Dalmia
Bharat Limited

PEOPLE . PLANET . PERFORMANCE

INTEGRATED ANNUAL REPORT
2020-21

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FORWARD-LOOKING STATEMENT

In this Integrated 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. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Unless defined/provided otherwise elsewhere in this Integrated Report, the term 'Dalmia Bharat'/'the Group' mentioned in this Integrated Report refers collectively to the Company, its subsidiaries, step down subsidiaries and joint venture companies.

Shows you where you can find related information in the report

Shows you where you can find more information at **www.dalmiabharat.com**

To view the report online or to download, visit **https://www.dalmiabharat.com/sustainability/**

IN REMEMBRANCE

Shri Jai Hari Dalmia

(September 18, 1944 - July 8, 2021)

Shri Jai Hari Dalmia has moved to a higher realm on, July 8, 2021. He passed away peacefully remembering Lord Ram till his last breath.

A leader remembered for his generosity and charismatic personality, Shri Jai Hari Dalmia lived a life in service for humanity. He has been the guiding light for the Dalmia Bharat Group and played a crucial leadership role for over five decades with the Group.
He will be deeply missed.

Dalmia Family

PEOPLE PLANET PERFORMANCE

Our enduring performance stands testimony to the strength of the relationships we share with our people and the unwavering care we have for our planet. We are committed to grow holistically, create tangible value for people and the planet and build a sustainable future for many.

PEOPLE

At Dalmia Bharat, we believe in prioritising people over profits. We attract bright minds, encourage diversity, foster inclusiveness and groom an enviable talent pool that helps us stay ahead and deliver sustained value. Our people define our success. We are able to realise our aspirations because our people believe in them.

PLANET

As the force behind structures built to endure and last for generations, Dalmia Bharat is committed to protecting the only home we have, our planet. We are investing in technologies that consume less natural resources, reusing and recycling material from our operations and other industries, consuming energy responsibly and deepening the dialogue to drive far-reaching adoption of green building practices. Our commitment to pave the way for disruptive changes in the ecosystem and build a carbon-negative future for all energises us each day.

PERFORMANCE

Our sustained success and enduring performance helps us create tangible value for our stakeholders today. It also gives us the wherewithal to strengthen the foundation of responsible and sustained growth for Dalmia Bharat in the future through investments in innovation, technology, assets and building a robust network of stakeholder relationships.

Vidyasagar Setu, Kolkata : Built with the strength and reliability of our cement

ABOUT DALMIA BHARAT

A LEADING INDIAN CEMENT MANUFACTURER.

EXCELLING AT SUSTAINABLE CEMENT MANUFACTURING.

Dalmia Bharat, established in 1939, is one of India's fastest-growing and most profitable businesses. Founded by Shri Jaidayal Dalmia, it embodies an extraordinary visionary's endeavour to build a company that will always be innovative in spirit, inclusive in growth, profitable and sustainable in its operations. As one of the most responsible cement manufacturers worldwide, Dalmia Bharat believes that long-term and holistic value creation for our stakeholders requires us to balance the needs of our people and the planet. It makes it imperative for us to put equal emphasis on financial and non-financial parameters of growth.

For 80 years, we have inked a growth path that has mirrored India's promise and the opportunity that this country represents. We have contributed to nation-building through adequate capacity creation and manufacturing highly valued, quality products for domestic and international markets. We are a leader in the super-speciality cement segment and India's largest producer of slag cement. With a capacity of 30.75 million tonnes per annum (MTPA) and a footprint across nine states, Dalmia Bharat has the country's fourth-largest cement manufacturing capacity. We are proud to be a part of many of India's landmark infrastructural achievements like the historic Hirakud Dam, Dr Bhupen Hazarika Bridge and symbols of modern India like the Kochi and Chennai Metro.

