



## Wings of Collaboration

Orient Cement Limited | Annual Report 2018-19

 **CK BIRLA GROUP**

**ORIENT**  
CEMENT

## Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## Contents

Corporate Overview	4	Notice	31
Chairman's Overview	6	Directors' Report	46
Managing Director's Overview	8	Management Discussion and Analysis	79
Financial Highlights	10	Corporate Governance Report	87
Collaboration at Orient Cement	12	Business Responsibility Report	116
Employee Testimonials	22	Financial Statements	127
Our Board of Directors	30	Notes to Financial Statements	140

# Corporate Information

---

## BOARD OF DIRECTORS

**Mr. Chandrakant Birla**  
(Chairman)

**Mrs. Amita Birla**

**Mr. Rajeev Jhawar**

**Mr. Vinod Kumar Dhall**  
(resigned w.e.f. March 23, 2019)

**Mr. Rabindranath Jhunjhunwala**

**Mr. Janat Shah**

**Mr. Swapan Dasgupta**

**Mr. I.Y.R. Krishna Rao**

**Mrs. Varsha Vasant Purandare**  
(appointed w.e.f. February 8, 2019)

**Mr. Desh Deepak Khetrpal**  
(Managing Director & CEO)

## KEY MANAGERIAL PERSONS

**Mr. Desh Deepak Khetrpal**  
(Managing Director & CEO)

**Mr. Sushil Gupta**  
(Chief Financial Officer)

**Mrs. Nidhi Bisaria**  
(Company Secretary)

## STATUTORY AUDITORS

M/s. S.R. Batliboi & Co., LLP  
Chartered Accountants,  
22, Camac Street, Block C,  
3<sup>rd</sup> Floor, Kolkata - 700016

## REGISTERED OFFICE

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

## CORPORATE IDENTIFICATION NO.

L26940OR2011PLC013933

## MANUFACTURING PLANTS

### Devapur

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

### Jalgaon

Nashirabad, Dist. Jalgaon (Maharashtra)

### Chittapur

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

## REGISTRAR & TRANSFER AGENT

Karvy Fintech Private Limited  
Unit: Orient Cement Limited  
6F-025, 6<sup>th</sup> Floor, Karvy Selenium, Tower B,  
Gachibowli, Financial District, Nanakramguda,  
Hyderabad-500032  
Toll Free No. 1800-3454-001  
Email: einward.ris@karvy.com

## BANKERS

State Bank of India  
HDFC Bank Limited  
Indian Bank  
ICICI Bank Limited  
EXIM Bank of India  
Punjab National Bank

## 8<sup>th</sup> ANNUAL GENERAL MEETING

Date : 1<sup>st</sup> day of August, 2019  
Day : Thursday, Time : 2:00 P.M.  
Venue : Unit-VIII, Plot No. 7, Bhoinagar,  
Bhubaneswar - 751 012 (Odisha)

## BOOK CLOSURE FOR AGM

Friday, 26<sup>th</sup> day of July, 2019 to Thursday,  
1<sup>st</sup> day of August, 2019  
(Both days inclusive)

## WEBSITE

[www.orientcement.com](http://www.orientcement.com)



What do great  
teams do?

They **care.**

They **complement.**

They **collaborate.**

They **inspire.**





## The result

Great teams are usually the last ones standing in challenging phases. And the first to be off the blocks when conditions improve.

What Orient Cement achieved in 2018-19 was a reflection of what such strong teams usually achieve.

The market price for cement remained low for most of the year even as cost pressures remained unrelenting. Rather than complain about the prevailing environment, Orient Cement, marketed wider and deeper, launched a premium product under a new brand and increased all-round efficiencies. As realisations recovered in the fourth quarter of 2018-19, Orient Cement reported its best quarterly results ever.

Emphasising the one point that we have always believed.

That when individuals collaborate, companies develop wings.



## things you need to know about Orient Cement Limited

### Legacy



Orient Cement embarked on its journey in 1979 and commenced cement production with the commercialisation of the Devapur plant. The Company was initially a part of Orient Paper and Industries. Following its demerger in 2012, it has emerged as one of the most respected cement companies in India.

