS financial statements were authorised for issue in accordance with a resolution of the Board of Directors on April 28, 2023.

B. Functional and Presentation currency

The Ind AS financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lacs (INR 00,000), except when otherwise indicated.

C. Basis of measurement

These Ind AS financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value and net defined benefit (asset)/liability measured as per actuarial valuation (refer accounting policy regarding financial instruments).

D. Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses including unabsorbed depreciation can be utilised. Significant management estimate and assumptions is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further, details on taxes are disclosed in Note 20.

Provision for Restoration cost and rehabilitation and resettlement cost obligations relating to mines

In determining the fair value of the Restoration cost and rehabilitation and resettlement cost obligation relating to mines, assumptions and estimates are made in relation to discount rates, the expected cost to be incurred over the specified period and the expected timing of such costs. Also refer Note 19.

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

Useful Lives of Property, plant & equipment

The Company uses technical expertise along with historical and industry trends for determining the economic life of an certain asset/component of an asset. The useful lives are reviewed by management yearly and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Defined benefit plans

The cost of defined benefit gratuity plan and its present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, an employee benefit obligation is highly sensitive to changes in these assumptions particularly the discount rate and estimate of future salary increase. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 35.

Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes Model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 36.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

2.1 Summary of significant accounting policies

(a) Property, plant and equipment (PPE)

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment (including capital work in progress) is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major overhaul is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Freehold Land and buildings are measured at historical cost less accumulated depreciation on buildings and impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company and the subsequent expenditure can be measured reliably.

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the statement of profit and loss. Depreciation is provided under straight line basis using the estimated useful lives of the assets as follows -

| Class of Asset | Useful Lives estimated by the management |
|--|---|
| Freehold Land | No depreciation except on freehold mining land. Freehold mining land is depreciated over the period of respective mining agreement (42 to 44 years). |
| Factory Buildings | 30 years |
| Non-Factory Buildings | 5 to 60 years |
| Railway Sidings | 15 years |
| Plant and equipment including continuous process plant | 5 to 25 years |
| Power plant | 40 years |
| Furniture & Fixtures | 8 to 10 years |
| Computers | 3 years |
| Office Equipment | 5 years |
| Vehicles | 10 years |

Depreciation on property, plant and equipment added / disposed-off during the year is provided on pro-rata basis with reference to the date of addition/disposal. The management has estimated, supported by technical assessment by experts, the useful lives of certain plant and equipment as 5 to 25 years. These lives are lower than those indicated in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Production stripping costs

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material.

The Company recognises a stripping activity asset in the production phase if, and only if, all of the following conditions are met: it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the Company, the Company can identify the component of the ore body for which access has been improved and the costs relating to the improved access to that component can be measured reliably.

Such costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost less accumulated amortisation and impairment, if any. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

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(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalised and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

Cost of an item of intangible assets comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of preparing the asset for its intended use.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

A summary of the policies applied to the Company's intangible assets is, as follows:

| Class of Intangible Asset | Useful Lives estimated by the management | Amortisation method used |
|---------------------------|--|--|
| Specialized Software | 3 years | Amortised on a straightline basis over the period of agreement |
| Mining Rights | 10 to 50 years | Amortised on a straight-line basis over the period of licence / agreement (reflective of usages pattern) |

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the assets is derecognised.

(c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;

Notes to the Ind AS Financial Statements (Contd..)

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- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(d) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (f) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset (refer Note 18 and Note 21).

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the Ind AS Financial Statements (Contd..)

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Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

(f) Impairment of non-financial assets

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(g) Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is deducted while calculating carrying amount of the asset. The grant is recognised in the Statement of Profit and Loss over the life of the depreciable asset as a reduced depreciation expense.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan

Notes to the Ind AS Financial Statements (Contd..)

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or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans / assistances received subsequent to the date of transition.

(h) Inventories

Raw materials, fuels, stores and spares and packing materials are valued at lower of cost and net realisable value. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of such inventories is computed on annual weighted average basis.

Saleable scrap, whose cost is not identifiable, is valued at net realisable value.

Net realisable value (NRV) is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. The comparison of cost and is made on item by item basis.

(i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer and is measured at the fair value of consideration received or receivable. The normal credit term is 0 to 90 days upon delivery. The revenue is measured based on the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Generally, rebates are offset against amounts payable by the customer. It is estimated at contract inception considering the terms of various schemes with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

(j) Foreign currency transactions and balances

The Ind AS financial statements are presented in INR, which is the Company's functional currency. Foreign currency transactions are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency monetary items are translated using the functional currency spot rates prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences arising on the settlement or translation of monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

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(k) Retirement and other employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Retirement benefit in the form of Provident Fund, Employees State Insurance Corporation (ESIC) and Superannuation Schemes are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to the scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to Statement Profit and Loss in subsequent periods.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined plan when the settlement occurs.

Other long-term employee benefits

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(l) Taxes

Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity).

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized except:

- a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The Company recognises MAT credit available as deferred tax asset only when there is convincing evidence that sufficient taxable profit will be available to allow all or part of MAT credit to be utilised during the specified period, i.e., the period for which such credit is allowed to be utilised. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

The Company is entitled to tax holiday under the Income Tax Act, 1961 enacted in India. No deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary difference originates.

(m) Segment reporting

Identification of segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Managing Director & CEO to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

(n) Earnings Per Share

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

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during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(o) Provisions

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(p) Contingent liabilities and Contingent Assets

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

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable. It is reviewed at each balance sheet date.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and are also used for the purpose of Statement of Cash Flows, as these are considered an integral part of the Company's cash management.

(r) Employee stock options

Certain employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised, together with a corresponding increase in reserves, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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(s) Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A Financial asset and liability are initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Financial assets - classification and subsequent measurement:

- **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

iii. Financial liabilities - classification and subsequent measurement:

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

- **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

- **Other financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iv. De-recognition of financial instruments

- **Financial asset**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards

Notes to the Ind AS Financial Statements (Contd..)

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of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters transaction whereby it transfers assets recognised on its balance sheet but retains either all or substantially all the risks and rewards of the transferred assets, the transferred assets are not derecognised.

- **Financial liability**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or the same expires.

The Company also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

v. **Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Company has a legally enforceable right to set off the amount and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

vi. **Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgements is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

vii. **Impairment**

- **Financial assets (other than at fair value)**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses ('ECL') to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables and contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company write-off's the receivables only on completion of the legal proceedings or if it is certain that the balance will not be recoverable.

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(t) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(u) Mines Restoration Provision

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines. Costs arising from restoration at closure of the mines and other site preparation work are provided for based on their discounted net present value, with a corresponding amount being capitalised at the start of each project. The amount provided for is recognised, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The costs are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the Statement of Profit and Loss.

(v) Share Capital

Equity shares:

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

(w) Other income

Interest income is recognised using the time proportion method, based on the underlying interest rates.

2.2 Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(a). Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

(b). Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

(c). Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

3. Property, plant and equipment

(₹ in Lacs)

| Particulars | Freehold Land (a) | Freehold Mining Land (a) | Factory Buildings | Non-Factory Buildings | Railway Sidings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment | Computers | Total |
|--------------------------------------|-------------------|--------------------------|-------------------|-----------------------|-----------------|---------------------|------------------------|----------|------------------|-----------|-------------|
| Cost | | | | | | | | | | | |
| April 01, 2021 | 5,809.99 | 9,489.27 | 6,493.12 | 26,634.56 | 7,478.98 | 2,26,234.68 | 1,142.80 | 534.50 | 517.55 | 1,068.33 | 2,85,403.78 |
| Additions | - | 133.47 | 38.02 | 653.75 | 2.08 | 3,348.53 | 35.75 | 293.32 | 54.38 | 105.96 | 4,665.26 |
| Disposals | - | - | - | 97.02 | 11.46 | 111.44 | 30.24 | 61.81 | 10.67 | 40.38 | 363.02 |
| March 31, 2022 | 5,809.99 | 9,622.74 | 6,531.14 | 27,191.29 | 7,469.60 | 2,29,471.77 | 1,148.31 | 766.01 | 561.26 | 1,133.91 | 2,89,706.02 |
| Additions | - | 193.71 | - | 556.30 | 1,335.88 | 1,222.28 | 26.16 | 154.39 | 27.04 | 38.92 | 3,554.68 |
| Disposals | - | - | - | - | 2.63 | 246.60 | 36.33 | 65.78 | 20.21 | 108.85 | 480.40 |
| March 31, 2023 | 5,809.99 | 9,816.45 | 6,531.14 | 27,747.59 | 8,802.85 | 2,30,447.45 | 1,138.14 | 854.62 | 568.09 | 1,063.98 | 2,92,780.30 |
| Depreciation and amortisation | | | | | | | | | | | |
| April 01, 2021 | - | 409.10 | 1,227.43 | 6,718.19 | 1,085.67 | 59,292.67 | 620.85 | 304.87 | 275.21 | 870.07 | 70,804.06 |
| Charge for the year | - | 309.70 | 222.03 | 1,337.87 | 472.96 | 11,451.02 | 79.05 | 32.61 | 77.27 | 77.31 | 14,059.82 |
| Disposals | - | - | - | 17.70 | 1.92 | 60.56 | 11.76 | 47.05 | 5.51 | 37.55 | 182.05 |
| March 31, 2022 | - | 718.80 | 1,449.46 | 8,038.36 | 1,556.71 | 70,683.13 | 688.14 | 290.43 | 346.97 | 909.83 | 84,681.83 |
| Charge for the year | - | 420.44 | 222.25 | 1,331.74 | 525.78 | 11,371.97 | 74.54 | 63.14 | 77.38 | 78.28 | 14,165.52 |
| Disposals | - | - | - | - | - | 229.45 | 17.48 | 49.49 | 13.98 | 102.04 | 412.44 |
| March 31, 2023 | - | 1,139.24 | 1,671.71 | 9,370.10 | 2,082.49 | 81,825.65 | 745.20 | 304.08 | 410.37 | 886.07 | 98,434.91 |
| Net book value | | | | | | | | | | | |
| March 31, 2023 | 5,809.99 | 8,677.21 | 4,859.43 | 18,377.49 | 6,720.36 | 1,48,621.80 | 392.94 | 550.54 | 157.72 | 177.91 | 1,94,345.39 |
| March 31, 2022 | 5,809.99 | 8,903.94 | 5,081.68 | 19,152.93 | 5,912.89 | 1,58,788.64 | 460.17 | 475.58 | 214.29 | 224.08 | 2,05,024.19 |

- a. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company except as disclosed below –

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director/ employee of promoter/ director | Property held since which date | Reason for not being held in the name of the company |
|---|---------------------------------|---|---------------------------------|---|--------------------------------|--|
| Property, plant and equipment | Freehold land | ₹ 752.08 lacs (March 31, 2022: ₹ 752.08 lacs) | Orient Paper & Industries Ltd. | No | July 27, 2012 | Mutation under progress |

- b. For charge created on Property, plant and equipment of the Company towards borrowings, refer Note 17.
- c. For disclosure on capital commitments, refer Note 38.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2023