Our philosophy of 'Clean and Green is Profitable and Sustainable' helps us deliver to the expectations of our stakeholders, create sustained value for the larger ecosystem and show the way for responsible growth to others. We are committed to becoming carbon negative by 2040. Dalmia Bharat is the only cement company that is part of the UN Leadership Group on heavy industry net-zero transition. We have been designated as a 'Carbon Pricing Champion' World Bank's Carbon Pricing Leadership Coalition. We are signatories to the EP100, RE100 and EV 100 corporate commitment platforms. Dalmia Bharat is globally ranked No. 1 by CDP in 2018 for our business readiness to transition to a low carbon economy. We will continue to lead the way to move from grey to green for our operations and inspire others.

Dalmia Bharat is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and has a market capitalisation of ₹ 29,681Cr. as of March 31, 2021. We are also one of the first cement companies to publish an Integrated Report in India.

Cement Plant, Midnapore

OUR DRIVERS FOR HOLISTIC GROWTH

As a responsible organisation committed to growing holistically, we lead by values that encourage positive behaviours, foster a culture of sustainability, and embody a DNA that endorses excellence, innovation, and mindful conduct.

VALUES

- **Integrity:** Integrity is the quality of being honest and having strong moral values
- **Humility:** Perfection is impossible without humility
- **Commitment:** Commitment is what transforms a promise into a reality
- **Trust & Respect:** Respect is earned, trust is gained

CULTURE

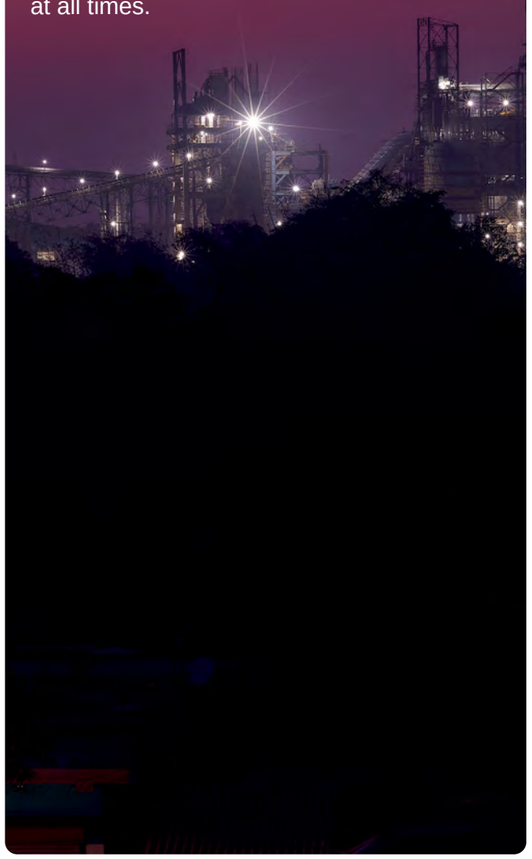
- A culture that settles for nothing less than excellence
- A culture that encourages innovation
- A culture that grows performers and change makers
- A culture which uses technology to enhance talent experience
- A culture of nurturing talent through a 'challenge, connect and coach' approach
- A culture of living values and owning goals
- A culture of bold transparent communication
- A culture of work-life harmony where the health and safety of our talent is paramount

DNA

Six fundamental behaviours reflect our DNA. They bind us as an organisation, define our personality and the way we work. They are:

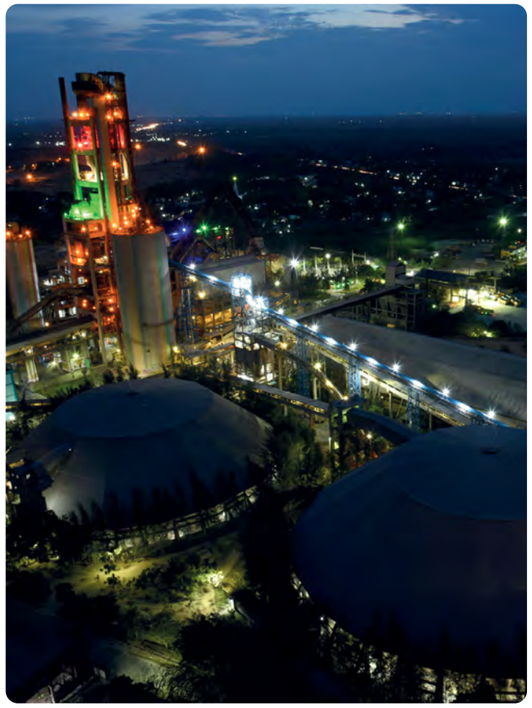
CONQUERING MILESTONES: OUR GROWTH JOURNEY

