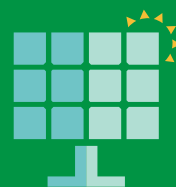




Building a Sustainable Future

DALMIA BHARAT LIMITED
INTEGRATED ANNUAL REPORT 2021-22





Building a Sustainable Future

As a premier cement manufacturer in India, we are proud to have been a part of its indefatigable journey to being one of the fastest growing economies globally. In fact, we have imbibed India's stupendous growth ambitions by becoming one of the fastest growing cement companies in the country. As India builds back better amid a pandemic-ravaged world, using infrastructure development as a trigger to stimulate and promote a balanced socio-economic recovery, we find ourselves playing a critical supporting role. Lying at the core of India's infrastructure drive, the cement industry will have to build on its capacities and efficiencies to deliver what India needs in order to fulfil its growth promise.

Standing at the cusp of this remarkable change, we have chalked for ourselves an ambitious plan to enhance our capacity by 60% to nearly 50 MTPA by the end of fiscal 2024, up from 35.9 MTPA now, at an investment of ₹ 9,000 crore (US\$1.2 billion) in new plants, expansion of existing facilities,

acquisitions and debottlenecking exercises. We are also making the commitment to become a 100% blended cement company over the next few years, that will reduce our clinker factor and carbon footprint. These commitments, backed by the highest standards of governance, a robust balance sheet, our innovation drive and our keen emphasis on sustainability, will enable us to deliver to our stakeholders predictable, sustainable and profitable growth over the next decade and more.

For years now, sustainable growth has been a part of our ethos. Grounded on the strong pillars of profitability, growth, sustainability and reputation, the Dalmia Bharat Group has been contributing to global sustainability efforts and promoting its business philosophy of 'Clean and Green is Profitable and Sustainable'. We are one of the first companies globally to commit to being carbon negative by 2040.

Future

We are creating more sustainable products – more than 80% blended cements – and also influencing consumer choices in favour of green products and services, leading the industry to embrace sustainable practices. We have launched innovation funds to develop and adopt green technologies. We are increasing the generation and consumption of non-fossil energy and moving confidently towards our mission of 100% renewable energy consumption by 2030 and full replacement of fossil fuels in the cement kiln by 2035.

Driven by our sustainability vision, our long-held commitment to make a difference to the lives we touch and our strong governance principles, we hope to lead the industry in contributing towards a sustainable future for all.

As an organisation, we have always aspired to grow from good to great, and this vision is inseparably intertwined with our commitment to delivering growth along the triple bottom line. Sustainability remains a key strategic pillar across our operations and we are considering each decision and action through the ESG lens.

Key facts

14

Cement plants

5,652

Employees

300+

Warehouses

35,000+

Channel partners

200+

Districts served

Our commitments

EV 100

Significant electric vehicles transition by 2030

RE 100

100% renewable power by 2030

EP 100

Doubling of energy productivity by 2030

Carbon negative

Cement Group By 2040



Bolstered by our vision, values, culture and DNA

Profitability



Revenue from Operations (₹ in crore)

	11,286
FY22	
FY21	10,110
FY20	9,674
FY19	9,484
FY18	8,580

EBITDA (₹ in crore)

	2,426
FY22	
FY21	2,762
FY20	2,106
FY19	1,942
FY18	2,036

Cement EBITDA/ MnT (₹)

	1,091
FY22	
FY21	1,333
FY20	1,072
FY19	1,009
FY18	1,198

Basic Earnings Per Share* (₹)

	61.18
FY22	
FY21	62.45
FY20	11.61
FY19	15.97
FY18	15.18

*includes both for continuing and discontinued operations

Growth



Sales Volume (million tonnes)

	22.2
FY22	
FY21	20.7
FY20	19.3
FY19	18.7
FY18	17.0

Specific CO₂ emissions – net (kg/t of cementitious materials)

	489
FY22	
FY21	492
FY20	536
FY19	546
FY18	537

Profit After Tax (₹ in crore)

	1,160
FY22	
FY21	1,186
FY20	238
FY19	349
FY18	291

Net Debt/EBITDA (x)

	(0.59)
FY22	
FY21	0.06
FY20	1.34
FY19	1.61
FY18	1.73



Reputation



3 Apps for digital customer engagement

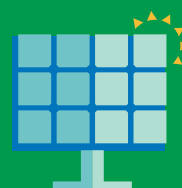
Cashless digital payment options for customers

DJSI score

63

(2021 cycle)

Sustainability



Climate change

41%

Reduction in Net Carbon Footprint (Scope 1) from baseline year of 1990

13%

Thermal Substitution Rate

Renewable energy

63.1 MW

Green energy capacity (including - Waste Heat Recovery Systems and Solar power)

Circular economy

9.48 MnT

Alternative (green) fuels and raw materials utilised for cement production

Water stewardship

13.3x

Water positive

38%

Recycled water percentage

Community development

₹130 million

CSR expenditure in FY22

1 million+

Outreach Population through our CSR programmes

Safety

Zero

Lost Time Injury Frequency Rate (LTIFR) Direct

Zero

Fatalities (direct and indirect)



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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.



