

# Building a sustainable future

Dalmia Bharat Limited  
Integrated Annual Report 2022-23





# Building a sustainable future

Sustainable growth is deeply ingrained in the DNA of Dalmia Bharat. We believe 'Clean and Green is Profitable and Sustainable'. Staying true to our four core principles of profitability, growth, sustainability, and reputation, we have been actively contributing to global sustainability efforts and have set clear targets to transition to a greener future.

## How are we building a sustainable future?

### Growth and expansion

We aim to expand and sink into newer avenues with a wide range of products while establishing a stronger presence in the existing market, emerging as a pan-India pure-play cement company. From an installed manufacturing capacity of 38.6 MTPA at the end of FY23, we target to achieve 75 MTPA by FY27 and 110-130 MTPA by FY31 through a mix of greenfield, brownfield and inorganic growth initiatives (**learn more about our capacity expansions on page 26**). Our consistent revenue growth without compromising on margins and profitability speaks volumes about our prudent capital deployment and robust financials (**read more on our financial performance on page 46**).

### Industry-best sustainability practices

Profitability is the bedrock of sustainability. We have powered by a robust multi tier governance structure that ensures integrity, accountability, and transparency while promoting responsible business practices and sustainability. Our commitment to sustainability is reflected in our sustained efforts to reduce our environmental footprint impact by increasing the use of alternative fuels, optimising our kiln processes, and increasing our renewable energy capacity (**know more about our sustainability performance on page 64**). Additionally, we believe in partnering with dealers and suppliers who share our values and prioritise environmental, social, and governance performance (**read more about our significant investment in robust supply chain management on page 100**).

As a leading cement company in India, we have played a key role in the nation's progress over the years, and we remain committed to this ambition. The external challenges notwithstanding, we continued to make significant progress on our sustainable growth path, backed by a strong balance sheet and an exceptionally dedicated team. Our ability to grow and expand exponentially while championing sustainability enables us to actively contribute towards building a sustainable future, for all.





Performance Highlights FY23

Environment, Social and Governance

<b>42.85%</b> Independent Directors on the Board including a woman Director	<b>5 years</b> Average tenure of Directors in current position	<b>5/5</b> Committees headed by Independent Directors	<b>44%</b> Reduction in net carbon footprint (Scope 1) from baseline year of 1990	<b>13.06 million tCO<sub>2</sub>/year</b> Scope 1 emissions	<b>0.59 million tCO<sub>2</sub>/year</b> Scope 2 emissions
<b>1.32 million tCO<sub>2</sub>/year</b> Scope 3 emissions	<b>101 tCO<sub>2</sub>/million ₹</b> Total Scope 1 and Scope 2 emissions per rupee of turnover	<b>17%</b> Thermal substitution rate	<b>166 MW</b> Green energy capacity (including – waste heat recovery systems and solar power)	<b>463 kgCO<sub>2</sub>/t of cementitious material</b> Specific CO <sub>2</sub> emissions – net	<b>11.55 MnT</b> Alternative (green) fuels and raw materials utilised for cement production
<b>14x</b> Water positive	<b>31%</b> Recycled water	<b>0</b> Fatalities (direct and indirect)	<b>₹175 million</b> CSR expenditure	<b>1million+</b> Outreach population through our CSR programmes	<b>0.17</b> Lost time injury frequency rate (LIFTR) direct

Growth

Profitability

<b>25.7 million tonnes</b> Sales volume	<b>₹2,316 crore</b> EBITDA	<b>₹1,079 crore</b> Profit after tax
<b>₹13,540 crore</b> Revenue from operations	<b>₹900</b> Cement EBITDA/tonne	<b>₹55.22</b> Basic earnings per share*
<b>0.29x</b> Net debt/EBITDA		

\* for continuing and discontinued operations

ESG Ratings

<b>62</b> DJSI Score	<b>B</b> CDP Climate Change Score (Improved from B-)	<b>B</b> CDP Water Security Score
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About the Report

We take immense pleasure in presenting to you the seventh Integrated Report of Dalmia Bharat Limited, which demonstrates our performance and strategy aligned with the current business context. This report includes both qualitative and quantitative information regarding our financial performance and non-financial performance during the year. The purpose of this report is to provide transparent communication to our stakeholders regarding our business progress and ongoing efforts to evaluate our most significant environmental, social, and governance (ESG) impacts, risks, and opportunities.



Reporting period

The FY23 Integrated Report covers financial and non-financial performance of the Company from April 01, 2022 to March 31, 2023.

Assurance of report content

Reporting element	Assurance status
Financial information	✓
Non-financial information	✓

Reporting boundary

This Integrated Report incorporates information regarding our business operations, including but not limited to, 14 manufacturing locations (Dalmiapuram, Ariyalur, Kadapa, Belgaum, Rajgangpur, Kapilas, Medinipur, Bokaro, Meghalaya, Umgranshu, Lanka, Morigaon\*, Naranda and Banjari), all of our mines, as well as our corporate offices.

\*Covered in the boundary due to operational control.