Through our evolution as an organisation, we have set benchmarks and achieved milestones that stand testimony to our commitment to sustainable and long-term growth and ability to deliver an enduring performance. Our stakeholders, including our talented employees, partners, clients, communities and shareholders, have played a critical role in defining our success through this journey. As we set new milestones through our journey of eight decades, we put care for our planet at the core at all times.



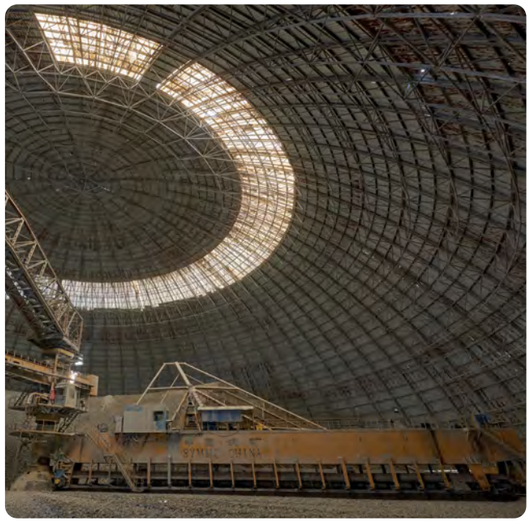
2011-20

- Expansion across North eastern and eastern India – Calcom, Adhunik, Bokaro
- Published the company's maiden sustainability report
- Joined the Cement Sustainability Initiative
- Became a signatory to the WASH Pledge
- Among the first cement company in India to join the World Bank's Carbon Pricing Leadership Coalition (CPLC)
- Completed acquisition of OCL India Limited
- Restructured to become a single listed entity with two subsidiaries, integrating six companies
- Launched Craft Béton
- Scaled manufacturing capacity to 26.5 MTPA
- Among the first company globally to commit to EP100 and RE100
- Commissioned Integrated Cement Plant at Belgaum, Karnataka



