



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.

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



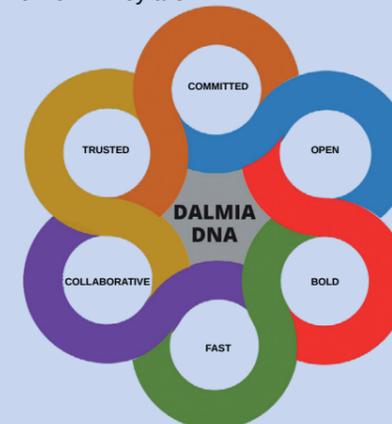
CULTURE

- 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



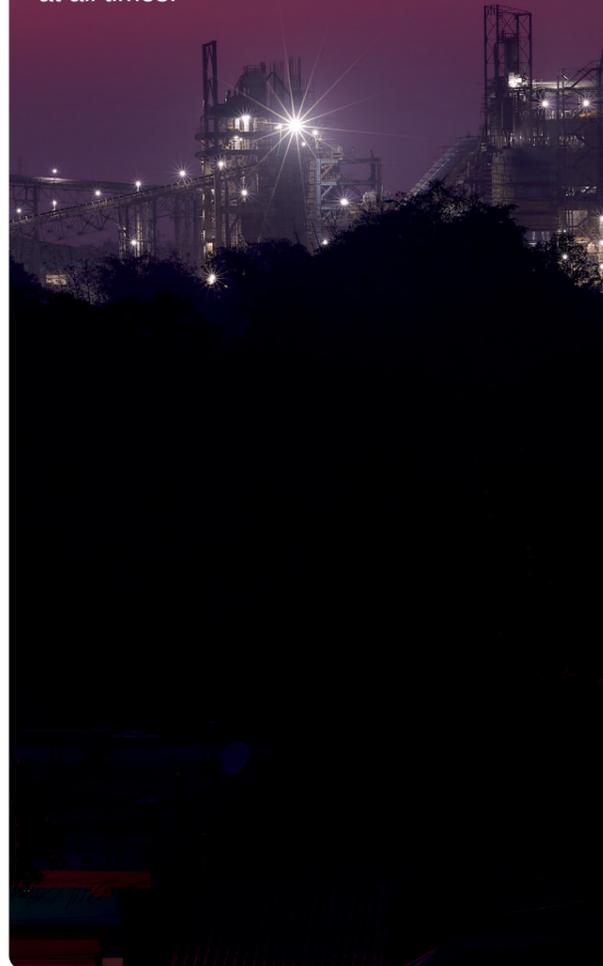
DNA

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

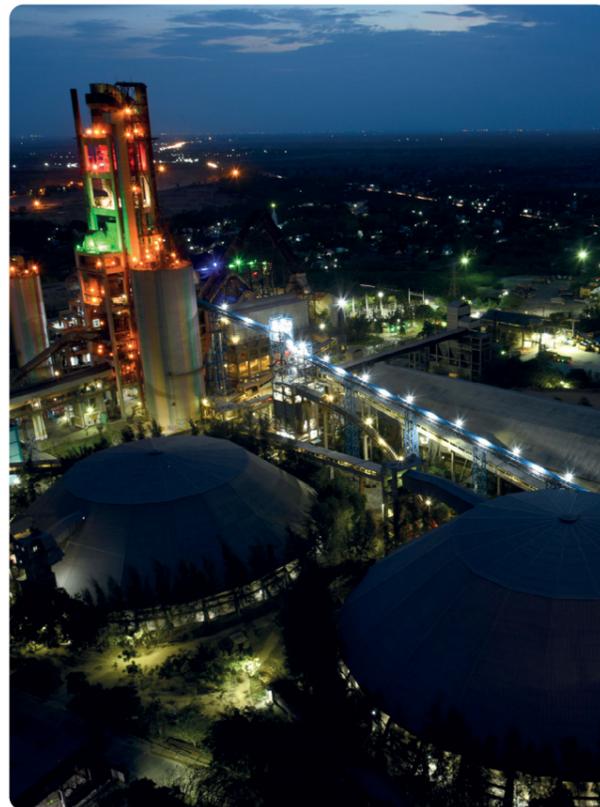
Restructured to become a single listed entity with two subsidiaries, integrating six companies

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

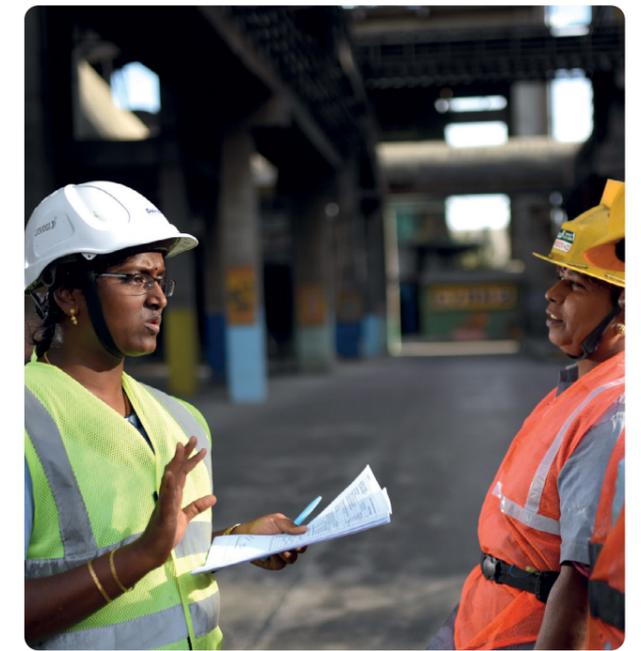
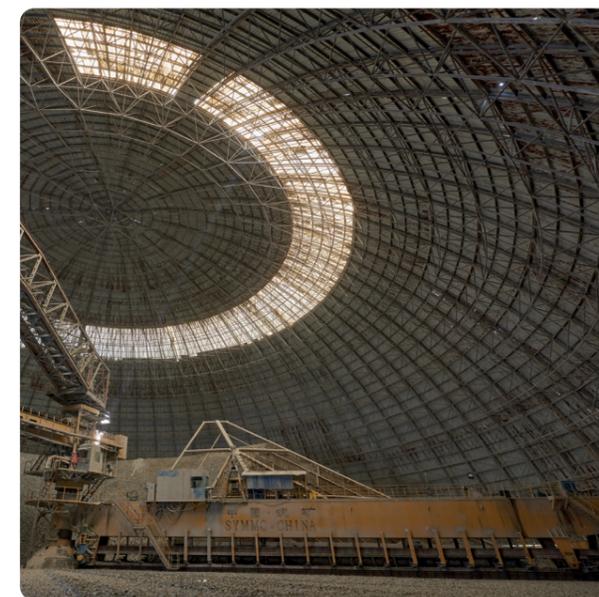
Ranked #1 in the global cement sector by CDP on business readiness for a low-carbon economy transition

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 Murlu 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

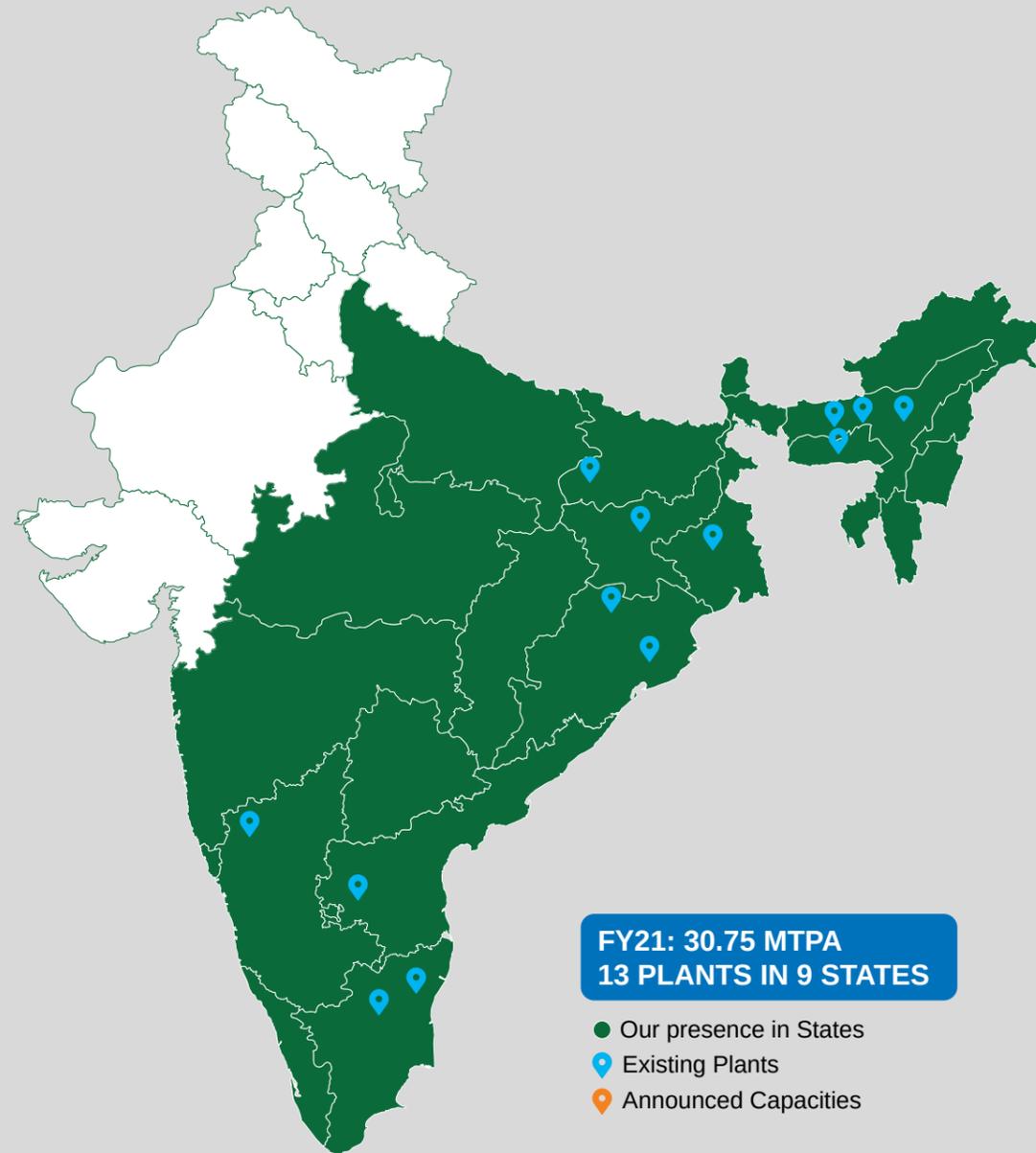
Appointed as the COP-26 Business Leader by United Nation's COP-26 Presidency

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

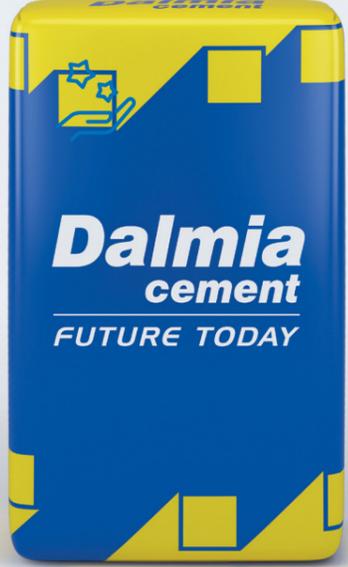
OUR PLANET CONSCIOUS PRODUCT PORTFOLIO

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

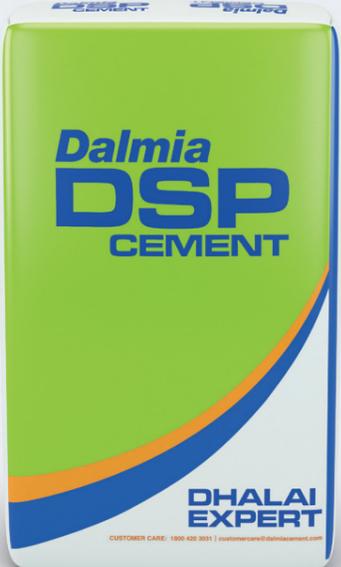
DALMIA CEMENT
Available In PSC, PPC, PCC, OPC varieties

-  **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.

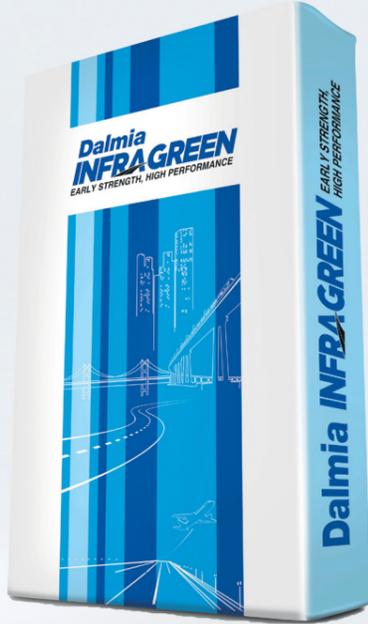


Delivery as per Commitment - We understand the value of timely project completion. Our strong in-built processes are designed to ensure that the delivery of cement and services meet project requirements.



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.

WATER CONSERVING CEMENT

Dalmia InfraGreen requires 15% - 20% less water compared to normal OPC Cement to have similar or better workability. It does not require any other chemical admixtures to make high strength, high durability and water-proof concrete.



Legend: ■ Dalmia InfraGreen, ■ OPC

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

PORTLAND COMPOSITE CEMENT

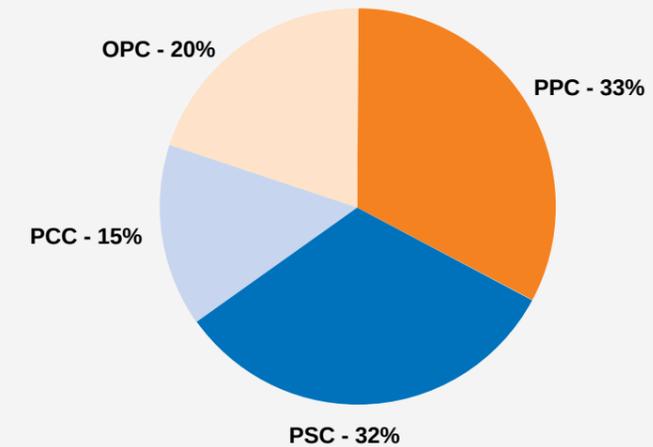
- ❁ Manufactured by blending ground clinker with slag and fly ash
- ❁ The pozzolanic and hydraulic reaction of fly ash and slag enhances performance
- ❁ A sustainable product with reduced clinker factor
- ❁ One of the lowest carbon footprint cement commercially available in India

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

TALENT

5,807
Permanent Talents

13
Plants*

* 14 Plants 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 [#]
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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%)

TALENT ENGAGEMENT

95%
Employees feel engaged as per the employee satisfaction survey

COMMUNITY ENGAGEMENT

12 Lakhs
Total beneficiary from Dec'2009

~1.5 Lakhs
Beneficiaries reached by Dalmia Bharat Limited

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

RECOGNITION FOR OUR PERFORMANCE

RESPECTED FOR CONSISTENT OUTPERFORMANCE | RESPECTED FOR HOLISTIC VALUE-CREATION | RESPECTED FOR SUSTAINABLE INITIATIVES | RESPECTED FOR EXTENDING BEYOND PREVAILING BENCHMARKS



Dalmia Cement was honoured with the **Greentech CSR Award (Environment sustainability award)** in October 2020 for its strong sustainability initiatives.



Bengaluru Office receives **Top Honours** at **IGBC Green Building Congress 2020**.
Our **Bengaluru Office** received a **Gold Certification** from the **Indian Green Building Congress (IGBC)** in October 2020.
IGBC Green Factory Buildings is the first rating programme developed in India, exclusively for the industrial sector.



The **Quality Circle Forum of India (QCFI)** for their **good housekeeping and manufacturing performance** in **November 2020** awarded the **5S Platinum Award** our **Umrangso and Lanka Units**.



Dalmia Cement won **Tamil Nadu's Best Employers Brand Award** in **December 2020**. **Employers Branding Institute**, a virtual organisation of senior **Human Resources** leaders, has instituted the awards.



We won the **Asia Sustainability and Environmental Stewardship Award 2020** in **December 2020**. Focus on sustainability has helped the Company emerge as the **greenest cement manufacturer**, with the lowest carbon footprint globally.



The contributions of the **Nalanda: Leadership, Learning and Change (LLC)** were recognised at the **Business World People's L&D Excellence Awards 2020**. The Jury praised our **human resources team** for running focused learning and development programmes through the pandemic.



Our **Kadapa Unit** was identified as **Noteworthy Water Efficient Unit** by **CII National Award for Excellence in Water Management 2020**.



Kadapa Unit won **Silver category in State Energy Conservation Award SECA 2020**, by **State Energy Conservation Mission (SECM)** of **Andhra Pradesh Government**.



Our **Lanjiberna Unit** was awarded the **Top Honours** at the **518th Annual Metalliferous Mines Safety Week Celebration (AMMSWCC)** in **February 2021**. The group received **third prize** in the **'Overall Performance Category'**.

ALIGNING OUR BUSINESS WITH THE SDGs

As a responsible company with deep-rooted commitments to our people and the planet, Dalmia Bharat has identified and aligned its operations to the UN's Sustainable Development Goals (SDG). Our business operations and policies contribute to 13 SDGs through four focus areas. Led by our sustainable business practices, Dalmia Bharat aims to become carbon negative by 2040 and 20 times water positive by 2025. The mapping of the SDGs for the cement sector is based on the roadmap developed under the Cement Sustainability Initiative (CSI) by the World Business Council for Sustainable Development (WBCSD). The social responsibility arm of Dalmia Bharat has also aligned its programs towards fulfilling our commitment to the social SDGs.

FOUR FOCUS AREAS

Energy Efficiency and the use of clean energy

<p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>7.3</p> <p>Ensure healthy lives and promote the well-being of all.</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>9.4 9.5</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialisation & foster innovation.</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>11.2 11.6</p> <p>Make cities & human settlements inclusive, safe, resilient and suitable.</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>12.2</p> <p>Ensure sustainable consumption and production patterns.</p>	<p>13 CLIMATE ACTION</p> <p>13.1 13.2 13.3</p> <p>Take urgent action to combat climate and its impacts.</p>
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People & Communities

<p>3 GOOD HEALTH AND WELL-BEING</p> <p>3.6</p> <p>Ensure healthy lives and promote the well-being of all.</p>	<p>4 QUALITY EDUCATION</p> <p>4.4</p> <p>Ensure inclusive and equitable quality education and promote life-long learning opportunities for all.</p>	<p>5 GENDER EQUALITY</p> <p>5.5</p> <p>Achieve gender-equality and empower women.</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>8.5</p> <p>Promote sustained and inclusive economic growth, productive employment and decent work for all.</p>	<p>10 REDUCED INEQUALITIES</p> <p>10.4</p> <p>Reduce inequality within and among the countries.</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>11.2 11.6</p> <p>Make cities and human settlements inclusive, safe, resilient & suitable.</p>	<p>17 PARTNERSHIPS FOR THE GOALS</p> <p>17.7</p> <p>Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed</p>
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Circular Economy

<p>4 QUALITY EDUCATION</p> <p>4.4</p> <p>Ensure inclusive and equitable quality education and promote life-long learning opportunities for all.</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>8.5</p> <p>Promote sustained and inclusive economic growth, productive employment and decent work for all.</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>9.4 9.5</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialisation & foster innovation.</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>11.6</p> <p>Make cities and human settlements inclusive, safe, resilient and suitable.</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>12.2 12.4 12.5</p> <p>Ensure sustainable consumption and production patterns.</p>
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Natural Resource Management

<p>6 CLEAN WATER AND SANITATION</p> <p>6.4 6.5</p> <p>Ensure availability and sustainable management of water and situation for all.</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>12.2</p> <p>Ensure sustainable consumption and production patterns.</p>	<p>15 LIFE ON LAND</p> <p>15.2</p> <p>Perfect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt bio-diversity loss.</p>
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FROM THE MANAGING DIRECTORS' DESK



FY21 shaped several strategic decisions at Dalmia Bharat that are expected to push our boundaries and set us on the path to becoming one of the biggest cement companies in the next decade. As India races to becoming one of the world's top three economies, demand for world-class infrastructure is projected to rise. We see infrastructure and housing as strong and sustainable demand drivers for cement over the next decade.

While we set our sights on growth, as an advocate of sustainable business, Dalmia Bharat is strongly committed to protecting our people, our planet and alongside surpassing previous milestones of our performance. We want to thank our Talents and their families, our partners, our customers, the government, and many other stakeholders whose bountiful support and unwavering faith helped us keep operations running through various disruptions in the reporting year. This year has marked one of the best performances by Dalmia Bharat, both financially and on our green commitments.

OUR STRATEGY

We are excited about the opportunities that we see in the markets we serve. As we grow our business from hereon, we believe that a data-driven, consistent and enterprise-wide approach to capital allocation that focuses on qualitative and quantitative metrics can help our company make objective

investment decisions, navigate disruption and drive long-term value creation. The laying down of a clear framework underlying the company's long-term capital allocation strategy can also enhance mutual understanding between providers and users of capital, thus creating reasonable and informed expectations on part of investors.

Becoming the first Indian Cement company to roll out a formal Capital Allocation Framework, we have also laid down our vision to be a Pan India Pure Play Cement company with a capacity of 100 to 130 MnT by 2031. In this effort, our immediate focus would be to further consolidate our presence in the existing regions the over ext two to three years. This may also be supported by the continued dwindling market presence of small and marginal players, leading to incremental consolidation in the industry.

However, we believe that the cement sector in India will consolidate further, and the significant players will become bigger. In line with our vision of participating in the industry's consolidation, we are targetting a 15% Compounded Annual Growth Rate (CAGR) in capacity which would be financed through a prudent mix of debt and equity.

As a sub-set of our vision, we also aspire to be one of the most profitable and sustainable companies while also having a sizable presence in each of our operating markets. In

line with our recently announced Capacity Expansion Plan, Dalmia Bharat will expand its current capacity of 30.75MnT to 36MnT by FY22, 48.5MnT by FY24 and target the next goal to be approximately 60 MnT. During this proposed leg of expansion from 48.5Mnt to 60Mnt, we hope to enter the markets of central and northern India. We are inclined to adopt the organic expansion route as it offers us a more predictable and cost-efficient way of growing capacity.

Globally, the cement industry will witness a growing need for significant Innovation to address climate change and the decarbonisation of operations. As a socially responsible corporate, our strategy has been to have a structured approach towards meeting our ESG commitments. We are creating a team of experts under our Sustainability head to accelerate our ESG journey, including securing relevant certifications. These efforts are expected to bear fruit as we set an optimal growth trajectory to reach the target of being one of the first cement companies to be Carbon Negative.

BUSINESS GROWTH

As we progress through FY22, we anticipate business growth to reflect the economic revival happening across the country and the world. India's Gross Domestic Product is directly related to the growth of the infrastructure sector, with the leading five to seven companies well-poised to capture the lion's share of the demand growth. As a company that scaled up with notable speed over the last decade, we believe that we have reached a stage where our business would be generating a large quantum of free cash flow each year and that we are in complete readiness to expand our capacity with due discipline and grow our market share through the years.

In FY21, we increased our manufacturing capacity from 26.5 MnTPA to 30.75 MnTPA. Sales volume increased 7%, to 20.7 MnTPA, and operating EBITDA increased by 32%, to INR 2,783 Cr., on a like-to-like basis. Our Profit After Tax (PAT) crossed the INR 1,000 Cr. milestone and stood at INR 1,243 Cr., more than four-times growth year-on-year. We recorded our highest ever full year EBITDA margin of 26.4% on the back of an all rounded improved operating performance.