Frameworks

This report has been prepared in accordance with the International <IR> Framework, which was published by the value reporting foundation, formerly known as the International Integrated Reporting Council (IIRC). Additionally, this report has been prepared in accordance with the GRI Standards 2021. This report adheres to the principles and guidelines set forth by various entities, including:

- The Business Responsibility and Sustainability Reporting (BRSR) Guidance issued by the Securities and Exchange Board of India.

- The Companies Act, 2013 (and its corresponding regulations).
- The Task Force on Climate-related Financial Disclosures (TCFD).
- The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE).
- The Indian Accounting Standards.
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations of 2015.
- The Secretarial Standards released by the Institute of Company Secretaries of India.

The report presents our contribution/adherence to



Business Responsibility and Sustainability Report (BRSR)

Materiality

The Integrated Report contains information that is material to our stakeholders and our ability to create value. We have also provided information on how we strategically address these material issues. The Group Management reviews and evaluates these material issues.

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Management responsibility statement

Our management recognises its responsibility to ensure that the information presented in the integrated report is accurate and reliable, and at the same time unbiased, comparable, and comprehensible. The management also affirms that the report covers all the critical material issues related to the organisation and its stakeholders, and it communicates the organisation’s ability to pursue opportunities while minimising risks.



Capitals deployed

	Financial Capital
	Intellectual Capital
	Manufacturing Capital
	Natural Capital
	Human Capital
	Social and Relationship Capital

Precautionary principle

We take a precautionary approach to minimise our negative impact on the environment and consistently make efforts to reduce our overall environmental footprint.

Stakeholder Impacted

Investors, Employees	46
Community, Customers	52
Community, Government, Customers	58
Investors, Employees	64
Employees	76
Community	88



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**Cover description**

As a leading cement company in India, we are committed to the nation’s progress and ambitions. The cover showcases our Floating Solar Plant, Rohtash Cement Plant in Bihar, commissioned in 2020, which was a remarkable initiative of our commitment to sustainable energy. The project not only generates clean energy but also promotes mass awareness about solar energy. By connecting the project directly to the utility power grid, we are contributing to the country’s energy security and helping reduce carbon emissions. Our project is in line with the government’s promotion of clean energy and efforts towards achieving its renewable energy goals. This initiative will have a positive impact on the environment and the socio-economic development of the country.

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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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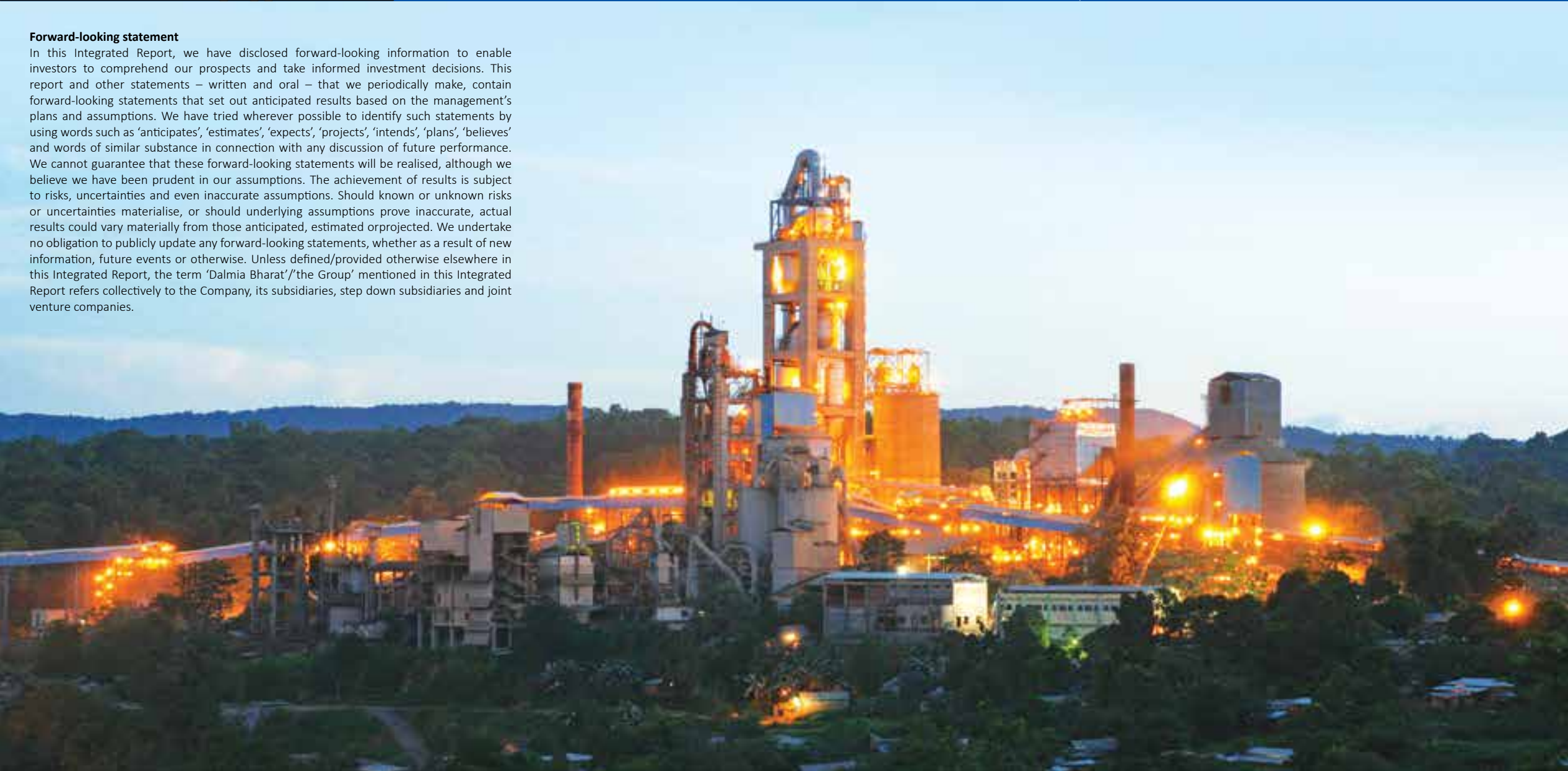
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## Corporate Snapshot