4. Intangible assets

(₹ in Lacs)

| Particulars | Computer software | Mining Rights | Total |
|-----------------------|-------------------|-----------------|-----------------|
| Cost | | | |
| April 01, 2021 | 996.89 | 7,449.65 | 8,446.54 |
| Additions | 80.29 | 151.65 | 231.94 |
| Disposals/Adjustments | - | 85.32 | 85.32 |
| March 31, 2022 | 1,077.18 | 7,515.98 | 8,593.16 |
| Additions | 48.99 | 330.94 | 379.93 |
| Disposals | - | - | - |
| March 31, 2023 | 1,126.17 | 7,846.92 | 8,973.09 |
| Amortisation | | | |
| April 01, 2021 | 929.89 | 1,510.99 | 2,440.88 |
| Charge for the year | 61.49 | 185.50 | 246.99 |
| March 31, 2022 | 991.38 | 1,696.49 | 2,687.87 |
| Charge for the year | 51.68 | 207.37 | 259.05 |
| March 31, 2023 | 1,043.06 | 1,903.86 | 2,946.92 |
| Net book value | | | |
| March 31, 2023 | 83.11 | 5,943.06 | 6,026.17 |
| March 31, 2022 | 85.80 | 5,819.49 | 5,905.29 |

Notes to 3 & 4 - During the year, the Company has capitalised the following expenses to cost of Property, plant and equipment / capital work-in-progress

(₹ in Lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| a) Expenses capitalised: | | |
| Rent and hire charges | 0.45 | 0.60 |
| Salary and wages | 6.18 | - |
| Contribution to provident and other funds | 0.31 | - |
| Consultancy charges | 2.03 | 4.83 |
| Interest cost | - | 75.83 |
| Other Borrowing cost | 1.44 | 1.80 |
| Miscellaneous Expenses | 6.90 | 0.30 |
| | 17.31 | 83.36 |
| b) Add: Balance brought forward from previous year | 970.69 | 963.16 |
| c) Less: Allocated to Property, plant and equipment / Capital work-in-progress during the year / Charged to Statement of Profit and Loss | 12.12 | 75.83 |
| d) Balance pending allocation included in Capital work-in-progress (a+b-c) | 975.88 | 970.69 |

5 a. Movement of capital work-in-progress (CWIP)

(₹ in Lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------|-------------------------|-------------------------|
| Opening balance | 3,976.85 | 4,127.70 |
| Additions during the year | 13,932.03 | 4,746.35 |
| Capitalised during the year | 3,934.61 | 4,897.20 |
| Closing balance | 13,974.27 | 3,976.85 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

CWIP ageing schedule

(₹ in Lacs)

| Particulars | Amount in CWIP for a period of | | | | Total |
|--|--------------------------------|-----------------|---------------|-------------------|------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Project in progress | | | | | |
| Rajasthan (Shambhupura) Project | 12.31 | 7.23 | 95.88 | 860.46 | 975.88 |
| WHRS (At Chittapur Plant) | 7,427.31 | 1.75 | - | - | 7,429.06 |
| Colony expansion (At Devapur Plant) | 330.29 | 1.20 | - | - | 331.49 |
| Fly Ash Rake Unloading System (At Chittapur Plant) | 2,510.96 | 455.68 | - | - | 2,966.64 |
| Others | 1,440.14 | 637.16 | 30.62 | 163.29 | 2,271.21 |
| March 31, 2023 | 11,721.01 | 1,103.02 | 126.50 | 1,023.75 | 13,974.28 |
| Rajasthan (Shambhupura) Project | 7.23 | 95.88 | 12.98 | 847.48 | 963.57 |
| WHRS (At Chittapur Plant) | 1.75 | - | - | - | 1.75 |
| Colony expansion (At Devapur Plant) | 1.20 | - | - | - | 1.20 |
| Fly Ash Rake Unloading System (At Chittapur Plant) | 455.68 | - | - | - | 455.68 |
| Others | 1,187.89 | 508.93 | 634.18 | 223.65 | 2,554.65 |
| March 31, 2022 | 1,653.75 | 604.81 | 647.16 | 1,071.13 | 3,976.85 |

Note - (a). The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

(b). There are no suspended projects as at March 31, 2023 and March 31, 2022.

5 b. Right of use assets

(₹ in Lacs)

| Particulars | Buildings | Computers | Total |
|-----------------------|---------------|---------------|---------------|
| Cost | | | |
| April 01, 2021 | 544.21 | - | 544.21 |
| Additions | 674.42 | - | 674.42 |
| Disposals | 544.21 | - | 544.21 |
| March 31, 2022 | 674.42 | - | 674.42 |
| Additions | - | 305.57 | 305.57 |
| Disposals | - | - | - |
| March 31, 2023 | 674.42 | 305.57 | 979.99 |
| Depreciation | | | |
| April 01, 2021 | 419.20 | - | 419.20 |
| Charge for the year | 214.55 | - | 214.55 |
| Disposals | 544.21 | - | 544.21 |
| March 31, 2022 | 89.54 | - | 89.54 |
| Charge for the year | 224.81 | 32.33 | 257.14 |
| Disposals | - | - | - |
| March 31, 2023 | 314.35 | 32.33 | 346.68 |
| Net book value | | | |
| March 31, 2023 | 360.07 | 273.24 | 633.31 |
| March 31, 2022 | 584.88 | - | 584.88 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

6. Loans

| (₹ in Lacs) | | |
|-----------------------------------|----------------|----------------|
| Particulars | March 31, 2023 | March 31, 2022 |
| At Amortised Cost | | |
| Non-current | | |
| Unsecured, considered good | | |
| Loans to employees | 2.93 | 2.81 |
| | 2.93 | 2.81 |
| Current | | |
| Unsecured, considered good | | |
| Loans to employees | 3.19 | 2.86 |
| | 3.19 | 2.86 |
| Total Loans | 6.12 | 5.67 |

- a. Information about the Company's exposure to credit risk, market risk and fair value measurement is included in Note 43 and 49.
- b. No loans are due from directors or other officers of the Company either severally or jointly with any other person nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

7. Other financial assets

| (₹ in Lacs) | | |
|--|-----------------|-----------------|
| Particulars | March 31, 2023 | March 31, 2022 |
| Non-current | | |
| Security deposits | 1,121.96 | 1,177.42 |
| Deposit with original maturity for more than 12 months at amortised cost # | 1,110.31 | 950.13 |
| Interest accrued on loans and deposits | 24.55 | 44.59 |
| | 2,256.82 | 2,172.14 |
| Current | | |
| Interest accrued on loans and deposits | 43.79 | 46.67 |
| Claims and other receivables* | 1,039.89 | 1,054.10 |
| Less: Loss allowance | 23.49 | 11.75 |
| | 1,016.40 | 1,042.35 |
| | 1,060.19 | 1,089.02 |
| Total other financial assets | 3,317.01 | 3,261.16 |

#Receipts for ₹ 1,110.31 lacs (March 31, 2022: ₹ 950.13 lacs) are lodged with Government Departments/Banks as security.

*Includes ₹ 576.75 lacs (March 31, 2022 : ₹ 576.75 lacs) receivable towards reimbursement of sales tax under Industrial Investment Promotion Policy (IIIPP 2005-2010) Scheme of Andhra Pradesh. Other receivables include REC receivable, discount receivable on fuels, etc. Information about the Company's exposure to credit risk, market risk and fair value measurement is included in Note 43 and 49.

8. Income tax assets (net)

| (₹ in Lacs) | | |
|--|----------------|----------------|
| Particulars | March 31, 2023 | March 31, 2022 |
| Advance income tax (net of provision for taxation) | 69.00 | 120.30 |
| | 69.00 | 120.30 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

9. Other assets

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Non-current | | |
| Unsecured, considered good, except where otherwise stated | | |
| Capital advances | | |
| Considered good | 358.67 | 371.24 |
| Considered doubtful | 43.27 | 43.27 |
| | 401.94 | 414.51 |
| Less : Loss allowance | 43.27 | 43.27 |
| | 358.67 | 371.24 |
| Trade and other deposits | 914.07 | 935.00 |
| Deposits against demand under dispute | 1,356.67 | 1,471.99 |
| Prepaid expenses | 404.04 | 616.66 |
| Excess Corporate Social Responsibility (CSR) amount spent, available for carry forward (Note 46) | - | 71.55 |
| | 3,033.45 | 3,466.44 |
| Current | | |
| Unsecured, considered good, except where otherwise stated | | |
| Advance to suppliers / service providers | | |
| Considered good | 4,899.71 | 3,717.58 |
| Considered doubtful | 167.91 | 167.91 |
| | 5,067.62 | 3,885.49 |
| Less : Loss allowance | 167.91 | 167.91 |
| | 4,899.71 | 3,717.58 |
| Prepaid expenses | 773.00 | 926.50 |
| Balances with excise, customs, port trusts and other government authorities | 1,186.64 | 783.57 |
| | 6,859.35 | 5,427.65 |
| Total other assets | 9,892.80 | 8,894.09 |

10. Inventories

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|------------------|------------------|
| Valued at lower of cost and net realisable value | | |
| Raw materials | 2,638.28 | 2,574.31 |
| Work-in-progress | 3,916.43 | 3,431.32 |
| Finished goods | 2,989.10 | 1,965.63 |
| Packing material | 455.55 | 498.78 |
| Stores and spares | 9,672.44 | 7,827.02 |
| Fuels | 15,044.39 | 2,179.44 |
| At net realisable value | | |
| Scrap | 375.23 | 185.39 |
| | 35,091.42 | 18,661.89 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--------------------------------------|-----------------|----------------|
| The above includes stock in transit: | | |
| Raw materials | 135.54 | 118.23 |
| Work-in-progress | 317.13 | - |
| Packing material | 26.57 | - |
| Stores and spares | 13.75 | 0.34 |
| Fuels | 4,116.96 | 535.15 |
| | 4,609.95 | 653.72 |

a. Inventories are pledged against the borrowings of the Company as referred in Note 17.

11. Investments

(₹ in Lacs)

| Particulars | Number | | Face Value (₹) | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|----------------|----------------|-----------------|
| | March 31, 2023 | March 31, 2022 | | | |
| Non-current investments | | | | | |
| Investment in companies at fair value through profit and loss | | | | | |
| Unquoted, equity securities, fully paid AMPSolar Systems Private Limited* | 41,624 | 41,624 | 10 | 4.16 | 4.16 |
| Unquoted, debt securities, fully paid 0.01% compulsorily-convertible debentures in AMPSolar Systems Private Limited* | 41,233 | 41,233 | 1,000 | 412.33 | 412.33 |
| | | | | 416.49 | 416.49 |
| Current Investments | | | | | |
| Investment in Mutual Funds, fully paid | - | 23,928 | | - | 1,001.31 |
| Quoted, valued at Fair Value through Profit and Loss HDFC Liquid Fund - Direct Plan - Growth Option | | | | - | 1,001.31 |
| | | | | 416.49 | 1,417.81 |
| Total Investments | | | | | |
| Aggregate amount of quoted investments | | | | - | 1,001.31 |
| Aggregate amount of unquoted investments | | | | 416.49 | 416.49 |
| Aggregate amount of impairment in value of investments | | | - | - | - |

* The purpose of investment in AMPSolar Systems Private Limited ("AMP Solar") was to set up a solar power plant in Maharashtra under Captive Scheme for Company's grinding unit at Jalgaon. As per the terms of the agreement and in-line with the guidance under the standards, AMPSolar would not be a subsidiary or associate of the Company.

