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## 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.

001-017

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## AGILITY POWERED BY HUMILITY TO LEARN

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# Corporate Information

## Board of Directors

Mr. Chandrakant Birla  
Chairman

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

Mr. Desh Deepak Khetrapal  
Managing Director & CEO

## Key Managerial Persons

Mr. Desh Deepak Khetrapal  
Managing Director & CEO

Mr. Soumitra Bhattacharyya  
Chief Financial Officer

Mrs. Nidhi Bisaria  
Company Secretary

## Statutory Auditors

M/s. B S R & Associates LLP  
Salarpuriya Knowledge City,  
Orwell, B Wing, 6<sup>th</sup> 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. Mancherial - 504218 (Telangana)

**Jalgaon:**  
Nashirabad, Dist. Jalgaon  
(Maharashtra)

**Chittapur:**  
Village Itaga, Malkhaid Road,  
Taluka Chittapur,  
Dist Kalburagi - 585292  
(Karnataka)

## Registrar & Share Transfer Agent

**KFin Technologies Limited**  
(Formerly KFin Technologies Private Limited)

**Unit:** Orient Cement Limited  
Selenium Tower B, Plot 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal,  
Hyderabad - 500 032, Telangana

**Toll Free No.** 1800-309-4001  
**E-mail:** einward.ris@kfintech.com

## Bankers

State Bank of India  
HDFC Bank Limited  
Indian Bank

## 11<sup>th</sup> Annual General Meeting

(Through Video Conferencing/Other Audio Visual Means)

**Date:** 28<sup>th</sup> day of July, 2022

**Day:** Thursday

**Time:** 3:30 P.M.

## Book Closure for AGM

Friday, 28<sup>nd</sup> day of July, 2022 to  
Thursday, 28<sup>th</sup> day of July, 2022  
(Both days inclusive)

## Website

www.orientcement.com



# Agility

Powered by  
humility to  
learn

How far do we wish to travel for what we seek to achieve?

What risks are we ready to take to accelerate our pace towards realising our goals?

At Orient Cement, we ask these tough questions and challenge ourselves to travel the extra mile to unlock our potential meaningfully and profoundly. We believe, unless we stretch our limits and bring nimbleness to our steps, we can never know what we are truly capable of.

Undeterred by obstacles on the way, we continuously re-evaluate our strategies to drive for higher value creation. We set small goals and approach each goal with a beginners' humility and enthusiasm to learn. This credo has helped us instil a flexible and ground up approach across all aspects of our business - from designing new products, achieving higher operational efficiency, bolstering our supply chain, optimising our costs, upskilling our teams or even repositioning our corporate brand.

Our overarching objective is to contribute responsibly to nation-building, bring about a better quality of life to the communities we serve and be a valued partner in progress. Resilience remains at the heart of our business model supported by agile execution and above all the humility and curiosity to learn as we progress towards co-creating sustainable value for all stakeholders.



# About the Group

The CK Birla Group is a diversified \$2.8 billion conglomerate with a global presence and a history of enduring relationships with renowned global companies.



With over 30,000 employees, 46 manufacturing facilities and numerous patents and awards, the Group's businesses are present across 5 continents. The Group operates in three industry clusters: technology & automotive, home & building and healthcare & education.

The shared ethos with the group companies is strengthened through guiding principles that include focus on long-term value creation, trust-based relationships and spreading joy within the communities in which we operate. Each business is transforming to build on the collective strengths of the Group and a shared vision to create value in line with the rapidly changing needs of customers, partners and communities in the twenty-first century.



OVER  
~\$ **2.8** billion  
CONGLOMERATE



**30,000+**  
EMPLOYEES



PRESENCE ACROSS  
**5**  
CONTINENTS



FOCUSED ON  
**Long-term value creation**

# Introducing Orient Cement

Among the country's leading cement companies, we are trusted by our customers for our industry-leading products and solutions to meet their construction needs.

Started in 1979, today we are a fast growing cement company in India, with a diversified portfolio of products addressing a wide range of construction activities. Our two integrated cement manufacturing plants and a split clinker grinding unit position us with strong market share in states of Maharashtra, Telangana, Karnataka and Madhya Pradesh. The well-diversified but synergistic geographic portfolio of assets in high-growth and profitable markets underpins our long-term value-creation objective.