## Building on a strong foundation

Dalmia Bharat is one of India's leading cement companies, with a glorious legacy of delivering innovation and excellence. We are also one of the lowest cost, greenest cement companies in the world, contributing to nation building with our quality products and creating tangible value for people and the planet by deploying best-in-class sustainability practices.

## Our drivers



## Vision

To unleash the potential of everyone we touch.



## Mission

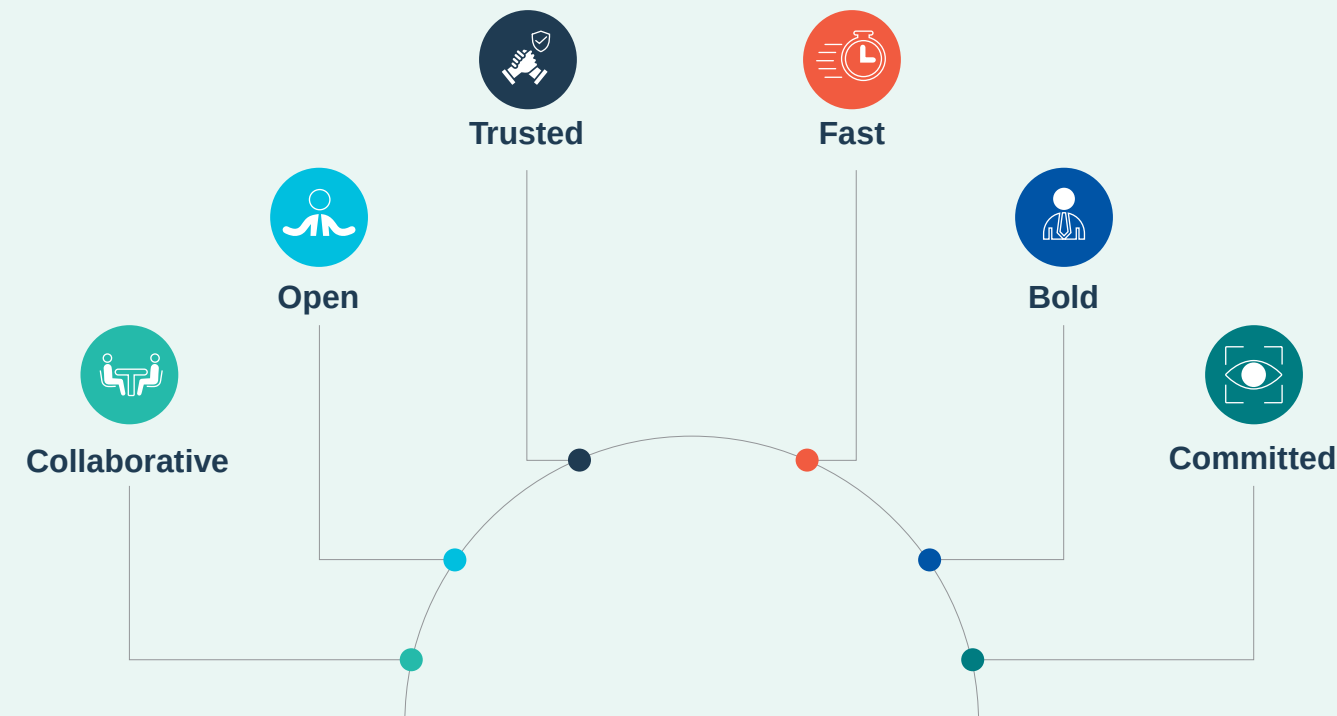
To be in the top two in all our businesses on the strength of our people and the speed of our innovation