12. Trade receivables

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| Secured, considered good | 1,453.49 | 3,825.26 |
| Unsecured, considered good | 15,373.20 | 8,824.97 |
| Trade receivables which have significant increase in credit risk | 451.85 | 481.39 |
| | 17,278.54 | 13,131.62 |
| Less : Loss allowance | 386.17 | 398.37 |
| | 16,892.37 | 12,733.25 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

- Trade receivables are pledged against the borrowings of the Company as referred in Note 17.
- For ageing analysis, credit risk and market risk of trade receivables, refer Note 43 & 44.
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

13. Cash and cash equivalents

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|-----------------------|-----------------|-----------------|
| Balances with banks | | |
| - on current accounts | 6,431.70 | 3,686.96 |
| Cheques on hand | 509.32 | 618.40 |
| Cash on hand | 2.76 | 2.66 |
| | 6,943.78 | 4,308.02 |

14. Other bank balances

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|----------------------------|----------------|----------------|
| Unpaid dividend accounts * | 67.99 | 70.07 |
| | 67.99 | 70.07 |

* earmarked for payment of unpaid dividend only.

15. Equity share capital

| Particulars | March 31, 2023 | | March 31, 2022 | |
|--|----------------|-----------|----------------|-----------|
| | No. in lacs | ₹ in Lacs | No. in lacs | ₹ in Lacs |
| Authorised share capital (Equity Shares of ₹ 1 each) | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 |
| Issued, subscribed and fully paid-up (Equity Shares of ₹ 1 each fully paid-up) | 2,048.69 | 2,048.69 | 2,048.69 | 2,048.69 |

There is no change in the number of shares in current year and corresponding previous year.

a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended March 31, 2023, final dividend of ₹ 1.75 per share (March 31, 2022: ₹ 1.50 per share) and Interim dividend of ₹ 0.50 per share (March 31, 2022: ₹ 0.75 per share) was recognised for distribution to equity shareholders respectively.

The Board of Directors, at its meeting on April 28, 2023, have proposed a final dividend of ₹ 1 per equity share for the financial year ended March 31, 2023. The proposal is subject to the approval of shareholders at the forthcoming Annual General Meeting and if approved would result in a cash outflow of approximately ₹ 2048.69 lacs. Final dividend is accounted for in the year in which it is approved by the shareholders.

During the five years period ended March 31, 2023, no shares have been bought back/ issued for consideration other than Cash and no bonus shares have been issued.

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

b) Details of shareholders holding more than 5% shares in the Company

| Particulars | March 31, 2023 | | March 31, 2022 | |
|--|----------------|------------------------|----------------|------------------------|
| | No. in lacs | % holding in the class | No. in lacs | % holding in the class |
| Equity shares of ₹1 each fully paid | | | | |
| Central India Industries Limited | 498.49 | 24.33 | 491.44 | 23.99 |
| Shekhavati Investments and Traders Limited | 127.55 | 6.23 | 123.61 | 6.03 |

c) Details of shareholding of the promoters

| Name of the Promoter | March 31, 2023 | | | March 31, 2022 | | |
|---|----------------|------------------------|-----------------------------|----------------|------------------------|-----------------------------|
| | No. in lacs | % holding in the class | % of change during the year | No. in lacs | % holding in the class | % of change during the year |
| Equity shares of ₹1 each fully paid | | | | | | |
| Individuals/Hindu Undivided Family | | | | | | |
| Chandrakant Birla | 31.54 | 1.54 | - | 31.54 | 1.54 | - |
| Amita Birla | 3.88 | 0.19 | - | 3.88 | 0.19 | - |
| Nirmala Birla | 30.22 | 1.47 | - | 30.22 | 1.47 | - |
| Avani Birla | 1.30 | 0.06 | - | 1.30 | 0.06 | - |
| Avanti Birla | 1.30 | 0.06 | - | 1.30 | 0.06 | - |
| Any Other (Bodies Corporate) | | | | | | |
| Amer Investments (Delhi) Limited | 14.22 | 0.69 | - | 14.22 | 0.69 | - |
| Hindusthan Discounting Company Limited | 22.31 | 1.09 | - | 22.31 | 1.09 | - |
| National Engineering Industries Limited | 5.37 | 0.26 | - | 5.37 | 0.26 | - |
| Jaipur Finance and Dairy Products Private Limited | 2.08 | 0.10 | - | 2.08 | 0.10 | - |
| India Silica Magnesite Works Limited | 2.00 | 0.10 | - | 2.00 | 0.10 | - |
| Universal Trading Company Limited | 9.72 | 0.47 | - | 9.72 | 0.47 | - |
| Central India Industries Limited | 498.49 | 24.33 | 0.34 | 491.44 | 23.99 | - |
| Rajasthan Industries Limited | 5.04 | 0.25 | - | 5.04 | 0.25 | - |
| Shekhavati Investments and Traders Limited | 127.55 | 6.23 | 0.19 | 123.61 | 6.03 | - |
| Ashok Investment Corporation Limited | 3.60 | 0.18 | - | 3.60 | 0.18 | - |
| Gwalior Finance Corporation Limited | 15.93 | 0.78 | - | 15.93 | 0.78 | - |
| Bengal Rubber Company Limited | 1.95 | 0.10 | - | 1.95 | 0.10 | - |

d) For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer Note 36.

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

16. Other equity

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|--------------------|--------------------|
| General reserve | 71,056.95 | 71,056.95 |
| Employee Stock Options Outstanding (Note 36) | | |
| Opening Balance | 1,168.34 | 1,168.34 |
| Add : Charge for the year | 23.33 | - |
| Less : Transferred to Retained Earnings* | 467.34 | - |
| Closing Balance | 724.33 | 1,168.34 |
| Retained Earnings | | |
| Opening Balance | 78,268.84 | 56,316.60 |
| Add : Profit for the year | 12,281.51 | 26,325.08 |
| Add : Other comprehensive income for the year | 132.05 | 236.71 |
| Less : Final dividend | 3,585.20 | 3,073.03 |
| Less : Interim dividend | 1,024.34 | 1,536.52 |
| Add : Transferred from Employee Stock Options Outstanding* | 467.34 | - |
| Closing Balance | 86,540.20 | 78,268.84 |
| Total | 1,58,321.48 | 1,50,494.13 |

* in relation to options expired after the exercise period.

General Reserve: The General reserve is created by a transfer from one component of other equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss.

Employee Stock Options Outstanding: The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 36 for further details of these plans.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends paid to shareholders. Retained earnings includes re-measurement gain/(loss) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

17. Borrowings

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| Non-current borrowings | | |
| Term loans | | |
| From Banks | | |
| Secured bank loans | 7,322.13 | 14,800.00 |
| From other parties | | |
| VAT/GST loan (Secured) | 2,493.72 | - |
| | 9,815.85 | 14,800.00 |
| Current borrowings | | |
| Loan repayable on demand | | |
| Cash credit/ Working capital demand loans from banks (Secured) | 13,483.36 | - |
| Current maturities of Long term loans | 15,846.02 | 14,800.00 |
| Current maturities of Deferred sales tax loan | - | 1,365.81 |
| | 29,329.38 | 16,165.81 |
| Total borrowings | 39,145.23 | 30,965.81 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

Changes in liabilities arising from financing activities

(₹ in Lacs)

| Particulars | Non-current borrowings* | Current borrowings | Lease liabilities | Interest accrued | Total |
|---|-------------------------|--------------------|-------------------|------------------|------------------|
| Opening balance as on April 01, 2022 | 30,965.81 | - | 593.61 | 147.46 | 31,706.88 |
| Changes from financing cash flows | | | | | |
| Proceeds during the year | 13,960.01 | 15,483.36 | - | - | 29,443.37 |
| Repayment during the year | (16,165.81) | (2,000.00) | - | - | (18,165.81) |
| Payment of lease liabilities | - | - | (213.16) | - | (213.16) |
| Changes in fair value | (3,159.28) | - | - | - | (3,159.28) |
| Other changes | | | | | |
| New leases during the year | - | - | 305.57 | - | 305.57 |
| Interest expense | 61.14 | - | 54.97 | 2,939.77 | 3,055.88 |
| Interest paid | - | - | (54.97) | (2,881.05) | (2,936.02) |
| Closing balance as on March 31, 2023 | 25,661.87 | 13,483.36 | 686.02 | 206.18 | 40,037.43 |

(₹ in Lacs)

| Particulars | Non-current borrowings* | Current borrowings | Lease liabilities | Interest accrued | Total |
|---|-------------------------|--------------------|-------------------|------------------|------------------|
| Opening balance as on April 01, 2021 | 79,664.13 | - | 134.18 | 115.70 | 79,914.01 |
| Changes from financing cash flows | | | | | |
| Proceeds during the year | 39,949.88 | 10,000.00 | - | - | 49,949.88 |
| Repayment during the year | (89,048.04) | (10,000.00) | - | - | (99,048.04) |
| Payment of lease liabilities | - | - | (214.99) | - | (214.99) |
| Changes in fair value | 399.84 | - | - | - | 399.84 |
| Other changes | | | | | |
| New leases during the year | - | - | 674.42 | - | 674.42 |
| Interest expense | - | - | 32.31 | 4,685.38 | 4,717.69 |
| Interest paid | - | - | (32.31) | (4,653.62) | (4,685.93) |
| Closing balance as on March 31, 2022 | 30,965.81 | - | 593.61 | 147.46 | 31,706.88 |

* including current maturities

Details of loans borrowed:

(₹ in Lacs)

| Name of the Lender | As at March 31, 2023 | As at March 31, 2022 | Purpose | Repayment terms | Interest rate | Security |
|--------------------|----------------------|----------------------|---|--|--------------------|--|
| HDFC Bank Limited | 14,800.00 | 29,600.00 | Re-financing of earlier loan | Repayable in 8 quarterly installments starting from June 2022 | 5.94% - 9.02% p.a. | First charge on immovable and movable fixed assets, both present and future and second charge on Current Assets of Chittapur taluka unit at Gulbarga District. |
| HDFC Bank Limited | 8,368.15 | - | Reimbursement/ additional construction cost of WHRS and Fly ash rake unloading system in Chittapur. | Repayable in 8 quarterly installments starting from March 2024 | | |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

(₹ in Lacs)

| Name of the Lender | As at March 31, 2023 | As at March 31, 2022 | Purpose | Repayment terms | Interest rate | Security |
|---|----------------------------|----------------------------|-----------------|---|--------------------|---|
| Department of Industries and Commerce, Government of Karnataka | 3,798.51 | - | Not applicable | Repayable in 4 annual installments starting from September, 2032. | Interest free loan | Bank Guarantee of equivalent amount |
| | 1,793.35 | - | Not applicable | Repayable in 4 annual installments starting from March, 2033. | Interest free loan | |
| HDFC Bank Limited | 8,483.36 | - | Working capital | Repayable on demand | 7.1% - 7.8% p.a. | First charge on all the stock and book debts of the Company |
| Axis Bank Limited | 5,000.00 | - | Working capital | Repayable on demand | 7.8% p.a. | |
| Deferred sales tax loan | - | 1,365.81 | Not applicable | Repayable in 26 unequal installments starting from February 2012 | Interest free loan | Charge on immovable and movable fixed assets at Devapur unit. |
| Total | 42,243.37 | 30,965.81 | | | | |
| Less: Adjustment for fair value | (3,098.14) | - | | | | |
| Total | 39,145.23 | 30,965.81 | | | | |

During the year, the Department of Industries and Commerce, Government of Karnataka, disbursed an interest-free loan of ₹ 3,798.51 lacs in September 2022 and ₹ 1,793.35 lacs in March 2023, under the Karnataka Industrial Policy (2009–2014), for the investment made by the Company in its integrated plant at Chittapur. The loan amount pertains to VAT and SGST paid during the period 2015–22 and is to be repaid in four equal annual payments beginning September 2032 and March 2033 respectively. The bank guarantee of equivalent amount has been furnished to the Government of Karnataka as a security. On disbursement, borrowing was recognised at its fair value of ₹ 2,432.58 lacs and carried at amortised cost, and the balance proceeds of ₹ 3,159.28 lacs have been categorised as deferred income of government grant under other current and non-current liabilities.