2011-20

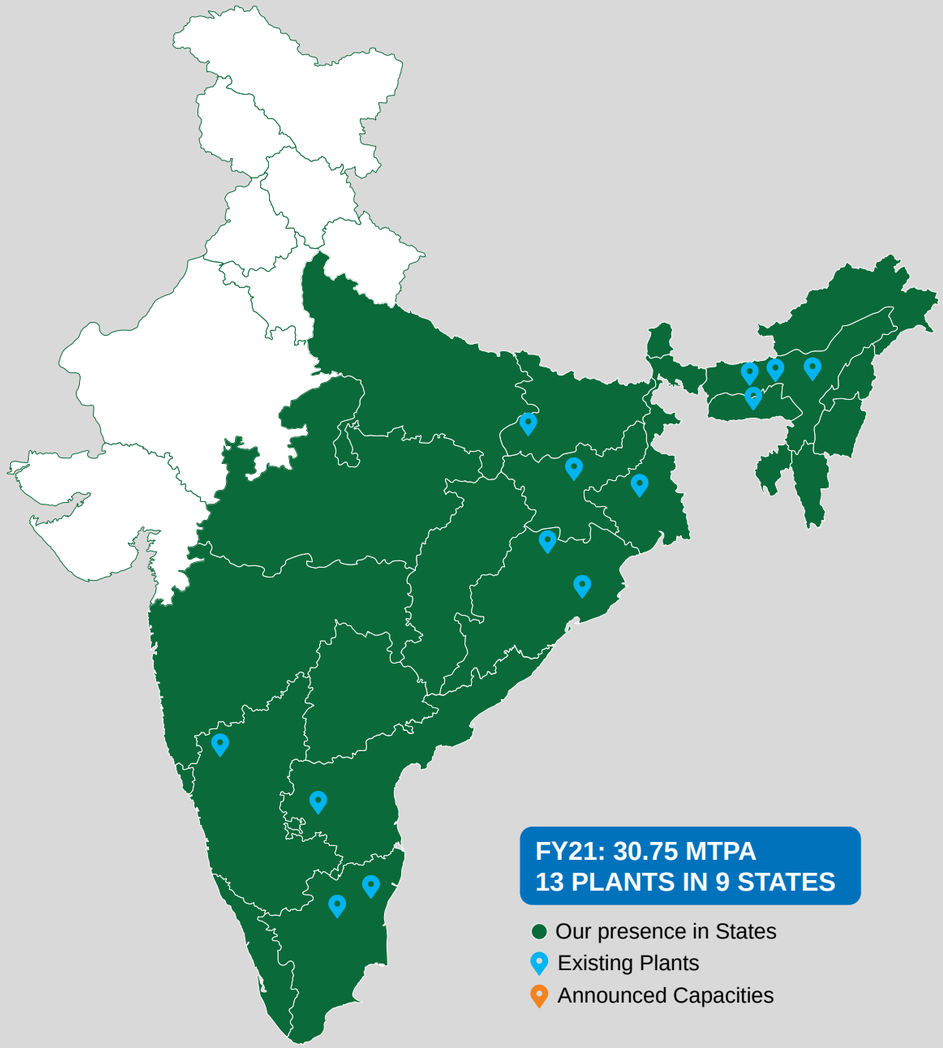
- Acquired Kalyanpur Cement Limited, through first ever IBC process.
- Among the first cement company to publish an Integrated Report in India
- Corporate social responsibility activities assessed on ISO 26000, a first for an Indian cement company
- Commissioned a 9.3 MW Waste Heat Recovery captive power plant
- Commissioned a 8 MW in 2020 Solar PV captive renewable power plant
- Ranked #1 in the global cement sector by CDP on business readiness for a low-carbon economy transition
- Committed to becoming carbon-negative by 2040, a first-of-its-kind initiative for heavy industries in India
- Addressed the UN General Assembly's Climate Action Summit
- One of the first members of the UN Leadership Group on Heavy Industry Transition convened by the governments of India and Sweden to set a target of reaching net-zero by mid- 21st Century
- Developed international collaborations and knowledge partnerships for fostering low carbon growth



2021

- Increased capacity from 26.5 to 30.75 MnT, also increased WHRS from 9.3 to 21.7 MW and of Solar Captive Power Plant from 8 to 10 MW
- Bought back 61.66 Lakh equity shares of the Company by deploying ₹ 329 Cr.
- Expanded in a new territory with acquisition of Murli Industries and added integrated capacity of 3MTPA and 50 MW of Thermal Power, in Maharashtra
- Commissioned a new clinker line at Rajgangpur, Odisha having a capacity of 3 MTPA
- Completed de-bottlenecking of grinding capacity in eastern India
- Commenced commercial production of 2.25 MTPA grinding unit at Bengal Cement Works (Midnapore), West Bengal
- Appointed as the COP-26 Business Leader by United Nation's COP-26 Presidency
- Designated as the Carbon Pricing Champion by World Bank's Carbon Pricing Leadership Coalition
- Progressing on pre-feasibility assessment of 0.5 MTPA carbon capture and utilisation with support from the Asian Development Bank
- Enhanced water conservation efforts and became more than 12 times water positive

OUR GEOGRAPHICAL FOOTPRINT



FY21: 30.75 MTPA
13 PLANTS IN 9 STATES

- Our presence in States
- Existing Plants
- Announced Capacities

EXISTING CAPACITIES

- Ariyalur (ARY)
- Dalmiapuram (DPM)
- Belgaum (BLM)
- Kadapa (KDP)
- Rajgangpur (RGP)
- Cuttack (KCW)
- Rohtas-Banjari (DDSPL)
- Bokaro Plant (JCW)
- Jagi Road Plant (GCW)
- Lanka Plant (LCW)
- Umrangso (USO)
- Midnapore (BCW)