## Values

Integrity  
Humility  
Commitment  
Trust and Respect

## Our DNA



## Committed to

RE 100

100% renewable power by 2030

EV 100

Significant electric vehicles transition by 2030

EP 100

Doubling of energy productivity by 2030

Carbon negative

Cement Group By 2040



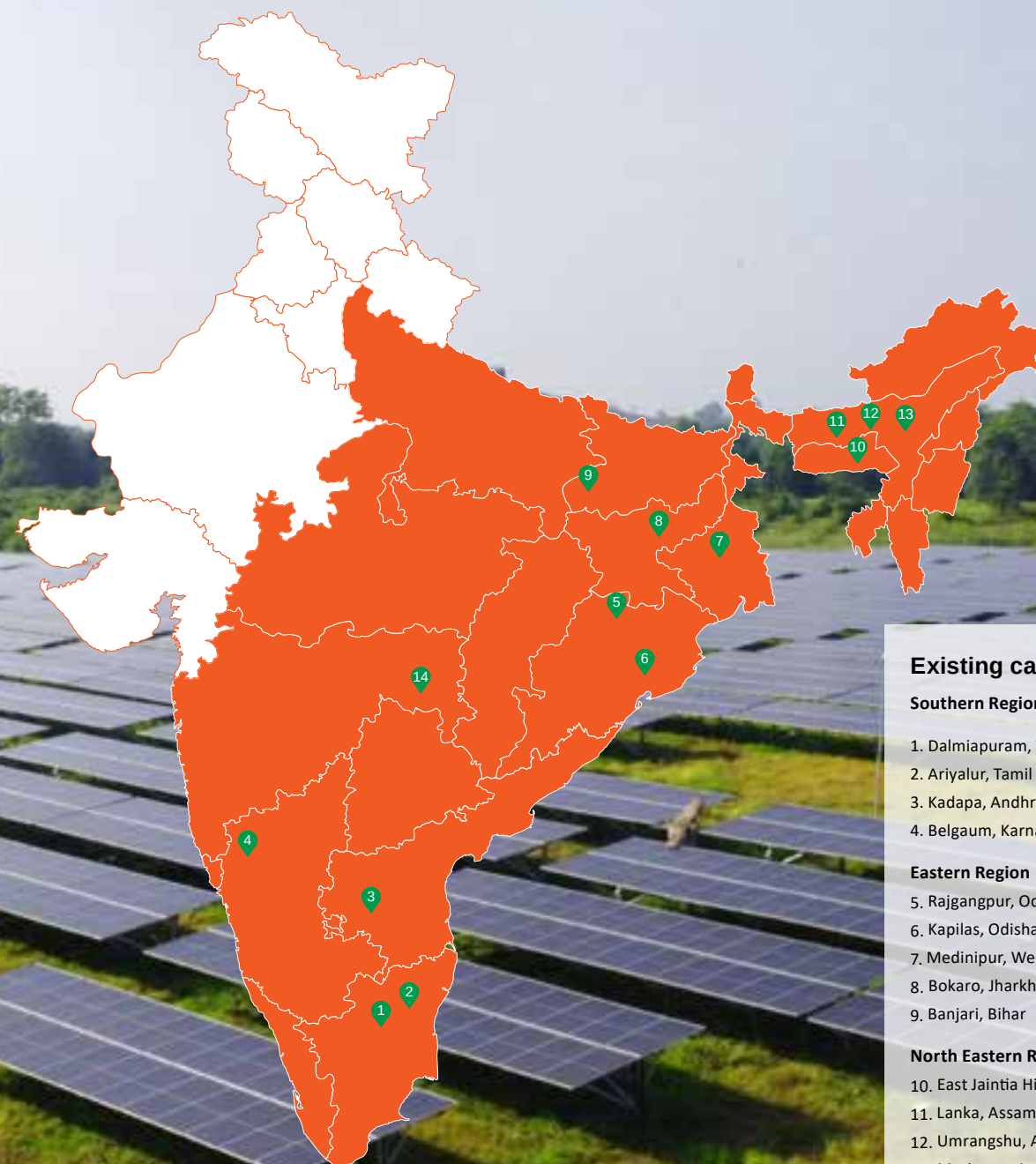
Emerging as a pan-India pure-play cement company

5,642  
People

38.6  
MTPA

10  
States

₹13,540 crore  
Revenues



## Existing capacities

## Southern Region

1. Dalmiapuram, Tamil Nadu
2. Ariyalur, Tamil Nadu
3. Kadapa, Andhra Pradesh
4. Belgaum, Karnataka

## Eastern Region

5. Rajgangpur, Odisha
6. Kapilas, Odisha
7. Medinipur, West Bengal
8. Bokaro, Jharkhand
9. Banjari, Bihar

## North Eastern Region

10. East Jaintia Hills, Meghalaya
11. Lanka, Assam
12. Umrangshu, Assam
13. Marigaon, Assam

## Western Region

14. Naranda, Koropana Maharashtra (Murli Cement Works)

● Our presence in States

● Existing Plants

As on March 31, 2023

## Product Portfolio

# Pushing boundaries with product innovation

Our product portfolio, backed by cutting-edge R&D, is synonymous with innovation, high quality and low-carbon footprint. We cater to both individual consumers and institutional customers, and also develop customised cement for specific engineering and construction needs.

