

June 4, 2020

Bombay Stock Exchange Limited
New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort
Mumbai-400001
Security Code: 535754

National Stock Exchange of India Limited
“Exchange Plaza”, Plot No. C-1, Block G
Bandra – Kurla Complex, Bandra (East),
Mumbai – 400 051

Symbol: ORIENTCEM

Sub: Disclosure on material impact of COVID-19 pandemic under Regulation 30
Ref: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

Dear Sir(s),

This is in reference to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 issuing advisory on disclosure of material impact of COVID–19 and in furtherance to our previous intimations dated March 23, 2020 and April 21, 2020.

In this regard, please find below the status update of the Company’s position:

General

1. The Company had proactively initiated “Work from Home” as per the directions of Government at all its office locations and is continuing. The offices shall resume based on the guidelines from the local administration maintaining safe work practices.
2. In due compliance with various Government directives, the manufacturing operations at plants got impacted from about March 20th, 2020 and had to be shut-down, as informed to stock exchanges as a material event. The operations have since been resumed in accordance with the instructions/ guidelines and approvals granted by the Central/ State/ District Authorities.
3. Regular interactions have been ongoing between employees and senior management providing regular updates on the evolving situation and guidance on the importance of observing social distancing, travel guidelines, thermal scanning, permissible number of employees per site. The Company has adopted extensive use of the Aarogya Setu app to control entry of people in our facilities.
4. The Company has formulated requisite guidelines based on the directives from the Central/ State/ Municipal authorities for safe work practices. Employees have been trained on IT platforms to encourage productivity during “Work from Home”.

Orient Cement Limited

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Registered Office: Unit VIII, Plot No.7, Bhoingar, Bhubaneswar, Odisha 751012, India www.orientcement.com

5. Regular internal communications are sent to employees encouraging them to adopt safe practices to contain the spread of COVID-19.

6. Communication has been made to other stakeholders such as customers and vendors to promote preparedness in the current situation and to ensure availability of product using the flexibility of rail and road connectivity in our plants.

Commencement of operations

1. Company's manufacturing operations have gradually restarted with due approvals from the respective government authorities. Company's plants in Karnataka and Maharashtra partially resumed operations around April 21, 2020 and Telangana plant resumed operations from April 30, 2020.

2. The progressive resumption of activity was done enforcing SOPs aimed at social distancing norms, safety, health and well-being of the workers and employees at the locations and observing SOPs issued by the State Government.

3. In the month of April 2020, very little production has been achieved and currently the plants are operating, but at a reduced level compared to the same time previous year. The situation however remains very volatile and new challenges emerge each day based on labour availability, logistics challenges as well as raw material supplies.

4. Sales orders have continued to be dispatched during this period.

Supply chain and demand for its products

1. The Company has been in constant touch with all its customers assessing their requirements to ensure business continuity at their end while strengthening channel relationships.

2. Company has been regularly receiving collections from its customers and payments are made to vendors timely to maintain their liquidity and ensure continuity of supply.

3. The Company has maintained the required availability of finished products at all plants and depots to meet customer's demand.

4. Sufficient inventory of raw materials is maintained at production facilities adopting a dynamic inventory planning approach to ensure smooth manufacturing operations. However, some challenges in the availability of additives like fly-ash are being observed and being managed dynamically by tapping new sources.

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CIN No: L26940OR2011PLC013933

Liquidity Position

1. The judicious financial leverage and sound working capital management during the lockdown period has ensured sufficient liquidity. The Company does not envisage any significant challenge in meeting its liquidity requirements. All obligations are being met in time and even the moratorium made available by the banks has not been availed of by the Company.

Annual Results for FY2019-20

1. The Company held its Board Meeting for consideration and approval of the Audited Financial Results of the Company for the quarter and year ended March 31, 2020 on May 22, 2020 via Video conferencing.

2. The Company has assessed financial impact of COVID-19 outbreak on the financial performance and the same has been covered adequately in the Notes to the Financial Results published on May 22, 2020.

Internal financial reporting and control

Pursuant to the outbreak of COVID-19, the Company has reassessed its existing internal controls and events subsequent to the balance sheet date. It has implemented additional entity level and transaction level internal controls. Moreover, the Company has evaluated the terms of existing contracts / agreements and concluded that there is no significant risk to the Company's business on account of any risks with the counter-parties to these agreements.

The COVID-19 outbreak and lockdown imposed worldwide is unprecedented and continues to be highly dynamic. The environment may undergo further changes impacting the businesses and operations which are beyond the control of the Company. The Company shall intimate material events, if any, impacting its operations due to COVID-19 in due course.

Thanking you,

Yours sincerely,

For Orient Cement Limited

Nidhi Bisaria
(Company Secretary)

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