### Products



Orient Cement has a diversified range of products comprising the Ordinary Portland Cement and Pozzolana Portland Cement varieties. The Company markets its products under the Birla A1 Brand. Riding on the success of its premium brand, Birla A1 Strongcrete, OCL has emerged as one of the leading players in the market.

### Capacity



Orient Cement has two cutting-edge integrated cement manufacturing plants in Devapur (Telangana) and Chittapur (Karnataka), as well as a clinker grinding unit in Jalgaon (Maharashtra). The Company had an aggregate cement manufacturing capacity of 8 million tonnes per annum and clinker manufacturing capacity of over 5.5 million tonnes per annum as on 31st March 2019.

### Presence



The Company's key markets include Maharashtra, Telangana and Karnataka, which cumulatively account for 80% of its revenues. The other states of presence for OCL are Andhra Pradesh, Madhya Pradesh, Chhattisgarh, Gujarat, Tamil Nadu and Goa. The Company has a robust presence with 3,279 touch points across the country.

### People



The Company comprised 1257 employees and 3790 contract workers as on 31 March 2019. Revenue per person grew attractively in the five years ending 2018-19; the number of employees working with the Company for more than a decade was 40%

### Certifications



The Company is accredited with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 for its stringent compliance with qualitative, environmental and workplace safety norms. OCL was awarded the prestigious 'GreenPro' award for the product Birla A1 Premium Cement by CII.

### Listing



Orient Cement is listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company's market capitalisation stood at ₹1618.46 crore as on 31st March 2019.

## ORIENT CEMENT VISION AND VALUES



Collaboration:  
The Orient Cement  
way, the *dahi*  
*haandi* way



Humility  
to learn



Walk  
the talk

**Build  
Sustainably**

to

**Be a  
valued partner  
in progress**



Agility  
with speed



Passion  
to excel



Respect  
for all



Celebrate  
diversity







The theme – Wings of Collaboration – is not only relevant for the Company in particular but for humankind in general as well.

We believe that collaboration is more than a functional statement; it represents a 'safety net', which ensures that we are the last person standing during challenging external realities and the first to run when sectoral circumstances improve.

This spirit of collaboration does not operate as an island within our Company. It is marked by various other values that come into play.

It is marked by 'Humility to Learn', where there is no shame in admitting that we do not know something or that someone else possesses a superior knowledge in a specific domain as long we possess an insatiable desire to learn.

This collaborative spirit is also marked by the ability to 'Walk the Talk'. We need to earn our dependability by keeping the promises we make.

Our 'Respect for All' ethic is a 360-degree inclusive definition that

is helping build mutually-beneficial relationships with all stakeholders.

Our commitment to 'Celebrate Diversity' is helping enrich our pool of perspectives drawn from people of different genders, races, faiths, physical abilities and sexual orientation.

Our 'Passion for Excellence' is driving us to work harder than ever, not because we are forced to but because we are inspired to.

Our commitment to 'Agility with Speed' has enhanced our responsiveness to a rapidly changing world through initiatives related to cutting-edge technologies, resulting in quicker and informed decision-making.

I am pleased that the sum of these values was showcased in our ability to report a vigorous turnaround in the last quarter, one of the best in our existence.

I am optimistic that this represents only the beginning of a rewarding journey where we add attractive value in the hands of those associated with our Company.

**CK. Birla, Chairman**

---

I am pleased that the sum of our values was showcased in our ability to report a vigorous turnaround in the last quarter, one of the best in our existence.

---



Agility With Speed



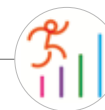
Celebrate Diversity



Collaboration



Humility to Learn



Passion to Excel



Respect for All



Walk the Talk

At Orient Cement, the spirit of collaboration represents a multiplier that we believe will enhance value in a substantial way for our stakeholders across the foreseeable future.



We, at Orient Cement, are inspired by the role cement has played in human development.

Cement has been more integral to the progress of human civilisation than most people appreciate.

We are aware of the super-charged acceleration of human development that commenced only after urbanisation increased.

A large aggregation of people, increased specialisation, focused division of work, systematic surplus generation to fund administration and security among others, were all made possible by the overarching infrastructure needed for large communities to be accommodated.

Until the start of the last century, only 16% of the world's population lived in urban clusters. Exactly 100 years later, the