## Consumer products

### Dalmia Cements



Available In PSC, PPC, PCC, OPC varieties

High-strength construction	Best-in-class durability
Gives denser and impervious concrete	Easy availability

### Dalmia DSP



Available In PSC and PPC, varieties

Engineered for high strength foundation, column and slab	Crack and corrosion resistant
Gives denser and impervious concrete	Superior packaging

### Konark




Available In PPC and PCC varieties

Ensures durable construction	65+ years of proven quality
Suitable for all stages of construction	



## Institutional products


### Dalmia Infra Pro



Available In PSC, PPC, PCC, OPC, SRPC, oil well, railway sleeper cement varieties

80 years of trust	Robust product performance	Delivery as per commitment
Engineered to perfection for all mix designs	Efficient on-site technical support	Road bulker assistance


### Dalmia Insta Pro



Unique blend of special additives for the preparation of solid, hollow and paver blocks and other pre-cast items

Faster setting time	More blocks per bag
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### Dalmia Infragreen



Available In PSC and PPC variants

Ultra strong	Water conserving cement	Engineered for ultra-low water permeability
High thermal crack resistance	Better shrinkage crack control	

### Dalmia Magic Range of Cement-based Surface Finish Solution Alternative to Putty



Available in premium skincoat FIBROTHICK, CEILINGFAST, INNOBOND, INNOFIX varieties

Better strength	Greater binding	Better adhesion	Lower cost
Better coverage	Lower effort and better for health of painters	High thermal crack resistance	Better shrinkage crack control



## Managing Directors' Statement

# Staying on a high growth path

### Dear Shareholders,

FY23 was an eventful year for India and the world. While escalating geopolitical tensions and supply chain constraints raised commodity and energy prices to historically highs, and incited recessionary fears, the Indian economy was an epitome of resilience, aided by structural strengths and the government's thrust on infrastructure-led growth. India battled high inflation and the consequent rise in interest rates, but there were no detrimental consequences to consumption or investments.

At Dalmia, we believe that our future is intertwined with that of India's ambitions. As India marches ahead to become a developed nation by 2047, we view ourselves as a reliable partner in this progress as well as in the nation's commitment to creating a green and sustainable future. Over the past decade, we have grown 4x in capacity, 5x in revenue, and 4x in EBITDA, becoming the fourth-largest player the cement industry in India. We have embarked on an aggressive expansion path to become a pan-India pure play cement company and address the

country's diverse development needs, with sustainability as a core strategic imperative.

In this context, it gives us immense pleasure to present to you our seventh Integrated Annual Report that encapsulates how we have emerged stronger and resilient, navigating challenges, adapting to evolving market dynamics, and delivering sustainable value to our stakeholders. The strong performance across financial and non-financial parameters speaks volumes about our strong fundamentals and ability to capitalise on the India growth story.



Gautam Dalmia

Puneet Dalmia



### Well positioned in a buoyant market

Over the past few years, India has focused on strengthening its infrastructure backbone to drive overall growth and development. The Union Budget FY24 raised the allocation for essential infrastructure by 33%, while the Pradhan Mantri Awas Yojana (PMAY) received a 66% higher outlay. Additionally, there is a record-high outlay allocated for railways for the next 10 years, and there are plans to build 50 new airports. Significant public spending on infrastructure has also created an enabling environment for private investors. Real estate sector has been showing strong traction with low inventory levels and launch of various new projects. We believe the demand for cement will remain strong in the years ahead, which bodes well for our strategic objectives to expand our footprint across the country.

At Dalmia, we are making steady progress towards our target to take our manufacturing capacity to 110-130 MTPA by 2031. During FY23, we expanded our cement manufacturing capacity by almost 15%, from 35.9 MTPA to 38.6 MTPA, and to 41.1 MTPA in Q1FY24.

### Strong performance despite challenges

During FY23, we have delivered an industry leading volume, growth of 15.9% YoY while our revenue grew by 20% YoY to ₹ 13,540 crore. While our PAT stood at ₹ 1,079 crore, up 27.6% YoY. In April 2023, we also started operations at our second cement line in Bokaro, Jharkhand, with a capacity of 2.5 MTPA. We also signed the definitive agreement for the acquisition of Jaiprakash Associates Limited, which will enable us to enter the lucrative growth market of central India.

### People at the core of our growth agenda

Our people make us who we are, and we are grateful to our immensely talented team and their contribution to driving our business forward. Growing at the pace that we are, it is important to create and nurture a large pool of young leaders to realise our vision for Dalmia 2.0. We have significantly invested in our human capital and have always prioritised creating a safe and positive work environment for our people creating a positive and safe work environment.

We have set in motion a HR transformation programme. Through this, we aim to streamline our organisation structure, build a diverse workforce, upskill our employees, focus on succession planning, relook at the incentive structures and update our policies, among others. We have also launched 'Lakshya', a leadership development programme that includes a set of metrics that focus on retaining employees while

measuring their performance. The includes It personalised leadership, coaching, training, and programmes for career development.

### Delivering excellence and value

For us, having a positive impact on our stakeholders is of utmost importance. We believe in doing business with integrity and the highest ethical standards in all our operations. We strive for excellence in everything we do, from our products and services to our relationships with all our stakeholders. Through our operations, we ensure that we deliver profitable and sustainable shareholder returns to our financial capital providers, while consistently innovating our products and services for our customers. We are deeply committed to our social responsibility, with an intent to bring positive change in the communities in which we operate.

As we move forward, our focus remains on innovation and sustainability. We are investing in cutting-edge technologies, leveraging digitalisation, and fostering a culture of continuous improvement. We are also steadfast in our commitment to sustainability, reducing our environmental footprint, promoting circular economy practices, and contributing to a greener future.