18. Lease liabilities (Non-current)

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|-----------------------------|----------------|----------------|
| Lease Liabilities (Note 37) | 371.41 | 384.35 |
| | 371.41 | 384.35 |

19. Provisions

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Non-current | | |
| Provision for employee benefits | | |
| Provision for gratuity (Note 35) | 2,531.84 | 2,304.50 |
| Provision for others | | |
| Provision for mining restoration costs | 1,082.72 | 722.34 |
| Provision for rehabilitation and resettlement obligation relating to mines | 1,528.31 | 1,761.90 |
| | 5,142.87 | 4,788.74 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Current | | |
| Provision for employee benefits | | |
| Provision for gratuity (Note 35) | 207.94 | 184.97 |
| Provision for compensated absences | 1,654.15 | 1,570.55 |
| Provision for others | | |
| Provision for mining restoration costs | 9.25 | 5.70 |
| Provision for rehabilitation and resettlement obligation relating to mines | 1,529.47 | 1,374.76 |
| | 3,400.81 | 3,135.98 |

Provision for mining restoration costs

The activities of the Company involve mining of land taken under lease. In terms of relevant statutes, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing etc. As per the requirement of Ind AS 37, the management has estimated such future expenses on best judgment basis and provision there of has been made in the accounts at their present value. The table below gives information about movement in mining restoration cost provisions.

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--------------------------------|-----------------|----------------|
| Opening balance | 728.04 | 541.75 |
| Add: Arisen during the year | 330.93 | 151.65 |
| Less: Utilised during the year | 7.31 | 8.52 |
| Add: Unwinding of discount | 40.31 | 43.16 |
| Closing balance | 1,091.97 | 728.04 |
| | | |
| Current | 9.25 | 5.70 |
| Non-current | 1,082.72 | 722.34 |

Provision for rehabilitation & resettlement obligation relating to mines

In terms of Environment clearance given by Ministry of Environment, Forest and Climate Change (MOEF) for the Company's integrated plant at Chittapur, Karnataka, the Company is required to spend ₹ 7,261.62 lacs on socio economic welfare measures. As per the requirement of Ind AS 37, provision thereof has been made in the accounts at their present value. The table below gives information about movement in rehabilitation & resettlement cost provisions.

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--------------------------------|-----------------|-----------------|
| Opening balance | 3,136.66 | 3,733.62 |
| Less: Adjustment | - | 85.32 |
| Less: Utilised during the year | 345.96 | 569.34 |
| Add: Unwinding of discount | 267.08 | 57.70 |
| Closing balance | 3,057.78 | 3,136.66 |
| | | |
| Current | 1,529.47 | 1,374.76 |
| Non-current | 1,528.31 | 1,761.90 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

20. Income tax

Income tax expense in the Statement of Profit and Loss comprises:

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|-----------------|------------------|
| Current tax | 7,947.75 | 8,514.66 |
| Deferred tax charge including MAT credit | (1,033.77) | 5,560.29 |
| Income tax expense | 6,913.98 | 14,074.95 |

Entire deferred / income tax for the year ended March 31, 2023 and March 31, 2022 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarised below:

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|-----------------|------------------|
| Profit before Income Tax | 19,195.49 | 40,400.03 |
| Enacted Tax rates in India | 34.94% | 34.94% |
| Computed expected tax expense | 6,707.67 | 14,117.39 |
| Effect of non-deductible expenses | | |
| CSR expenses disallowed under the Income tax Act, 1961 | 204.27 | 126.47 |
| Charity & Donation | - | 8.74 |
| ESOP Reversal | 163.31 | - |
| Benefit of section 80IA under the Income tax Act, 1961 | (249.68) | (395.84) |
| Depreciation on mining land | 146.92 | 108.22 |
| Others | (58.51) | 109.97 |
| Income Tax expense | 6,913.98 | 14,074.95 |

The applicable Indian statutory tax rate for fiscal year 2023 is 34.94% and fiscal year 2022 is 34.94%.

The Company, based on assessment and evaluations carried out by the management, continues to pay income tax under older tax regime during the year ended March 31, 2023. The Company did not opt for lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 pursuant to Taxation Law (Amendment) Ordinance, 2019, considering accumulated MAT credit, and other benefits under the Income Tax Act, 1961.

The significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(₹ in Lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 | Recognised in Statement of Profit and Loss | Recognised in OCI |
|---|----------------------|----------------------|--|-------------------|
| Deferred tax liability | | | | |
| Property, plant and equipment and Intangible assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | 37,537.27 | 38,410.45 | (873.18) | - |
| Gross deferred tax liability (a) | 37,537.27 | 38,410.45 | (873.18) | - |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

(₹ in Lacs)

| Particulars | As at March 31, 2023 | As at March 31, 2022 | Recognised in Statement of Profit and Loss | Recognised in OCI |
|---|----------------------|----------------------|--|-------------------|
| Deferred tax asset | | | | |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis in future years | 1,820.82 | 1,731.00 | 160.75 | (70.93) |
| Provision for doubtful debts and advances | 216.95 | 217.11 | (0.16) | - |
| Gross deferred tax asset (b) | 2,037.77 | 1,948.11 | 160.59 | (70.93) |
| Deferred tax liability (a-b) | 35,499.50 | 36,462.34 | (1,033.77) | 70.93 |
| Less: MAT Credit entitlement | 6,813.36 | 11,290.12 | | |
| Net deferred tax liability | 28,686.14 | 25,172.22 | | |

(₹ in Lacs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 | Recognised in Statement of Profit and Loss | Recognised in OCI |
|---|----------------------|----------------------|--|-------------------|
| Deferred tax liability | | | | |
| Property, plant and equipment and Intangible assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting | 38,410.45 | 38,489.70 | (79.25) | - |
| Gross deferred tax liability (a) | 38,410.45 | 38,489.70 | (79.25) | - |
| Deferred tax asset | | | | |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis in future years | 1,731.00 | 1,821.66 | 36.48 | (127.14) |
| Impact of business loss and unabsorbed depreciation | - | 5,701.83 | (5,701.83) | - |
| Provision for doubtful debts and advances | 217.11 | 191.30 | 25.81 | - |
| Gross deferred tax asset (b) | 1,948.11 | 7,714.79 | (5,639.54) | (127.14) |
| Deferred tax liability (a-b) | 36,462.34 | 30,774.91 | 5,560.29 | 127.14 |
| Less: MAT Credit entitlement | 11,290.12 | 12,664.37 | | |
| Net deferred tax liability | 25,172.22 | 18,110.54 | | |

21. Lease liabilities (Current)

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|-----------------------------|----------------|----------------|
| Lease Liabilities (Note 37) | 314.61 | 209.26 |
| | 314.61 | 209.26 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

22. Trade payables

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|------------------|------------------|
| Trade payables | | |
| • total outstanding dues of micro enterprises and small enterprises(refer Note 41 for details of dues to micro and small enterprises) | 1,026.51 | 1,159.90 |
| • total outstanding dues of creditors other than micro enterprises and small enterprises | 20,440.72 | 21,937.31 |
| | 21,467.23 | 23,097.21 |

a. Refer Note 44 for ageing schedule.

23. Other financial liabilities (Current)

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| Interest accrued but not due on borrowings | 206.18 | 147.46 |
| Unpaid dividend | 67.99 | 70.07 |
| Trade and other deposits | 10,424.85 | 9,751.08 |
| Capital creditors | 1,770.59 | 844.40 |
| Employee benefits payable | 1,488.22 | 1,730.81 |
| Others | 0.79 | 0.78 |
| | 13,958.62 | 12,544.60 |

24. Other liabilities

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| Non-current | | |
| Deferred income on VAT/GST loan - Government grant | 2,922.55 | - |
| | 2,922.55 | - |
| Current | | |
| Advances from customers | 3,581.69 | 3,917.74 |
| Deferred income on VAT/GST loan - Government grant | 177.12 | - |
| Liability towards CSR (Note 46) | 284.39 | - |
| Statutory dues payable (GST, TDS & TCS, PF, etc) | 7,703.81 | 8,112.38 |
| | 11,747.01 | 12,030.12 |

25. Current tax liabilities (net)

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Provision for income tax (net of advance income tax) | 149.48 | 92.35 |
| | 149.48 | 92.35 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

26. Revenue from operations

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|--------------------|--------------------|
| Sale of products | | |
| Finished goods | 3,13,844.36 | 3,05,699.09 |
| Semi-finished goods | 321.54 | 698.31 |
| | 3,14,165.90 | 3,06,397.40 |
| Less: Cash discount, rebates, incentives etc. | 20,739.87 | 34,748.37 |
| | 2,93,426.03 | 2,71,649.03 |
| Other operating revenue | | |
| Scrap sales | 208.37 | 572.92 |
| Sale of power | 120.16 | 319.71 |
| | 2,93,754.56 | 2,72,541.66 |

Disaggregated revenue information

- The Company is primarily in the business of manufacture and sale of cement. The product shelf life being short, all sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery. There is no significant financing component in any transaction with the customers.
- The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The management determines that the segment information reported in Note 42 is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with customers.