We are also pleased to announce the successful completion of the acquisition of Murli Industries Limited under the Insolvency & Bankruptcy Code (IBC). Subsequently, we have integrated it within the group entity for a transparent and simplified structure and expect to have the plant up and running during FY22. We were also one of the few companies who used the market downturn to complete a very successful share buy back program thereby enhancing the return for our shareholders over the long term.

DELIVERING ON OUR SUSTAINABILITY COMMITMENTS

Sustainability led growth has always been our top priority. In 2018, we declared our commitment to becoming carbon negative by 2040. In FY21, we made a bold commitment to become a 100% blended cement company over the next five years. This will substantially reduce our clinker factor and carbon footprint in the years ahead. Currently, our facilities in Eastern India are dedicated to producing 100% blended cement and we now aim to maximise blended cement production across all our operations. During the year we also committed to EV100, thereby becoming the first global cement company to commit to all three RE100, EP100 & EV100 initiative.

Our sustainability initiatives are globally appreciated. We have been invited to share our climate actions and commitments at the UN Climate Ambition Summit 2020 twice in a row. We are

one of only 16 global companies who have been appointed as a COP-26 Business Leader' by the UN COP-26 Presidency, an apex body under the UN Framework Convention on Climate Change (UNFCCC). Dalmia Bharat is a member of the UN Leadership Group on Heavy-Industry Transition convened by the Governments of India and Sweden. We have been ranked #1 in the global cement sector on business readiness for low carbon economy transition by CDP in 2018. We hope that our journey to de-carbonise our business will inspire others to adopt the same path, just as we learn new ways to enhance sustainability from other sectors.

In line with our goals of sustainability and to carry forward our feat of being one of the greenest cement companies globally, we have also proposed to allocate up to 10% of operating cash flows towards an Innovation and Green Energy Fund to develop and adopt innovative technologies and combat climate change.

Reducing dependency on fossil fuels is both a strategic and a responsible decision for us, as an organisation committed to sustainable growth. As part of our Innovation and Green Energy fund, we will be investing INR 1,000-1,200 Cr. over the next two to three years in waste heat recovery, solar power generation systems & build capability to enhance usage of gree fuel to substitute fossil fuels and clinker. These initiatives will not assist us in lowering the carbon footprint of our operations but also enhance profitability of our business.

The Innovation and Green Energy fund will further be applied for nurturing breakthrough innovations such as developing low carbon cement varieties, pilot projects for carbon capture technology, mineralisation, oxy-fuel technology, heat electrification, use of green hydrogen to power operations etc.

COMMITTED TO CREATING SUSTAINED VALUE FOR OUR STAKEHOLDERS

This year Dalmia Bharat's resilience was tested in more ways than one. However, we are proud that we emerged stronger thanks to the contributions of our Talents, strategic outlook, operational agility, and leadership in technology and Innovation. We are grateful to our stakeholders for their continued confidence in us. Our people continue to be our most important focus, and we will emphasise building a great culture and strong value system for all our stakeholders.

While the challenges of COVID-19 continue, we are utilising the downtime during lockdowns to mentor and upskill our Talents and partners through various digital interventions. The health and safety of our Talents continue to be our prime focus over other business considerations, and it has been ever pertinent to take care of them. Our strategic investments in digital technology helped us engage with stakeholders, equip Talents to work remotely from the safety of their homes and run operations without disruptions and within permissible limits.

As the world continues to face new challenges, we believe that our operating model has already been stress-tested and proven its ability to stay the course and grow. We reiterate our commitment to building a better future for all our stakeholders sustainably and responsibly.

Sincerely,

Gautam Dalmia and Puneet Dalmia

Managing Director(s),

Dalmia Bharat Limited

MESSAGE FROM MD & CEO OF DCBL



“Reinvigorating Clean and Green as Profitable and Sustainable for an integrated value creation”

We started a new decade with an objective to build a better, productive and sustainable future for all. This would require acceleration and mainstreaming of frugal approach of production and consumption into every aspect of our economy. As you may be aware, the Sixth Assessment report of the IPCC Working Group I is released and, it once again established that anthropogenic emissions have taken us to a decisive moment where we need to make only one growth story of our time, which is - decoupling of GHG emissions from growth and repurposing Nature Based Solutions (NBS) as the green engine of the economy.

It gives me immense pleasure to inform you that sustainable efforts of Dalmia Bharat have been recognised globally on account of our catalyst role in the net zero transition of heavy-industry sector since 2018. Being the first company to announce a 2040 carbon negative roadmap, we catalysed

the commitments and ambitions in the sector. As a result, Hard-to-Abate sector is getting recognised as Possible-to-Abate sector. We would further continue this journey as COP-26 Business Leader (UN COP-26 Presidency), Carbon Pricing Champion (World Bank Group), first triple joiner globally of RE 100, EP 100 and EV 100 with one of the most stringent Science Based Targets (SBTs) in the sector. Our public, private and philanthropic collaborations help us learn and share ideas as well as the best practices to drive the sector towards a better future.

I want to assure you that Dalmia Bharat will keep challenging itself to improve its past performance on sustainability, profitability and growth to create long-term value for our stakeholders. Following a philosophy of 'Clean & Green is Profitable and Sustainable', we have delivered on our

Environmental and Economic goals. We believe that eventually, we will have to convert, as a sector, from grey to green to become a future-fit industry.

ECONOMIC AND SUSTAINABLE VALUE CREATION

We performed better than the Indian cement industry during the reporting period. We successfully brought down both our variable and fixed costs while increasing our trade volumes and trade percentages. Our company's fiscal discipline is reflected in the repayment of the gross debt of ₹2,224 Cr. in the reporting year. Our Net Debt/EBITDA has come down from 1.34 in FY20 to 0.04 in FY21, in line with our stated aim.

We continue to impact the environment positively. We measure and monitor consumption and recycle and reuse water in our facilities. Our operations are more than 12 times water positive today. We are committed to becoming 20 times water positive by 2025.

We have created a roadmap to bring down our carbon footprint. The increased use of alternative fuels and materials in the reporting year helped us optimise our clinker factor and carbon mitigation interventions. The carbon footprint of Dalmia Bharat at 492 kg CO₂/ tonne of cement (specific net CO₂) stands one of the lowest group average in the global cement sector.

We have installed 9.90 MW of solar and 21.70 MW of Waste Heat Recovery based power generation systems. We plan to significantly increase solar and Waste Heat Recovery power generation to run our operations with more fossil-free electricity by the end of FY23. We have introduced hydro energy to diversify our mix further. We are proud to stand front and centre as industry leaders of the green movement and propose to use 100% renewable energy by FY30.

Occupational health and safety have always been a key imperative for the group. We believe our talent pool is our biggest asset. Happy, healthy, and engaged talents are crucial to our growth and sustainable future. We continuously improve our health and safety practices to ensure zero harm. We assess and align all our suppliers on globally benchmarked Environmental and Social standards.

Our values have always called upon us to support our people and extend empathy to all our stakeholders. Together, we have responded to the challenges of the COVID-19 crisis through care, staying safe and catering to the needs of our customers, partners, suppliers, and communities.

Dalmia Bharat has aligned its sustainability strategy to the UN Sustainable Development Goals (SDGs) and supports the ten principles of the UN Global Compact. As a responsible company, we help communities build and protect a sustainable environment by managing their resources and giving back to society. The Dalmia Bharat Foundation delivers our community social responsibilities (CSR) and helps meet our commitments to the UN SDGs. The three themes which define our CSR focus areas are Livelihoods, Climate Action and Water & Energy and Social Infrastructure. More information regarding the same can be found in the Social and Relationship Capital of this report.

I would like to thank the Dalmia Bharat team and all our stakeholders for their determination and perseverance to stay the course through turbulent times. It makes me proud each day to be part of this team that is guided by the wisdom to know what is right, integrity to take that right path and

unleash the potential of every life we touch and do so with humility, trust and respect.

At Dalmia Bharat, we saw our resilience tested at different junctures. As the world revives and rejuvenates, buoyed by hope led by the vaccine, at Dalmia Bharat, we are proud that as a team, we have emerged stronger and more resilient through it all. My heartfelt thanks to our talents and their families to stand by them as they worked hard, thought out of the box, pivoted to new operating and business models rapidly to deliver what can be counted as one of our strongest financial and environmental performances.

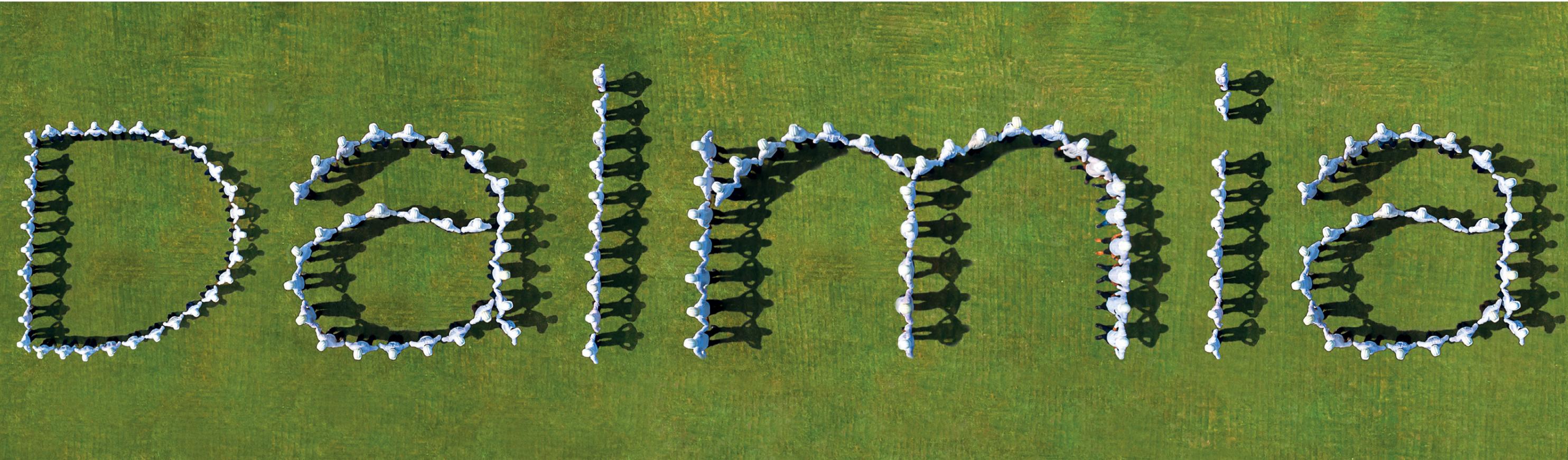
As we continue to fight the challenges of COVID-19, we stay committed to creating value for our stakeholders and strengthen the relationship we share with Mother Nature. This is the only way we can continue to deliver sustainable, enduring performance and help our people and planet thrive by ensuring a cadre of leaders and the skilled workforce for inclusive and just transition to a sustainable future.

Mahendra Singhi

Managing Director & CEO,

Dalmia Cement (Bharat) Limited

WELCOME TO DALMIA BHARAT'S INTEGRATED REPORT



Dalmia Bharat is proud to present its fifth Integrated Report. We were one of the first few cement companies in India to publish an Integrated Report in 2017 led by our commitment to sustainable growth and leading with transparent and ethical business principles. This report reviews our business strategy built on the four pillars of profitability, growth, sustainability and reputation of our business model, the risks and opportunities, and the operational and governance performance. The report covers the financial year ended March 31, 2021.

BOUNDARY AND SCOPE

The Integrated Report of Dalmia Bharat covers our business operations disclosed through the six capitals enunciated by the International Integrated Reporting Council's (IIRC) Framework. In this report, we have addressed the material interests of all relevant stakeholders to address significant risks, opportunities and impacts related to our activities over the short-term (less than 12 months), medium-term (one to three years) and long-term (beyond three years).

The performance review has aggregated information from our 13 manufacturing locations (Dalmiapuram, Ariyalur, Kadapa, Belgaum, Rajgangpur, Kapilas, Midnapore, Bokaro, Meghalaya, Umrangso, Lanka, Guwahati and Rohtas), our mines as well as our corporate offices. We have acquired Murli this year, which is not included in the scope of reporting, as the capacity of Murli plant has not been accounted in the reporting period.

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 CSI 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.

FRAMEWORK

Our constant endeavour is to present unbiased, comparable, accurate, reliable, and comprehensive information. The Report follows the International Integrated Reporting Framework developed by IIRC (www.integratedreporting.org), United Nations Global Compact (UNGC) Principles, GRI Standards and Business Responsibility Report (BRR). As a forward looking company, we have also voluntarily attempted to map our existing ESG information with the requirements of Business Responsibility and Sustainability Report (BRSR). It should be read in conjunction with the financial statements included herein and the notes thereto.

BUILT ON STRONG GOVERNANCE

Effective corporate governance is imperative for our organisation's long-term growth. Our corporate governance philosophy is based on transparency, accountability, fairness and regular communication with all stakeholders. These values help us function more efficiently as an organisation, foster a culture of openness and deliver strong, sustainable growth.

OUR GOVERNANCE STRUCTURE

A board comprising of seven individuals from diverse backgrounds who possess the requisite qualifications and experience to contribute to our growth and decision-making processes leads us. Three out of our seven directors are independent, helping us strike the right balance between in-house and external perspectives. We have institutionalised good governance led by robust corporate governance guidelines, a Code of Conduct, and financial ethics. We stay committed to achieving value-based growth without compromising ethical standards.

The Board meets regularly to review strategic, operational, and financial matters. If required and appropriate, the Board delegates its authority to Directors who head various committees. Each committee is led by a Charter, which sets out their respective roles and responsibilities, composition and scope of authority.

Our corporate governance principles guide us to conduct our business with integrity, fairness and transparency. It decrees making necessary disclosures and decisions in compliance with the laws of the land, be accountable and responsible towards stakeholders and conduct business ethically at all times.

The key management of Dalmia Bharat and an overview of the committees is provided below. More information on corporate governance is available in the Corporate Governance Report section of this report.



MEET THE BOARD OF DIRECTORS



Mr. Pradip Kumar Khaitan
Chairman & Independent Director



Mr. Yadu Hari Dalmia
Non-Executive Director



Mr. Gautam Dalmia
Managing Director



Mr. Puneet Yadu Dalmia
Managing Director & CEO



Mr. Virendra Singh Jain
Independent Director



Mrs. Sudha Pillai
Independent Director



Dr. Niddodi Subrao Rajan
Non-Executive Director



Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Stakeholder Relationship Committee	Risk Management Committee
C Chairman	M Member			

OUR POLICIES AND CODES

We formulate our Codes and Policies, keeping in mind our long-term strategy and objectives. Our policies are uniformly implemented across all our manufacturing locations and serve as a guidance for conducting responsible business.

CORPORATE GOVERNANCE

Our governance policies ensure transparency and sound corporate governance throughout our business. Through our whistleblower policy, we develop a culture where it is safe for all our stakeholders to raise concerns about any unethical practices or misconduct. Our Code of Conduct for Directors and Senior Management covers conflict of interests, honest and ethical conduct, corporate opportunities, confidentiality, protection and proper use of the company's assets, and compliance with laws, rules, and regulations. On the other hand, our Nomination and Remuneration policy ensures board diversity and executive compensation linked to performance. Moreover, we believe in transparency and disclose details of equal voting rights and confidential voting in our annual report. In addition, our policies on fair disclosure of UPSI and Dividend distribution policies ensure ethical business operations in the best interest of our stakeholders.

Social Policies

We believe in taking utmost care of our people and providing them with the best working facilities equipped with modern technologies. We ensure that all safety practices are well embedded in our processes, and standard operating procedures through Occupational Health and Safety Management Systems implemented in our plants.

We believe in creating a workplace free from any type of discrimination, and our Dalmia Way of Life policy ensures that human rights protection like non-discrimination and anti-harassment, diversity and opportunity, fair competition are duly followed. In addition, we also ensure that our suppliers follow our ethical practices and do not engage in child labour and forced labour, ensured through contractual obligations. Our Supplier code of conduct, aligned with the Global Cement and Concrete Association (GCCA), helps make our supply chain more robust and our suppliers environmentally and socially responsible. Our Corporate Social Responsibility policy lays our approach and structure towards the CSR vision of Dalmia Bharat.

Environment Policies

We are committed to reducing our impact on the environment through green interventions. We have implemented Environmental Management System (EnMS) at our plants covering guidance on aspect - impact environment parameters like energy efficiency, water management, waste and emissions management, sustainable procurement considerations, environment policies, continual improvement, internal audits and third-party audits from reputed certification bodies.

SUSTAINABILITY GOVERNANCE

To ensure long-term business sustainability, we must foster a diverse, engaging and safe workplace that respects the needs of all stakeholders. At Dalmia Bharat, we acknowledge the need for environmental and societal action and recognise our responsibility towards embedding them into our business decisions.

Underscoring this, we have assembled a sustainability governance structure with cross-functional representation, with senior leadership oversight at the board level. We believe a robust governance framework will enable the embodiment of our sustainability vision into all facets of our business.

As part of the sustainability governance structure, we have established an internal sustainability team to oversee environmental, health, & safety with members drawn from operations and various management levels. They are responsible for reviewing and approving targets, roadmap, and implementation procedures for sustainability vision. The team propagates our sustainability agenda across the organisation for stronger alignment.

COMPLIANCE AND ADMINISTRATION

Dalmia Bharat believes that a robust corporate governance structure is a strategic business investment. A well-designed governance framework embedded at the core of our business and implemented by a committed leadership has helped us build a company and a brand that our stakeholders trust.

Our corporate governance approach defines the relationship between our stakeholders, management, and the Board of Directors. It sets out rules of disclosures and engagement to determine how this interlinked ecosystem can foster responsible value creation for all stakeholders. Our approach ensures that all decisions affecting the company are fair and transparent. It keeps the Board of Directors accountable to the shareholders and other stakeholders of the group.

As global realities change and businesses transform dynamically, corporate governance requirements are changing to bring in new frameworks, parameters, and principles. Dalmia Bharat's systems are agile, periodically reviewed and incorporate best practices rapidly. Our foundation of good governance sets us apart in the industry and the economy as we set new benchmarks for disclosures and responsible growth to redefine and reimagine the future.

PUBLIC ADVOCACY

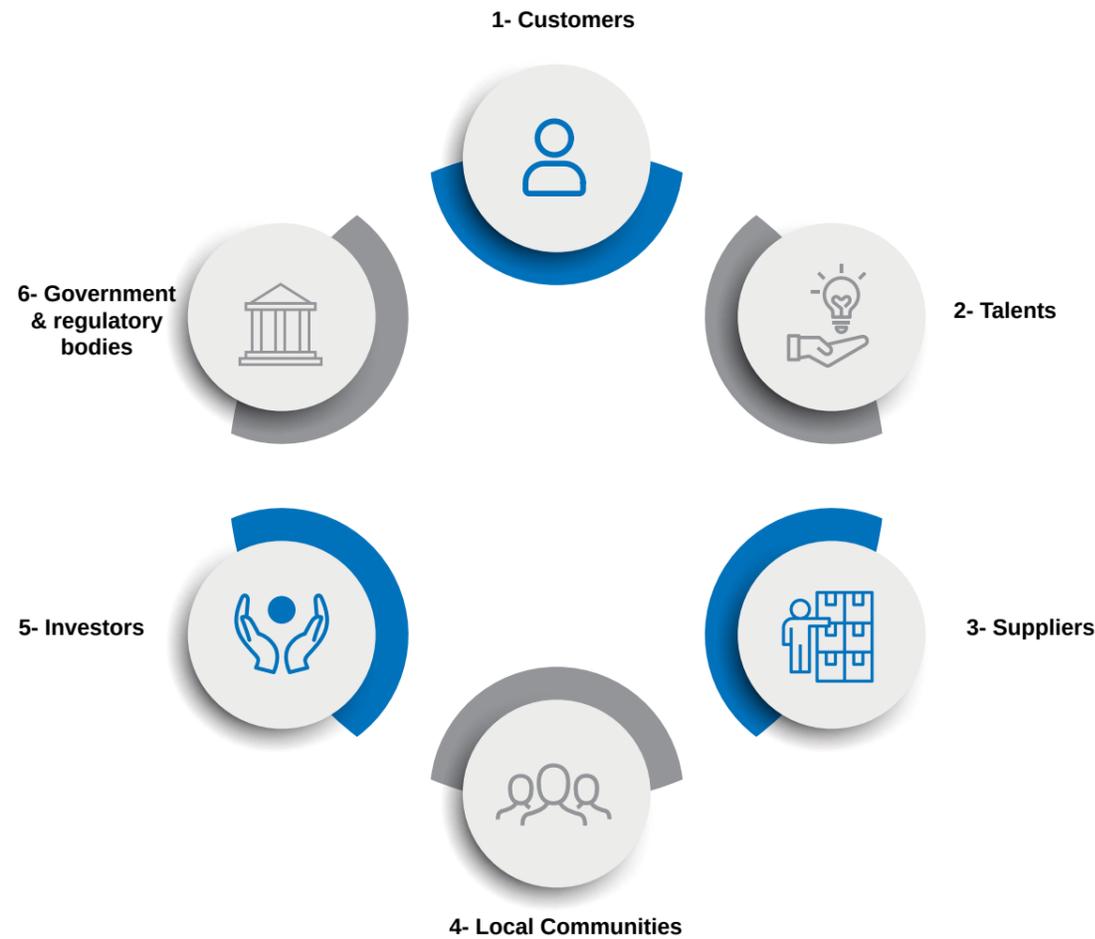
Dalmia Bharat collaborates with government bodies to participate in meaningful dialogue and action needed for nation building. We make periodic suggestions and recommendations to various central and state ministries and think tanks like Niti Aayog. We engage with the government on national imperatives, including (but not limited to) the ease of doing business, the "Make in India" agenda, regulatory changes, business clearances and approvals, rationalisation of taxation and levies.

We are part of several industry associations and think tanks that ideate and interface with various governmental bodies to help design holistic policies for the country's growth and development. Being a member of these associations helps us raise issues that may impact our business operations and profitability on relevant forums and seek timely support and solutions.



FOCUSSED DIALOGUE WITH PEOPLE

OUR STAKEHOLDER ENGAGEMENT PROCESS



We believe that meeting the expectations of our stakeholders is essential for the organisation's success and the creation of shareholder value. We understand that effective stakeholder engagement allows us to gain valuable insights into our stakeholders' material concerns and expectations.

Dalmia Bharat is therefore committed to a continuous, transparent, responsive strategic dialogue and engagement with all its stakeholders. Joint value creation and establishing long-term relationships with stakeholders are the sole purpose of the stakeholder engagement process.

The organisation differentiates between the needs of different stakeholders and periodically engages with them to understand their issues and concerns. We categorise our stakeholders as internal and external. Dalmia Bharat Talents are our critical internal stakeholders. Hence, we strive for their welfare, wellness, health and create a conducive workplace. External stakeholders encompass customers, investors, government, regulatory bodies, knowledge partners, memberships, associations, etc. We commit to providing quality products, safe operations and better social, environmental and health management practices across our business value chain.

The stakeholder engagement process is conducted by mapping out existing relations across our value chain. We analyse those stakeholders who can be impacted by our business operations and those who can impact our growth prospects. These stakeholders are managed through a stakeholder matrix that outlines how each stakeholder is engaged and the frequency and channels of engagement and communications.