Read more on page 32

### Sustainability-a strategic imperative

Our efforts have been globally recognised by the First Mover's Coalition, backed by the US government and the World Economic Forum, Dalmia Bharat is also one of the only 16 global companies to be appointed as a COP26 business leader by the COP26 presidency. We have set a vision of becoming carbon neutral by 2040, and have also joined the RE100, EP100 and EV100 campaigns to, further accelerate our efforts.

We also got the opportunity to be a part of the PM's delegation to Denmark, under the green strategic partnership of the Government of India and Denmark. Here we signed an MoU with FLSmidth, Denmark, a cement and technology company, to collaborate and develop breakthrough innovations to support sustainability in the cement industry.

We are committed to ethical business practices and transparency. Our objective is to strengthen our governance structures, ensuring that our decision-making processes are guided by integrity and accountability. We are working towards enhancing our supply chain management practices, working closely with our value chain partners. By operating with the utmost ethical standards, we build trust and credibility with our stakeholders. Effective capital allocation requires a

thorough understanding and management of risks. We employ robust risk management practices to identify, assess, and mitigate risks associated with our investment decisions.

Dalmia Bharat's ethos are built on trusteeship and giving back to the society. Taking this ahead through our Community Development initiatives, the Dalmia Bharat Foundation directs its efforts towards enabling communities to have a sustainable future, by helping them manage their human and natural capital in an efficient manner.

Moreover, we have also received accreditation for our green products from two prominent green rating systems, i.e., GRIHA and CII IGBC. These initiatives and opportunities lay further emphasis on our goal of building a sustainable future.

As a 'Monument Mitra' of the Red Fort, Delhi, under the government's 'Adopt a Heritage Project', we are promoting national symbol as a global tourist attraction. For this, Dalmia Bharat has introduced world class amenities and state-of-the-art shows to deliver a unique experience for all.

There are three major attractions at the Red Fort – The Red Fort Visitor Centre, Matrubhumi Projection Mapping, and the Jai Hind Sound & Light show. We provided basic and advanced tourist facilities at the Red Fort in a planned and phased manner to make the monument more tourist-friendly and enhance its cultural importance and potential.

This is a testament to our commitment towards nation building and celebrating India's incredible cultural heritage.

### Way forward

Our future growth roadmap features a mix of organic and inorganic opportunities with a focus on premium products, raw material security, and renewable energy. A few priorities for FY24 include the timely completion of our ongoing capex and the successful integration of the Jaypee Cement asset. We will work to improve our manufacturing KPIs and also, build long-term raw material security. And last but not least, we will continue to investing in the digital enablement of our Company.

In line with India's commitment to achieve net zero emissions by 2070 and drive green energy transition, we are prepared to be part of this sustainable growth journey. We remain optimistic about the future and thank all our stakeholders for their immense faith in us. We are grateful to our people for their contribution towards our Company.

Regards,

**Gautam Dalmia and Puneet Dalmia**  
Managing Director(s),  
Dalmia Bharat Limited



# MD and CEO's Message

## Cementing a sustainable future



Dear Stakeholders,

I am delighted to share with you yet another year of robust performance for Dalmia Bharat, amid a challenging macroeconomic environment. While the demand for cement remained strong at 10%, the impact of high inflation resulted in a slightly subdued sentiment and exerted pressure on our margins.

However, we rationalised our operating costs and undertook focused sustainability initiatives to deliver a strong earnings performance. For FY23, our revenue increased 20.0% YoY to reach ₹13,540 crore, while EBITDA came in at ₹2,316 crore. Our sales volume experienced a robust growth of 15.9%, positioning us as the second leading company within our industry in India. In our bid to continuously explore the use of sustainable alternatives for our process inputs, we increased our renewable energy capacity by 2.5x to 166 MW, from the year earlier.



**We are proud to be among the few companies globally to have pledged to become carbon negative by 2040. To achieve this goal, we are collaborating with organisations in India and abroad to understand low-carbon innovations and adopt them in our manufacturing process.**

### Innovation and collaboration (Innobration)

We are proud to be among the few companies globally to have pledged to become carbon negative by 2040. To achieve this goal, we are collaborating with organisations in India and abroad to understand low-carbon innovations and adopt them in our manufacturing process. We have collaborated with international technology partner to create a sustainable calcination/clinkerisation mechanism. As part of our R&D efforts, we are constantly putting in the efforts to develop new sustainable products. During the current fiscal year, we successfully introduced two innovative products, namely Dalmia Innosil, a cementitious material derived from sugar industry waste, designed to compete with SCM (Supplementary Cementitious Materials) such as silica fume and Alccofine. Additionally, we have also developed a water-repellent cement, further expanding our product portfolio. This innovative solution further contributes to our commitment towards reducing our carbon footprint and promoting sustainable practices.

Our commitment to becoming carbon negative led us to release a roadmap with time-bound targets until 2040. We also became a founding member of the First Movers Coalition and the UN's platform LEADIT for zero carbon roadmaps in heavy-industry sectors. We are climate catalysts in the global heavy-industry sector, inspiring over 60% of global cement capacity to commit to becoming Net Zero by 2050.