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Report navigation

To aid navigation and to indicate cross-referencing, the following icons have been used throughout the report.



Financial capital



Human capital



Material issues



Manufactured capital



Social and relationship capital



Page reference



Intellectual capital



Natural capital

About the report

We welcome you to read the sixth Integrated Report of Dalmia Bharat Limited. We started our integrated reporting journey in 2017, led by our commitment to sustainable growth and the transparent and ethical business principles we abide by. This report presents our annual performance reviewed against our strategic business priorities. We also discuss the Company's operational context, the risks and opportunities, and capital-wise performance.

Scope

Reporting period

The report is for the period April 1, 2021-March 31, 2022. The report is released annually.

Assurance

Limited assurance on certain agreed/identified sustainability indicators in this report has been provided by Price Waterhouse Chartered Accountants LLP, in accordance with the International Standards on Assurance Engagements (ISAE) 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The subject matter, criteria procedures performed and limited assurance conclusion are presented in the assurance report attached at the end of this report.

Reporting boundary

The Integrated Report of Dalmia Bharat covers our business operations and information pertaining to, but not limited to, 14 manufacturing locations (Dalmiapuram, Ariyalur, Kadappa, Belgaum, Rajgangpur, Kapilas, Medinipur, Bokaro, Meghalaya, Umrangshu, Lanka, Morigaon*, Naranda and Banjari), all our mines as well as our corporate offices.

* Covered in the boundary due to operation control

Frameworks

The report has been prepared in accordance with the International <IR> Framework published by the Value Reporting Foundation, erstwhile International Integrated Reporting Council (IIRC). Also, the report has been prepared in accordance with the GRI Standards: Comprehensive option.

The report aligns with the principles and guidelines of:

- Business Responsibility and Sustainability Reporting (BRSR) Guidance released by Securities and Exchange Board of India
- The Companies Act, 2013 (and the rules made thereunder)
- Task Force on Climate-related Financial Disclosures (TCFD)
- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE)
- Indian Accounting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

The report presents our contribution/adherence to:



Business Responsibility and Sustainability Report (BRSR)

GRI 102-45, 46, 50, 54

Capitals deployed

56

Natural capital

Natural resources used and impacted by Dalmia's mining and cement production

48

Intellectual capital

Research and innovation producing best-in-class products for our customers and supporting growth

52

Manufactured capital

Assets covering cement plants and mines used for the production of cement and building materials

44

Financial capital

Financial resources utilised and secured for the future

68

Human capital

A pool of skilled employees and labour on contract, along with consistent efforts to enhance knowledge, skills, experience and motivation

78

Social and relationship capital

Collaboration with stakeholders including customers, community impacted by our operations, suppliers, vendors and contribution to their growth

Materiality

In this report, we have assessed the material interests of all relevant stakeholders to address significant risks, opportunities and impacts related to our activities over the short, medium and long term.

34

1. **Circular Economy**
2. **Climate Change**
3. **Alternative (Green) Fuel Usage**
4. **Customer Awareness on Green Cement**
5. **Water Conservation**
6. **Biodiversity**
7. **Effluent and Waste Management**
8. **Sustainable Value Chain**
9. **Community Development**
10. **Talent Management**
11. **Occupational Health and Safety**
12. **Diversity and Gender Equality**
13. **Employment and Labour Practices**
14. **Economic Performance**
15. **Corporate Governance**
16. **Pricing Integrity**
17. **Product Innovation**
18. **Branding and Reputation**
19. **Grievance Redressal**
20. **Land Acquisition for Mines and New Projects**

Data compilation and integrity

To compute carbon emissions, we utilised emission factors provided by the Intergovernmental Panel on Climate Change, Defra, GNR and Central Electricity Authority (Ministry of Power, Government of India). The GCCA CO₂ and Energy Protocol Version 3.1 was used to calculate and report the energy, fuel and CO₂ emission-related indicators with an operations control approach.

Our aim is to provide information that is accurate and reliable, and at the same time unbiased, comparable and comprehensible. We collect and analyse financial and non-financial data which are verified internally and assured externally before inclusion in the report.

United Nations Sustainable Development Goals

We aim to contribute to the United Nations Sustainable Development Goals. Throughout the report relevant SDG icons have been placed to showcase the contribution.



Introducing Dalmia Bharat

Dalmia Bharat, a leading Indian cement major, was established in 1939 by Shri Jaidayal Dalmia. Our vision is to build a company that is innovative in spirit, resilient in performance and sustainable in its operations. Our steady growth over the years has been propelled by our manufacturing excellence, prudent expansion strategy and risk management. We have also built enduring relationships with our stakeholders and our care for the environment ensures the sustenance of a resource-intensive business like ours. We are committed to creating tangible value for people and the planet, thus ensuring long-term business sustainability.