## Our vision

Build **Sustainably** to be a Valued Partner in Progress



## Our values



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



Humility to learn



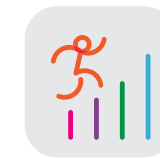
Walk the Talk



Respect for all



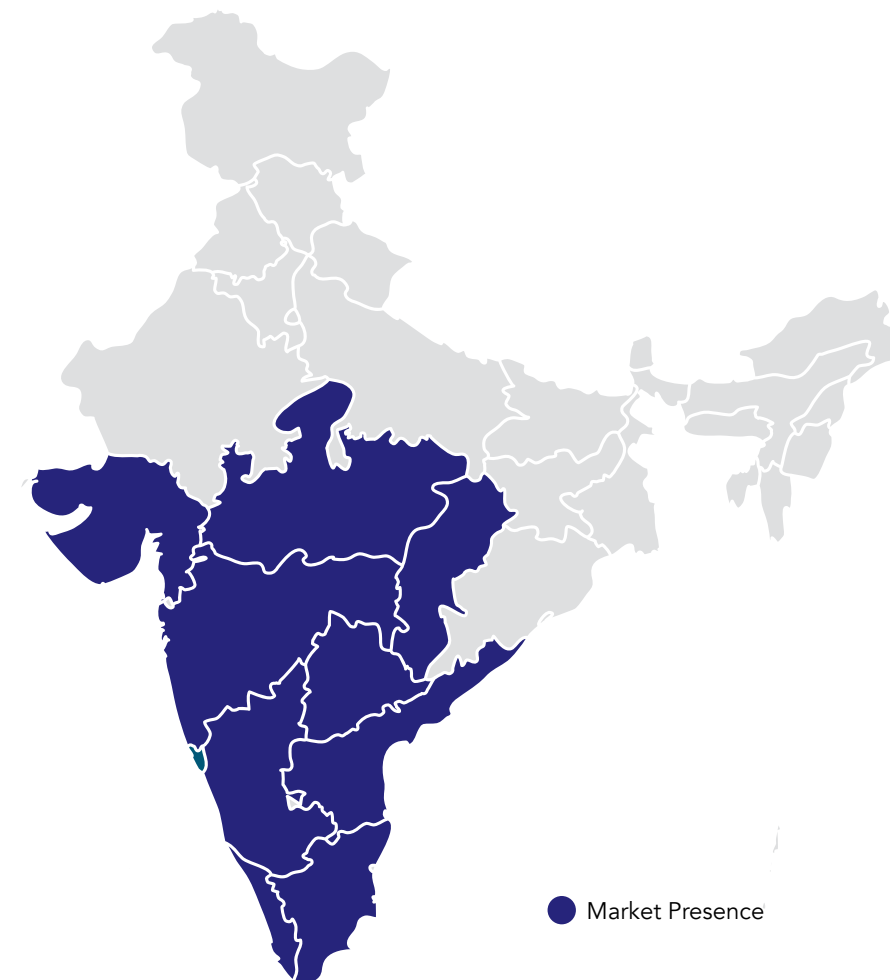
Celebrate diversity



Passion to excel



Agility with speed



**8.5 MTPA**

CEMENT MANUFACTURING  
CAPACITY

**5.5 MTPA**

CLINKER MANUFACTURING  
CAPACITY

**10 STATES**

MARKET PRESENCE



# Chairman's Communique

FY 2021-22, like the year before, remained challenging for businesses in India and the world over.

We are enhancing operational efficiencies to build a more sustainable business. I am pleased to report that all our teams from the top leadership to our workmen at the plants are driving our **sustainability agenda** through increased focus and innovation.



Dear Shareholders,

FY 2021-22, like the year before, remained challenging for businesses in India and the world over.

However, there certainly was moderation in severity of challenges in the evolving macro landscape and coupled with the increased acquired ability to mitigate them, the year overall seemed somewhat easier to navigate through. Undeterred by the headwinds, your Company focused on keeping the strategy flexible and execution agile to leverage relevant opportunities as they emerged. This enabled the Company to maximize the value-creation for customers and all other stakeholders.

Agility has been an intrinsic part of your Company's DNA, and this particular trait came to the fore in the reporting year. Our teams rallied together to drive quality sales through improved product and market mix, focus on capacity utilisation, optimise costs and push the envelope of

innovation and circularity further. Each and every process in the value chain was appropriately fine-tuned to work around the bottlenecks and enhance operational efficiency.