We are leading the way towards a greener future by setting new benchmarks and expanding our climate action efforts globally. Carbon capture and utilisation technology, which captures CO<sub>2</sub> for future use, acts like a 'climate vaccine' for the industry. This technology can reduce up to 60% of the GHG emissions from cement production. We accomplished a significant Thermal Substitution Rate (TSR) of 17%

this year. This was achieved through the substitution of fossil fuels with various environmentally friendly alternatives, such as industrial wastes, municipal solid waste, renewable biomass (including bamboo and plantation sources), and hazardous waste.

We also invest in innovative ways of working, cutting-edge technologies, and digitalisation to reduce our carbon footprint. In addition to creating sustainable products like low-carbon cement, we are influencing consumer choices towards green products and services.

We are cognisant of the fact that we operate within a broader social context and have a responsibility to give back. Throughout the year, we have actively supported local communities through various initiatives, including volunteering and partnerships with various organisations. Our CSR activities and processes are evaluated in alignment with ISO 26000 standard, making us the first Indian cement company to do so. Our community development initiatives focus on promoting sustainable livelihoods, climate action, and social infrastructure.

We are proud our sustainability efforts, have earned recognition and that includes the CII Climate Action Programme Award, Supply Chain Management Awards, Green Leaf Award for Environment Excellence and the CII-ITC Sustainability Awards 2022 for 'Excellence in Corporate Social Responsibility'.

### Digitisation

The implementation of digital solutions has revolutionised our business processes, resulting in the elimination of human errors and achieving an unprecedented level of data accuracy. Our adoption of various digital initiatives across ESG, logistics, manufacturing, procurement,

and mining has significantly improved operational planning, leading to increased sales and profitability. We utilise in-house applications, Kavach and Fiori, for safety observation, inspection reporting, and real-time equipment monitoring. Technological solutions like VENDX and SAP Ariba improve tracking, transparency, and digitisation in our supply chain, enhancing decision-making and customer focus.

In addition, these measures deliver the added benefit of reducing our carbon footprint, thereby contributing towards our sustainability targets. We partnered with FLSmidth, a cement tech provider, under India Denmark Green Partnership to scale our next-gen decarbonisation technologies.

### Looking forward

We are optimistic about the future based on a robust demand outlook, steady cement prices and the peak of commodity price inflation behind us. We expect profitability to gradually improve from here on, and we remain focused on delivering value to our stakeholders. We extend our heartfelt appreciation to all our stakeholders for believing in our journey.

I would like to conclude by quoting an ancient text, which very well summarises our thoughts for the future.

विद्या वितर्को विज्ञानं स्मृतिः तत्परता क्रिया।  
यस्यैते षड्गुणास्तस्य नासाध्यमतिवर्तते

Nothing is impossible for those having the six virtues of Knowledge, Logic, Science, Memory, Readiness, and Ability to function.

Warm regards,

**Mahendra Singh**  
Managing Director & CEO  
Dalmia Cement (Bharat) Limited



# Leadership Messages

## Embracing change. Fostering innovation.



Dear Stakeholders,

This is my first opportunity to address you as someone who has been tasked with the most prestigious assignment of transforming the Dalmia Bharat Group into one of the most diversified, modern, and value-driven business groups of India. I would like to thank the Management for this wonderful opportunity and promise you all that we are well on our way to achieving our goals and accomplishing our credentials as per the multi-pronged, strategic transformation plan.

The mission to re-engineer the historic Dalmia Bharat Group into an institution with contemporary corporate sensibilities, growth objectives, ESG consciousness, wider community responsibilities, and shareholder values – or simply what the Management has branded – Dalmia 2.0 – over the next 10 years, was rolled out soon after COVID -19 pandemic. Our intent and inclination were to grow stated manufacturing capacity manifold, vault much above the industry growth potential of 7-8%, significantly generate employment potential across our locations where we operate, multiply shareholder value, and enter the large-cap space while becoming a higher contributor to India’s infrastructure ambitions – all in tandem with the ethos of the modern corporate culture.

Gratefully, at this juncture, our core businesses had become too important in the national mise en scène as India galloped to become the world’s fastest-growing major economy, heavily investing in the national infrastructure pipeline, global manufacturing ambitions, urban revival, industrial construction, and affordable housing.

As I reflect over the last couple of years, I am filled with a profound sense of pride over the transformative journey we have undertaken this far by creating a robust leadership team, fixing short-term and long-term objectives, chalking out bellwether scenario strategies and embedding transformation leaders across

the organisation to effect cohesion and conformity to the overall stated objectives.

Cognisant of the distinctive opportunities before our country and the cement sector, we are on course to make meaningful contributions to the nation’s unparalleled growth.

### Long-term vision and growth roadmap

With an ambitious goal to be one of the largest cement companies in India, we became the first Indian cement company to define a long-term vision and meticulously crafted a forward-looking 10-year roadmap, outlining planned growth and setting predictive milestones for success. This roadmap was underlined with a robust Capital Allocation Framework, an integrated Risk Governance Framework, and a well-aligned Leadership Team.