ANNOUNCED CAPACITIES *

- Murli Cement (Maharashtra)
- KCW (Odisha) - Line 2
- BGU (Bihar)

*as on March 31, 2021

BREAKTHROUGH INNOVATION AND GREEN PRACTICES TO DESIGN WORLD-CLASS PRODUCTS

A diversified product portfolio

High brand recall through targeted marketing based on research-based insights

A proactive strategy to invest in long-term research

Address relatively under-met consumer needs

Comprehensive portfolio of super-premium and ‘green’ cement varieties

The increasing significance of products for national infrastructure

Continous enhancement of product attributed and standards

Solar Panel structure at Cuttack

OUR PLANET CONSCIOUS PRODUCT PORTFOLIO

Our diversified product offerings caters to both individual consumers and institutional customers. We boast a diverse variety of Ordinary Portland Cement (OPC), Portland Slag Cement (PSC), Portland Pozzolana Cement (PPC), Portland Composite Cement (PCC) and other speciality cements which offer high quality in stride with being one of the 'greenest' cements, having one of the lowest carbon footprint in the industry. Our dedication to top quality is supported by our Technical Assistance services. Ensure the best quality construction for your dream home with Dalmia BUILD ADVISORS - our team of expert civil engineers. They provide technical assistance on the best construction practices to help you build a stronger and more durable dream home. A value-added service at no extra cost.

CONSUMER PRODUCTS

DALMIA CEMENT

Available In PSC, PPC, PCC, OPC varieties

High Strength Construction - Produced using superior ingredients to provide high strength construction, from the moment you build your home to its long term sustenance.

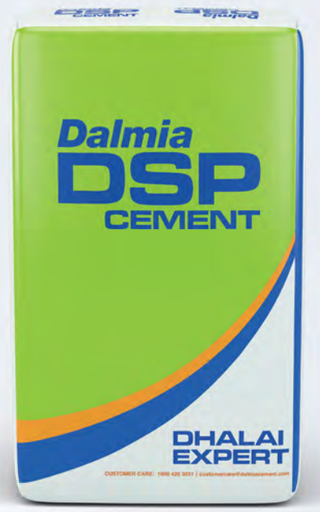
Best-In-Class Durability - Dalmia cement provides resistance to chemical corrosion of underlying steel structures and enhances the durability of constructions for years to come. Best-In-Class Durability - Dalmia cement provides resistance to chemical corrosion of underlying steel structures and enhances the durability of constructions for years to come.

Gives Denser & Impervious Concrete - Requires less water to produce concrete of the same workability as any other cement. It makes concrete stronger by imparting better impermeability.

Easy Availability - A strong network of dealers ensures you are not far from a Dalmia Cement dealer for assured and timely delivery.

DALMIA DSP

Available In PSC & PPC varieties



Engineered for High Strength Foundation, Column & Slab - Dalmia DSP offers a unique blend of advantages to gain high, early and long-term strength, making it most suitable for laying high strength foundation, columns and slabs of your home.

Crack & Corrosion Resistant – Its highly engineered product features helps guard your home against cracks & corrosion, making it durable for decades to come.

Gives Denser & Impervious Concrete - Requires less water to produce concrete of the same workability as compared to any other cement. Makes concrete stronger by imparting better impermeability.

Superior Packaging - Factory fresh cement in a tamper-proof and water-resistant packaging to avoid dust, water or any spillage.

KONARK

Available In PPC & PCC varieties

Ensures Durable Construction - Konark Cement protects the construction from harsh environmental conditions and ensures strong and durable construction.

Over 65 Years of Proven Quality - Konark Cement has provided unmatched consistency and quality for more than 65 years and has been used to build some of India's most prestigious construction projects.

Suitable for All Stages of Construction - Konark Cement provides high quality material for all stages of construction be it roofing, foundation, beams, columns, plastering & brickwork.