Movement in contract liabilities* during the year

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---------------------------------------|-----------------|-----------------|
| Balance at the beginning of the year | 3,917.74 | 3,545.04 |
| Less: Revenue recognised from above | (3,917.74) | (3,545.04) |
| Add: Addition during the year | 3,581.69 | 3,917.74 |
| Balance at the end of the year | 3,581.69 | 3,917.74 |

*Contract Liabilities represent Advance from customers

27. Other income

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|-----------------|----------------|
| Interest income on | | |
| Loans, deposits, others etc. | 92.03 | 142.06 |
| On VAT/GST loan - Government grant | 59.61 | - |
| Other non-operating income | | |
| Insurance and other claims | 412.41 | - |
| Rent and hire charges | 17.50 | 18.85 |
| Unspent liabilities and unclaimed balances adjusted | 444.06 | 396.58 |
| Profit on sale of property, plant and equipment (net) | - | 19.19 |
| Gain on exchange rate fluctuations (net) | - | 164.15 |
| Profit on sale and fair valuation of investments in mutual fund (net) | 0.51 | 92.50 |
| Other miscellaneous income | 175.92 | 122.95 |
| | 1,202.04 | 956.28 |

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended March 31, 2023

28. Cost of materials consumed

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|------------------|------------------|
| Raw material inventory at the beginning of the year | 2,574.31 | 1,805.62 |
| Add: Purchases | 40,410.83 | 37,472.44 |
| | 42,985.14 | 39,278.06 |
| Less: Raw material inventory at the end of the year | 2,638.28 | 2,574.31 |
| | 40,346.86 | 36,703.75 |

29. Change in inventories of finished goods and work in progress

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|-------------------|-------------------|
| Inventories at the end of the year | | |
| Work-in-progress | 3,916.43 | 3,431.32 |
| Finished goods | 2,989.10 | 1,965.63 |
| Scrap | 375.23 | 185.39 |
| | 7,280.76 | 5,582.34 |
| Inventories at the beginning of the year | | |
| Work-in-progress | 3,431.32 | 2,785.42 |
| Finished goods | 1,965.63 | 1,421.10 |
| Scrap | 185.39 | 142.86 |
| | 5,582.34 | 4,349.38 |
| | (1,698.42) | (1,232.96) |

30. Employee benefits expense

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|------------------|------------------|
| Salaries and wages | 14,173.79 | 13,066.51 |
| Contribution to provident and other funds | 790.24 | 782.92 |
| Gratuity expense (Note 35) | 677.22 | 704.65 |
| Compensated absences | 371.77 | 276.47 |
| Employee stock option expense (Note 36) | 23.33 | - |
| Staff welfare expenses | 573.61 | 413.85 |
| | 16,609.96 | 15,244.40 |

31. Finance costs

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Interest on borrowings (at amortised cost) | 2,786.43 | 4,172.72 |
| Interest on deposits from dealer | 414.53 | 394.45 |
| Interest others | 88.69 | 44.46 |
| Other borrowing cost | 64.65 | 473.58 |
| Unwinding of interest on provisions, lease liabilities and VAT/GST loan (Note 17, 19 and 37) | 423.50 | 133.17 |
| Less: Transfer to Capital work-in-progress / Property, plant and equipment | - | 75.83 |
| | 3,777.80 | 5,142.55 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

32. Depreciation and amortisation expenses

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| Depreciation of property, plant and equipment (Note 3) | 14,165.52 | 14,059.82 |
| Amortisation of intangible assets (Note 4) | 259.05 | 246.99 |
| Depreciation of Right of use assets (Note 5 b) | 257.14 | 214.55 |
| | 14,681.71 | 14,521.36 |

33. Other expenses

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|------------------|------------------|
| Consumption of stores and spares | 7,319.03 | 8,456.19 |
| Handling and other charges to contractors | 3,070.65 | 3,027.77 |
| Rent and hire charges (Note 37) | 1,232.76 | 966.63 |
| Rates and taxes | 677.98 | 506.07 |
| Insurance | 860.47 | 830.35 |
| Repairs and maintenance | | |
| Plant and machinery | 4,021.28 | 4,739.82 |
| Buildings | 466.71 | 525.05 |
| Others | 1,361.98 | 872.32 |
| CSR expenditure (Note 46) | 584.57 | 361.85 |
| Advertising and sales promotion | 3,370.73 | 3,399.90 |
| Commission on sales | 2,301.76 | 1,430.20 |
| Payment to auditor | | |
| As Auditor: | | |
| Audit fee | 33.00 | 33.00 |
| Limited review | 27.00 | 27.50 |
| Tax Audit fee | 8.00 | 8.00 |
| Certificates and other services | 3.00 | 7.50 |
| Reimbursement of expenses | 5.90 | 4.11 |
| Professional and consultancy charges | 1,471.87 | 1,335.51 |
| Charity and donations | - | 25.00 |
| Directors' commission | 150.00 | 200.00 |
| Directors' sitting fees | 80.50 | 89.50 |
| Bad debts/advances written off (net of reversals) | 42.38 | 34.16 |
| Loss on exchange rate fluctuations (net) | 657.37 | - |
| Provision for doubtful debts, advances & other receivables | - | 73.84 |
| Loss on sale/discard of property, plant and equipment (net) | 3.09 | - |
| Capital expenditure written off | 12.12 | - |
| Miscellaneous expenses | 2,883.12 | 2,300.34 |
| Self-consumption of cement | (107.95) | (131.78) |
| | 30,537.32 | 29,122.83 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

34. Earnings per share (EPS)

The following table reflects the profit and earning per share data used in the basic and diluted EPS computations:

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|------------------|------------------|
| Profit after tax | 12,281.51 | 26,325.08 |
| Net Profit for calculation of basic and diluted EPS | 12,281.51 | 26,325.08 |
| Weighted average number of equity shares in calculating basic EPS (in absolute terms) | 20,48,68,760 | 20,48,68,760 |
| Effect of dilution: | | |
| Weighted average number of equity shares in calculating diluted EPS (in absolute terms) | 20,48,68,760 | 20,48,68,760 |
| Earnings per equity share [nominal value of share ₹ 1] (March 31, 2022 : ₹ 1) | | |
| Basic (in ₹) | 5.99 | 12.85 |
| Diluted (in ₹) | 5.99 | 12.85 |

35. Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Payment of Gratuity Act, 1972, employee who has completed five years of service is entitled to specific benefit. The scheme is funded with insurance companies in the form of qualifying insurance policy for own employees and unfunded for contractor and school employees.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan.

Statement of Profit and Loss

Net employee benefit expense recognised in the employee cost

(₹ in Lacs)

| Particulars | Gratuity - Funded | | Gratuity - Non Funded | |
|--|-------------------|----------------|-----------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Service cost | 283.58 | 271.55 | 228.64 | 248.13 |
| Net Interest cost on the net defined benefit liability | 22.80 | 68.31 | 142.20 | 139.93 |
| Net benefit expense # | 306.38 | 339.86 | 370.84 | 388.06 |
| Actual return on plan assets | 148.56 | 90.29 | - | - |

including amount of ₹ NIL lacs (March 31, 2022 : ₹ 23.27 lacs) disclosed under CSR expenditure.

Other comprehensive income

(₹ in Lacs)

| Particulars | Gratuity - Funded | | Gratuity - Non Funded | |
|---|-------------------|----------------|-----------------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Actuarial (gains)/losses | | | | |
| - change in financial assumptions | (18.88) | (38.87) | (91.73) | (119.82) |
| - experience variance (i.e. Actual experience vs assumptions) | 24.05 | (27.39) | (120.18) | (170.21) |
| Return on plan assets, excluding amount recognised in net interest expense | 3.76 | (7.56) | - | - |
| Components of defined benefit costs recognised in other comprehensive income | 8.93 | (73.82) | (211.91) | (290.03) |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

Balance sheet

Benefit asset/ liability

(₹ in Lacs)

| Particulars | Gratuity - Funded | | Gratuity - Non Funded | |
|---|-------------------|----------------|-----------------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Present value of defined benefit obligation | 2,729.49 | 2,503.50 | 2,098.58 | 2,163.58 |
| Fair value of plan assets | 2,088.29 | 2,177.61 | - | - |
| Net liability | 641.20 | 325.89 | 2,098.58 | 2,163.58 |
| Current | 30.26 | 15.58 | 177.68 | 169.39 |
| Non Current | 610.94 | 310.31 | 1,920.90 | 1,994.19 |

Changes in the present value of the defined benefit obligation are as follows:

(₹ in Lacs)

| Particulars | Gratuity - Funded | | Gratuity - Non Funded | |
|---|-------------------|-----------------|-----------------------|-----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Opening defined benefit obligation | 2,503.50 | 2,343.40 | 2,163.58 | 2,170.99 |
| Current service cost | 283.58 | 271.55 | 228.63 | 248.13 |
| Interest cost | 175.12 | 151.04 | 142.20 | 139.94 |
| Remeasurement (or actuarial) (gain)/loss arising from: | | | | |
| - change in financial assumptions | (18.88) | (38.87) | (91.73) | (119.82) |
| - experience variance (i.e. Actual experience vs assumptions) | 24.05 | (27.39) | (120.18) | (170.21) |
| Benefits paid | (237.88) | (196.23) | (223.92) | (105.45) |
| Closing defined benefit obligation | 2,729.49 | 2,503.50 | 2,098.58 | 2,163.58 |

Changes in the fair value of plan assets are as follows:

(₹ in Lacs)

| Particulars | Gratuity - Funded | | Gratuity - Non Funded | |
|--|-------------------|-----------------|-----------------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2023 | March 31, 2022 |
| Opening fair value of plan assets | 2,177.61 | 1,283.55 | - | - |
| Expected return/Investment Income | 152.32 | 82.73 | - | - |
| Employers contribution | - | 1,000.00 | - | - |
| Benefits paid | (237.88) | (196.23) | - | - |
| Return on plan assets, excluding amount recognised in net interest expense | (3.76) | 7.56 | - | - |
| Closing fair value of plan assets | 2,088.29 | 2,177.61 | - | - |

The Company expects to contribute ₹ 600 lacs (March 31, 2022 : ₹ 300.00 lacs) to gratuity in the next year.

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

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

| (₹ in Lacs) | | |
|--------------------------|----------------|----------------|
| Particulars | March 31, 2023 | March 31, 2022 |
| Investments with insurer | 100% | 100% |

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

| (₹ in Lacs) | | |
|---|----------------|----------------|
| Particulars | March 31, 2023 | March 31, 2022 |
| Discount rate | 7.45% | 7.00% |
| Turnover rate | | |
| Upto 30 years | 10.00% | 10.00% |
| 31 - 45 years | 7.00% | 7.00% |
| Above 45 years | 2.00% | 2.00% |
| Expected rate of return on assets | 7.00% | 7.00% |
| Future salary increases: | | |
| Management staff | | |
| 1st year | 10.00% | 10.00% |
| Thereafter | 7.00% | 7.00% |
| Other than Management staff | 7.00% | 7.00% |
| Mortality Rate (% of IALM 2012-14) (March 31, 2022 : % of IALM 2012-14) | 100% | 100% |
| Weighted average duration of defined benefit obligation | 7 Years | 7 Years |

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

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

Maturity Profile of Defined Benefit Obligation

| (₹ in Lacs) | | |
|--------------------|------------------|------------------|
| Particulars | March 31, 2023 | March 31, 2022 |
| 1 year | 1,102.24 | 1,043.23 |
| 2 to 5 years | 2,070.57 | 1,980.75 |
| 6 to 10 years | 2,313.25 | 2,122.49 |
| More than 10 years | 7,819.53 | 7,266.82 |
| Total | 13,305.59 | 12,413.29 |

Funded

A quantitative sensitivity analysis for significant assumptions is as below:

| (₹ in Lacs) | | | | |
|--|---------------------------------|--------------------------|---------------------------------|--------------------------|
| Assumptions Sensitivity level | March 31, 2023 Discount rate | | March 31, 2022 Discount rate | |
| | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs |
| (Decrease)/increase in gratuity defined benefit obligation | (192.89) | 222.02 | (179.66) | 207.37 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

(₹ in Lacs)

| Assumptions Sensitivity level | March 31, 2023 Turnover rate | | March 31, 2022 Turnover rate | |
|--|---------------------------------|--------------------------|---------------------------------|--------------------------|
| | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs |
| (Decrease)/increase in gratuity defined benefit obligation | 5.82 | (9.90) | (8.01) | 8.46 |

(₹ in Lacs)

| Assumptions Sensitivity level | March 31, 2023 Future salary | | March 31, 2022 Future salary | |
|--|---------------------------------|--------------------------|---------------------------------|--------------------------|
| | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs |
| Increase/(decrease) in gratuity defined benefit obligation | 220.06 | (194.70) | 204.63 | (180.64) |

Non-Funded

A quantitative sensitivity analysis for significant assumptions is as below:

(₹ in Lacs)

| Assumptions Sensitivity level | March 31, 2023 Discount rate | | March 31, 2022 Discount rate | |
|--|---------------------------------|--------------------------|---------------------------------|--------------------------|
| | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs |
| (Decrease)/increase in gratuity defined benefit obligation | (183.29) | 214.49 | (192.96) | 226.60 |

(₹ in Lacs)

| Assumptions Sensitivity level | March 31, 2023 Turnover rate | | March 31, 2022 Turnover rate | |
|--|---------------------------------|--------------------------|---------------------------------|--------------------------|
| | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs |
| (Decrease)/increase in gratuity defined benefit obligation | 8.44 | (15.09) | (9.94) | 10.25 |

(₹ in Lacs)

| Assumptions Sensitivity level | March 31, 2023 Future salary | | March 31, 2022 Future salary | |
|--|---------------------------------|--------------------------|---------------------------------|--------------------------|
| | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs | 1% increase ₹ In Lacs | 1% decrease ₹ In Lacs |
| Increase/(decrease) in gratuity defined benefit obligation | 210.14 | (185.61) | 221.33 | (194.42) |

Defined Contribution Plan :

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Contribution to Provident / Pension Funds | 758.81 | 688.07 |
| Contribution to Superannuation Fund | 1.73 | 79.62 |
| | 760.54 | 767.69 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

36. Employee stock option scheme

- (a). The Company provides share-based payment schemes to its employees. The Company had formulated an employee stock option scheme, namely Employee Stock Option Scheme 2015 (ESOP) in an earlier year. The relevant details of the scheme and grant are as below:

On May 8, 2015, the Board of Directors approved the Employee Stock Option Scheme 2015 for issue of stock options to the key employees of the Company. According to the scheme, the employee selected by the remuneration committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions viz, continuing employment on the roll of the Company as on April 01, 2015 as well as new employees who replaces the old eligible employee and joins the employment of the Company before June 30, 2017 and continuing employment till grant date. The other relevant terms of the grant are as below:

| | |
|---------------------------------------|--|
| Date of Grant | August 04, 2015 |
| Vesting Period | 40% vest after 3 years 60% vest after 4 years |
| Exercise Period (In Years) | 4 Years |
| Expected Life (In Years) | 5.6 |
| Exercise Price (₹) | 135 |
| Market price as on August 4, 2015 (₹) | 183.25 |

The details of the activity under the scheme are as below:

| Particulars | March 31, 2023 | | March 31, 2022 | |
|--|----------------|-----------|----------------|-----------|
| | No of options | ₹ In Lacs | No of options | ₹ In Lacs |
| Outstanding at the beginning of the year | 11,06,000 | 1,168.34 | 11,06,000 | 1,168.34 |
| Expired during the year | 4,42,400 | 467.34 | - | - |
| Outstanding at the end of the year | 6,63,600 | 701.00 | 11,06,000 | 1,168.34 |
| Exercisable at the end of the year | 6,63,600 | 701.00 | 11,06,000 | 1,168.34 |

No option has been exercised as on the year end under the above scheme.

The weighted average remaining contractual life of the stock options is 0.34 years (March 31, 2022: 1.34 years)

The weighted average fair value of the stock options granted was ₹ 105.64 (March 31, 2022 ₹ 105.64).

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

- (b). On November 09, 2022, the Board of Directors, additionally, granted 310,099 stock options under Employee Stock Option Scheme 2015 out of which award letters for 241,137 stock options have been issued to the Eligible Employees. According to the scheme, the employee selected by the remuneration committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions. The relevant terms of the grant are as below:

| | |
|---|-------------------------|
| Date of Grant | November 9, 2022 |
| Vesting Period | 100% vest after 2 years |
| Exercise Period (In Years) | 0.71 |
| Expected Life (In Years) | 2.36 |
| Exercise Price (₹) | 136.75 |
| Market price as on November 9, 2022 (₹) | 136.75 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

The details of the activity under the scheme are as below:

| Particulars | March 31, 2023 | |
|------------------------------------|----------------|-----------|
| | No of options | ₹ in Lacs |
| Granted during the year | 2,41,137 | 23.33 |
| Outstanding at the end of the year | 2,41,137 | 23.33 |
| Exercisable at the end of the year | - | - |

The weighted average remaining contractual life of the stock options is 2.36 years.

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The weighted average fair value of stock options granted was ₹ 38.14. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs :

| | March 31, 2023 |
|---|----------------|
| Dividend yield (%) | 1.83% |
| Expected volatility | 40.33% |
| Risk-free Interest rate | 7% |
| Weighted average share price (₹) | 183.50 |
| Exercise price (₹) | 136.75 |
| Expected life of options granted in years | 2.36 |

37. Leases

The Company has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of buildings, computers and other equipment generally have lease terms between 1 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Company as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

| Particulars | (₹ in Lacs) | |
|------------------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Opening balance | 584.88 | 125.01 |
| Additions | 305.57 | 674.42 |
| Depreciation expense | 257.14 | 214.55 |
| Closing balance | 633.31 | 584.88 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|------------------------|----------------|----------------|
| Opening balance | 593.61 | 134.18 |
| Additions | 305.57 | 674.42 |
| Accretion of interest | 54.97 | 32.31 |
| Payments | 268.13 | 247.30 |
| Closing balance | 686.02 | 593.61 |
| Current | 314.61 | 209.26 |
| Non-current | 371.41 | 384.35 |

The effective interest rate for lease liabilities is 7.5%-8.25%, with maturity between 2024-2026

The following are the amounts recognised in Statement of Profit and Loss:

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Depreciation expense of right of use assets | 257.14 | 214.55 |
| Interest expense on lease liabilities | 54.97 | 32.31 |
| Expense relating to other leases (included in other expenses) | 1,232.76 | 966.63 |
| Total amount recognised in Statement of Profit and Loss | 1,544.87 | 1,213.49 |

Impact on Statement of Cash Flows

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Payment of principal portion of lease liabilities | 213.16 | 214.99 |
| Payment of interest portion of lease liabilities | 54.97 | 32.31 |
| Net cash flows used in financing activities | 268.13 | 247.30 |

38. Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 7,189.90 lacs (March 31, 2022: ₹ 11,608.04 lacs).

39. Contingent liabilities

(₹ in Lacs)

| Particulars | Brief Description of Matter | March 31, 2023 | March 31, 2022 |
|---|---|----------------|----------------|
| Claims against the Company not acknowledged as debt : | | | |
| Excise Duty and Customs | Related to CENVAT credit on Structural Steel and Differential Custom Duty on Steam Coal. | 768.87 | 780.15 |
| Sales Tax (including Entry Tax) | Related to levy of Sales Tax on Debit Note issued to Customers towards Railway Freight Reimbursement and levy of Entry Tax and Penalty thereon on Diesel and Lubricants etc purchased from outside Telangana State which is consumed for other than notified purpose. | 809.20 | 1,060.37 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

(₹ in Lacs)

| Particulars | Brief Description of Matter | March 31, 2023 | March 31, 2022 |
|------------------|--|-----------------|-----------------|
| Income Tax | Related to income tax appeals on disallowance of ESOP expenses, depreciation and others. | 1,038.19 | 1,137.12 |
| Electricity Duty | Refer note 'a' below. | 1,691.31 | 1,691.31 |
| Others | Related to power fuel surcharge adjustment, deduction of liquidatory damages and others. | 1,710.45 | 1,683.25 |
| | | 6,018.02 | 6,352.20 |

Note :

- The plea by the Company challenging the constitutional validity of Electricity duty demand of ₹ 1,691.31 lacs had been dismissed by the Hon'ble High Court, Hyderabad in an earlier year. The Company, along with other industry members, had appealed the matter before Hon'ble Supreme Court of India by paying a protest money of ₹ 1,005.76 lacs, where the hearing is pending. Based on management's internal assessment and also considering advice of an external legal counsel, the Company believes that the demand shall not sustain under law.
- Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary. The timing of outflow of resources is not ascertainable.

40. Related party disclosures

List of members of Board of Directors/key managerial personnel and other related parties with whom there are transactions during the year.

| | |
|---|--|
| Chairman and Non-Executive Director | Mr. CK. Birla |
| Managing Director & Chief Executive Officer | Mr. Desh Deepak Khetrpal |
| Other Directors | Mrs. Amita Birla |
| | Mr. Rajeev Jhawar |
| | Mr. Rabindranath Jhunjunwala |
| | Mr. Janat Shah |
| | Mr. Swapan Dasgupta |
| | Mr. I.Y.R Krishna Rao |
| | Mrs. Varsha Vasant Purandare |
| Relatives of Directors | Mrs. Nirmala Birla |
| | Mrs. Avani Birla |
| | Ms. Avanti Birla |
| Chief Financial Officer | Mr. Prakash Chand Jain (Appointed w.e.f January 31, 2023) |
| | Mr. Soumitra Bhattacharyya (Resigned w.e.f September 3, 2022) |
| Company Secretary | Mrs. Nidhi Bisaria |
| Firms in which a director, manager or his relative is a partner | Khaitan & Co LLP |
| | Khaitan & Co, Mumbai |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

| | |
|--|---|
| Public limited companies in which a director or manager is director and holds along with his relatives, more than two percent of its paid-up share capital | Orient Paper & Industries Limited |
| Investing Company | Orient Electric Limited |
| Entity that is a post-employment benefit plan for the benefit of employees. | Central India Industries Limited |
| | Orient Cement Limited Employees Superannuation Fund |
| | Orient Cement Limited Employees Gratuity Fund |
| Other related entities | Birlasoft Limited |
| | CK Birla Corporate Services Limited |
| | GMMCO Limited |
| | HIL Limited |
| | National Engineering Industries Limited |

Related party transactions

The details of related parties transactions entered into by the Company for the year ended March 31, 2023 and March 31, 2022, and the details of amounts due to or due from related parties as at March 31, 2023 and March 31, 2022:

(₹ in Lacs)

| Particulars | Year Ended | Transaction during the period | Amount owed to related parties |
|---|------------------|-------------------------------|--------------------------------|
| Members of Board of Directors/key managerial personnel | | | |
| Non-Executive Directors | | | |
| Sitting fees and Commission | 31-Mar-23 | 230.50 | 150.00 |
| Sitting fees and Commission | 31-Mar-22 | 289.50 | 200.00 |
| Directors | | | |
| Dividend payment | 31-Mar-23 | 79.69 | - |
| Dividend payment | 31-Mar-22 | 79.69 | - |
| Managing Director & Chief Executive Officer | | | |
| Salary, variable pay and contribution to provident fund (PF) | 31-Mar-23 | 935.41 | 234.00 |
| Salary, variable pay and contribution to provident fund (PF) | 31-Mar-22 | 821.54 | 203.55 |
| Chief Financial Officer | | | |
| - Mr. Prakash Chand Jain | | | |
| Salary, bonus and contribution to PF | 31-Mar-23 | 16.29 | 1.45 |
| - Mr. Soumitra Bhattacharyya | | | |
| Salary, bonus and contribution to PF | 31-Mar-23 | 103.82 | - |
| Others | 31-Mar-23 | 0.25 | - |
| Salary, bonus and contribution to PF | 31-Mar-22 | 208.71 | 42.56 |
| Others | 31-Mar-22 | | - |
| Company Secretary | | | |
| Salary, bonus and contribution to PF | 31-Mar-23 | 39.39 | 3.97 |
| Salary, bonus and contribution to PF | 31-Mar-22 | 33.93 | 3.45 |
| Relatives of Director | | | |
| Dividend payment | 31-Mar-23 | 73.84 | - |
| Dividend payment | 31-Mar-22 | 73.84 | - |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