A rapid increase in our installed cement capacity by almost 1.5 times from 26.5 MnT in FY20 to 41.1 MnT at present, is a testament to our well-directed approach and that we are well on our journey to become a pure-play pan-India 110-130 MnT Cement Manufacturing Company by 2031. Last fiscal, we moved closer to our ambition of becoming a true pan-India player, with the smart acquisition of cement assets of Jaiprakash Associates Limited in Central India. Our desire – to have greater raw material self-sufficiency (and thereby lesser cost volatility) as an integral part of



the transformation – got a boost with the acquisition of limestone mines in Rajasthan, as well as the new allotment of coal blocks in the East and Central regions.

Our growth trajectory is designed to be well diversified and balanced with a significant presence in each region of our operation. The interim growth milestones, which we have determined after much deliberation, are designed to deliver secular growth and thus improve the predictability of our operations for each of our stakeholders.

To ensure optimal utilisation of our capital resources while maintaining the strength of our Balance Sheet, we have divested the majority of our non-core assets in a phased manner and are operating within the well-defined guard rails laid down under the Capital Allocation Framework guided by the four critical principles of scalability, sustainability, consistency, and predictability.

### Organisation building

Building an organisation not only means increasing capacity but also building on the trust and confidence of each of our stakeholders. We are making inroads into newer regions through purposeful brand-strengthening actions and undertaking measures designed to enhance respect amongst all our stakeholders. Levers for constructing a scalable institution with a desired auto-pilot functioning have been identified and are being actioned upon through a multi-faceted long-term strategy.

### Innovation and digitalisation

In line with our guiding principles to enhance the scalability and sustainability of our operations, we are focused on expanding the use of automation and cloud solutions across our entire value chain. Digitalisation has thus far transformed our business processes by ensuring consistency of data availability and having materially reduced the chances of information asymmetry and external dependencies. Applications such as the Driver Saathi App, Suvidha App, and Smart-D App are helping us with a much better stakeholder connect, provision of accurate information, and thus enabling us to provide tailored solutions to our stakeholders. Real-time data and analytics have empowered informed decision-making, enhancing our operational excellence.

The implementation of Industry 4.0 technologies and the Industrial Internet of Things (IIoT) allows us to optimise processes and monitor all aspects of our operations. A digitally enabled supply chain is a distinct priority, as we strive to enhance efficiency and implement green initiatives.

### Commitment to robust ESG practices

Our commitment to strong Corporate Governance and sustainable practices is ensuring the creation of long-term shareholder value. Over the past two years, we have successfully operationalised and integrated our Risk Governance Framework, enabling us to proactively mitigate risks and safeguard our Company’s interests. We have re-modelled our Code of Conduct, redesigned key governing policies of the Company including the Treasury policy and well-structured Dividend policy, on-boarded best-in-class audit partners, enhanced our disclosure norms, etc., all designed to build a robust foundation of a future-ready company.

We are prioritising scalability with an equal focus on sustainability and thus steer our Company towards a well-designed green growth strategy. This entails transitioning towards clean energy sources and embracing the principles of a circular economy. We are actively exploring waste utilisation and energy recovery measures while also investing in innovative technologies. As the first cement

company globally to commit to a Carbon Negative Roadmap by 2040, we are engaging with global firms and government bodies to explore new technologies and innovative solutions to reach our committed target.

On the social front, we have embarked on a comprehensive Social Transformation Roadmap, striving to make a positive impact on livelihoods, climate action, and the development of vital social infrastructure. We continue to champion corporate governance, ESG principles, and sustainable growth for our business and stakeholders.

### Our People and our teams

Our vision to build an industry-leading corporate over the next decade will be realised only on the back of an aligned leadership team and a deeply motivated workforce. We are thus investing disproportionate leadership bandwidth into developing a formal succession planning programme, implementing talent development and performance management programmes, redesigning our organisation structure, and curating an associated compensation philosophy.

During the year, we constituted a committee of our top leaders called the Executive Council who have the onus of steering the organisation through a collaborative approach and cohesive decision-making. To build an in-house pipeline of young leaders, we identified 40 young leaders from across the organisation and launched a personalised leadership development programme called ‘Lakshya’ which has a combination of retention cum performance-related metrics and includes tailored leadership coaching, trainings, and career development programmes. Opportunities, programmes of mentorship and coaching of these young leaders with the members of the Executive Council and industry experts are being instated to intrinsically build our Leaders of Tomorrow.

### The way forward

With India poised to become the third-largest economy in the world, our cement sector is well positioned to deliver correlated and accelerated growth for large cement companies within it. The much-awaited theme of industry consolidation has started to play out and we are witnessing waves of changes in the industry’s operating dynamics.

As one of the top companies in the sector, we are embracing strategies that will enable us to capitalise on the large opportunity ahead of us and help us double our market share over the next decade.

I am confident that with the clarity of our vision, a well-defined and detailed roadmap, and with the efforts and commitment of our dedicated team, we will achieve our vision. We firmly believe that the Group’s future is now firmly intertwined with that of our great nation. We share the collective dreams of becoming a developed nation by 2047 and being a partner in progress in every step that we take.

Thank you for your unwavering faith in us and for being an integral part of this incredible journey!

Warm Regards,

**Rajiv Bansal**

President and Chief Transformation Officer, Dalmia Bharat Limited