INSTITUTIONAL PRODUCTS

DALMIA INFRA PRO

Available In PSC, PPC, PCC, OPC, SRPC, Oil well , Railway sleeper cement varieties

80 Years of Trust - We are the pioneers in developing various speciality cements and have been the trusted brand used in some of India's most prestigious infrastructure projects.

Robust Product Performance - Made with superior ingredients, a Robotic Quality control process ensures consistent quality at every stage of manufacturing.

Engineered to Perfection for All Mix Designs - Offers optimal particle-size distribution and consistent quality. This helps make our cement compatible with all types of admixtures used in the industry.

Efficient On-Site Technical Support - On-site expert technical support for producing the desired grade of concrete for your project. Our team of technical service experts provide reliable services as per project requirements.

Delivery as per Commitment - We understand the value of timely project completion. Our strong in-built processes are designed to ensure that the delivery of cement and services meet project requirements.

Road Bulker Assistance - Bulker supply to ensure no loss of Quality in transit, no handling requirement and just in time del

DALMIA INFRAGREEN

Available in PPC and PSC variants

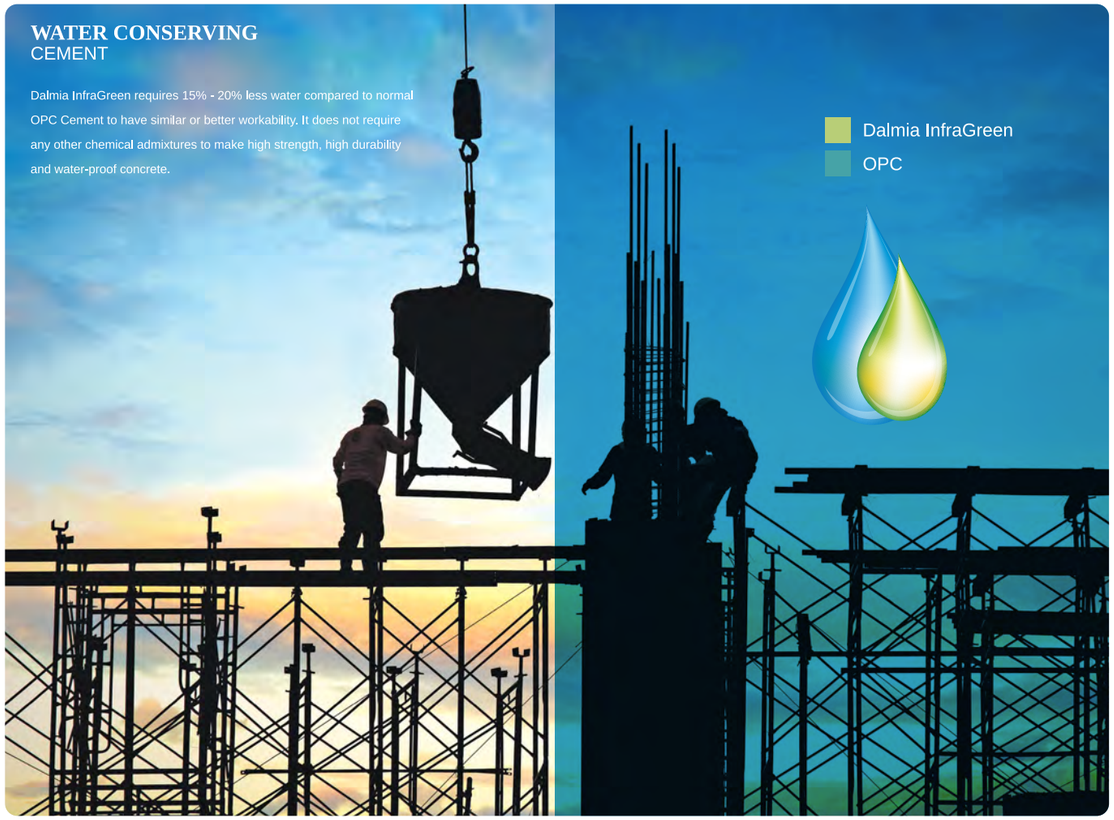
Ultra-Strength – Infra Green cement can be used to open highways and airstrips within 48 to 72 hours. Provides up to 20% improved strength

Water Conserving Cement – Requires 15-20% less cement compared to normal OPC cement. Does not require any chemical admixtures for strength.