(₹ in Lacs)

| Particulars | Year Ended | Transaction during the period | Amount owed to related parties |
|---|------------|-------------------------------|--------------------------------|
| Firms in which a director, manager or his relative is a partner | | | |
| - Khaitan & Co LLP | | | |
| Purchase of services | 31-Mar-23 | 12.21 | 3.31 |
| Purchase of services | 31-Mar-22 | 10.86 | - |
| - Khaitan & Co - Mumbai | | | |
| Purchase of services | 31-Mar-23 | 40.49 | - |
| Purchase of services | 31-Mar-22 | 29.08 | - |
| Public limited companies in which a director or manager is a director and holds along with his relatives, more than two percent of its paid-up share capital | | | |
| - Orient Paper & Industries Limited | | | |
| Payment of Rent | 31-Mar-23 | 28.31 | - |
| Payment of Rent | 31-Mar-22 | 12.00 | - |
| - Orient Electric Limited | | | |
| Purchase of Goods | 31-Mar-23 | 11.08 | 11.08 |
| Purchase of Goods | 31-Mar-22 | - | - |
| Investing Company | | | |
| - Central India Industries Limited | | | |
| Dividend payment | 31-Mar-23 | 1,121.60 | - |
| Dividend payment | 31-Mar-22 | 1,105.73 | - |
| Entity that is a post-employment benefit plan for the benefit of employees | | | |
| - Orient Cement Limited Employees Superannuation Fund | | | |
| Superannuation Fund Contribution | 31-Mar-23 | 0.25 | - |
| Superannuation Fund Contribution | 31-Mar-22 | 79.62 | - |
| - Orient Cement Limited Employees Gratuity Fund | | | |
| Gratuity Fund Contribution | 31-Mar-23 | - | - |
| Gratuity Fund Contribution | 31-Mar-22 | 1,000.00 | - |
| Other related entities | | | |
| - Birlasoft Limited | | | |
| Purchase of services | 31-Mar-23 | 17.14 | 1.76 |
| Purchase of services | 31-Mar-22 | 11.87 | 2.44 |
| - CK Birla Corporate Services Limited | | | |
| Purchase of services | 31-Mar-23 | 801.52 | 97.00 |
| Purchase of services | 31-Mar-22 | 810.08 | 132.87 |
| - GMMCO Limited | | | |
| Purchase of goods | 31-Mar-23 | 37.61 | 1.19 |
| Purchase of services | 31-Mar-23 | 21.51 | - |
| Payment of Rent and office maintenance* | 31-Mar-23 | 23.33 | - |
| Purchase of goods | 31-Mar-22 | 3.65 | - |
| Purchase of services | 31-Mar-22 | 0.44 | - |
| Payment of Rent and office maintenance* | 31-Mar-22 | 23.33 | - |
| - HIL Limited | | | |
| Purchase of goods | 31-Mar-23 | 1.71 | - |
| Payment of Rent and office maintenance* | 31-Mar-23 | 69.36 | - |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

(₹ in Lacs)

| Particulars | Year Ended | Transaction during the period | Amount owed to related parties |
|---|------------|-------------------------------|--------------------------------|
| Purchase of goods | 31-Mar-22 | 2.10 | - |
| Payment of Rent and office maintenance* | 31-Mar-22 | 69.36 | - |
| - National Engineering Industries Limited | | | |
| Payment of Rent and office maintenance* | 31-Mar-23 | 54.08 | - |
| Dividend payment | 31-Mar-23 | 12.09 | - |
| Purchase of services | 31-Mar-22 | 2.37 | 0.06 |
| Payment of Rent and office maintenance* | 31-Mar-22 | 47.52 | - |
| Dividend payment | 31-Mar-22 | 12.09 | - |

Note:(a).The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

(b).The above amounts are presented net of GST.

* Accounted as per Indian Accounting Standard 116 ('Ind AS 116')

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash and cash equivalents. There has been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

41. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|-----------------|-----------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due to micro and small enterprises | 1,026.51 | 1,159.90 |
| Interest due on above | - | - |
| | 1,026.51 | 1,159.90 |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting period | - | - |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006 | - | - |

Notes to the Ind AS Financial Statements (Contd..)

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42. The management has considered that the Company has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further, the Company is engaged in single product line of manufacturing and selling cement and its customers and non-current assets are located in India only.

No customer individually accounted for more than 10% of the revenues from external customers during the year ended March 31, 2023 and March 31, 2022.

43. Financial risk management objectives and policies

The Company's financial liabilities primarily comprise borrowings, lease liabilities, security deposits, and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets primarily include trade and other receivables, cash and cash equivalents and Investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

Commodity Price Risk

The Company is exposed to commodity price risk arising out of fluctuation in prices of raw materials (flyash, gypsum and laterite) and fuel (coal and pet coke). Such price movements, mostly linked to external factors, can affect the production cost of the Company. To manage this risk, the Company take steps such as monitoring of prices, optimising fuel mix and pursue longer and fixed price contracts, where considered necessary. Additionally, processes and policies related to such risks are controlled by central procurement team and reviewed by the senior management.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows.

(₹ in Lacs)

| Effect on profit before tax | Increase in 100 basis points | Decrease in 100 basis points |
|-----------------------------|------------------------------|------------------------------|
| March 31, 2023 | (249.79) | 249.79 |
| March 31, 2022 | (669.40) | 669.40 |

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates is not significant.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

Trade receivables

Customer credit risk is managed by the respective department subject to Company's policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

The Company does not have higher concentration of credit risks since no single customer accounted for 10% or more of the Company's net sales.

Expected credit loss assessment

The Company has used a practical expedient by computing the expected loss allowance for financial assets based on historical credit loss experience and adjustments for forward looking information. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

Movement in expected credit loss allowance of trade receivables:

| (₹ in Lacs) | | |
|-------------------------------------|----------------|----------------|
| Particulars | March 31, 2023 | March 31, 2022 |
| Balance as at beginning of the year | 398.37 | 359.40 |
| Add: provided during the year | 30.00 | 66.03 |
| Less: reversal of provisions | 42.20 | 27.06 |
| Balance as at end of the year | 386.17 | 398.37 |

Financial assets other than trade receivables

Credit Risk on cash and cash equivalent and term deposits is generally low as these are kept with banks who have been assigned high credit rating by international and domestic rating agencies. Investments of surplus funds are made only with approved Financial Institutions approved by Reserve Bank India.

Investments primarily include investment in units of liquid mutual funds (debt market) and fixed deposits with banks having low credit risk.

Total non-current investments (other than subsidiaries and joint arrangements) and investments in liquid mutual funds as on March 31, 2023 are ₹ 416.49 lacs and ₹ Nil (March 31, 2022: ₹ 416.49 lacs and ₹ 1001.31 lacs) respectively.

Balances with banks were not past due or impaired as at year end. Other than the details disclosed below, other financial assets are not past due and not impaired, there were no indications of default in repayment as at year end.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

Maturity profile of Financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Lacs)

| Particulars | 0-1 year | 2-5 year | Above 5 year | Total |
|-----------------------------|------------------|------------------|-----------------|------------------|
| March 31, 2023 | | | | |
| Borrowings * | 30,922.41 | 7,973.93 | 5,591.86 | 44,488.20 |
| Trade Payables | 21,467.23 | - | - | 21,467.23 |
| Lease liabilities | 364.53 | 399.87 | - | 764.40 |
| Other financial liabilities | 13,958.62 | - | - | 13,958.62 |
| Total | 66,712.79 | 8,373.80 | 5,591.86 | 80,678.45 |
| March 31, 2022 | | | | |
| Borrowings * | 17,595.28 | 15,350.97 | - | 32,946.25 |
| Trade Payables | 23,097.21 | - | - | 23,097.21 |
| Lease liabilities | 253.79 | 420.19 | - | 673.98 |
| Other financial liabilities | 12,544.60 | - | - | 12,544.60 |
| Total | 53,490.88 | 15,771.16 | - | 69,262.04 |

* including future interest of ₹ 2,245.69 lacs (March 31, 2022: ₹ 1,980.44 lacs).

44. Ageing Schedule

Trade receivables ageing schedule

As at March 31, 2023

(₹ in Lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|--------------|--------------|-------------------|------------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables - Considered Good | 16,781.99 | 44.70 | - | - | - | 16,826.69 |
| Undisputed Trade receivables - which have significant increase in Credit risk | - | - | 21.95 | 10.92 | 48.91 | 81.78 |
| Undisputed Trade receivables - credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - Considered Good | - | - | - | - | - | - |
| Disputed Trade receivables - which have significant increase in Credit risk | - | - | - | - | 370.07 | 370.07 |
| Disputed Trade receivables - credit impaired | - | - | - | - | - | - |
| Total | 16,781.99 | 44.70 | 21.95 | 10.92 | 418.98 | 17,278.54 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

As at March 31, 2022

(₹ in Lacs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|--------------|--------------|-------------------|------------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade receivables - Considered Good | 12,586.08 | 64.15 | - | - | - | 12,650.23 |
| Undisputed Trade receivables - which have significant increase in Credit risk | - | - | 22.46 | 70.80 | 4.23 | 97.49 |
| Undisputed Trade receivables - credit impaired | - | - | - | - | - | - |
| Disputed Trade receivables - Considered Good | - | - | - | - | - | - |
| Disputed Trade receivables - which have significant increase in Credit risk | - | - | - | - | 383.90 | 383.90 |
| Disputed Trade receivables - credit impaired | - | - | - | - | - | - |
| Total | 12,586.08 | 64.15 | 22.46 | 70.80 | 388.13 | 13,131.62 |

Trade payables ageing schedule

As at March 31, 2023

(₹ in Lacs)

| Particulars | Unbilled dues | Billed but not Due | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|------------------|--------------------|--|--------------|--------------|-------------------|------------------|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 405.44 | 603.26 | - | - | - | - | 1,008.70 |
| Others | 14,961.50 | 3,911.47 | 1,254.41 | 74.72 | 34.26 | 204.36 | 20,440.72 |
| Disputed Dues - MSME | - | - | - | - | - | 17.81 | 17.81 |
| Disputed Dues - Others | - | - | - | - | - | - | - |
| Total | 15,366.94 | 4,514.73 | 1,254.41 | 74.72 | 34.26 | 222.17 | 21,467.23 |

As at March 31, 2022

(₹ in Lacs)

| Particulars | Unbilled dues | Billed but not Due | Outstanding for following periods from due date of payment | | | | Total |
|------------------------|------------------|--------------------|--|--------------|---------------|-------------------|------------------|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| MSME | 528.87 | 586.61 | 38.87 | - | - | - | 1,154.35 |
| Others | 15,496.32 | 4,480.93 | 1,604.23 | 53.92 | 137.76 | 164.15 | 21,937.31 |
| Disputed Dues - MSME | - | - | - | - | - | 5.55 | 5.55 |
| Disputed Dues - Others | - | - | - | - | - | - | - |
| Total | 16,025.19 | 5,067.54 | 1,643.10 | 53.92 | 137.76 | 169.70 | 23,097.21 |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

45. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders and issue new shares. The Company monitors capital using debt-equity ratio, which is total debt less cash and cash equivalents and current investments divided by total equity.