As is well known, elevated inflation adversely impacted the costs of all inputs and logistics. We had to rethink strategies proactively, so that costs could be managed, without impacting the quality of our products. We also strengthened our engagement with our customers, partners and other stakeholders, because we believe a sustainable business can flourish only in an ecosystem of interdependence.

With improved quality of sales and focus on cost optimisation, the profitability of your Company registered further improvement, with robust cash generation, notwithstanding the adversity. This enabled your Company to deleverage its balance sheet significantly during the year. The enhanced strength

of the balance sheet has created a platform to sustain the ambitious capex plans for medium and long term.

We are enhancing operational efficiencies to build a more sustainable business.

I am pleased to report that all our teams from the top leadership to our workmen at the plants are driving our sustainability agenda through increased focus and innovation.

With agility and sustainability deeply embedded at the core of our business model, we are embarking upon the next phase of our growth with increased confidence and optimism. I seek the support of all stakeholders in this journey.

**CK. Birla**  
Chairman

# Managing Director's Message

The fiscal year 2021-22 was another eventful year, coming right after FY21 which had exposed our World's vulnerabilities to a sub-microscopic agent which caused havoc not just on the health front but also seriously disrupted all aspects of 'normal' life as we know it.

Marching towards its target to emerge as a **\$5 trillion economy**. I remain confident of your Company's long-term prospects, knowing that **cement will remain integral to our nation's infrastructure development** and robust economic growth.

Dear Shareholders,

The fiscal year 2021-22 was another eventful year, coming right after FY21 which had exposed our World's vulnerabilities to a sub-microscopic agent which caused havoc not just on the health front but also seriously disrupted all aspects of 'normal' life as we know it.

The economy and business had to cope with the fresh mutant waves of the pandemic. As if the situation was not challenging enough, it was exacerbated by the mounting tensions between Ukraine and Russia in last quarter of the fiscal. The meltdown of global supply chains, rising inflation, scarce availability

and rapid hike in fuel prices due to pandemic, were further aggravated by geo-political tensions.

Even in the shadow of mounting impediments, we at Orient Cement never deviated from our vision: **'Build Sustainably'**. Having already delivered improved results leveraging our resilience and limitless attitude in FY21, we navigated the year under review with agility and despite all the challenges, we have delivered results which make us proud. I am extremely proud of my colleagues, who have demonstrated exemplary agility, speed and ability to keep learning and contributing during

these testing times. I would like to express my deepest appreciation for their support and commitment to all our stakeholders.

India, now the fifth largest economy in the world, is the fastest growing large economy. Marching towards its target to emerge as a \$5 trillion economy. I remain confident of your Company's long-term prospects, knowing that cement will remain integral to our nation's infrastructure development and robust economic growth. We remain committed to making a significant contribution to country's infrastructure and housing sector.

**Agility, powered by humility to learn**

Even as the pandemic moderated during the second half of the year, with a large part of population in the country being vaccinated, its brutal impact on lives and livelihood is likely to cast its shadow on the coming few years. Again, this year, Orient Cement displayed its agility, marching ahead with humility to learn along the way. This was demonstrated as we adapted to shifting ways of working, delivered robust operational efficiencies, capitalised on newer opportunities, delighted our customers and remained committed to building a long-term value-accretive business.

Our efforts to moderate the impact of unprecedented increase in conventional energy costs resulted in a significant increase in the use of a growing basket of alternative fuels.

During the year, we also added nearly half a million ton to our cement grinding capacity with a modest investment, which will also give us higher flexibility and efficiencies.

Such initiatives benefit the larger society by reducing unprocessed waste, and promote circularity through substitution of non-renewable fossil fuels. We moved a lot more of our material using rail mode, again contributing to better cost management and ‘greener’ logistics. These are just a few examples of how we responded to the dynamic, emerging situations. During the year, we also added nearly half a million ton to our cement grinding capacity with a modest investment, which will also give us higher flexibility and efficiencies.

Sustaining market share

Our 8% growth for the year in cement volume is in line with the growth of the sector. This has been achieved despite having adopted a clear approach to defend our profitability by following sales policies aimed at recovery of replacement cost of resources consumed. We also continue to leverage our brand portfolio and product quality to seek a fair price for our cement.