Engineered for ultra-low water permeability – Dalmia Infragreen offers superior water ingress resistance, better than any integrated waterproof modified cement.

High Thermal Crack Resistance – Has less hydration heat than OPC or blended cement, which gives better thermal crack resistance for large mass concreting projects.

Better Shrinkage Crack control – Low shrinkage features helps to better control cracks due to shrinkages in large sections of concreting, making structures more durable.



DALMIA INSTA PRO

A specially designed Product with a unique blend of special additives for the preparation of solid, hollow and paver blocks and other pre-cast items

Faster Setting Time - Premium OPC Cement with lower setting-time that helps in reducing brick-lifting time and increases the efficiency of manufacturing units.

More Blocks Per Bag - High-fineness combined with an optimum particle-size distribution that provides more cement by volume per bag and a higher surface area, resulting in higher yield from blocks

Superior Strength - Higher one day, seven and 28 days compressive strength to help deliver a smoother finish, sharper and stronger edge to the blocks.

DALMIA MAGIC RANGE OF CEMENT BASED SURFACE FINISH SOLUTION ALTERNATIVE TO PUTTY

Available in Premium Skimcoat FIBROTHICK, CEILINGFAST, INNOBOND, INNOFIX varieties

Better Strength – Active Cement particles give far more strength than dolomite or wall putty

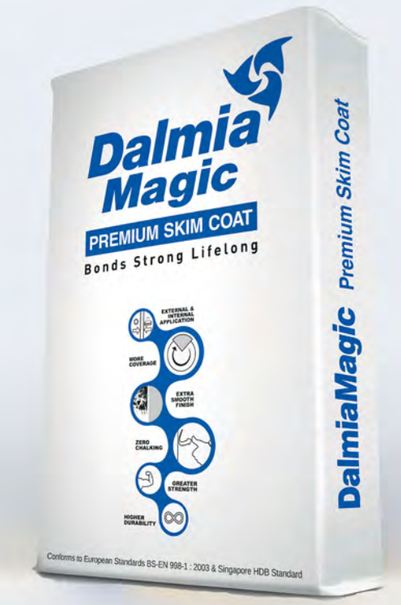
Greater Binding - Homogeneous with Substrate (Cement Sand Plaster & Concrete) allows for better binding with cement, sand, plaster and concrete surfaces.

Better Adhesion - Provides 70% more tensile adhesion than white wall putty, giving a longer life to your paints.

Lower Cost - Made to be used without primer saving money and labour costs.

Better Coverage - Provides 20 to 30% more coverage than white wall putty.

Lower Effort and Better for Health of Painters - Saves time while delivering effortless application, reducing painter's exposure to paints and other chemicals.



OUR CEMENT VARIETIES

PORTLAND SLAG CEMENT

- Durable and protects from harsh environmental conditions
- Suitable for general civil engineering construction
- Used to build marine structures in coastal areas amongst others
- Resistant to chlorides and sulphates
- Uses slag, a by-product of iron and steel industry, lowering limestone usage
- One of the lowest carbon footprint cement commercially available in India

PORTLAND POZZOLANA CEMENT

- Premium product with higher permeability
- Used in residential construction
- Prevents corrosion in steel bars used in construction
- Uses fly ash, a by-product of the thermal power industry
- Saves water use in fly ash disposal in thermal power plants
- Avoids land degradation in the disposal of fly ash in thermal power plants
- Low carbon footprint cement

OPC 43 & 53 GRADE

- Developed using advanced CVRM technology to create denser concrete
- Ideal for high strength and pre-stressed concrete applications