STAKEHOLDER ENGAGEMENT DETAILS

STAKEHOLDERS	CUSTOMERS	TALENTS	SUPPLIERS
Value Proposition	<ul style="list-style-type: none"> Strong Brand Quality products Competitive Price On-time Delivery Required Product offerings Sustainable performance Reputation 	<ul style="list-style-type: none"> Performance review & feedback Training and development A progressive career path A great work environment & culture Conducive and innovative work environment 	<ul style="list-style-type: none"> Business continuity Fair trade practices Growth opportunities Environmental, social and governance aspects
Why are they important to us	<ul style="list-style-type: none"> Revenue generation and growth Help in innovating new products through demand Building of a strong brand Shape sustainable markets and green product demand 	<ul style="list-style-type: none"> Empowered and engaged workforce drives to achieving business targets and serve as a key for successful business Satisfied and motivated talent have higher productivity Right Talent gives a competitive advantage 	<ul style="list-style-type: none"> Cost optimisation Operational advantage basis quality, technology, pricing etc. Lean Manufacturing Sustainable supply chain Low carbon growth
How do we engage with them	<ul style="list-style-type: none"> Customer feedback Customer satisfaction surveys Phone calls, e-mails, and meetings Signed contracts Exhibitions and events Digital and social media connect Brochures and catalogues 	<ul style="list-style-type: none"> Intranet portals Talent satisfaction surveys Training programmes Performance appraisal reviews Grievance Redressal Mechanisms Publications and Newsletters 	<ul style="list-style-type: none"> E-mails and meetings Vendor assessments and reviews Signed contracts Vendor meets Open meetings through trade associations such as CII, FICCI, ASSOCHAM Conferences/Seminars on a variety of topics
Key ESG aspects	<ul style="list-style-type: none"> Timely delivery Quality Pricing After-sale service Product-related queries Awareness of sustainable and low carbon/green cementitious products Safety 	<ul style="list-style-type: none"> Work-life balance Training and skill development Career growth Job satisfaction Occupational health and safety Transparent communication 	<ul style="list-style-type: none"> Timely payment Continuity of orders Transparency Engagement Trust and respect Sustainable practices Human rights and safety

	STAKEHOLDERS	COMMUNITIES	INVESTORS	GOVERNMENT & REGULATORY BODIES
Value Proposition		<ul style="list-style-type: none"> Sustainable development of the communities around our operations basis our three CSR focus areas – Livelihood, Climate Action (Water/ Energy) and Social Infrastructure 	<ul style="list-style-type: none"> Return on Investment Financial viability – short and long term Risk Management Sustainable investing Climate protection Low carbon footprint operations 	<ul style="list-style-type: none"> Policy and procedure formulation to shape current and future business growth Conducive policies on RE, sustainable biomass use, alternative fuels and circular economy practices
Why are they important to us		<ul style="list-style-type: none"> Understand and respond to the unique needs and concerns of society. Work in partnership with government and civil society to help address some of the critical challenges faced by the country 	<ul style="list-style-type: none"> Funding and capital investment Positive impact creation Monitoring of ESG performance Capital deployment for climate-friendly projects Reputation 	<ul style="list-style-type: none"> Compliance with regulations for smooth functioning of business operations Licensing and permissions Progressive policy development
How do we engage with them	<ul style="list-style-type: none"> Training workshops Regular meetings Need assessments and reviews Surveys CSR reports 	<ul style="list-style-type: none"> Quarterly financial results and release of outcome of board meetings Annual reports and investor presentations Websites Investor meetings Participation in conferences 	<ul style="list-style-type: none"> Annual reports Communications with regulatory bodies Formal dialogues Sustainability/ Integrated reports 	
Key ESG aspects	<ul style="list-style-type: none"> Local employment Environmental pollution control Infrastructure development Training and livelihood programme Participation in social services 	<ul style="list-style-type: none"> Sustainable growth and returns Risk management Corporate governance Market share Operational performance 	<ul style="list-style-type: none"> Taxes and royalties Compliance with laws and regulations Employment generation Pollution control Local economic growth 	

MATERIALITY ASSESSMENT

A successful sustainability journey begins with a robust materiality assessment. At Dalmia Bharat, we have been conducting materiality assessments since FY14. Since then, the material aspects have been reviewed each year to stay relevant to the evolving external environment and changing stakeholder expectations. We have defined our strategic pillars to foster the sustainable growth of our business. The materiality assessment is a key aspect of linking our strategic pillars with our business operations. The mapping of the identified material issues to our four strategic pillars is detailed in the subsequent sections.

This year, we have undertaken a materiality exercise as per the process outlined below. This exercise was followed by developing a materiality map and reporting performance against key material areas.

1. IDENTIFICATION AND ASSESSMENT OF MATERIAL TOPICS

from current and emerging industry trends, peer reviews and business risks. We also reviewed material issues in accordance with Sustainability Accounting Standards Board (SASB), Global Cement and Concrete Association (GCCA) and other aspects identified by peer organisations, including feedback from our global memberships and associations.

3. INTERNAL ASSESSMENT OF RISKS AND OPPORTUNITIES

Capture the top management vision around business goals and priorities and understand the emerging risks and opportunities as key internal stakeholders.

5. PROCESS IMPROVEMENT ACTIVITIES

The identified material issues are managed in alignment with our business strategy and four focus areas. We manage our material issues by defining targets and monitoring the progress of the Key performing indicators against the targets. We have adopted various initiatives to manage our performance against our targets

7. REPORTING OF PERFORMANCE

The progress made on each material topic is reported for external and internal stakeholders.

2. STAKEHOLDER ENGAGEMENT AND CONSULTATION

Understand the key concerns and expectations of relevant external stakeholders and their level of satisfaction in engaging with the organisation.

4. PRIORITISING MATERIAL AREAS

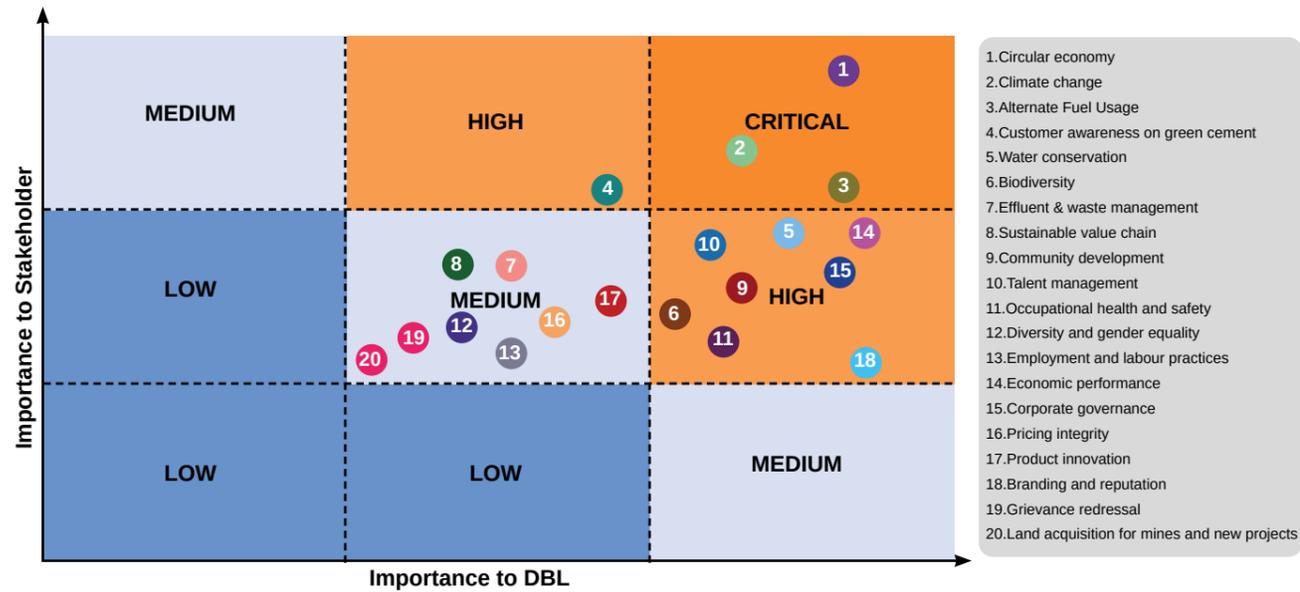
The insights gathered from external and internal stakeholder engagements are analysed to arrive at the bucket list of material topics. These material topics are further assessed to combine interrelated topics. The final list of material issues from stakeholder and management views is categorised as per their priority levels (high medium low).

6. PERFORMANCE EVALUATION

Basis the set indicators, progress made against each material area are assessed.



Through this exercise, we identified 20 material aspects, which have been consolidated into four focus areas:



Our four strategic pillars driving our sustainable growth journey

STRATEGIC PILLARS	MAPPED MATERIAL ISSUES
Profitability	14. Economic performance 16. Pricing integrity
Growth	15. Corporate governance 4. Customer awareness on green cement 8. Sustainable value chain 20. Land acquisition for mines and new projects
Sustainability	1. Circular economy 2. Climate change 3. Alternate Fuel Usage 5. Water conservation 7. Effluent & waste management 6. Biodiversity 11. Occupational health and safety 12. Diversity and gender equality 13. Employment and labour practices 10. Talent management 9. Community development
Reputation	17. Product innovation 18. Branding and reputation 19. Grievance redressal

CHANGE IN MATERIAL ISSUES

The cement market is primarily driven by a significant rise in construction activities across the globe due to the rapid population growth. On the other hand, due to the industry's footprint, there is a focus on environmental and social protection. We realign our priorities from time to time to stay abreast of such industry trends, developments and evolving stakeholder expectations. Such reprioritisations result in changes in our material items. We have compared our FY21 identified material topics with FY20, certain material aspects have become more significant, and a few new topics have been added.

SR.NO.	MATERIAL ASPECTS FY20	MATERIAL ASPECTS FY21
1	Greenhouse gas emissions	Climate change
2	Climate change and global warming	
3	Energy efficiency	Corporate governance
4	Code of conduct and business ethics	
5	Corporate governance	
6	Governance and regulatory compliance	
7	Risk management	
8	Public policy and advocacy	Economic performance
9	Economic performance	
10	Employee diversity and inclusion	Diversity and gender equity
11	Human rights	Employment and labour practices
12	Employment and labour practices	
13	Occupational health and safety	Occupational health and safety
14	Training and development	Talent management
15	Supply chain management	Sustainable value chain
16	Transportation and logistics	
17	Raw material sourcing	
18	Effluent and waste management	Effluent and waste management
19	Product innovation	Product innovation
20	Alternative fuel usage	Alternate Fuel Usage
21	Community development	Community development
22	Branding and reputation	Branding and reputation
23	Customer relationship management	
24	Grievance mechanism	Grievance redressal
25	Water conservation	Water conservation
26	Land acquisition for mines and new projects	Land acquisition for mines and new projects
27		Customer awareness & Green Cement
28		Circular economy
29		Biodiversity
30		Pricing integrity

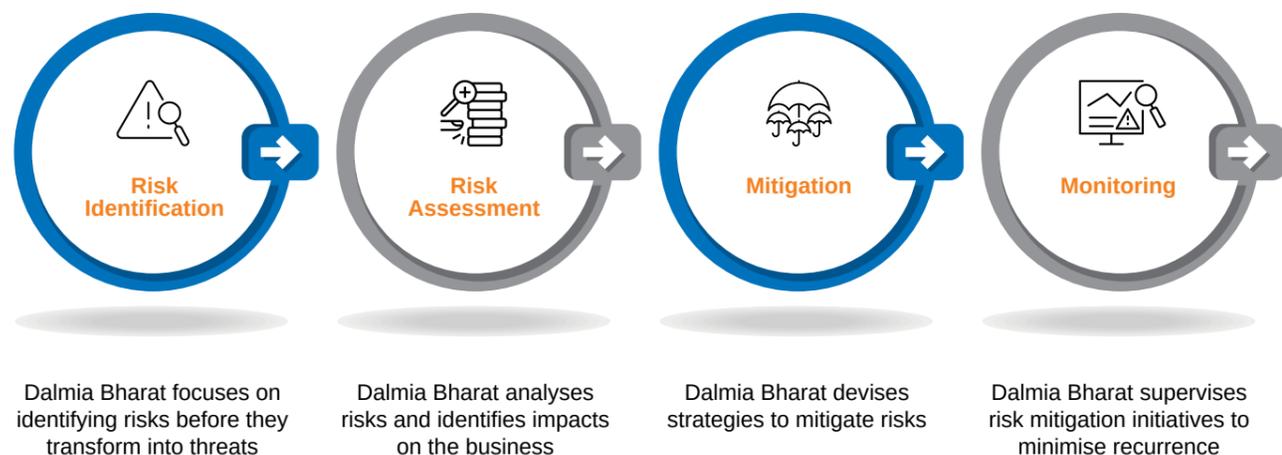
● New material issues added in FY21

RISK MANAGEMENT

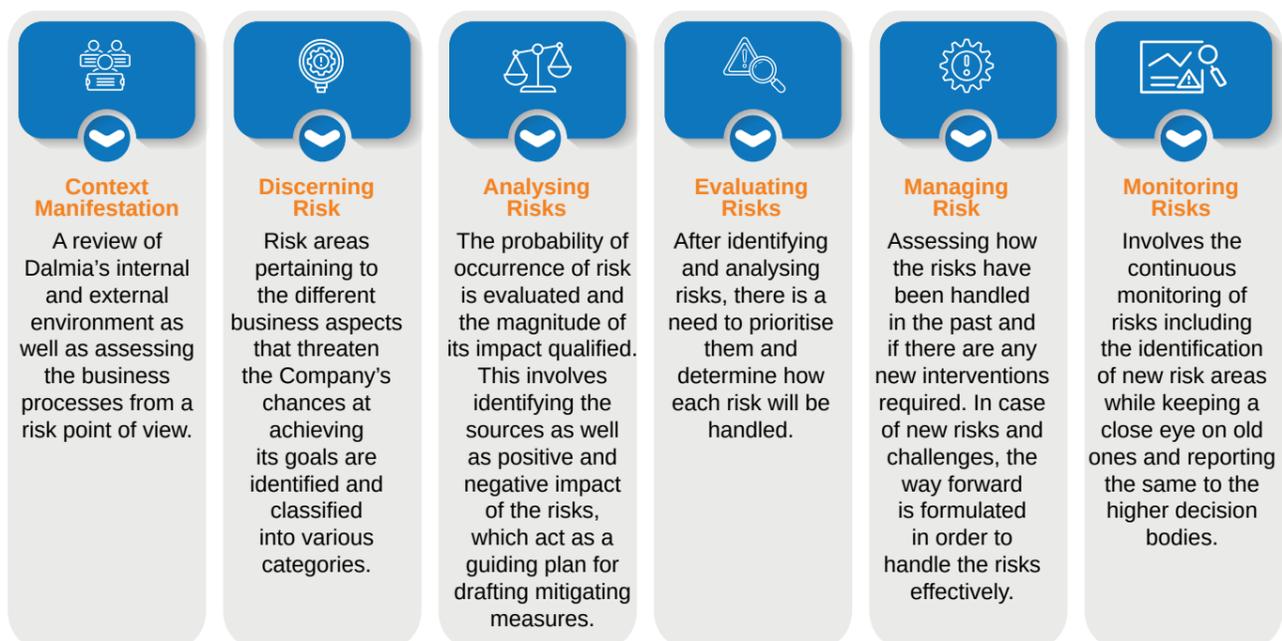
The cement industry faces various risks ranging from commodity and fuel prices volatility to staying compliant with evolving regulatory requirements, particularly related to climate change. Such risks demand agile decision making and effective risk management strategies to mitigate exposures and harness opportunities. In such a context, management of risks and internal audit becomes a critical business imperative. Dalmia Bharat focuses on timely identification of potential risks and moderating their impact through responsible mitigation.

In addition, we are also following the Task Force on Climate-related Financial Disclosures (TCFD) recommendation and guidelines. We are undertaking a climate change risk assessment for our operational sites to assess the potential impacts of climate-related physical and transition risks and opportunities on the business. Physical risks include acute and chronic risks that cover the actual climactic changes that can affect the business. Transition risks cover aspects of policy, regulations and market that can affect the company financially.

RISK MANAGEMENT PROCESS

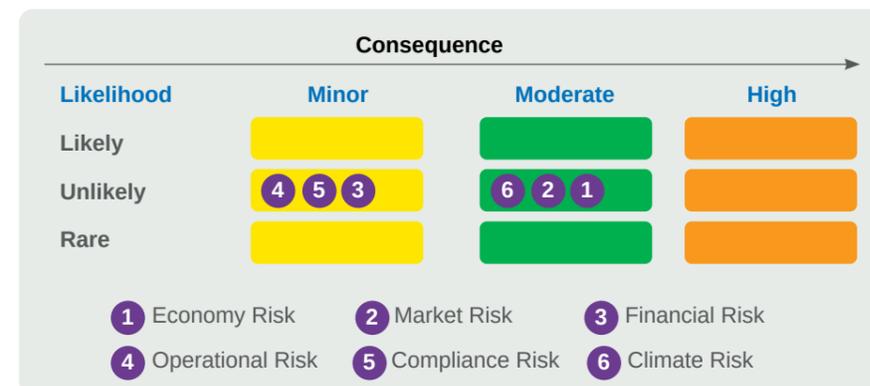


RISK MANAGEMENT STEPS



At the Board Governance level, we have two sub-committees - Risk Management Committee and Audit Committee-that oversee our risk management process. Our comprehensive risk management efforts are complemented by the outsourced audit of selective functions (SAP – IT ERP system and IT General Controls) to ensure timely identification of audit findings. A summary of the identified risks is presented to the Board sub-committees and deliberated in the Risk and Audit Committee meetings.

The following heat map shows the residual rating for the top material risks faced by Dalmia Bharat in FY21.



The following table presents the top risks that we have identified as having a potential impact on our ability to do business safely and achieve our strategic imperatives. In prioritising these risks, we have considered both internal and external risks; we have designed and implemented appropriate mitigation strategies depending on the severity of impact and likelihood of occurrence of each risk.

EXTERNAL RISKS

DESCRIPTION	IMPACT	MITIGATING ACTIONS
ECONOMIC RISK		
Dalmia Bharat's performance could be adversely affected in the event of an economic slowdown	Regulatory uncertainty Disruption in cash flows Increased costs	Our continuous focus on cost stewardship and production efficiency improvements help to protect margins and improve cash flow. In addition, a continuous effort on brand creation ensures that we continuously look at improving market share.
MARKET RISK		
The inability to compete with peers could affect profitability	Loss in market share Lower realisations Decline in demand	Dalmia Bharat's diversified product mix comprises value-added and branded products based on consumer demand, market dynamics and changing technologies. Dalmia Bharat differentiates itself through proactive technology-led research in product quality and customer service.
CLIMATE RISK		
Physical risks such as flooding, cyclones, change in precipitation patterns and extreme variability in temperature impacting operations and disrupting supply chains. Transitional risks such as policy and legal change can affect operations. Reputation risk due to changing customer or community perception leading to a reduction in sales.	Production losses Increased cost of capital Impact on sustainable brand reputation Impact on water availability Social and relationship issues with local communities Risk of asset retirement	Commitment to carbon negative cement operations by 2040 Following a 1.5-degree growth trajectory Focus on climate-related disclosures for relevant stockholders Investment on low carbon/zero carbon assets Focus on RE, circular economy, energy efficiency, sustainable biomass use, fossil fuel switch, biofuels used in mines, electric vehicles.

INTERNAL RISKS

DESCRIPTION	IMPACT	MITIGATING ACTIONS
FINANCIAL RISK		
Inadequate capital allocation can lead to inadequate growth	Unaccounted losses Weaker Balance Sheet Lower margins	Our competent cash management following the pandemic outbreak indicates its strength in capital allocation. We recently released our Capital Allocation policy, which details our plans for capital allocation in the future years.
OPERATIONAL RISK		
Operational defaults and bottlenecks can affect margins	Increasing costs Decline in Efficiencies Decline in margins	We strengthened operational checks and balances We invested in technology-led alerts
COMPLIANCE RISK		
Inability to comply with regulatory norms can affect business continuity	Can adversely affect operations	We invested in a full-fledged compliance department These compliances are periodically reviewed for their timeliness We have not been censured for compliance aberrations



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMIC OVERVIEW

Global economic growth continued on an upward trajectory in June 2021. After an estimated contraction of 3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. The contraction for 2020 is 1.1 percentage points smaller than projected in the October 2020 WEO, reflecting the higher-than-expected growth outturns in the second half of 2020 for most regions after Covid-19 pandemic related lockdowns were eased. The projections for 2021 and 2022 are 0.8 percentage point and 0.2 percentage point stronger than in the previous forecast, reflecting additional fiscal support in a few large economies. Beyond 2022 global growth is projected to moderate to 3.3 percent into the medium term.

GLOBAL ECONOMIC GROWTH YOY

	World output	Advance economies	Developing and emerging
2016	3.3	1.8	4.5
2017	3.8	2.5	4.8
2018	3.6	2.3	4.5
2019	2.8	1.6	3.6
2020	-3.3	-4.7	-2.2
2021 (Expected)	6.0	5.1	6.7
2022 (Projections)	4.4	3.6	5.0

(Source: IMF)

INDIAN ECONOMIC OVERVIEW

The Indian economy is showing signs of revival from the impact of the COVID-19 second wave backed by targeted fiscal relief, monetary policy measures, and a rapid vaccination drive. The broad-based economic relief package, extended to mitigate the second wave, amounted to ₹ 6.29 lakh Crore. RBI continues with its efforts to calm the nerves of the market and revive sectors with both backward and forward linkages and multiplier effects on growth.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's real gross domestic product (GDP) at current prices stood at ₹ 195.86 lakh Crore (USD 2.71 trillion) in FY21, as per the second advance estimates (SAE) for 2020-21. Although inflationary pressures took an upward turn in May 2021, with headline inflation (CPI-C) and WPI inflation touching a high of 6.3 percent and 12.94 percent respectively. This has not affected financial markets much as they continue to derive comfort from the accommodative monetary policy stance and RBI's policy matrix of conventional and unconventional measures.

G-Sec yields and corporate bond yields remained broadly stable in June with marginal mid-month hardening owing to high inflation prints. While equity markets remained range bound in June, net assets under management (AUM) of mutual funds increased to an all-time high of ₹ 33.1 lakh Crore by end May 2021, a rise of 2.1 percent over April 2021.

Amid continuing foreign portfolio and direct inflows, net spot dollar purchases and rising crude and dollar index, Indian rupee depreciated marginally by 0.2 percent in June 2021 over May 2021 and stood at USD/₹ 73.36. India's foreign exchange reserves increased to enter USD 600 billion plus territory, acting as a critical cushion against possible US stimulus exit driven hot money outflows.

The overall IIP recorded a growth of 134.4 percent in April 2021 as compared to a contraction of 57.3 percent in April 2020 largely due to strong and favourable base effect. However, overall Index is at 94.1 percent, the same as its pre-lockdown level.

The Net FDI inflows at USD 44.0 billion in 2020-21 were higher than USD 43.0 billion in 2019-20. Net FPI registered a sharp increase of USD 36.1 billion in 2020-21 as compared to USD 1.4 billion a year ago. On the other hand, External commercial borrowings to India recorded lower inflow of USD 0.2 billion, as compared with USD 21.7 billion in 2019-20. In 2020-21, there was higher accretion of USD 87.3 billion to foreign exchange reserves as against an accretion of USD 59.5 billion a year ago.