In addition, we overhauled our market strategy through a discerning choice

of channel partners and refinements in our brand positioning. Similar tough choices were exercised in selecting the geographical markets and customer segments to ensure a minimum threshold of contribution to the bottom-line. Successful execution of our strategies, coupled with prudent selection of market opportunities enabled your Company to deliver results that are being presented to you.

Our team – at the heart of our operations

It goes without saying that our employees are the heart of Orient Cement. Shifting gears, learning the new and being agile helped your Company be at forefront of finding sustainable solutions. Our people also contribute to making us a preferred organisation to work for. It gives me immense pride to report that your Company has been recognised as a ‘Great Place to Work’ for the third consecutive year. This year’s recognition holds more significance, as this survey integrates the voices of all our employees, including our workmen at plants.

Road ahead

Even as some uncertainties linger at the present juncture, looking forward, we are confident of unlocking further opportunities for profitable growth. With the robust balance sheet of your Company (a consequence of a large reduction in our debt over the last two years), we are now getting prepared for the next phase of growth which needs additional capacity to be added. We are taking concrete steps in that direction and look forward to adding 3 million tons to our capacity by FY 2023-24, with more to follow subsequently. We also continue to build on our already strong ESG framework, year after year, with initiatives that are directed to build a carbon neutral company.

I also take this opportunity to extend my sincerest gratitude to all our stakeholders and look forward to another exciting year ahead.

Deepak Khetrapal  
Managing Director and CEO

Our Board of Directors

Mr. Chandrakant Birla  
(Chairman)

Date of appointment: 23 <sup>rd</sup> 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. Desh Deepak Khetrapal  
(Managing Director & CEO)

Date of appointment: 2 <sup>nd</sup> 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 track record of leading and transforming large and diversified organizations, across various Industries including services, industrials, consumer and retail businesses.

Mrs. Amita Birla  
(Non- Executive Director)

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

Mr. Janat Shah  
(Independent Director)

Date of appointment: 30 <sup>th</sup> 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. Rabindranath Jhunjhunwala  
(Independent Director)

Date of appointment: 9 <sup>th</sup> 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 & acquisitions, private equity investment, foreign investments advisor (both inbound and outbound).

Mr. Rajeev Jhawar  
(Independent Director)

Date of appointment: 9 <sup>th</sup> 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

Mr. Swapan Dasgupta  
(Independent Director)

Date of appointment: 4 <sup>th</sup> 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. I.Y.R Krishna Rao  
(Independent Director)

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

Mrs. Varsha Vasant Purandare  
(Independent Director)

Date of appointment: 8 <sup>th</sup> 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.



# Our Business Model

## Our Resources



### Our value creation

Build Sustainably to be a valued partner in progress



### Our people

**1,200** Employees at Orient Cement



### Our governance

- Strong governance framework
- Transparent policies and ethics



### Our geographic presence

Andhra Pradesh, Chhattisgarh, Delhi, Goa, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Tamil Nadu, Telangana



### Our capital

**₹20.49 crore** Paid up capital  
**₹1,525.43 crore** Networth  
**0.2:1** Debt-equity ratio



### Our technology capital

Especially engineered cement product variants produced par-excellence



### Our social-relationship promise

Our products, process and value creation philosophy is built on promise of sustainability

## Our Activities

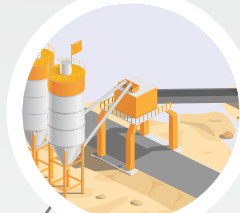
### Mining & Crushing



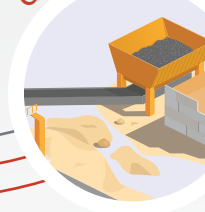
### Stacking & Reclamation and Pulverising



### Clinkerisation



### Cement Grinding



### Sustainable operations

- Optimum utilisation of raw materials
- Using AFR in our captive power plants
- Process optimisation across the facilities
- Procuring solar energy for grinding units
- Liquid alternative fuel feeding system (LAFR) installed at Devapur plant
- Implementing energy conservation initiatives

### Beyond cement



Birla.A1 Promise:



Onsite services



Planning tools

Mazbooti mein A1.  
Bharose mein A1



## Our Offerings

### Our products



Portland Pozzolana Cement (PPC)



Ordinary Portland Cement (OPC)

### Our brands



Birla.A1 StrongCrete



Birla.A1 Premium Cement-PPC



Birla.A1 Premium Cement-OPC 53 Grade



Birla.A1 Premium Cement-OPC 43 Grade

## Our value creation



### Customers

- **Trusted** cement manufacturer
- **Leading** brand in the markets we operate
- **Quality** that is unrivalled and unmatched