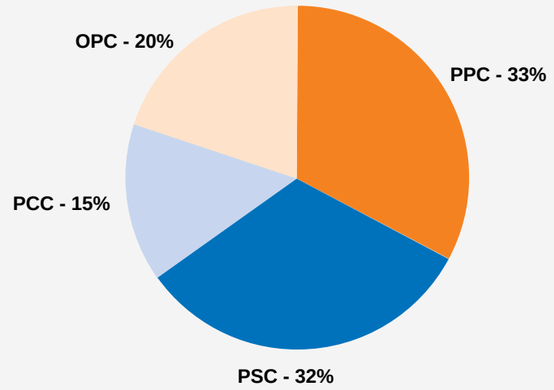
PORTLANT COMPOSITE CEMENT

- Manufactured by blending ground clinker with slag and fly ash
- The pozzolanic and hydraulic reaction of fly ash and slag enhances performance
- A sustainable product with reduced clinker factor
- One of the lowest carbon footprint cement commercially available in India

SPECIALTY CEMENT

- Dalmia Bharat pioneered the specialty cement segment by developing the first products that were used to build strips, concrete railway sleepers and oil wells, amongst others that powered India's nation building initiatives
- Our portfolio includes Sulphate Resisting Portland Cement, Railway Sleeper Cement, Oil Well Cement and special cements for air strips and nuclear power plants construction

OUR PRODUCT MIX



Approximately 80% is blended cement in the form of PPC, PCC, PSC and OCW.

MEMBERSHIP & ASSOCIATIONS

We draw on the collective expertise and reach of the larger ecosystem to achieve our goals. Dalmia Bharat aims to be a catalyst of change for the industry. We actively participate in the broader dialogue on environmental impact and climate change forums to play an active role in building a carbon negative future for all beyond our operational commitments. We continue to deepen our engagement with think tanks and academic institutions and learn new ways to build regenerative and sustainable value. Our management team and other leaders actively participate in international and national forums, National Policy Committees & Task Forces to contribute to sectoral dialogues, which could impact the future of our industry and company. We also proactively communicate our brand proposition and product differentiators through high profile events and sponsorships.

Some of the forums and platforms we are associated with are as follows:

PERFORMANCE HIGHLIGHTS

OUR PERFORMANACE ON STRATEGIC PILLARS

Profitability

FINANCIAL PERFORMANCE

9%
Increase in revenue to ₹ 10,522 Cr. (First time crossing ₹ 10,000 Cr. milestone)

32%
Increase in EBITDA to ₹ 2,783Cr.

26.4%
Achieved Highest Ever EBITDA Margin

24%
Increase in EBITDA/T to ₹ 1,333/T

5
Times increase in PAT to ₹ 1,243 Cr. (First time crossing ₹ 1,000 Cr. milestone)

6
Times increase in Earnings Per Share to 65.65

0.04
Net Debt/EBITDA: Repaid Gross Debt of ₹ 2,224 Cr.

7%
Increase in sales volume to 20.7 million tonnes (MnT)

Growth

CAPACITY

16%
Increase in installed capacity to 30.75 MTPA

13
Plants*

TALENT

5,807
Permanent Talents

* 14 Pants including acquisition of Murli Industries

Sustainability

CLIMATE CHANGE

8%
Reduction in specific gross Scope 1 & Scope 2 emissions per tonne cement produced

60.7%
Clinker-Cement ratio - Consistent reduction in clinker used per unit of cement produced

31.6MW
Fossil free power capacity installed#

WHRS and solar power generation capacity

RESPONSIBLE CONSUMPTION

31.9%
Usage of alternative raw materials usage in production

~80%
Products are blended cements, which have lower impact on environment

12.4
Times water positive

7.6%
Total alternative fuel rate in kiln (TSR%)

COMMUNITY ENGAGEMENT

12 Lakhs
Total beneficiary from Dec'2009

~1.5 Lakhs
Beneficiaries reached by Dalmia Bharat Limited

TALENT ENGAGEMENT

95%
Employees feel engaged as per the employee satisfaction survey

Reputation

CUSTOMER ENGAGEMENT

3
Apps launched to improve digital customer engagement

Cashless
Digital payment options for customers

PRODUCTS

4
New Innovative products launched

2
New patents granted by the Government of India for green cement varieties