GROWTH OF INDIA'S GDP IN FY21

	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21
Real GDP growth(%)	-22.3	-4.4	5.2	8.7

(Source: <https://mospi.gov.in/web/mospi/download-tables-data/-/reports/view/templateOne/16701?q=TBDCAT>)

KEY GOVERNMENT INITIATIVES

The Indian government continued to take a number of initiatives in strengthening the national economy

1. INFRASTRUCTURE FINANCING:

To support the infrastructure financing structure, the Government in its recent budget announced a bill to set up Development Financial institution (DFI) which will act as a provider, enabler and catalyst for infrastructure. The Government has provided a sum of ₹ 20,000 Crores as a capital base and expect to have a lending target of ₹ 5 lakh Crore in the next three years. The DFI will aim for building and sustaining a supportive ecosystem across the lifecycle of infrastructure projects.

In addition, as per Union Budget 2019-20, the Government is expected to upgrade 1,25,000 Km of road length over the next five years under NIP. Earlier, in the Union Budget 2021-22, the Government approved an outlay of ₹ 1,18,101 Crore (USD 16.22 billion) for the Ministry of Road Transport and Highways.

The Government has also made announcements in November–December 2020 regarding key infrastructure projects such as National Highway projects in Nagaland (worth USD 560.88 million), Rajasthan (worth USD 1.14 billion), Karnataka (worth USD 1.49 billion) and Telangana (worth USD 1.80 billion).

As per the Union Budget 2021-22, National Infrastructure Pipeline (NIP) expanded to 7,400 projects from 6,835 projects. In addition, the Government of India is also pushing for Smart Cities Mission and AMRUT.

2. NATIONAL INFRASTRUCTURE PIPELINE

To achieve a GDP of USD 5 trillion by 2025, the Government announced National Infrastructure Policy in the year 2019 with 6,835 number of projects, which has been expanded to 7,400 projects in the budget 2020-21. A total of around 217 projects have been completed worth ₹ 1.10 lakh Crore.

3. PRODUCTION LINKED INCENTIVE SCHEME

Production Linked Incentive scheme is launched in the budget to create and nurture manufacturing global champions under Aatma Nirbhar Bharat. A total of ₹ 1.97 lakh Crore had been committed by Government in the next 5 years for 13 sectors. It laid down the vision of Government in terms of youth jobs creation and in helping manufacturing companies become an integral part of global supply chains with cutting edge-technologies.

INDIAN CEMENT INDUSTRY OVERVIEW

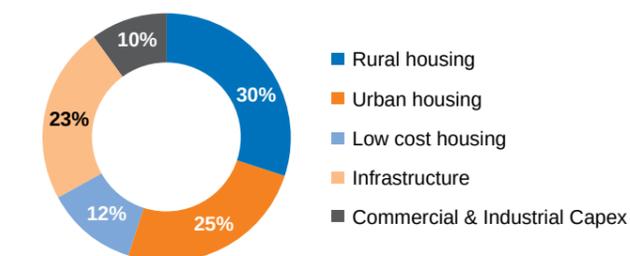
India is the second largest producer of cement in the world after China, with an annual installed capacity of 545 MTPA. The industry accounts for 7% of the global production of cement.

The biggest demand driver for cement production comes from Southern Region, which contributes 35 % of the total national consumption followed by Northern Region which

accounts for 20%, Eastern region which accounts for 18% and Western region which accounts for 14%. Indian cement industry provides 20,000 downstream jobs for every million tonnes of cement produced, making it one of the biggest employment generators. Indian cement industry is also amongst the world's greenest cement manufacturers.

The demand for the cement is linked with the overall economic growth, particularly in housing and infrastructure sector. The demand drivers of cement industry in India are housing and real estate sector (67%), Infrastructure (23%) and Industrial development (10%). In between the pandemic the cement consumption is growing in the rural, semi urban and retail markets. As the economy is being unlocked post Covid-19 pandemic, the Government is increasing spending on infrastructure and housing, which is driving cement demand in India.

Exhibit: Cement Demand growth factors



India's overall cement production accounted for 294 MnT in FY21. The cement production is expected to increase by 10% to 12% and the utilization is expected to be around 65% in FY22. The Government spending in infrastructure and housing are expected to work as a key growth driver in normalising the demand for cement Industry.

The outbreak of the Covid 19 virus, giving rise to a global pandemic, forced the Government to announce a nationwide lockdown and close borders with other countries. The pandemic has undoubtedly affected the cumulative cement production in the country, which are seen as the decrease in production and consumption. Although, the pandemic severely impacted the industry, a positive outlook for FY22 is expected due to Government thrust towards infrastructure creation and development and rising rural consumption which will be the propeller for growth.

CEMENT INDUSTRY CATALYSTS

The cement industry is witnessing multiple drivers which play a crucial role in increasing demand for cement supply.

INFRASTRUCTURE CATALYST

The Government of India is strongly focused on infrastructure development to boost economic growth and is aiming for 100 smart cities. The Government also intends to expand the capacity of railways and the facilities for handling and storage to ease the transportation of cement and reduce transportation costs. These measures would lead to increased construction activity, thereby boosting cement demand. The Union Budget allocated ₹ 13,750 Crore (USD 1.88 billion) and ₹ 12,294 Crore (USD 1.68 billion) for Urban Rejuvenation Mission: AMRUT, Smart Cities Mission and Swachh Bharat Mission, respectively. In addition, ₹ 27,500 Crore (USD 3.77 billion) has been allotted under Pradhan Mantri Awas Yojana.

Exhibit: Budgeted Capital Outlay for FY22 for Key end-users sectors of Cement

(₹ Crore)					
Capital Outlay	2020-21 BE	2020-21 RE	2021-22 BE	Growth over BE	Growth over RE
Rural Development	144,817	216,342	194,633	34%	-10%
Agriculture & Allied Activities	154,775	145,335	148,301	-4%	2%
Railways	160,792	240,840	214,858	34%	-11%
Road Transport and Highways	146,975	157,053	198,230	35%	26%
PMAY	27,500	40,500	27,500	0%	-32%
MRTS and Metrorail	20,417	9,473	24,582	20%	160%
Ports, Shipping, and Waterways	3,715	3,129	4,917	32%	57%

a. Rural Housing

Budgetary allocations to rural development increased by 34.4% to ₹ 1.95 lakh Crore in BE FY22 from ₹ 1.45 lakh Crore in BE FY21. This was however, lower by 10.0% compared to ₹ 2.16 lakh Crore in RE FY21. There is continued focus on agriculture and allied activities, however allocation is reduced by 4.2% to ₹ 1.48 lakh Crore in BE FY22 from ₹ 1.55 lakh Crore in BE FY21; this was however, higher by 2.0% compared to ₹ 1.45 lakh Crore in RE FY21. These factors are likely to boost rural demand, including rural housing and thus support cement demand.

b. Affordable housing

Affordable housing has always been the driving demand force for Indian housing and real state segment. Under the Atmanirbhar Bharat package, the Government made an additional outlay of ₹ 18,000 Crores for PMAY-U scheme, which will help in starting construction of 12 lakh houses and completing 18 lakh houses, create 78 lakh new jobs.

c. Highways

During the current financial year, highway construction and expansion reached its highest pace at 34Km per day with highway construction exceeding 12,205 Km exceeding the target of 11,000 Km. The Government announced various highway projects in Nagaland (worth USD 560.88 million), Rajasthan (worth USD 1.14 billion), Karnataka (worth USD 1.49 billion) and Telangana (worth USD 1.80 billion) in the fourth quarter of 2020. The Delhi-Ghaziabad-Meerut Regional Rapid Transit System Project worth USD 500 million are expected to boost the demand for cement industry. A total of 2 lakh Km of highway is expected to be completed by 2022.

d. Rural roads

India has the second largest road network in the world, covering a total of 5.89Kms. Current financial year saw a whooping pace of highway construction at 34Km per day. Under the National Infrastructure pipeline, the road sector is likely to account for 18% capital expenditure over financial year 2019-2025. Under Pradhan Mantri Gram Sadak Yojana (PMGSY). According to National Rural Infrastructure development Agency, around 1,78,000 habitations have been connected under 1st phase of PMGSY with a total road length of 4,05,982 Kms till April 01, 2021. A road length of 42,758 Km has been upgraded under 2nd phase of PMGSY.

e. Metro railways

Currently 10 cities in India have functional metro rail networks. A total of 702 Km of conventional metro is operational in the country, another 1,016 Km of metro and Regional Rapid Transit system (RRTS) is under

construction in 27 cities. Moreover, MetroLite and MetroNeo concepts will be introduced in tier-2 cities and peripheral areas of Tier-1 cities. A total of ₹ 4,472 Crores has been allocated to first RRTS project.

f. Airports

India has become the third largest aviation market in the world and is expected to overtake UK to become the third largest air passenger market by 2024. As of March 2019, India had 103 operational airports, the vision is to increase the number of operational airports to 190- 200 by Financial Year 2040.

g. Ports

India has a total of around 216 major and non-major ports and is planning to develop 6 new mega ports under the Sagarmala initiative. The capacity of major ports has increased from 870 million tonnes in 2014 to 1,550 million tonnes in 2021. Since ports handles almost 95% of the trade volumes in India, the rising trade has initiated a need for developing more ports in the country. In the recent budget, Government announced 7 projects worth ₹ 2,000 Crores for operations of major ports under PPP model.

h. Railways

Indian Railways is among the world's largest rail network, and its route length network is spread over 1,23,236 Kms. This year a record allocation of ₹ 1,10,055 Crores to be provided to Indian railways from which 1,07,100 if for capital expenditure. The Government is planning to expand the capacity of railways and the facilities for handling and storage to ease the transportation of cement and reduce transportation cost.

POLICY CATALYST**a. PRADHAN MANTRI AWAZ YOJANA (PMAY-URBAN)**

Under this initiative the Government extends and additional outlay of ₹ 18,000 Crores over already allocated ₹ 8,000 Crores. The Government aims to create 30 lakh houses and create 78 lakh jobs and boost production and sale in the steel and cement sector.

b. PRADHAN MANTRI AWAZ YOJANA (PMAY-Grameen)

Under this initiative the Government extends and additional outlay of ₹ 18,000 Crores over already allocated ₹ 8,000 Crores. The Government aims to create 30 lakh houses and create 78 lakh jobs and boost production and sale in the steel and cement sector.

c. PRADHAN MANTRI AWAZ YOJANA (PMAY-Grameen)

Under this initiative the Government has assured to complete 2.47 Crore houses by March 31, 2022, of which 1.26 Crore houses has been build till date. An outlay of ₹ 27,500 Crores was allotted under this scheme in the Union Budget 2020-21.

d. Bharatmala Priyojana

The Bharatmala Pariyojana was launched with an estimated outlay of ₹ 5.35 lakh Crores over a five-year period in the year 2017, has been awarded more than 13,000 Km length of road worth ₹ 3.3 Lakh Crore for construction in FY21. A total of 3,800 Km roads has already been constructed, and an additional 8,500 Km length of roads to be awarded for construction by March 2022. The initiative also aims to complete an additional 11,000 Km of national highway corridors by the end of March 2022.

Under this initiative the Government plans to develop at least 100 airports by the end of 2024. Further, the Government has successfully added 50 new airports in unserved and underserved locations with 285 new routes.

e. UDAN Scheme

Under this initiative the Government plans to develop at least 100 airports by the end of 2024. Further, the Government has successfully added 50 new airports in unserved and underserved locations with 285 new routes.

BUDGETARY SUPPORT

- The Railways segment was allocated ₹ 1,10,055 Crores of which ₹ 1,07,100 Crores are for capital expenditure in Budget 2021-22.
- Under Roads and infrastructure segment, ₹ 1,18,101 lakh Crores have been allocated for Ministry of Road Transport and Highways, of which ₹ 1,08,230 Crores are for capital expenditure.
- Launch of MITRA scheme, under which 7 textile parks to be established over 3 years.
- An enhanced outlay of ₹ 1,18,101 Crores for MoRTH of which ₹ 1,08,230 Crores is for capital is to augment road construction also.
- Allocation towards Rural infrastructure development fund enhanced to ₹ 40,000 Crores from ₹ 30,000 Crores.

CEMENT INDUSTRY CHALLENGES

- Pet coke prices have increased by 12.8% due to limited availability and because of the demand in Latin America and Mediterranean. The prices are expected to remain on the higher side.
- Many cement manufacturers have shifted from pet coke to coal as it is cheaper and have a better calorific value, but the prices of coal have also increased by around 1.6% due to production disruption, increase in demand from china and ban from coal imports from Australia.
- Increase in diesel prices is one more factor which has increased the logistics cost, it is one of the direct and the biggest costs incurred by the cement industry. Increase in diesel cost impacts the overall price of the cement to the end consumer because of higher dependence on the road freight for the transportation of raw materials and supply of finished products.
- The cost of raw materials has also increased in the FY 2020. Increase in the raw material cost directly affects the production cost which results in inflation in prices of the end products.

CEMENT INDUSTRY OPPORTUNITIES

With normalising of the economy, the demand for the sector is gaining momentum driven by the rural recovery, increase in the construction of rural infrastructure and low-cost housing. A steady pick up has been witnessed in housing and Government infrastructure projects which has resulted in reviving the demand in urban India. The Government schemes and initiatives like cheap housing loans, extension of the CLSS, increase in Atmanirbhar Bharat Package for PMAY-U, Infrastructure projects are expected to be a significant contribution to the increment cement demand is expected from these sectors.

The demand of Cement industry is expected to achieve 550-600 million tonnes per annum constantly by 2025 because of the expected expansion of different divisions i.e., housing, commercial construction and industrial construction.

GLOBAL REFRACTORY MARKET OVERVIEW

The global refractory market is estimated to be USD 23.3 billion in 2020 and projected to reach at USD 27.4 billion in 2025. The global refractory market is expected to grow at a CAGR of 3.4% between 2020 to 2025. The cement segment is expected to reach a market value of USD 4,045.4 Million by the end of 2026, with a CAGR of 3.1%.

The overall market is expected to witness high growth, especially in the APAC countries, due to the acceleration in demand for refractories in the iron & steel, power generation and cement end use industry. Iron and Steel industry accounts for 60% of the global refractory market. Increase in infrastructure developments in the emerging countries like India and china is expected to drive the demand for refractories in the iron, steel and cement industry.

INDIA'S REFRACTORY MARKET OVERVIEW

Refractories allude to different inorganic, non-metallic, permeable and heterogeneous materials that has a property to withstand high industrial temperatures and pressures. Fireclay, high alumina minerals, silica, magnesite, chromite are probably the most widely recognized sorts of refractory materials used. They are utilized in boilers and heaters to contain heat and shield the processing equipment from extreme temperatures. They are accessible in a wide assortment of shapes and sizes that can be moulded according to the requirements. Attributable to this, they discover broad applications across different areas, including iron and steel producing, energy, non-ferrous metals, glass, cement and ceramics.

India is expected to show a high growth in the global refractories market. The CAGR is expected to grow at 5.4% between 2018-2026 periods. The size of Indian refractory market was estimated at ₹ 9,000 Crores, with steel industry being the largest consumer. India is the world's second largest producer of crude steel. Indian steel production capacity has significantly expanded over the last few years, increasing from 122 Million Tonnes in FY16 to 142 Million Tonnes in FY2020, growing at a CAGR of 3.93%. The increased pace of infrastructure development and rapidly increasing consumption of refractories in the steel and cement industry is expected to drive the refractories demand in India.

COMPANY OVERVIEW

Dalmia Bharat started our journey in 1939, we emerged as one of the fastest growing players in the **India's Cement sector**. Dalmia Bharat represents 5% of all India capacity shares in the areas where we have presence. The greenest cement company in the world is situated in 13 locations across 9 states with a whopping network of 32,000 dealers and sub-dealers across the country. Dalmia cement was able to achieve an aggregate manufacturing capacity of 30.75 MTPA across our working locations. Dalmia Bharat is the pioneer in the production of not only slag cement, but also speciality cement in India.

Embarking our journey in 1954 in the **refractory business** through Orrisa Cement Limited, Dalmia Bharat commissioned our first refractory plant. The business since then has grown many folds, making the group 2nd largest Refractory player in India with 320 KMT capacity.

HUMAN RESOURCES

Dalmia Bharat believes that our competitive edge lies in a dedicated and motivated team of our working people. Dalmia Bharat believes that our workforce are the biggest asset and the reason for our success. We endeavour to provide a holistic working environment for consistent innovation and improvement of our resources, helping Dalmia Bharat achieve our long-term objective. Dalmia Bharat takes charge in skilling our employees and workers (collectively referred to as 'talents') and providing best learning opportunities continuously to upgrade their knowledge. We provide ample opportunity for our talents to chart their own growth pattern and explore their real potential. As on March 31, 2021, the total permanent talents were 5,807 and 12,260 people were employed through contracts.

MOBILE CONNECT

Dalmia Bharat has been constantly focusing on strengthening our supply chain, mobility and cloud solutions, deploying business analytics to enhance the real time information availability and reduction in the turnaround time. Various initiatives were taken to forge stronger ties with talents, partners, dealers and customers:

Suvidha app This app was designed specifically to empower dealers and improve transparency throughout the transaction lifecycle. This app helps the dealers to easily place orders and track the status of these orders. The app offers one-tap access to real-time information about payments, discount earnings, their monthly accounts statements, ability to make payments through UPI and provide receipt of material through the e-POD.

Driver Saathi app This app provides transporters with instant electronic proof-of-delivery, expediting payment and feedback generation. The app enables the group to track delivery times and status, when there are multiple deliveries across several points, ensuring secure delivery by generating OTP **Smart-D app** This app acts as a one stop solution for accessing customer needs, allowing group sales team to place order on behalf of customer, track customer performance with regard to sales, collections and also enables to track customer satisfaction indices and secondary sales information throughout the lifecycle.

Transportation Billing and Payment system (TBPS) This

app is linked to the Vahak Mitra, which enables the transport partners to digitally submit their freight bills by scanning the shipment bar code.

Analytics Dalmia Bharat integrates data from multiple applications through process automation and business analytics. Dalmia Bharat developed a robust analytical architecture equipped of giving micro-details of the business through text messages, e-mails and website updates.

Plant Logistics Management app This app is an in-house software app that helps Dalmia Bharat to track and control across the entire logistical value chain starting from the gate-in to gate-out, a better usage of resources with a decreased turnaround time.

COMPANY OUTLOOK

Riding the increase focus of the Governments thrust towards infrastructure creation and development and with unlocking of economy, the cement industry is expected to grow and the demand is also expected to rise by FY22. Dalmia Bharat is undertaking following initiatives to strengthen our business:

- Undertaking 7.8 MnT of brownfield capacity expansion in Eastern India
- Dalmia Bharat has collaborated with roadside eateries within a radius of 60 Km of the plan site and using them as dispatch centres, helping in bringing down the average turnaround time.
- Achieving a 100% renewable energy utilization by 2030.
- Strengthening the logistics and ease of doing business of the back of superior technology and digitalisation.

SUSTAINABILITY

As a socially and environmentally responsible company, Dalmia Cement consistently adopts sustainable practices. It follows the philosophy of "Clean and Green is profitable and Sustainable" which makes Dalmia Cement a powerful and distinctive brand as a environmentally responsible group. Some of the key Sustainability practices and achievements are as follows:

- Dalmia Cement became 12.4 times water positive in FY21
- Committed to RE100, EP100 and EV100 collectively
- Our plants are ISO 14001 certified
- Switching of green fuels from fossil fuels including biomass and waste
- Signed an MOU with Carbon clean solution UK to set up world largest carbon capturing and utilizing plant.
- Committed to becoming Carbon negative by 2040
- Transition to 100% blended cement in 2025
- CSR vision 2030 plans to deliver to beneficiaries in terms of livelihoods, skill development, Climate action and Social infrastructure development.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Dalmia Bharat has well placed internal control system

according to the size, scale and complexity of our operations. We have a well-defined organisational structure and management procedures for ensuring all internal financial controls are adequate and operate effectively. It has inbuilt policies and procedures for safeguarding our assets, maintaining proper accounting records and providing financial information.

The internal control and risk management systems are systematically structured and applied in accordance with the corporate governance code of our organisation. The corporate governance practices in Dalmia Bharat are driven by strong board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision making. Moreover, Internal audit functions are looked by internal audit department which carries out the internal audit of the group operation's as per the Board approved plans and present our findings to the audit committee. Dalmia Bharat's management has evaluated the operative effectiveness of these controls and noted no significant deficiencies or material weaknesses that might impact the financial statements as of March 31, 2021.

FINANCIAL OVERVIEW

CONSOLIDATED BALANCE SHEET

1. Property, plant and equipment (PPE) including Intangibles and Right-of-use assets

- Total additions to PPE and Intangible assets were ₹ 2,417 Crore mainly on account of:
 - commissioning of new clinker manufacturing plant of 3 MTPA at Odisha and new cement grinding plant of 2.25 MTPA at Bengal Cement Works in Midnapore, West Bengal (₹ 1,579 Crore)
 - acquisition of Murli Industries Limited ('MIL') under the Insolvency and Bankruptcy Code, 2016 ('IBC') which would help the Group to further consolidate our footprint in Western region (₹ 389 Crore)
 - up-gradation of technology for enhancing the production capacity of clinker and cement at a plant located in Bihar (₹ 91 Crore)
 - Other regular additions in PPE mainly consisting of routine maintenance and efficiency/productivity improvement capital expenditure.
- Capital work in progress (CWIP) stood at ₹ 938 Crore as at March 31, 2021 and is largely attributed to (a) expansion of new grinding capacity in eastern part of India, (b) rejuvenation of cement manufacturing plant of a company acquired under IBC, and (c) installation of Waste Heat Recovery System at various plants across the Group.
- Goodwill: There is no addition in the value of goodwill on consolidation during the year. Capital reserve was determined on acquisition of a company under IBC. The Group continue to amortise the goodwill acquired pursuant to various Scheme of Arrangement and Amalgamation sanctioned by Hon'ble National Company Law Tribunal(s) and amount of amortisation was ₹ 203 Crore. Further, Group has impaired the value of

goodwill recognised on acquisition of step-down subsidiary during the year and impairment loss of ₹ 4 Crore was recognised.

- Right-of-use assets: Addition during the year was ₹ 112 Crore.
- Intangible assets under development stood at ₹ 75 Crore as at March 31, 2021.
- The Group has provided adequate depreciation and amortisation in accordance with the useful lives of the assets determined in compliance with the requirements of the Companies Act, 2013. In certain class of assets, the Group uses different useful life than those prescribed in Schedule II of Companies Act, 2013.

2. Investment in joint ventures

Increase in investment by ₹ 3 Crore is on account of reversal of impairment in value of investment in a joint venture company namely Radhikapur (West) Coal Mining Private Limited, which is based on the improved financial condition and necessary process initiated by joint venture company for reduction of share capital for refunding the amount invested by our Joint Venture Partners.

3. Current investments

Current investments of ₹ 3,293 Crore as at March 31, 2021 mainly consists of investment in corporate bonds, mutual funds and equity shares in a listed entity. Increase in investments were predominantly on account of increase in investments in mutual funds and equity shares primarily on account of fair valuation gain aggregating to ₹ 1,359 Crore. This is partly offset by decrease in investment in corporate bonds and certificate of deposits by ₹ 759 Crore.

Investment in mutual funds as at March 31, 2021 includes certain mutual fund units valued at ₹ 390 Crore, which were illegally and fraudulently transferred by Depository Participant ("DP") in collusion with Clearing Agent from demat accounts of Company's erstwhile step-down subsidiaries (which were merged with DCBL). These units were released to the Group during the year based on the order of Hon'ble Supreme Court and upon furnishing bank guarantee of ₹ 344 Crore to the Trial Court.