### Shareholders and investors

Revenue – **₹2,734.98** crore  
EBIDTA – **₹600.64** crore  
PAT – **₹263.25** crore  
Dividend – **₹2.50** per equity share  
Market Capitalisation - **₹2,915.28** crore



### Employees

- **1,200** Employees as on March 31, 2022
- **Promotes** Diversity and Inclusion
- **ZERO** fatalities in last four years
- **Engaging sessions** on empowering a learning and development culture



### Suppliers & Regulators

**₹995.37 crore** Cost of goods procured (excluding limestone)  
**₹1,178.10 crore** Contribution to exchequer



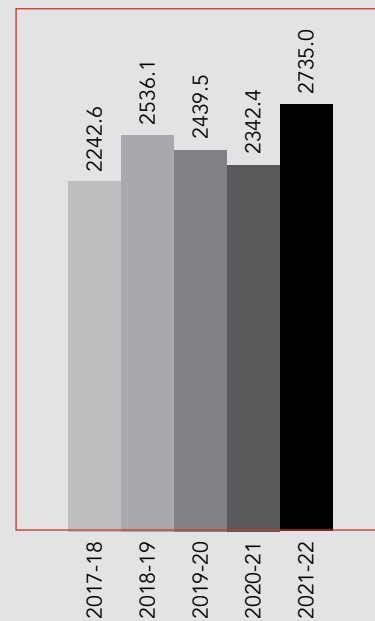
### Society and Community

**2.40%** of average profits spent on CSR initiatives  
**3.15%** of average profits spent on Rehabilitation & Resettlement projects.  
**8.5%** energy sourced from renewable sources

# Agile and nimble

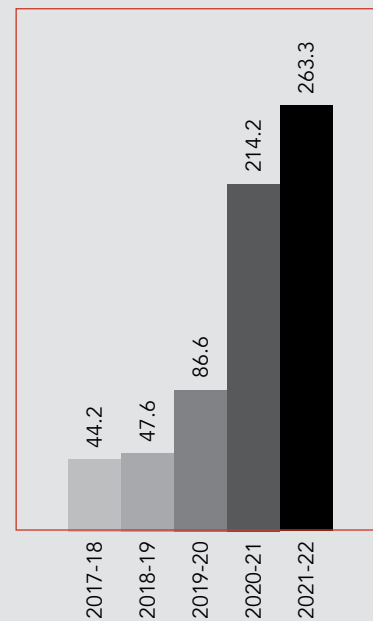
## Total income

(₹ crore)



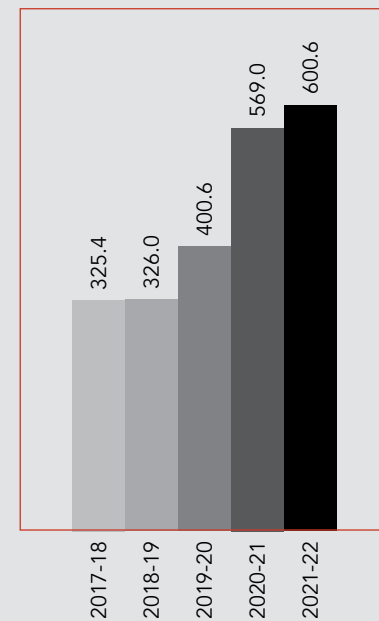
## Net Profit

(₹ crore)



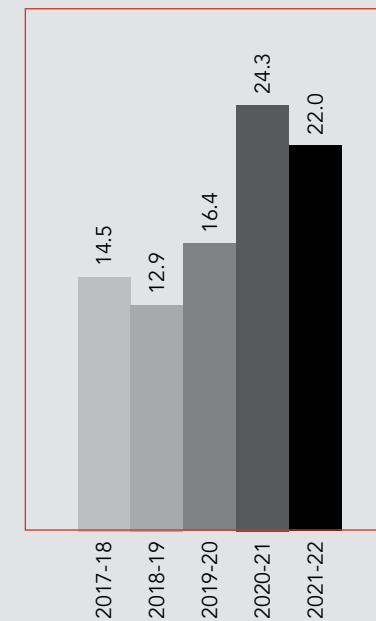
## EBIDTA

(₹ crore)