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|--------------------|--------------------|
| Total debt (Note 17) | 39,145.23 | 30,965.81 |
| Less : Cash and cash equivalents (Note 13) | (6,943.78) | (4,308.02) |
| Less : Current Investments (Note 11) | - | (1,001.31) |
| Net debt (A) | 32,201.45 | 25,656.48 |
| Equity Share Capital (Note 15) | 2,048.69 | 2,048.69 |
| Other Equity (Note 16) | 1,58,321.48 | 1,50,494.13 |
| Total Capital | 1,60,370.17 | 1,52,542.82 |
| Total Capital plus Net debt (B) | 1,92,571.62 | 1,78,199.30 |
| Gearing Ratio ((A)/(B)) | 0.17 | 0.14 |

46. Details of CSR expenditure

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| (a) Gross amount required to be spent by the Company during the year | 584.57 | 361.85 |
| (b) Amount approved by the Board to be spent during the year | 660.00 | 541.24 |

| | In cash | Yet to be paid in cash | Total |
|--|---------|------------------------|--------|
| (c) Amount spent during the year ending on March 31, 2023: | | | |
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 228.63 | 284.39 | 513.02 |
| (d) Amount spent during the year ending on March 31, 2022: | | | |
| i) Construction/acquisition of any asset | - | - | - |
| ii) On purposes other than (i) above | 433.40 | - | 433.40 |

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| (e) Details related to spent obligations: | | |
| i) Promoting education | 523.16 | 355.57 |
| ii) Other rural development and socio-economic activities | 61.41 | 77.83 |
| | 584.57 | 433.40 |

Note: Amount for March 31, 2023 includes an amount of ₹ 71.55 lacs which was spent in excess last year and adjusted in the current year.

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

(f) Details of the unspent/(excess) amount spent:

Details of ongoing project and other than ongoing project

(₹ in Lacs)

| Particulars | Opening Balance as at April 01, 2022 | Amount required to be spent during the year | Amount spent during the year | Closing Balance as at March 31, 2023 |
|----------------------------|--------------------------------------|---|------------------------------|--------------------------------------|
| Ongoing project | - | 513.02 | 228.63 | 284.39 |
| Other than ongoing project | (71.55) | 71.55 | - | - |

The amount remained unspent as at the year end March 31, 2023 due to delay in receiving certain administrative approvals from authorities in relation to the on-going school project. Subsequent to the year ended March 31, 2023, the amount unspent has been deposited into an "Unspent CSR account" on April 26, 2023.

(₹ in Lacs)

| Particulars | Opening Balance as at April 01, 2021 | Amount required to be spent during the year | Amount spent during the year | Closing Balance as at March 31, 2022 |
|----------------------------|--------------------------------------|---|------------------------------|--------------------------------------|
| Ongoing project | - | - | - | - |
| Other than ongoing project | - | 361.85 | 433.40 | (71.55) |

47. Distribution of Dividend

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Dividend on equity shares declared and paid : | | |
| Final dividend for the year ended March 31, 2022 : ₹ 1.75 per share (March 31, 2021 : ₹ 1.50 per share) | 3,585.20 | 3,073.03 |
| Interim dividend for the year ended March 31, 2023 : ₹ 0.50 per share (March 31, 2022 : ₹ 0.75 per share) | 1,024.34 | 1,536.52 |
| | 4,609.54 | 4,609.55 |
| Proposed Dividend on equity shares : | | |
| Proposed dividend on equity shares for the year ended on March 31, 2023 : ₹ 1 per share (March 31, 2022 : ₹ 1.75 per share) | 2,048.69 | 3,585.20 |
| | 2,048.69 | 3,585.20 |

48. Ratios as per the Schedule III requirements

a) **Current Ratio = Current Assets divided by Current Liabilities**

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Current Assets | 66,918.29 | 43,294.07 |
| Current Liabilities (excluding current maturities of long term borrowings amounting to ₹ 15,846.02 lacs (March 31, 2022 : ₹ 16,165.81 lacs)) | 64,521.12 | 51,109.52 |
| Ratio | 1.04 | 0.85 |
| % Change from previous year | 22% | |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

b) Debt Equity Ratio = Total debt divided by Shareholder's equity where total debt refers to sum of current and non-current borrowings

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|
| Total Debt | 39,145.23 | 30,965.81 |
| Shareholder's equity | 1,60,370.17 | 1,52,542.82 |
| Ratio | 0.24 | 0.20 |
| % Change from previous year | 20% | |

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Debt service

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|-------------------------------------|----------------|----------------|
| Earnings available for debt service | 30,342.43 | 45,681.21 |
| Debt Service | 18,269.08 | 4,814.47 |
| Ratio | 1.66 | 9.49 |
| % Change from previous year | -82% | |

In computing Debt service, scheduled repayment of principal in current year was ₹ 14,800 lacs on account of pre-payments of instalments in the previous year.

d) Return on Equity Ratio = Profit after tax divided by Average Shareholder's equity

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|
| Profit after OCI | 12,413.56 | 26,561.79 |
| Average Shareholder's equity | 1,56,456.50 | 1,41,566.70 |
| Ratio | 7.93% | 18.76% |
| % Change from previous year | -58% | |

Return on equity has declined due to decrease in current year's profit mainly on account of increase in fuel costs.

e) Inventory Turnover Ratio = Sales divided by Average Inventories

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|
| Sales | 2,93,426.03 | 2,71,649.03 |
| Average Inventories | 26,876.66 | 17,857.66 |
| Ratio | 10.92 | 15.21 |
| % Change from previous year | -28% | |

Inventory turnover ratio declined on account of increase in stock of fuel.

f) Trade Receivables Turnover Ratio = Credit sales divided by closing trade receivables

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|
| Revenue from operations | 2,93,754.56 | 2,72,541.66 |
| Trade Receivables | 16,892.37 | 12,733.25 |
| Ratio | 17.39 | 21.40 |
| % Change from previous year | -19% | |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

g) Trade Payables Turnover Ratio = Purchases divided by closing trade payables

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|
| Purchases and expenses | 2,39,416.60 | 1,98,122.15 |
| Trade Payables | 21,467.23 | 23,097.21 |
| Ratio | 11.15 | 8.58 |
| % Change from previous year | 30% | |

Trade payables turnover ratio has improved because of prompt payment to vendors.

h) Net Capital Turnover Ratio = Revenue divided by Net working capital where net working capital = current assets - current liabilities

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|
| Revenue from operations | 2,93,754.56 | 2,72,541.66 |
| Net working capital | (13,448.85) | (23,981.26) |
| Ratio | (21.84) | (11.36) |
| % Change from previous year | 92% | |

Net capital turnover ratio has improved due to increase in net working capital on account of increase in fuel coupled with increase in higher sales during the year

i) Net Profit Ratio = Profit after tax divided by Sales

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|------------------------------------|----------------|----------------|
| Profit after tax | 12,281.51 | 26,325.08 |
| Revenue from operations | 2,93,754.56 | 2,72,541.66 |
| Ratio | 4.18% | 9.66% |
| % Change from previous year | -57% | |

Net profit ratio has declined due to decrease in the profit for the current year mainly on account of higher fuel price.

j) Return on Capital Employed = EBIT divided by Capital Employed

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Earnings before interest and taxes (EBIT) | 22,973.29 | 45,542.58 |
| Capital Employed | 2,28,201.54 | 2,08,680.85 |
| Ratio | 10.07% | 21.82% |
| % Change from previous year | -54% | |

Return on capital employed has declined due to decrease in profit in current year mainly on account of higher fuel costs.

k) Return on Investment = Income generated from Invested funds/Average invested Funds in Treasury Investment

(₹ in Lacs)

| Particulars | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| Income generated from Invested funds | 0.51 | 92.98 |
| Average invested Funds in Treasury Investment | 10.97 | 2,926.40 |
| Ratio | 4.65% | 3.18% |
| % Change from previous year | 46% | |

Return on Investment improved on account of higher yields from investments.

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

49. Fair Value

Accounting classification and fair values

Set out below, is the comparison of the fair values of the financial assets and liabilities included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all securities which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (For example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The fair value of the financial assets and liabilities approximates their carrying amounts as at the balance sheet date.

March 31, 2023

| Particulars | Carrying amount and Fair value | | | Fair Value Level |
|---|--------------------------------|---|--|------------------|
| | FVTPL | Other Financial Assets - amortised cost | Other Financial liabilities - amortised cost | |
| Financial assets measure at fair value | | | | |
| Investments in equity instruments | 4.16 | | | Level 3 |
| Investments in debt instruments | 412.33 | | | Level 3 |
| | 416.49 | - | - | |
| Financial assets not measured at fair value | | | | |
| Trade receivables | | 16,892.37 | | |
| Cash and cash equivalents | | 6,943.78 | | |
| Bank balances | | 67.99 | | |
| Loans | | 6.12 | | |
| Other financial assets | | 3,317.01 | | |
| | - | 27,227.27 | - | |
| Financial liabilities not measured at fair value | | | | |
| Borrowings | | | 39,145.23 | |
| Lease liabilities | | | 686.02 | |
| Trade Payables | | | 21,467.23 | |
| Other financial liabilities | | | 13,958.62 | |
| | - | - | 75,257.10 | |

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

March 31, 2022

| Particulars | Carrying amount and Fair value | | | Fair Value Level |
|---|--------------------------------|---|--|------------------|
| | FVTPL | Other Financial Assets - amortised cost | Other Financial liabilities - amortised cost | |
| Financial assets measure at fair value | | | | |
| Investments in mutual funds | 1001.31 | | | Level 2 |
| Investments in equity instruments | 4.16 | | | Level 3 |
| Investments in debt instruments | 412.33 | | | Level 3 |
| | 1,417.80 | - | - | |
| Financial assets not measured at fair value | | | | |
| Trade receivables | | 12,733.25 | | |
| Cash and cash equivalents | | 4,308.02 | | |
| Bank balances | | 70.07 | | |
| Loans | | 5.67 | | |
| Other financial assets | | 3,261.16 | | |
| | - | 20,378.17 | - | |
| Financial liabilities not measured at fair value | | | | |
| Borrowings | | | 30,965.81 | |
| Lease liabilities | | | 593.61 | |
| Trade Payables | | | 23,097.21 | |
| Other financial liabilities | | | 12,544.60 | |
| | - | - | 67,201.23 | |

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments. Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

50. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

51. Other Statutory Information:

- The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.

Notes to the Ind AS Financial Statements (Contd..)

as at and for the year ended March 31, 2023

- v. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii. All quarterly returns or statements of current assets are filed by the Company with banks or financial institutions and are in agreement with the books of accounts.
- viii. The loan has been utilised for the purpose for which it was obtained and no short term funds have been used for long term purpose.
- ix. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- x. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- xi. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- xii. The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- xiii. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

ICAI firm registration number: 116231W/W-100024

Vikash Somani

Partner

Membership No.: 061272

Place: Hyderabad

Date: April 28, 2023

For and on behalf of Board of Directors

CK. Birla

Chairman

(DIN 00118473)

P.C. Jain

Chief Financial Officer

(FCA 079601)

Place: New Delhi

Date: April 28, 2023

D.D. Khetrapal

Managing Director & CEO

(DIN 02362633)

N. Bisaria

Company Secretary

(FCS 5634)



Orient Cement Limited

CIN : L26940OR2011PLC013933

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