4. Inventories

Inventory as at March 31, 2021 was ₹ 924 Crore compared to ₹ 974 Crore as at March 31, 2020. Inventory of finished goods and work-in-progress decreased as compared to previous year mainly due to increase in sales volumes. Q4 FY20 was impacted due to lockdown resulting in higher inventory build-up.

5. Trade receivables

Trade receivables as at March 31, 2021 stood at ₹ 688 Crore against ₹ 664 Crore as at March 31, 2020, increased marginally by ₹ 24 Crore. Our current receivable days has remained broadly stable at 19 days.

6. Other financial assets

Total other financial assets (non-current and current) decreased by ₹ 128 Crore to ₹ 709 Crore as on March 31, 2021 mainly on account of lower derivative asset by ₹ 52 Crore on maturity of an option contract on

repayment of term loan availed in foreign currency, receipts (net of accrual) of subsidies/ incentives under Government Schemes at North East regions amounting to ₹ 45 Crore and lower interest receivable by ₹ 25 Crore.

7. Assets held for sale

Assets held for sale of ₹ 149 Crore mainly comprises of PPE of Paper and Solvent Extraction undertakings of MIL acquired under IBC. These undertakings (together referred to as 'disposal groups') are classified as assets held for sale, as these are considered non-core business to the Group and management is committed to sell these disposal groups, active efforts have been initiated to locate a buyer. The disposal groups have been stated at fair value less cost to sell (being lower of their carrying amount). There is no liabilities associated with disposal groups held for sale as at March 31, 2021.

8. Share capital

The paid-up share capital of Dalmia Bharat as at March 31, 2021 was ₹ 37 Crore (March 31, 2020 – ₹ 39 Crore) comprising 18,71,17,513 equity shares of face value ₹ 2 each. During the year, Company has completed the buyback of 61,66,540 equity shares. Company has further issued 3,25,500 shares to employees under ESOP during the year.

9. Gross debt and Net debt

Gross debt was lower by ₹ 2,224 Crore and stood at ₹ 3,742 Crore as at March 31, 2021, due to pre-payments and repayments of various term loans, non-convertible debentures, short-term loans and buyer's credit during the year. These were partly offset by drawal of other domestic/ foreign currency loans during the year. Net debt was lower by ₹ 2,725 Crore and stood at ₹ 99 Crore as at March 31, 2021. This is attributable to decrease in gross debt, along with increase in current investments and loans given to a body corporate, which is partly offset by decrease in cash and bank balances.

10. Trade payables

Total balance as at March 31, 2021 at ₹ 1,051 Crore, increased by ₹ 219 Crore.

11. Other financial liabilities

Other current financial liabilities decreased by ₹ 166 Crore to ₹ 2,098 Crore as on March 31, 2021. The decrease is mainly on account of reduction in current maturities of long-term borrowings of ₹ 402 Crore, which is offset majorly by increase in security deposits received from dealers by ₹ 94 Crore which is in line with Group's credit policy, increase in rebate given to customers by ₹ 80 Crore which is in line with increase in revenue and increase in liabilities towards capital expenditure by ₹ 72 Crore.

12. Provisions

Total balance as at March 31, 2021 was ₹ 287 Crore as compared to balance of ₹ 204 Crore as at March 31, 2020, thereby increase by ₹ 83 Crore mainly due to increase in provision for enterprise social commitment by ₹ 38 Crore i.e. amount to be spent on social and economic development of the surrounding area where new project is being setup, provision for mines reclamation by ₹ 8 Crore and provision for employees defined benefits by ₹ 31 Crore. The liability for employees defined benefits is based on the valuation from the independent actuary.

13. Other liabilities

Other liabilities primarily consist of liability towards dealer incentives, advance from customers and statutory dues. Total other liabilities (non-current and current) increased by ₹ 195 Crore mainly on account of increase in statutory dues by ₹ 166 Crore due to GST liability on account of increased sales volume in March 2021 as compared to March 2020 and increase in advance from customers by ₹ 46 Crore. This was partially offset by decrease in liability towards dealer incentives by ₹ 33 Crore.

CONSOLIDATED RESULTS

Description	₹ Crore		
	FY21	FY20	Change (%)
Revenue from operations	10,522	9,674	9%
Expenses			
Cost of raw materials consumed	1,671	1,654	1%
Purchases of stock in trade	41	67	-39%
Changes in inventories of finished goods, work-in-progress and stock in trade	68	25	172%
Employees benefits expense	713	675	6%
Power and fuel	1,672	1,738	-4%
Freight charges			
- on finished goods	1,836	1,681	9%
- on internal clinker transfer	251	214	17%
Other expenses	1,487	1,514	-2%
Total expenses	7,739	7,568	2%
Operating EBITDA	2,783	2,106	32%
Operating EBITDA Margin (%)	26%	22%	
Other income	182	217	-16%
Finance costs	303	415	-27%
Foreign currency fluctuation (net)	(8)	23	-135%
Depreciation and amortisation expense	1,262	1,528	-17%
Profit before tax	1,408	357	294%
Total tax expense	165	119	39%
Profit after Tax (PAT)	1,243	238	423%
PAT %	12%	2%	

During the FY21, the Group recorded a profit after tax of ₹ 1,243 Crore (previous year ₹ 238 Crore). The increase is primarily on account of improvement in realisations, lower cost of production, lower finance costs and reduced depreciation & amortisation expense as compared to that of the previous year.

Stringent cost control measures helped us to report an operating EBITDA of ₹ 2,783 Crore during the year under review, registering a growth of 32% over FY20.

The basic and diluted earnings for the FY21 were at ₹ 65.65 per share and ₹ 65.55 per share respectively (previous year: basic and diluted: ₹ 11.61 per share and ₹ 11.58 per share respectively).

1. Revenue from operations

The Group's total revenue has grown by 9% to ₹ 10,522 Crore in FY21 from ₹ 9,674 Crore in FY20.

Particulars	₹ Crore		
	FY21	FY20	Change (%)
Cement and its related products	9,960	8,884	12%
Refractories	408	513	-20%
Power	1	2	-50%
Others *	-	93	-100%
Management service charges	16	14	14%
Marketing services (refractories)	11	9	22%
Total sale of products and services	10,396	9,515	9%
Subsidies on sale of finished goods	88	121	-27%
Other operative revenue	38	38	0%
Total revenue from operations	10,522	9,674	9%

* represent sale of investment considered as stock-in-trade under inventories.

The cement sales volume of the Group were 20.7 MnT in FY21 registering a marginal growth of 7% as compared to 19.3 MnT in FY20. The average selling price (net of taxes) increased by 3% in FY21 over FY20. Improvement in realisation was driven by improved price actions.

The Group continued to retain a strong leadership presence in the South, Eastern and North East Region Markets.

Revenue from refractories declined by 20% in FY21 as compared to FY20 due to pull back of capex expenditure by customers.

Subsidies on sale of finished goods has decreased mainly on account of completion of incentive period in Eastern Region.

2. Other income

Other income primarily comprises of dividend income, interest income, gain on sale and fair valuation of financial instruments and others.

Other income has reduced by ₹ 35 Crore to ₹ 182 Crore mainly attributed due to: (a) decrease in interest

on financial assets by ₹ 25 Crore (b) decrease in gain on sale and fair valuation of financial instruments by ₹ 19 Crore, and (c) decrease in write back of liabilities no longer required by ₹ 26 Crore. Reduction is partly offset by higher interest income of ₹ 29 Crore generated from investment of surplus funds during the year and gain on disposal of old and used assets of ₹ 3 Crore.

3. Cost of raw materials consumed

The cost of raw materials consumed increased only by 1% in FY21 when clinker and cement production increased by 3.2% and 7.7%, respectively.

Cost of raw materials consumed accounted for 15.88% of revenue in FY21 as against 17.09% in FY20.

4. Changes in inventories of finished goods, work-in-progress and stock in trade

The decrease in inventories of finished goods and work-in-progress in current year as compared to increase in previous year, was mainly due to higher build-up of inventories in the last month of previous year wherein despatches were stopped from March 25, 2020 due to nationwide lockdown.

The decrease in inventory of stock in trade in previous year was mainly on account of sale of investment considered as 'stock in trade', whose expense of ₹ 92 Crore was recognised on its sale during the previous year. There was no such change in inventories during FY21.

5. Employee benefits expenses

The employee cost increased by 6% in FY21 mainly due to increment in the annual salaries, which was in line with the industry.

6. Power and fuel cost

Power and fuel costs of the Group have decreased by 4% from ₹ 862/T in FY20 to ₹ 804/T in FY21. Further, there is an increase in Green Fuel consumption from 5.7% to 7.8%, which leads to lower power & fuel expense.

Power and fuel costs accounted for 15.89% of revenue in FY21 as against 17.97% in the previous year.

7. Freight charges on finished goods

Cement despatches increased by 8.6% as compared to previous year. Freight on cement has increased from ₹ 1,027/T to ₹ 1,063/T of cement sold in 2021 (up by 3.6%).

Freight charges on finished goods accounted for 17.45% of revenues in FY21 as against 17.38% in FY20.

8. Finance costs

Finance cost has decreased by ₹ 112 Crore to ₹ 303 Crore mainly due to repayment of borrowings of ₹ 2,224 Crore during the year, and lower weighted average cost of total borrowings from 8.1% p.a. to 6.7% p.a. either on account of refinancing of term loans or other measures taken to reduce the interest cost during the year.

9. Depreciation and amortisation

Depreciation and amortisation expense has decreased by ₹ 266 Crore to ₹ 1,262 Crore in FY21 largely due to full amortisation of certain goodwill as at the end of previous year, acquired pursuant to various Scheme of Arrangement and Amalgamation sanctioned by Hon'ble National Company Law Tribunal(s).

10. Tax expense

The provision for current tax and deferred tax for the year ended March 31, 2021, as a percentage to profit before tax is lower than the previous year mainly on account of:

- Company's subsidiary namely Dalmia Cement (Bharat) Limited has, during the year, adopted the option of reduced tax rate with effect from financial year 2019-20. Consequently, net deferred tax credit of ₹ 217 Crore has been recognised in profit or loss during the year ended March 31, 2021 on account of expensing of MAT credit balance of ₹ 248 Crore and offset by tax credit on account of re-measurement of net deferred tax liabilities of ₹ 465 Crore as at April 01, 2020.
- Further, Dalmia Bharat's step down subsidiary namely Dalmia DSP Limited has recognised past unrecognised deferred tax assets (net) at a new lower tax rate, which is based on the future profitability and also profits earned during the current year, thereby resulting into recognition of net deferred tax credit of ₹ 59 Crore (net of deferred tax charge of ₹ 1 Crore for current year) during the year ended March 31, 2021.

CONSOLIDATED CASH FLOWS

Particulars	₹ Crore		
	FY21	FY20	Changes
Net cash flow from operating activities	3,596	2,340	1,256
Net cash flow (used) in investing activities	(276)	(1,760)	1,484
Net cash flow (used in) financing activities	(3,366)	(594)	(2,772)
Net (decrease) in cash and cash equivalents	(46)	(14)	(32)

NET CASH FLOW FROM OPERATING ACTIVITIES:

During the year under review, the net cash generated from operating activities was ₹ 3,596 Crore as compared to ₹ 2,340 Crore during the previous year. The cash inflow from operating profit before working capital changes during the current year was ₹ 2,801 Crore as compared to inflow of ₹ 2,130 Crore during the previous year due to higher operating profits.

Cash inflow from working capital changes in FY21 is mainly due to increase in trade and other payables / provisions by ₹ 590 Crore, along with decrease in inventories / financial and other assets by ₹ 190 Crore, partly offset by increase in trade receivables. The income tax refund during the current year was ₹ 43 Crore (net of payments) as compared to payments (net of refund) of ₹ 66 Crore during previous year.

NET CASH FLOW (USED IN) INVESTING ACTIVITIES:

During the year under review, the net cash outflow from investing activities amounted to ₹ 276 Crore as compared to

₹ 1,760 Crore during the previous year. The outflow during the current year broadly represents, capital expenditure of ₹ 1,046 Crore, payments made for acquisition of subsidiaries of ₹ 69 Crore and loan given to a body corporate (net of realisation) and in relation to business acquisition of ₹ 58 Crore, partly offset by proceeds realised on sale of current investments / redemption of fixed deposits amounting to ₹ 766 Crore and receipt of interest and dividend income amounting to ₹ 123 Crore.

NET CASH FLOW (USED IN) FINANCING ACTIVITIES:

During the year under review, the net cash outflow from financing activities was ₹ 3,366 Crore as compared to ₹ 594 Crore during the previous year. The outflow during the current year broadly represents repayment of long-term and short term borrowings (net of proceeds) ₹ 2,224 Crore, along with payment of interest ₹ 396 Crore, repayment of loan of ₹ 294 Crore on acquisition of Murlis Industries Limited and payment on buyback of equity shares and tax on buyback of such shares aggregating to ₹ 405 Crore.

KEY FINANCIAL RATIOS ARE AS UNDER:

Particulars	FY21	FY20	Change (%)
Debtors Turnover (times)	19.33	18.35	5%
Inventory Turnover (times)	11.25	9.77	15%
Interest Coverage Ratio (times)	7.62	5.30	44%
Current Ratio (times)	1.31	1.18	11%
Debt Equity Ratio (times)	0.30	0.56	-48%
Operating Profit Margin (%)	14.5%	6.0%	142%
Net Profit Margin (%)	11.8%	2.5%	380%
Return on average Net Worth (%)	10.7%	2.2%	377%

- Interest Coverage Ratio:** Increased primarily on account of increase in operating profits and lower finance costs due to repayment of borrowings.
- Debt Equity Ratio:** Decreased primarily on account of prepayment and repayment of borrowings during the year.
- Operating Profit Margin:** Increased due to better sales realisations, effective cost control measures, both for fixed and variable costs, as compared to last year.
- Net Profit Margin and Return on average Net Worth:** Increased primarily on account of increase in net profits mainly attributable to higher operating profits and lower tax expense mainly on account of adopting the option of reduced tax rate in one of the wholly owned subsidiary of the Group.

DISCLAIMER

This statement made in the Management Discussion & Analysis describes Dalmia Bharat's objectives, projections, expectations and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. The actual results could differ materially from those expressed in the statement or implied due to external

factors which are beyond the scope of the company. Dalmia Bharat clearly assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

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OUR BUSINESS MODEL

INFRASTRUCTURE DEVELOPMENT ACTIVITIES

DIGITAL TRANSFORMATION

CLIMATE CHANGE

INPUTS

Financial

Net worth - ₹ 12,626 Cr.
 Net-debt to EBITDA ratio - 0.04
 Average cost of debt - 6.7%
 Capital Expenditure - ₹ 1,384 Cr.

Natural

Usage of alternate fuels - 0.2 Million Tonnes
 Specific Kiln heat consumption - 3,096 MJ/Tonne clinker produced
 Specific Gross freshwater consumption - 141.5 litre/ tonne cementitious product produced

Intellectual

3 R&D centres
 Total R&D investments - ₹ 5 Crores
 12 R&D Personnel

Manufactured

Installed capacity - 30.75 MTPA
 Cement plants operational - 13
 Captive power plants - 8
 Split Grinding units - 5
 Integrated cement plants - 7
 Clinkerisation unit - 1

Human

Total Talents - 5,807
 Total Contract Workers - 12,260
 Total Training hours to permanent talents - 60,555
 Employee Training expenditure - ₹ 3.87 Crore

Social & Relationship

₹ 8.13 Cr.
 Invested in CSR & Community Development
Mobile apps developed for improved customer and dealer engagement

OUR BUSINESS

What we do and how we add value

Vision
 To unleash the Potential of everyone we touch

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

Governance

Board of Directors ← 7 Board Committees ← Management Committee



- Support Functions**
- Finance
 - Sales & Marketing
 - Corporate Communications
 - Legal
 - IT & Digital
 - Human Relations & Administration
 - CSR

OUTPUTS

Clinker Production
12.6 MnT

Cement Production
20.7 MnT

Cement Sales
20.7 MnT

Air Emissions SO_x
485 Tonnes

Air Emissions PM
122 Tonnes

Air Emissions NO_x
5,261 Tonnes

Waste disposed
10,245 Tonnes

OUTCOME

Financial

Turnover - 10,522 Cr.
 EBITDA- ₹ 2,783 Cr.
 Profit after Tax- ₹ 1,243 Cr.
 Market Capitalisation - ₹ 29,681 Cr.

Natural

Water positive - 12.4 times
 Water recycled - 52% of fresh water withdrawn
 7.6% alternate fuel ratio of fuel mix
 31.9% alternate raw materials used for production

Intellectual

Patents granted - 2
 New category products - 4

Manufactured

Cement produced 20.7 million tonnes
 Cementitious material produced 20.7 million tonnes

Human

Fatalities of permanent workforce - 0
 LTIFR contractual workers - 0.21
 4% permanent female Talents

Social & Relationship

1,58,171 CSR beneficiaries
 15,000+ Channel Partners and 50,000 influencers

SDG IMPACTED



STAKEHOLDER VALUE CREATION

Financial Capital providers
 Profitable and Sustainable Long-term growth

Customers
 Consistently high-quality standards and value-added products

Local Communities
 Upliftment of local communities through CSR activities

Employees
 Responsible employer focused on knowledge and skill development, diversity and provision of safe working environment

Supplier and Business partners
 Capacity building and consistent growth for suppliers and business partners

FINANCIAL CAPITAL



“Our strong financial performance is testament to our superior products and unique approach to business, which combines corporate responsibility and quality perfectly.”



KEY HIGHLIGHTS

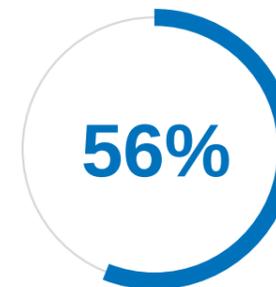
- PAT strengthened by 423% to ₹ 1,243 Cr.
- One of the highest profitability levels (EBITDA/tonne) of 1,333/T among peer cement companies in India
- One of the highest realisations per bag among branded cement players in India

Efficient management of financial capital and maximising stakeholder value is one of the primary goals of Dalmia Bharat. To achieve this, we follow well-organised financial management practices, which comprises of, but not limited, to judicious allocation, technology-led investments, branding and strong terms of trade. This holistic approach has enabled us to post strong financial returns over many years and create sustained value for our stakeholders. Such growth has helped Dalmia Bharat become India’s fourth-largest cement producer and emerge as one of the fastest-growing cement groups in the country in the last decade. The group’s revenue grew at a CAGR of 26% in the five years leading up to FY21. As a result, Dalmia Bharat enjoys significant economies of scale, profitability margins, cash surpluses and liquidity.

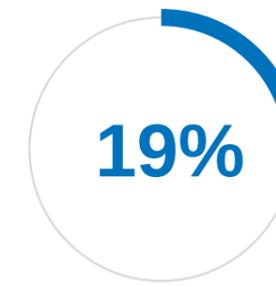
For prudent financial management, cost control is of utmost significance. The group’s strong financial performance can be attributed to low fixed and variable costs, resulting from investments in state-of-the-art technology, using cheaper and environmentally friendly alternative fuels, long-term borrowings at lower than market rates, and better negotiations for pre-payment of debt without penalties. Further, the group also takes advantage of the available direct and indirect tax incentives provided by the Government of India.

Dalmia Bharat has a multi-pronged strategy to introduce value-added products and expand its product portfolio of premium brands to improve realisations and create multiple benefits, including strengthening efficiency in trade and non-trade pricing and targeted discounts. Dalmia Bharat has a deep market presence across India’s east, south and north-eastern markets led by its affordable premium cement brands. We continue to optimise fixed and variable costs through low-cost fuel mix, increase the share of alternative fuels, moderate cost centres and enhance the use of lateral alternatives to improve profitability. Our focus on operating profitability parameters has enabled us to set new benchmarks of the highest EBITDA per tonne of cement. We also achieved a new milestone in revenues during FY21. Our revenues increased 9% from ₹ 9,674 Cr. to ₹ 10,522 Cr. The net debt-to-EBITDA ratio declined from 1.34 to 0.04. During FY21, we generated an EBITDA/tonne of Rs. 1,333/T and strengthened our PAT by 423% to ₹ 1,243 Cr.

FINANCIAL CAPITAL



of Dalmia Bharat stock is held by Promoters



by Institutions



by retail investors and others



FINANCIAL CAPITAL



Key Inputs

- Net Worth (Cr.)**
₹ 12,626
- Net-Debt to EBITDA Ratio**
0.04
- Average Cost of Debt**
6.7%
- Capital Expenditure (Cr.)**
₹ 1,384



Key Outcomes

- Turnover (Cr.)**
₹ 10,522
- EBITDA (Cr.)**
₹ 2,783
- Profit After Tax (Cr.)**
₹ 1,243 Crore
- Market Capitaliation (Cr.)**
₹ 29,681



Strategic Goals

Short Term

- Reduce the "Weighted Cost of Capital"
- Cost Optimisation
- Improved realisation relative to the industry average

Medium Term

- Turn around acquired companies in a sustainable manner through integration and combining of synergies with existing operations
- Maximise returns on capital
- Reduce the average cost of capacity expansion (₹/tonne)

Long Term

- Create sustainable value for all
- Mitigate financial risk by optimising products mix and building a portfolio that is more sustainable
- Invest in 100% renewable power by 2030



Key Risks

- Financial risks associated with the second wave of the Covid-19 pandemic
- Timely availability of quality fuels at realistic prices
- Forex fluctuations



Key Focus Areas

- Improve credit score to reduce financial risk
- Focus on bringing down CoP and improving EBITDA through a multi-pronged approach
- Using a mix of alternative fuels to control costs
- Focusing on hedging strategy to mitigate the impact of foreign exchange fluctuations
- Realize Government related subsidies
- Continue investing towards a more sustainable portfolio
- Flexible and adaptive to the macro environment



FINANCIAL CAPITAL



Key Financial & Performance Indicators

	FY19	FY20	FY21
Revenue from operations (Cr.)	9,484	9,674	10,522
Sales Volume (MnT)	18.7	19.3	20.7
EBITDA (Cr)	1,942	2,106	2,783
Cement EBITDA (₹/MnT)	1,009	1,072	1,333
EBITDA Margin (%)	20.5%	21.8%	26.4%
Market Capitalisation (Cr.)	19,000	9,467	29,681
Profit After Tax (Cr.)	349	238	1,243
Basic Earnings per Share (₹)	15.97	11.61	65.65
Cost of Debt (%)	8.2%	8.1%	6.7%
Net Debt-EBITDA Ratio	1.60	1.34	0.04
Net Debt-Equity Ratio	0.29	0.27	0.01
Debt Service Coverage Ratio	1.45	1.42	2.52
Interest Coverage Ratio	4.02	5.30	7.80



Mitigating Business Risks

Legal: The Dalmia Bharat legal department supports the company's risk management initiatives through a series of services, including litigation, compliance, licenses, approvals, policy management, documentation, and day-to-day advisory. Our legal processes and documentation have been standardised and formalised across sites. We review our processes periodically. Weekly meetings are conducted to review regulatory changes and implications for our business. We track and share daily and fortnightly updates on changing regulatory norms drawn from media

and notifications on changes in regulations and other parameters. We engage government officials to seek subject matter expertise on relevant regulations and changes. The teams undergo regular training to deepen their capabilities and skills for risk management.

Dalmia Bharat is committed to preventing fraudulent and corrupt activities by ensuring strong internal controls and robust governance. We also ensure that all our financial responsibilities, such as taxes, are reported transparently.