## EBIDTA margin

(%)



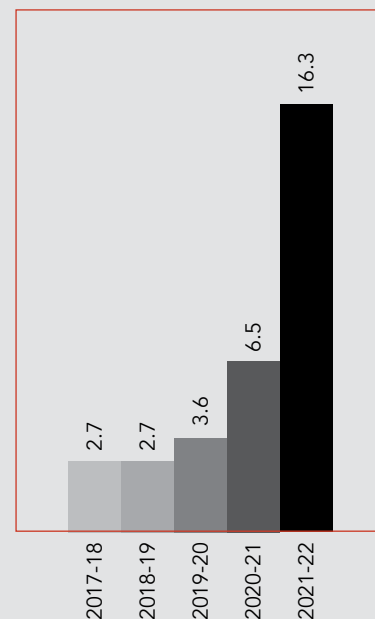
“Considering the higher-cost of debt on our books and its impact on our profitability, we have got our long-term debt refinanced, leveraging our current and projected robust cash generation.

We have committed to a faster repayment of the debt and attained lower borrowing cost by approx. 160 bps, while retaining the flexibility of early payments. The refinancing was achieved in less than a month by December 2021 allowing us to avail the benefit of interest arbitrage for a full quarter in the year. During the year, we reduced our outstanding debt by approximately ₹ 478 crores to ₹ 296 crores as on March 31, 2022. Agility unlocked for today and tomorrow.

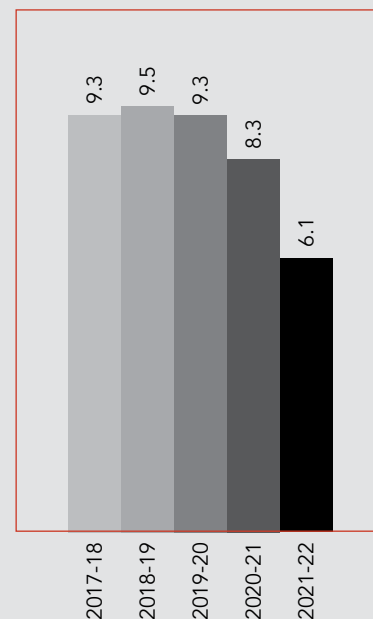
Mr. Manish Aggarwal, Senior General Manager – Finance

## Debt profile

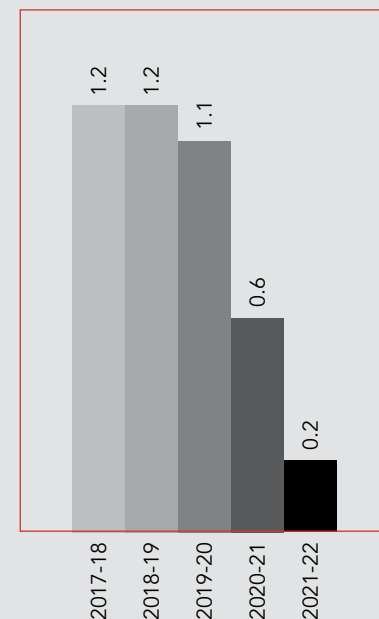
Interest Coverage (%)



Debt Cost (%)

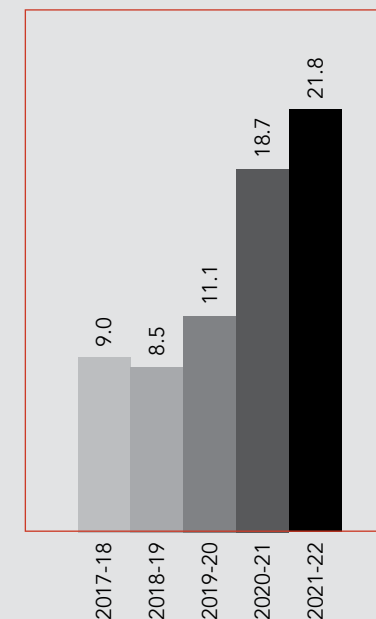


Debt-equity



## ROCE

(%)



₹ 589.70 crore

CASH FLOW FROM OPERATIONS

₹ 490.98 crore

(including ₹ 12.80 crore deferred sales tax loan)

LONG-TERM DEBT REPAYED IN FY'22

₹ 2915.28 crore

MARKET CAPITALISATION