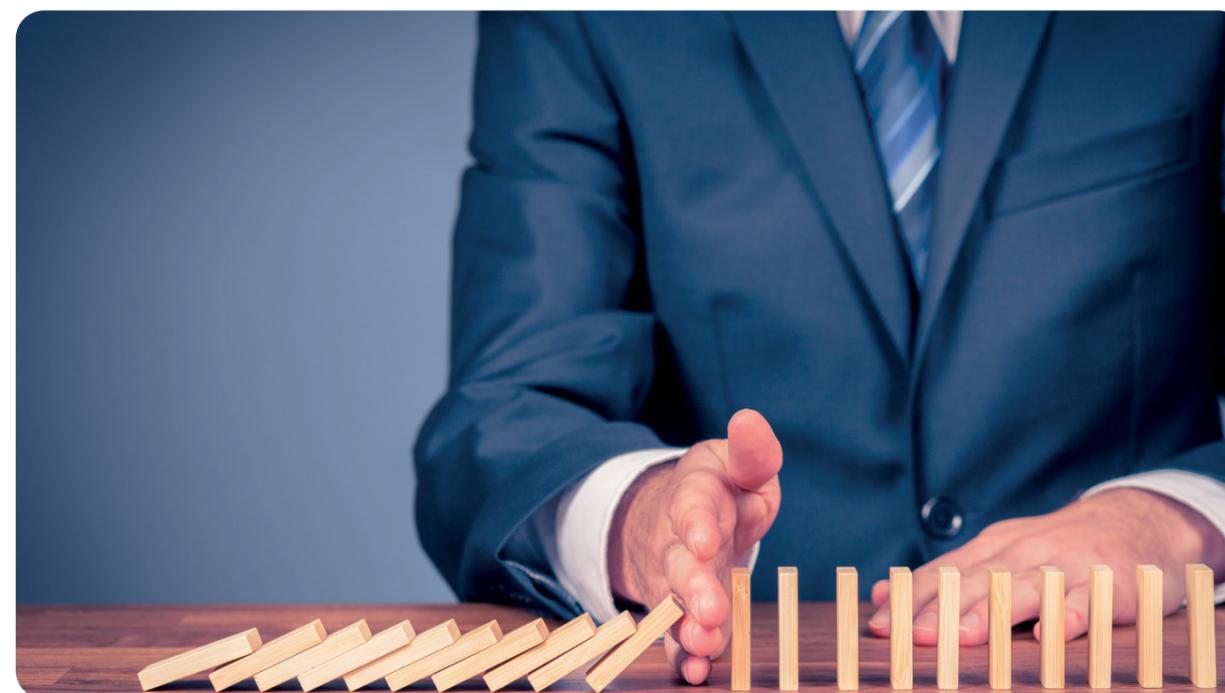
Consistent Growth

Dalmia Bharat has achieved revenues exceeding ₹ 10,000 Cr for the first time, growing at 9% Y-o-Y to reach ₹ 10,522 Cr. Our net profit also crossed the ₹ 1,000 Cr. mark for the first time to reach ₹ 1,243 Cr. This results from our investments to increase capacity and reduce debt by consciously reducing leverage and maintaining excellent net debt to EBITDA ratio of 0.04.

Our sharp focus on higher productivity and cost efficiencies has resulted in our EBITDA growing by 32% Y-o-Y to ₹ 2,783 Cr. EBITDA margins for the reporting year stand at 26.4%, the highest ever delivered in any year. While our revenue increased by ₹ 848 Cr. in the reporting year, our EBITDA grew by ₹ 677 Cr., equal to almost 80% of our

incremental revenues. Our net margin for the full year stands at 11.8%, and Earnings Per Share (EPS) grew six-fold to ₹ 65.65. The Board has also proposed a final dividend of ₹ 1.33 per share for the financial year under consideration.

In March 2021, the honourable Supreme Court vide its interim order restored mutual fund units that were fraudulently transferred by the promoter of Allied Financial Services to their account, which rightfully belonged to Dalmia Bharat. These units (valued at Rs. 390 crore on March 31, 2021) have been credited to Dalmia Bharat. Dalmia Bharat is fully confident that there is no loss on account of this and hence, no provision is considered necessary in the financial statements.



NATURAL CAPITAL



“Cement is integral for infrastructure development. Our strategy for carbon neutrality and green cement ensures that the benefits to the environment continue over the lifetime of the structures and beyond.”



KEY HIGHLIGHTS

- 12.4 times water positive
- 7.6% Thermal Substitution Rate of kiln fuels
- 8% Reduction in specific gross Scope 1 & 2 emissions per tonne cement over last year
- Committed to EV100 to progress towards carbon neutral status
- 4% Reduction in clinker to cement ratio over last year

Cement is a crucial ingredient to meet the rising demands of modernisation in India. We are energised and prepared to meet this ever-increasing demand for cement. At the same time, we are conscious of the need to manage the environmental impact of our growing operations and products. We are committed to the responsible use of resources. Our growth strategy focuses on increasing the share of environment-friendly blended 'green cement' in our portfolio to use low-carbon technologies and enhance the reuse and recycling of waste from other industries.

We are recognised as one of the best performers on climate related metrics among cement producers globally. Out of 13 cement majors globally, Dalmia Bharat ranked at the top in Cement Sector League Table published by CDP* in 2018. Led by the business philosophy of "Clean and Green is Profitable and Sustainable", we have committed to becoming a carbon negative cement group by 2040.

Our plants are certified with Environment and Energy Management Systems (EMS and EnMS). Dalmia Bharat operations are evaluated regularly for tracking environmental impact and progress of mitigation measures to reduce such impact. Both, EnMS and EMS have provisions to strengthen our preparedness for handling the environmental implications of unforeseen emergencies.

We are proud to be one of the early companies in India to join the EV100 coalition, strengthening our earlier commitments to RE100 and EP100.

Source: [Building Pressure, CDP Report, April 2018](#)

NATURAL CAPITAL



Key Inputs

Usage of alternate fuels
0.2 MnT

Specific Kiln heat consumption
3,096 MJ/Tonne clinker produced

Gross Specific water consumption
141.5 litre/ tonne cementitious product



Key Outcomes

Water Positive - 12.4 times

52% of fresh water withdrawn is recycled*

7.6% alternate fuel ratio of fuel mix

31.9% alternate raw materials used for production

*excluding consumption of rainwater harvested



NATURAL CAPITAL



Strategic Goals

Short Term

- To enhance energy-efficiency
- Conservation of natural resources and increase the use of alternative fuels and raw materials
- To bring acquired and brownfield expansion projects under integrated disclosure practices
- Reduce total water consumption to 0.13 m³/MT of cement produced by 2023
- Complete pre-feasibility assessment of CCUS

Medium Term

- To become 20 times water-positive by 2025
- Ambition to use 100% renewable power by 2030
- Doubling of energy productivity by 2030 (EP 100)
- Implement CCUS early demonstration
- Transition to 100% blended cement producer by 2025
- Electrifying all our vehicles under 7.5 MT capacity in use at plants and depots by 2030 (EV 100)

Long Term

- Ambition to become carbon-negative cement group by 2040
- Enhance the use of sustainable biomass & alternative fuel to replace 100% fossil fuels by 2035



Key Risks

- Evolving legal and regulatory environment on disclosures, emissions, water and climate change
- Limited availability of natural minerals
- Dependency on natural minerals and ecosystem services
- GHG impacts from manufacturing process and energy use



Key Focus Areas

- Periodic review of compliance policies and procedures
- R&D to enhance capabilities for recycling/reuse of wastes as alternative raw materials
- Deployment of cutting-edge technology solutions to optimise fuel mix and increasing the use of alternative fuels in cement kiln
- Holistic biodiversity conservation through management of soil and slope, water and vegetation, mass tree plantation activities in degraded lands
- System improvements to meet energy productivity targets
- Utilisation of waste heat for fossil free power generation and deployment of RE as captive/non-captive operation



Responsible Consumption and Production

Our environment discipline is encapsulated in the principle of 'Producing maximum cement with minimum resources'. We utilise waste streams as input material to reduce the usage of raw materials. We have rolled out several

initiatives to reduce the clinker factor and increase the share of blended cement in our product mix. The reduction of the clinker factor, an energy-intensive material, significantly lowers our carbon footprint.



60.7%

Clinker-cement ratio achieved - one of the lowest in the industry

Material movement

- Clinker Produced (MnT)
- Cement Produced (MnT)
- Clinker Consumed (MnT)
- Fly Ash Consumed (MnT)
- Slag Consumed (MnT)
- Packaging Bags (million Nos.)

FY'21

12.6
20.7
12.56
2.8
5.03
374



From Wastes to Low Carbon Cement

As a leading proponent of 'Green Cement', we not only consume the waste produced by other industries, but also ensure that the waste produced at our facilities, both hazardous and non-hazardous is disposed-off as per legal requirements and in a responsible manner. We utilized 2.8 MnT fly ash and 0.2 MnT alternative fuels, which includes industrial wastes, for pyro process. Both these waste categories were sourced from other companies. In comparison to this, the waste generated and disposed by us stands at a mere 10,245 tonnes.

footwear and spent wash. They also reuse GEPIL solid and liquid waste mix, refuse-derived fuel, palm bunch, captive power plant dry fly ash (CPP DFA) and hard to recycle multi-layer packaging like chocolate wrappers, etc., as alternative fuels. These initiatives have enhanced our operational efficiencies and profitability while reducing our fuel-related CO₂ emissions through the reporting year. Dalmia Bharat's Alternate fuel and raw material (AFR) use is expected to grow three times in the near future. We have achieved a Thermal Substitution Rate (TSR) of 7.6% in FY21.

We reuse waste generated by Iron and Steel, Petroleum, Power, Pharmaceutical and Aluminium industries along with municipal waste to replace fossil fuels in our pyro-processing. Our clinkerisation plants utilise carbon black and waste from processes, fibre reinforced polymers,

In addition, we also used alternative raw materials (ARM) where possible to reduce the stress on our natural resources. Our alternative raw materials allow us to increase the blended cement products offered to customers. We achieved an ARM substitution rate of 31.9% in FY21.



7.6%

TSR which is due to our persistent efforts to us alternative fuels



7.76 MnT

ARM used in cement production leading to about 80% products being blended cements with lower impact on environment

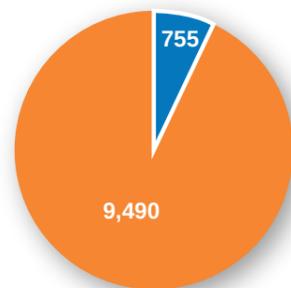


NATURAL CAPITAL

Proportion of alternate fuel rate in kiln (in%)

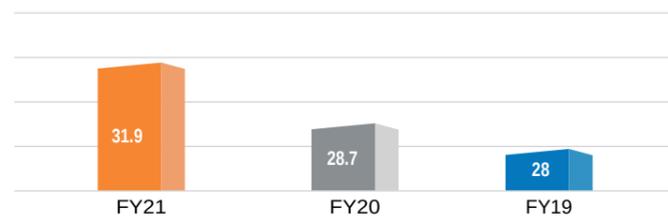


Waste Disposed Tonnes



■ Hazardous Waste ■ Non - Hazardous Waste

Alternative Raw Materials rate (in%)



Productive Utilization of Waste Fly Ash

According to CEA report 2020, India has generated 226 MnT of fly ash out of which 83% has been utilized in cement industry primarily followed by other uses. If not utilized by industries, fly ash is disposed in ponds (ash ponds), rivers and other water bodies and/or landfills. This activity is extremely resource intensive and would require anywhere between 5 to 168 litres of water per tonne of fly ash disposed. In addition, large area of land is used up by fly ash in landfills.

We, at Dalmia Bharat, believe in sustainable concrete designs and construction practices and have expertly managed the utilization of fly ash in our production processes. In FY21, we used 2.8 MnT of fly ash, which is estimated to save around 242,200 KL of water (considering average water per tonne of fly ash as 86.5). This alternate raw material has helped us improve our environmental footprint through energy savings, water savings, carbon emission reduction and saving of scarce of natural resource and land.

Source – [Characterization and reuse of ash pond effluents in coal-fired power plants. Journal \(Water Pollution Control Federation\)](#)

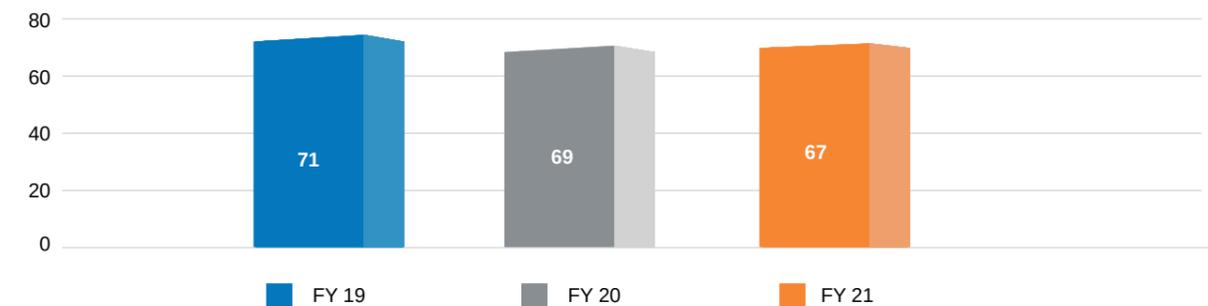


Energy efficiency and energy productivity

Since cement production is an energy-intensive process, responsible use of energy is key to reducing environmental impact. Dalmia Bharat invests in low carbon technologies to reduce dependency on fossil fuels and better manage energy usage across the production value chain. Our newly commissioned plants are setting industry benchmarks in the adoption and use of energy efficiency measures. Our growing network of captive power plants allows us to

wheel surplus power across our facilities in different parts of the country to optimise costs further. The total non-fossil energy consumption in the year was 93 GWh. The total non-fossil share in the power consumption, including non-fossil electricity share in the grid was 11% for FY 21. The Energy Productivity of the group has increased to 2.19, which is 38.5 % improvement compared to 2010 baseline.

Specific power consumption in cement plant (kWh/tonne of cement)



3.5%



Decrease in specific power consumption in cement plant is due to the introduction of various energy efficiency measures trough out our plants.

Leading the Industry Dialogue on Responsible Energy Use Globally

EP 100: Among the first cement companies to be a signatory to EP100, voluntarily committing to doubling energy productivity by 2030

RE 100: Among the first cement companies to join RE100, targeting a four-fold increase in renewable energy consumption by 2030

EV100: One of the first companies in India to sign up for a significant transition towards electric vehicles by 2030

NATURAL CAPITAL



Increasing Proportion of Renewable Energy Capacity

We are aggressively growing our renewable energy capacity and expanding capacities for solar power and WHRS. In FY21, we added 21.7 MW units of WHRS and 9.9 MW of solar power capacity. We are targeting a renewable energy mix of 159.98 MW by end of FY 23.

We are the first Commercial and Industrial (C&I) customer to buy renewable power on the Green Term Ahead Market

(GTAM) platform of the Indian Energy Exchange (IEX) and buy and sell power on its Day Ahead Market (DAM) & Real-Time Market (RTM) platforms. We are sourcing renewable electricity as part of the total electricity we consume through the grid and IEX. We have also started purchasing hydel power as part of our renewable energy commitment.



Solar Panel at Midnapore

Switching to Biodiesel

Dalmia Bharat has started using Biodiesel in our mining operations. In coming years, biodiesel would make larger contribution in reduction of GHG emissions from liquid fossil fuels consumed in mining equipment, heavy-vehicles and as start-up fuel in cement operations.

Combating Climate Change

On Track to Net Zero Pathway today

Global warming has become the most urgent problem of the world. It is estimated that if the global temperatures increase greater than 2 degrees, adverse effects will play out in the climate system. These include increases in land and ocean temperatures, frequent heatwaves, drought and higher precipitation in most land regions. Also, new risks across energy, food, and water sectors could overlap, creating and increasing current risks that could affect increasing numbers of people and regions.

Dalmia Bharat has recognised the importance of reducing carbon emission causing global warming and has ambition for climate protection to become a carbon negative cement group by 2040. Dalmia Cement is one of the first few cement companies to commit to mission possible partnership and setting science based targets. These efforts are also in

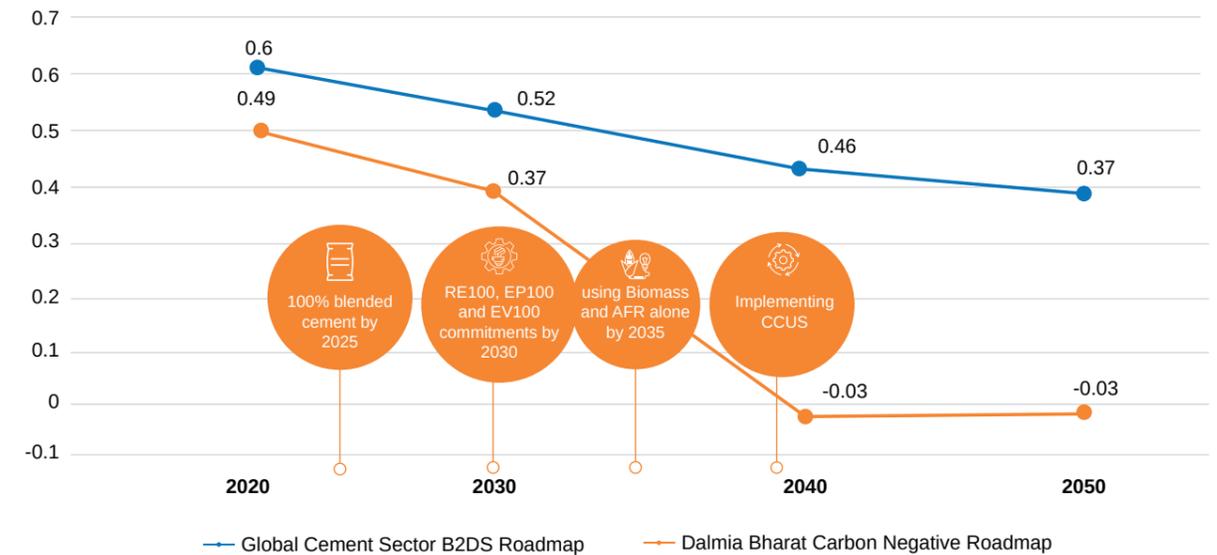
line with the Paris Agreement and guided by the 2015 United Nations Sustainable Development Goals.

The cement sector roadmap by WBCSD and IEA* currently outlines the roadmap for global cement sector performance with below 2-degree scenario (B2DS) considerations. At, Dalmia Bharat, our defined ambition is to become carbon negative by 2040, which is beyond net zero and well before the cement sector roadmap's 2050 targets.

We are proud to declare that as of FY21, we are already well below with the current global Net Zero pathway target for cement sector.

*Source - Technology Roadmap: Low-Carbon Transition in the Cement Industry, WBCSD and IEA

Cement sector Net Zero pathway vs Dalmia Bharat Roadmap Direct tCO₂ intensity per tonne cement produced



As a responsible business, we have made several commitments to help curb rising global temperatures and climate change risks. Our various strategies focusing on enhancing energy efficiency, AFR, and share of renewable energy have helped us consistently reduce our total green. We are aligning with the Task Force on Climate-

related Financial Disclosures (TCFD) reporting framework to improve our understanding of climate-related risks and opportunities and strengthen our disclosure standards. We will continue to enhance the incorporation of climate-related risks and opportunities into our overall risk management, strategic planning and decision-making process.

GHG Emissions

Scope 1 Emission (Million tCO₂/year)
Scope 2 Emission (Million tCO₂/year)
Scope 3 Emission (Million tCO₂/year)

FY19

11.2
0.51
1.41

FY20

11.28
0.53
1.32

FY21

11.275
0.46
1.34

Carbon footprint in cement sector - Dalmia Bharat has one of the lowest footprint (in kg/tonne of cementitious material)



* Source: GNR data published in 2021 representative of 22% cement production in the world.

** Source: GNR data published in 2021 representative of 55% cement production in India

Eastern operations footprint is higher than FY20 due to inclusion of newly operational Kalyanpur plant.

In line with our goal of becoming carbon negative by 2040, we are working on a development of pre-feasibility report through support of Asian Development Bank in setting up the world's largest carbon capture facility in the cement industry at our integrated cement plant in Ariyalur, Tamil Nadu.

NATURAL CAPITAL



Minimising Water Use

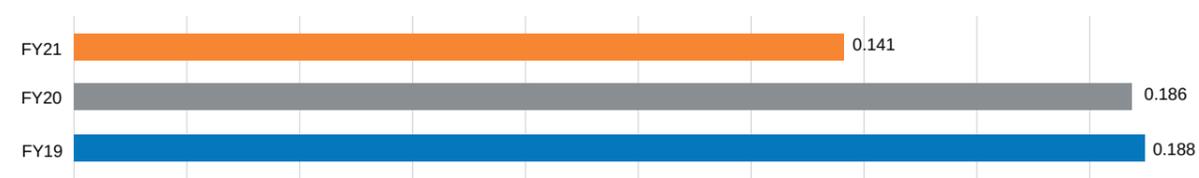
In addition to energy, water is the other essential resource for the cement industry. Since our inception, Dalmia Bharat has focused on responsible water use. Our plants are zero liquid discharge facilities. It is our goal to ensure that each of our plants becomes water-positive and reduces dependency on freshwater. Rainwater harvesting, moderating water quality and captive power plants with in-built water conservation and air-cooled condensers add to our collective efforts to reduce water consumption across our operations.

Our combined rainwater harvesting capabilities covering manufacturing, mining and other community initiatives have helped us become 12.4 times water positive. It has created surplus reserves of water exceeding the annual water needs of our operations. We have channelized the excess water to communities around our operations to reduce their water-related challenges. Dalmia Bharat's CSR arm, the Dalmia Bharat Foundation (DBF), has undertaken several other water conservation projects to enhance water security for communities. Details of these initiatives are provided in the Social and Relationship Capital section.

12.4
Times water positive. An increment from being 5 times water positive in FY19

FY21	million m3
Freshwater Water withdrawal	2.4
Total Water withdrawal	2.9
Water recycled	1.2
Cumulative water harvesting and conservation potential (CSR activities)	24.6
Total Cumulative water harvesting and conservation potential created (Dalmia Bharat plants and CSR activities)	36.2
Aggregate rainwater harvesting potential developed (plant and mines)	11.5

Gross Specific water withdrawn (m3) per tonne of cement produced



24%
Reduction in specific water withdrawal from last year due to our continuous efforts to reduce freshwater consumption by recycling water in our premises and being ZLD.

CASE STUDY - REDUCING ENVIRONMENTAL FOOTPRINT IN THE DALMIAPURAM INTEGRATED CEMENT PLANT

Dalmiapuram (DPM) cement plant in Tamil Nadu is the first manufacturing unit set up by Dalmia Bharat's in 1939. One of the oldest cement plants in India, it makes 16 varieties of cement. Despite its age, the plant is regularly upgraded with the latest available technologies. For example, the DPM Cement Plant was the first plant in India to introduce the energy-efficient Vertical Roller Mill (VRM) technology. Both cement lines at the DPM plant grind cement, coal, and raw materials through a dry process, pre-heater, and calciners-based energy-efficient pyro technology system with VRMs.

As part of our journey to improve process efficiencies and reduce environmental impact, we rolled out an initiative to optimise water and energy consumption in the pyro section of the coolers. With time, the existing Cooler had aged. The thickness of its vent duct in one of the manufacturing lines was affected, leading to increased air volume, amongst other issues. The increase in air volume led to an increase in the requirement of cooling water for gas conditioning. As a result, the pump supplying water had to be operated round the clock. Apart from the increased use of energy, the continuous running of the water pump led to tripping incidents. These issues caused higher dust emissions from the Electrostatic Precipitator (ESP) between incidents of water pump tripping. Clinker dust spilled from the Cooler ESP onto the neighbouring road. Further, the dust in the air was inconveniencing the nearby communities.

We replaced the worn-out duct with a new one that ran

from the Cooler take-off to the ESP inlet with expansion joints and increased its diameter from 2,500 mm to 3,000 mm. The cooler water pump, which operated round the clock earlier, is now only used for eight hrs./day. The modification cost the company ₹ 3.5 million.

The system upgrade resulted in significant water and energy savings for the plant.

- Water consumption in the Cooler has reduced by approximately 60%
- Impact amounting to ₹ 404,712 per year on the ecosystem due to the reduced water consumption, taking the cost of the natural capital value creation model for water at Rs. 7 per kilolitre
- Delivered power savings of approximately 237,000 kWh per year, considering a conservative value of the CO₂ emission factor for power (captive + grid) at one kgCO₂ per kWh
- Applying 11 USD per ton CO₂ as the social cost of carbon in India, the natural capital value added to this project stood at Rs. 198,132 per annum in addition
- Dust emissions are now below 15mg per Nm³, eliminating spillage cleaning costs under the conveyor belt saving ₹ 3.96 lakhs annually

The integrated value delivered by the project stands at ₹ 1.6 million per annum for 330 days of plant operation.

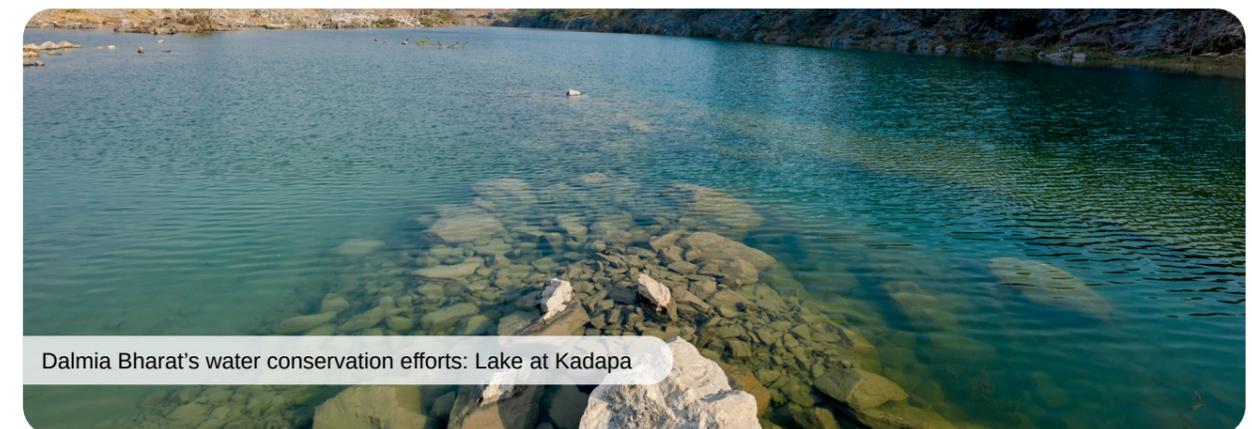
CASE STUDY - DRIVING WATER POSITIVITY IN KADAPA

Water conservation is a growing global concern. While Cement is not a water-intensive industry, Dalmia Bharat is adopting several measures to reduce, reuse, recycle and practice zero-liquid discharge to become water positive.

Dalmia Bharat's Kadapa plant is in semi-arid region with an average annual rainfall of around 600 mm. The water availability reduces drastically during the summer season, and as there is no groundwater aquifer, we are left to

the uncertainties of natural rainfall. We have created water harvesting ponds in the worn-out mines and dug garland drains for storage to meet our water requirements. In FY 21, we have increased the capacity of these water ponds from 1.2 million m³ to 2 million m³

These measures have helped us increase water availability during summers and achieve water positivity five times the plant's annual consumption.



Dalmia Bharat's water conservation efforts: Lake at Kadapa



NATURAL CAPITAL

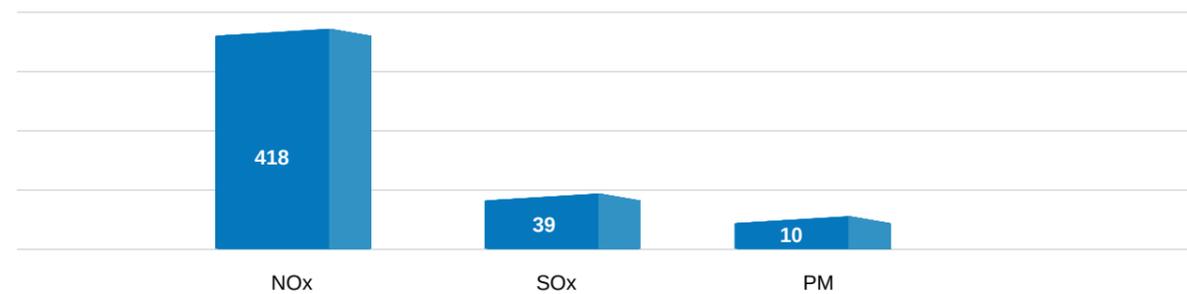


Minimising Air Emissions

Cement manufacturing generate emissions of SO_x, NO_x and dust. The main emission source in the cement is Clinker Production. We have adopted a holistic framework of interventions and technology tools to monitor, manage and reduce these emissions. We have set up Continuous Emission Monitoring Systems (CEMS) at our plants, providing real-time emissions status. Ambient Air Quality Monitoring Systems (AAQMS) have also been set up to monitor and display air quality monitoring results for the information of local stakeholders. The air pollution control equipment commissioned in our plants ensure adherence or betterment than Air emission standards for cement plants applicable in India.

Pyro-processing, controlling burning zone temperatures, homogenising raw materials, right fuel mix and using low NO_x calciners as well as low NO_x burners help us contain NO_x emissions within the regulatory standard. We reduce dust emissions through ESPs and Bag House, fugitive dust emissions through covered conveyor belts, closed sheds for stacking limestone and other raw materials. Other dust control measures include using silos for raw materials and finished products, building concrete hauling roads, sweeping machines for cleaning streets and crushing ramps with tyre washers.

Specific Air Emissions from Kiln and Raw mill operations (Gram per Tonne Clinker produced)



Building Green Working Spaces

Our offices in Kolkata, Bangalore and Delhi have been certified 'Green' by IGBC. Our offices in Chennai and Guwahati are in the process of being certified 'Green'. Schools in Dalmia townships are being considered for 'Green' certification through GRIHA. Dalmia Vidhya Mandir, Rajgangpur has already been provided the certification. Currently, two Dalmia Vidhya Mandir schools in Dalmiapuram are being inspected for the certification. In addition, our offices have become plastic free zones and efforts are underway to make the organisation paperless.

Electric Vehicle Adoption

We have committed to electrifying all our vehicles under 3.5 MT capacity in use at plants and depots by 2030. More than 50% of the larger vehicles that upto 7.5 MT category will be electrified by 2030. The target will be reviewed every three years based on technology development for owned vehicles beyond 7.5 MT capacity and 10% electric transition target is taken for beyond 7.5 MT capacity vehicles. Besides, charging infrastructure will be set up across our 13 operational manufacturing units and depots.



Biodiversity Preservation

As a responsible company committed to green operations, Dalmia Bharat avoids setting up manufacturing plants in sensitive geographies that are home to valuable biodiversity.

We develop and implement biodiversity and ecosystem management plans wherever we operate to maintain the ecological balance around our units. We have set up a bird habitat with a water body in Ariyalur, Tamil Nadu, to curate an abode for vibrant bird species and have created lush forested spaces. Today, 188 types of birds, 82 of which are

water birds, visit this forest. It has improved water quality and quantity in the area, food and water security, deepened the carbon sink and created a natural barrier to prevent disasters. The restored forest has gone a long way in creating a positive impact on the health and lives of the local community. In addition, we are accelerating efforts towards mass native tree plantations in degraded lands of the country. It would enable restoration of the degraded lands, biodiversity improvement, creation of carbon sinks and improvement of the overall ecosystem services in the region.

CASE STUDY - CONSERVING BIODIVERSITY THROUGH THE MIYAWAKI TECHNIQUE AND GROWING URBAN FORESTS IN KADAPA

Dalmia Bharat champions biodiversity and conservation across all our projects. When we plan to open a new plant or mine, we go through a rigorous process of preparation, which includes an assessment of the impact that this new plant or mine will have on the local population, ecosystem and natural habitat.

In FY21, we proposed developing a High-Density plantation in our Kadapa mine to strengthen our neighbourhood's bio-diversity. Based on recommendations by experts, we adopted the Miyawaki Method to develop the plantation. The Miyawaki forestation method, pioneered by Japanese botanist Akira Miyawaki, is a unique way to create an urban

forest. In this technique, various native saplings are planted close to each other so that plants receive sunlight only from the top and grow upwards rather than sideways. As a result, plantation becomes approximately 30 times denser, grows ten times faster and becomes maintenance-free in three years. Apart from adopting this unique technique, we also brought in environmentally friendly practices and developed a hectare of land without pesticides or fertilisers.

Using the Miyawaki method, our plantations will grow in about 20 to 30 years compared to the 200 to 300 years it takes for a forest to grow naturally, enhancing the region's biodiversity significantly.



Miyawaki technique at Kadapa

INTELLECTUAL CAPITAL



“We aim to progressively improve the quality of cement we bring to the market while reducing the environmental impact of our products, led by our strategic investments in Research & Development”



KEY HIGHLIGHTS

- Received two patents from the Government of India on two new value-adding blended types of cement for infrastructure construction
- Three new apps developed for supply chain digitisation
- Four new products launched
- New 'public furniture' segment launched by Craft Beton

With the emergence of India as a global superpower, the need of the hour is to build smart cities with better infrastructure while respecting our environment. Dalmia Bharat has become a preferred brand for infrastructural projects in India, given our portfolio of environmentally responsible green products that assure quality, customer satisfaction and safety.

We aim to progressively improve the quality of cement we bring to the market while reducing the environmental impact of our products, led by our strategic investments in Research & Development (R&D). We house three R&D Centres that track global industry trends, changing customer demands and environmental impacts. These insights form the basis of a comprehensive innovation program, executed and monitored by experts from various sectors using state-of-the-art equipment & world-class processes. In addition, academic and industry collaborations further strengthen the knowledge and innovation network within the company.

Growing concerns regarding climate change have propelled our R&D team to develop greener cement varieties that reduce CO₂ emissions while conserving natural resources. One of our key priorities is to implement advanced technologies for CO₂ capture. Another priority remains to reduce clinker proportion which leads to lower energy consumption and minimises CO₂ emissions. To know more about Dalmia Bharat's efforts to protect the environment, refer to Natural Capital section of Integrated Report.

The intellectual capital of Dalmia Bharat consists of patents, capacity building processes and greener products. It also includes collaborations with academic bodies. The changing needs of the customer across the construction lifecycle – before, during and after construction - drives our patent filing and product development focus.

INTELLECTUAL CAPITAL



Key Inputs

R&D centres
3

Total R&D investments
₹ 5 Crore

R&D Personnel
12



Key Outcomes

Patents granted - 2

New Category Products - 04



INTELLECTUAL CAPITAL



Strategic Goals

Short Term

- Enhance market share for four new products
- Extend life of limestone reserves
- Procure biodiesel in Southern region for usage as fuel in our machinery and mining vehicles

Medium Term

- Extend new products from lab to plant to market place
- Build a pipeline of new products
- Ensure that internal fleet using biodiesel, along with refuelling infrastructure is in place. Includes third-party vehicles

Long Term

- Analyse markets to focus on value added products and services
- Accelerate product development
- Sustain, build and enhance technology-enabled services
- Protect information assets



Key Risks

- Lower margins on traditional cement products due to market competition
- Inconsistent Quality



Key Focus Areas

- Maintain focus on steering innovative product development and accelerate time to market of products
- Investments to ensure better quality management and continuous improvement

Notable Partnerships

- National Council for Cement and Building Materials (NCCBM): Share knowledge and develop new initiatives in sustainable cement production
- Central Building Research Institute (CSIR – CBRI, Rourkee): Academic partnership
- Central Road Research Institute (CSIR-CRRI): Academic partnership
- Carbon Clean Solutions (UK): MoU signed by Dalmia Bharat for the supply of machinery and technology
- Asian Development Bank: Feasibility study for Carbon Capture and use across all plants



Growing R&D Capacity

Dalmia Bharat was the first Indian cement manufacturer to commission its research unit focused on concrete in 2010. The R&D unit now houses three centres focussed on advanced research covering microscopy, mineralogy, high-temperature kinetics, physical and chemical tests, construction, and concrete technology. The centres also focus on the design and development of high-performance chemical additives. As a result, we are a category leader in super-speciality cement used for oil wells, railway sleepers and airstrips. The facilities are also equipped with innovative robotics labs called – Future Labs.

The R&D unit is currently working on process improvements in cement manufacturing and extending the life of limestone reserves. We also encourage employee groups to participate in industry forums and technical seminars to broaden our knowledge networks. This has encouraged peer groups to exchange knowledge and build an internal cross-functional knowledge capacity. Functional heads across sites are encouraged to gather inputs from sales and marketing teams and combine these insights with the experiences of the manufacturing, technical and R&D teams at different organisational levels for enhancing efficiencies and innovation.

In recent years, our R&D outlook has grown beyond the quality assessment of raw materials and products. The

centres are now also responsible for concrete trials and devising superior packaging for various cement grades.

Inventions and Patents

Dalmia Cement has been granted patents for two new cement varieties, PPC and PSC and filed for one patent in FY 21.

1. A patent was granted for high-performance cement using fly ash and having clinker in the range of 70 % - 83% and fly ash in the range of 15 % - 25% in addition to other components
2. A patent was granted for high-performance cement comprising of ground granulated blast furnace slag. This cement variety consists of clinker, gypsum, ground granulated blast furnace slag and cement modifier. The clinker share ranges between 40% - 60%, and the percentage of ground granulated blast furnace slag ranges between 38 % - 58%.
3. A patent was filed for Dalmia Magic Premium Skim Coat composition cement. This variety consists of fillers, ordinary Portland cement, organic polymer binder and polymers. This invention helps to use the by-products of cement production – cement kiln dust, granulated blast furnace slag to reduce product disposal costs.



R&D Lab at Dalmiapuram



INTELLECTUAL CAPITAL



Products Launched in FY 21

Dalmia Bharat supplies grade cement for projects of national importance. We develop speciality cement for dams, airstrips, railways, critical defence installations etc.

We have created four new dry mix products to complete a portfolio of six variants. All these products meet international standards and cater to modern construction practices.

Dalmia Magic INNOBOND Thin-set Block Jointing Mortar

Dalmia Magic INNOBOND is a versatile AAC Block jointing mortar with 'No Riversand Formulae' for thin bed applications. It is specially designed to provide stronger and much more durable bonding between the AAC blocks with optimum adhesive strength.

Dalmia Magic INNOFIX Tile Fixing Adhesive

Dalmia Magic INNOFIX is a versatile Tile Fixing Adhesive with 'No Riversand Formulae'. It is polymer modified cement based high performance, high strength and high quality tile adhesive for wall and floor.

Dalmia Magic Premium Skim Coat CEILINGFAST

Dalmia Magic CEILINGFAST is a high quality fiber polymer modified cement based plaster with unique natural tone, super smooth surface finish and thickness building solution which is a unique formulation for ceiling surfaces of RCC and precast concrete. It replaces the conventional method of plastering works in a clean and speedy manner that requires only water to be added on site before application with self-curing property.

Dalmia Magic Premium Skim Coat FIBROTHICK

Dalmia Magic FIBROTHICK is a versatile cement based micro-texture with natural fiber thickness builder that is suitable for AAC block and RCC surfaces. It can be applied both internally and externally. It replaces the conventional method of plastering and requires only water to be added on site before application.

Craft Béton

Craft Béton is Dalmia Bharat's artistic expression realised and offers an exquisite mix of cement and art. The brand highlights the beauty and versatility of cement. Craft Béton boasts an array of luxury lifestyle and architecture products. This includes home accents, floor, wall coverings, lighting fixtures, bathroom essentials, furniture and even personal effects. Talented designers and craftsmen breath new life into cement and give it a distinctive narrative and imagery. Craft Béton products are made with Dalmia Bharat's 'Green Cement'. The use of alternative fuels, energy efficient technology, zero liquid discharge and minimal stack dust emissions help lower the carbon emissions associated with the products.



Articultum, outdoor product by Craft Beton



Objective

We believe that cement is not just a commodity it is an art of creating architectural masterpieces. Through Craft Béton our objective is to-

- Establish a new line of business
- Impart a contemporary, dynamic and innovative image
- To showcase cement beyond the functional perception to the artistic one



Strengths

- Bringing our corporate gravitas to Craft Béton, particularly in project sales
- Leveraging its environmentally-positioning
- Comprising more than 100 designer products designed by nine designers around the world



Innovations

Craft Béton's cement-based fabric (CemiFlex) has been adapted as upholstery material for indoor and outdoor products. A lightweight and durable cement-based board (CemiBoard) has been developed for modern and stylish indoor and outdoor furniture. These products open opportunities for the outdoor furniture market, which is currently under-served. The long-term goal of Craft Béton is to explore the innovative design potential of cement to create unique, artistic, contemporary spaces.



Service Offerings

We engage with our customers through a range of technology features such as touchpoints enabled by bots, digital films, digital payment channels and social media channels. We offer also technical advisory services through Dalmia Build advisor to bring to life our proposition of 'Future Today' to our customers. In addition, the Dalmia Construction Knowledge Centre (DCKC), including a

mobile unit for rural engagement, has developed construction models to help our customers in Guwahati improve their understanding of construction. We plan to expand the reach of our Technical Services through technology and online platforms. We are transforming our consumer engagement platform. To know more about our customer engagement, refer to in the Social Capital.



Leveraging Digitalisation For Performance Optimisation

We embrace digital transformation in incremental cycles every year. Our transformation focusses on developing a smart, on-demand infrastructure and scalable applications to meet business needs. It also aims to reduce operational overheads, optimise infrastructure and reduce capacity wastage. We have appointed strategic partners to manage security and compliance needs. Our employees use digital tools effectively in functions like branding, sales, logistics, etc. We have also digitised our accounting practices, marketing and non-trade functions.

Some initiatives undertaken in FY 21 include:

1. Order Prediction - The digital team is working on a data driven demand forecasting application scheduled to go live in FY22 driven by machine learning. This

will empower the logistics teams to plan dispatches and reduce their Total Turn Around time.

2. Supply Chain Optimiser - We have moved to a Single SCO tool for all regions for ease of operations.
3. Churn Analytics - A tool to predict customer dropouts and invest pro-actively in strengthening customer engagement and retention.
4. Robotic Process Automation (RPA) - We are planning our first use case designed on RPA for the Sales and Logistics function with a formal launch in FY22. This adoption will help efficient utilisation of our Talent and reduce repetitive tasks.



INTELLECTUAL CAPITAL

Supply Chain Digitalisation

Dalmia Bharat expanded our digital adoption processes through a well defined digital architecture. We synchronise data between different business verticals using this architecture. We have developed a ready-made data structure for intelligent data mining to gain insightful analysis. Today our digital architecture produces data insights from our supply chain and plants data on metrics. A Centralized Information Management System enables real-time data management, efficient decision-making and smart resource allocation. We also have a suite of digital applications that are integrated to deliver automation of business processes. Our logistics analytics team performs data mining continuously to identify and prevent glitches. The teams use Artificial Intelligence enabled data modelling programs like Sales Order Prediction, Order Clubbing, Order Clearing House and Plant Vehicle Mix Optimization to optimise the business cycle.

Dalmia Bharat has also collaborated with Freight Tiger to reduce process time using technology. With a one-time data entry done at the yard gate, the remaining freight data is scanned through Bar Codes/QR Codes/RFID tags. This system has reduced turnaround time at the plant and increased transparency in loading confirmations, auto invoice creation, driver tracking and security.



Our bouquet of digital tools for supply chain management

In- House Apps



Plant Logistics Management app
Helps track and control the entire logistical value chain



Control Tower app
Enables End-to-end real-time supervision of logistics with vehicle tracking



Integrated S&OP Process
For planning logistics activities

Apps for Transporters



Driver Saathi app
Enables tracking of multiple delivery times and status



Vahak Mitra app
Helps transporters assign vehicles for orders on- the-go



TBPS app
Enables transporters to digitally manage freight related tasks

Apps for Dealers



Savidha app
Dealers can place orders and track their status through the app

Apps for Customers



SM@RT-D app
Enables access to a 360-degree view of customers



GPS Tracking



Whatsapp
Used for on-the-go communication and easy access



MANUFACTURED CAPITAL



“Our continuous improvement on performance is achieved by our strategic expansions and acquisitions in addition to de-bottlenecking and energy efficiency measures



KEY HIGHLIGHTS

- Capacity addition of 2.25 MTPA at Bengal Cement Works, Midnapore
- Focus on blended cement capacity growth
- BCW, with 4 MTPA capacity, becomes the largest cement plant in West Bengal.
- Acquisition of Murli Industries adding 3 MTPA

Dalmia Bharat saw double-digit growth in demand when the economy started reviving in the latter half of FY 21. There was a demand surge led by an urgency to finish stalled projects once lockdown lifted. However, only those with strategic investments in capacity, quality and cost efficiencies could activate their supply chains quickly to tap this growing demand. Dalmia Bharat's 13 state-of-the-art manufacturing units spread across nine Indian states offers resources to meet this demand without disruptions. We added 4.25 MnT of capacity (including 2.25 MnT at Bengal Cement Works, Midnapore) through the year to expand our total capacity to 30.75 MnT. Today we have the fifth largest cement manufacturing operation in the country built on a solid foundation of green assets to help deliver viable and sustainable value to our stakeholders.

Our assets are strategically located near resource hubs to regulate logistics costs and reduce environmental impact. Powered by low carbon technologies, captive power plants and alternate fuels, our dry-process cement manufacturing plants have seamless access to open cast and limestone mining resources. They stand testimony to our focus on optimal asset and capacity utilisation, enhancing product efficiencies and delivering green products.

Dalmia Bharat contributes to 6% of India's cement capacity. We are the largest producer of Portland Slag and Specialty Cement in India. We are one of the few companies amongst our Indian peers with multiple plants in the eastern states across West Bengal, Bihar, Jharkhand, Odisha, Assam and Meghalaya.

We are optimistic about achieving our FY'26 vision of increasing our capacity to 50 MTPA. The acquisition of Murli Industries Limited, capacity expansions at Kapilas Cement Works (KCW), Odisha, Bengal Cement Works (BCW), West Bengal and other projects underway will help us achieve our targets. We will continue to watch the evolving situation as the pandemic continues and be flexible and adaptive to the macro-environment.

MANUFACTURED CAPITAL



Key Inputs

- Installed capacity - 30.75 MTPA
- Cement plants operational - 13
- Captive power plants - 8
- Split Grinding units - 5
- Integrated cement plants - 7
- Clinkerisation unit - 1



Key Outcomes

- Cement produced - 20.7 million tonnes
- Cementitious material produced - 20.7 million tonnes



MANUFACTURED CAPITAL



Strategic Goals

Short Term

- Integrate new operational and acquired sites to group management systems
- Further optimise the capacity utilisation
- Increase:
 - Manufacturing capacity by 6.75 MnT in FY 22
 - Alternative fuels and materials use
 - System productivity, efficiency improvement & reduce variable cost

Medium Term

- Organic and inorganic expansion across India
- Accelerate adoption of low carbon technologies and fossil free electricity generation
- Further ramp up the rainwater harvesting at plants and mines
- Implement and advances on digitalisation solutions

Long Term

- Become market leader in India in decoupling carbon emissions from capacity growth
- Build low carbon / zero carbon manufacturing assets, energy delivery systems for cement operations
- Implement Carbon Capture and Utilisation (CCU) at large scale



Key Risks

- Maintaining market position and profitability with sustainability
- Impact on performance due to economic slowdown and Covid 19 pandemic
- Potential impact of climate change in operations and assets
- Decline in efficiency and margins due to operational bottlenecks



Key Focus Areas

- Achieving sustainable growth by expanding manufacturing capacity to produce 100% blended cements
- Strategic expansion in the regions of high and sustained demand
- Efficient utilisation of Clinker, Cement and Power generation capacity
- Pursuing technology innovation for optimizing capacity utilization and efficiency improvement

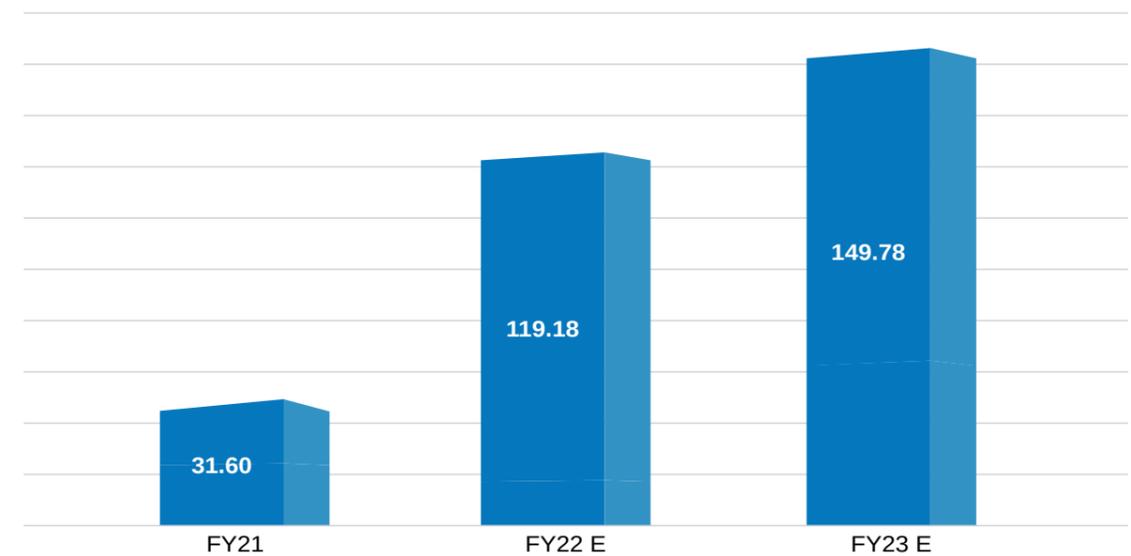


Investing in Cleaner Operations

We are making critical investments to reduce energy usage and transform the sourcing approach across the value chain. We are also increasing our use of alternative fuels and renewable energy and setting up additional WHRS and Solar Power units. We plan to increase the capacity

of WHRS from 21.7 MW in FY 21 to an estimated 71.90 MW by FY23. We are ramping up alternate fuels pre-processing and co-processing system, including Chlorine Bypass System in some units to reduce consumption of fossil fuels by replacement of alternative fuels and natural resources.

Roadmap to Clean Energy (in MW)



Kapilas Cement Works



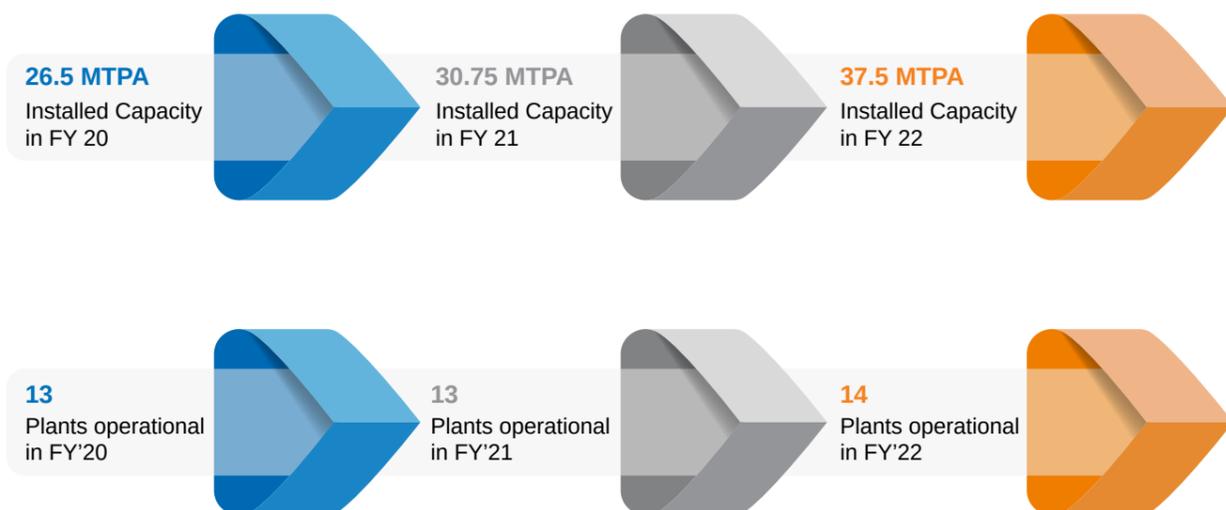
MANUFACTURED CAPITAL



Expanding Manufacturing Capital

Despite the operational challenges of the last financial year, our plants performed at 100% capacity utilisation in Q4 of FY 21. The most recent acquisition for us, Murli Industries Limited, has an integrated capacity of 3 MTPA with a plant located in the Chandrapur district of Maharashtra. As of March 31, 2021, we have an installed capacity of 30.75

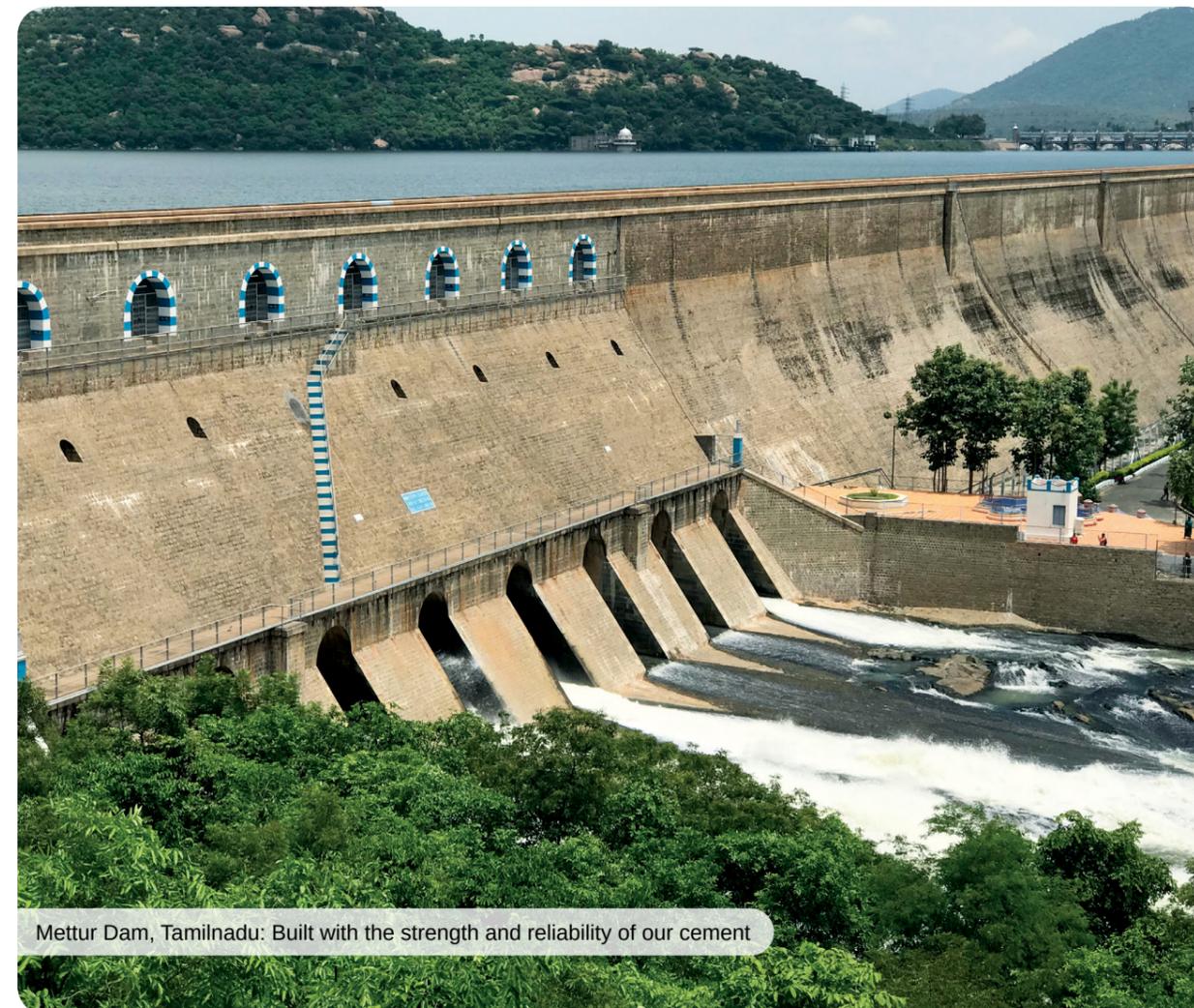
MTPA, which we plan to increase to 37.5 MTPA by FY22. We are planning to expand our capacities in Southern India by 5.5 MTPA. Debottlenecking measures will add a further 2.4 MTPA capacity. We are well poised to meet the expected rise in demand for cement in the near future.



Investing in Thermal Energy Efficiency Projects

Dalmia Bharat has one of the lowest energy consumption footprints in India, partly due to our dependence on captive power source and also through implementation of energy efficiency projects on equipment upgrades, for example, investment in a superior compressor, variable frequency drives, turbo blowers (over positive displacement blowers), single raw meal silo operation (instead of two for raw meal blending and extraction) and occupancy sensors in load centres.

In FY21 we have planned for upgrades in several plants such as Rajgangpur, Meghalaya, Belgaum, Umrangso, Ariyalur and Dalmiapuram, which will be operational from year 2022. These include cooler, pyro, pre-heater, cyclone, etc. which will result in a cumulative reduction in specific heat consumption of 231 Kcal/kg clinker. The estimated Capital expenditure for these initiatives is ₹ 220 Crore. This initiative will put us ahead in our commitment on Energy Productivity (EP 100), cost optimisation and GHG reduction.



Mettur Dam, Tamilnadu: Built with the strength and reliability of our cement



The Rebirth and Resurgence of Kalyanpur Cement

Bihar-based Kalyanpur Cement is one of the oldest cement manufacturing companies in the country. It was incorporated in August 1937 in pre-independent India. Over time, however, the company fell behind and finally was declared sick by the National Company Law Tribunal (NCLT).

In its eighty-year journey, Dalmia Bharat has time and again demonstrated our expertise at turning around operations in failing plants. Understanding the potential of Kalyanpur Cement to expand our capabilities, we decided to acquire the company in 2019 through NCLT. The company is now renamed Dalmia DSP Limited.

Post-acquisition, we jumpstarted the recovery process by adopting a two-pronged approach. On the one hand, a series of process measures were introduced to accelerate production. On the other hand, state-of-the-art technology was implemented to augment the existing infrastructure.

These measures enhanced kiln productivity, reduced power consumption, decreased carbon footprint, and increased machine running days. Today, the reliability of the kiln has improved from 80% to 93%. The heat required to produce clinker has declined from 825 Kcal/kg to 727 Kcal/kg. This year, clinker production has increased from 1,550 TPD to

MANUFACTURED CAPITAL

2,689 TPD against the projected capacity of 2,550 TPD. The additional TPD has brought in a revenue of ₹ 7.26 Crore annually for the company.

The plant has also become a significant milestone in our sustainable, green innovation journey. It is Dalmia Bharat's first plant to produce green cement using green fuel instead of coal. We invested ₹ 23 Crore in building a green fuel feeding system at the plant. This implementation has delivered a 35% Thermal Substitution Rate. Other

measures like increasing the Raw Meal Baghouse volume and installing Nuisance Bag filters help us meet pollution norms and increase the plant's efficiency.

The rebirth and resurgence of Kalyanpur cement as Dalmia DSP is seen as a shining example of restructuring assets. The plant stands testimony to our capabilities to giving new life to dying enterprises and reiterates our commitment to creating value for our stakeholders the green way.

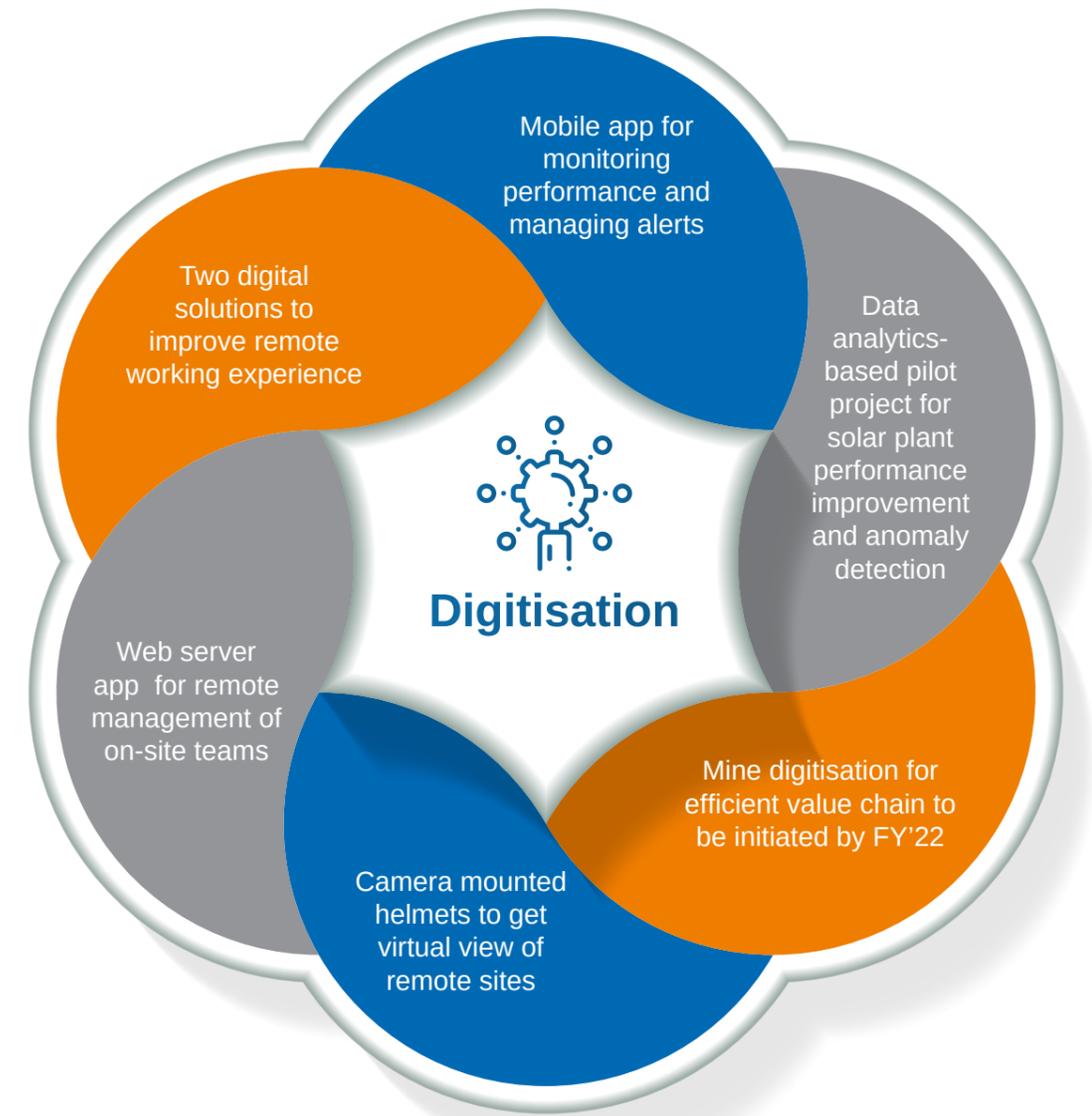


Central Control Room, Midnapore



Digital Transformation

Dalmia Bharat is a firm believer in the power of technology and innovation to create long lasting value and enhance operational efficiencies. The onset of COVID-19 increased adoption of technology enabled remote working methods across the organisation.



HUMAN CAPITAL

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“Our People are the force behind Dalmia Bharat’s continuous successful Performance. Our commitment to their well-being and development have earned us the reputation of one of the most sought after companies to work with.”



KEY HIGHLIGHTS

- High ratings by Talents on Happiness @Work Survey. 95% feel engaged at work
- High retention rate in the industry

Dalmia Bharat values and prioritises people over profits. That has guided our journey since our inception. As a relationship-based organisation, we see our employees as Talents with unique capabilities. We are invested in enabling our Talents to realise their full potential so we can achieve our bold aspirations responsibly. Their well-being and safety are of utmost importance to us. We are led by our defining values of Integrity, Trust & Respect, Humility, and Commitment.

Dalmia Bharat DNA – Six Fundamental Behaviours



We encourage our people to be holistically conscious of their actions. We have woven the organisational goal of reducing carbon footprint with the individual Key Result Areas (KRAs) of our Talents and the performance appraisal system. This move will give us the impetus to think consciously about sustainability also, what we can do to reduce environmental impact at work and in our personal lives, too.

Our digitally enabled working environment, robust talent development pipeline, meticulously thought-through career progression frameworks enhance the responsiveness and effectiveness of our Talents.

We build and maintain safe working environments across all our facilities. We continuously improve our health and safety practices to achieve Zero Harm. We have developed a multi-year roadmap of guidelines to activate safety measures and achieve safety goals across our manufacturing units. We periodically monitor our health, safety, and environmental practices and have also deployed line managers responsible for this exercise across facilities. Our line managers are accountable for the driver and contractor safety initiatives along with the implementation of the DuPont model across all our plants.



Workforce at Rajgangpur Cement Plant



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Key Inputs

- Total Talents 5,807
- Total contract workers 12,260
- Total Training Hours to permanent talents - 60,555
- Employee Training Expenditure ₹ 3.87 Cr

Key Outcomes

- Fatalities of permanent workforce 0
- LTIFR contractual workers 0.21
- Permanent female Talents 4%

Strategic Goals

Short Term

- Employee and stakeholder health & safety
- Employee engagement and productivity
- Transition seamlessly into the work from home model
- Facilitate unlearning and relearning in the 'new normal'
- Manage employee morale, motivation and any insecurities that may arise

Medium Term

- Integrate Murli Cement
- Catalyse digital transition
- Restructure the organisation keeping in mind the 'new normal'
- Embed the Dalmia DNA to enhance talent effectiveness
- Promote diversity, especially women in leadership positions

Long Term

- Facilitate a growing, profitable and sustainable business
- Deepen our positioning as a preferred employer
- Build a pipeline of tech-savvy leaders
- Implement organisation structures to address scale and sustainability
- Increase productivity and organisational profitability

Key Risks

- Fatalities and injuries in the cement plants and across the value chain
- Ensure implementation and practice of human rights across the business value chain including third party contractors, suppliers and other vendors

Key Focus Areas

- Interventions and awareness programs to ensure employee health and safety in own plants and across value chain
- Continuous evaluation of internal controls for human right issues in own plants and with supply chain partners
- Implementing awareness programs to align with the universal labour norms
- Nurturing talent to help realise organisational aspirations

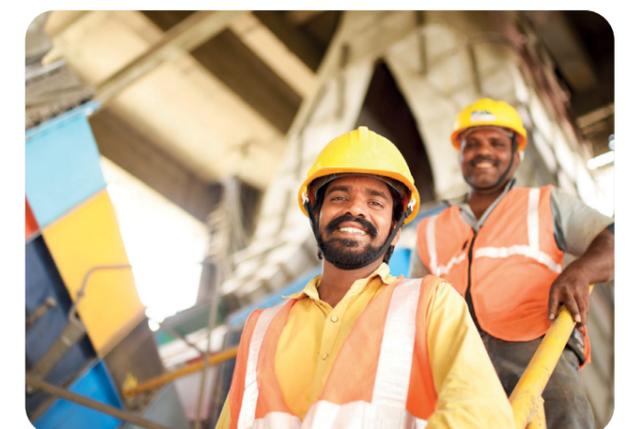
Safety

The physical and mental well-being of our shop-floor talents and other stakeholders are our priority. Our goal to have zero fatalities and incidents is supported by a commitment to continuous improvement in safety practices. We run safety awareness campaigns, conduct regular safety audits, set exhaustive Standard Operating Procedures (SOPs) and provide safety gear, amongst other measures, to deliver on our commitment to Zero Harm.

Our safety committees have adequate worker representation, including truck drivers, vendors, and others. We have a robust Incident Management System to monitor and report accidents in real-time with proper

documentation. Despite these precautions, there have been three fatalities of male contract workers in the reporting. These incidents have made us even more committed to preventing such fatalities.

In Kadapa, the reason for fatality was burn due to spillage of hot clinker from the truck on unloading. In Belgaum, the reason for fatality was fire inside liquid waste tank due to a blast. In Rajgangpur, the reason for fatality was due to fall from a height of more than 100 meters. We have taken corrective actions post-investigation to ensure that such incidents do not recur.





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Plant Location

Kadapa

Corrective Actions

- Specific driver orientation training for non-regular drivers
- Toolbox talk for drivers at the beginning of every shift
- Increase the supervision at unloading point to enforce the safe practices

Belgaum

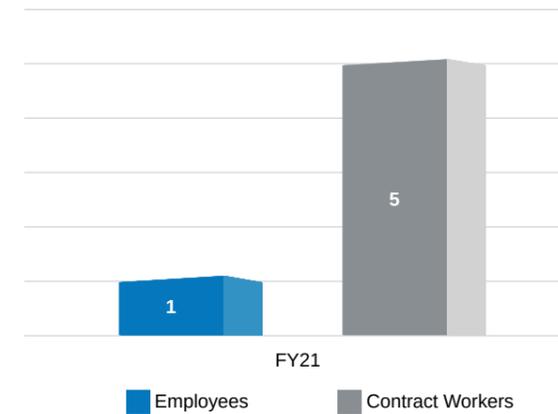
- Ensure tank is fully empty before start of any welding/cutting activity
- Comprehensive liquid testing facility for accepting or rejecting the tanker to be strengthened
- Breather/vent valve with flame arrestor to be provided at the top of the tank
- Installation of auto water sprinkling system with tank body temperature
- Regular job specific training to DCBL executives & contract workmen to enhance their understanding on Alternative Fuel and Raw materials (AFR) safety
- Feasibility of direct firing without any storage facility to be evaluated to eliminate the risk of chemical reaction between liquids or store one source liquid in one tank
- New tank safety design to be relooked & validated. In future new tank to be procured from competent supplier.
- Provision for providing the inert gas (N2) line to the tank in case of flash point less than 60 Deg C

Rajgangpur

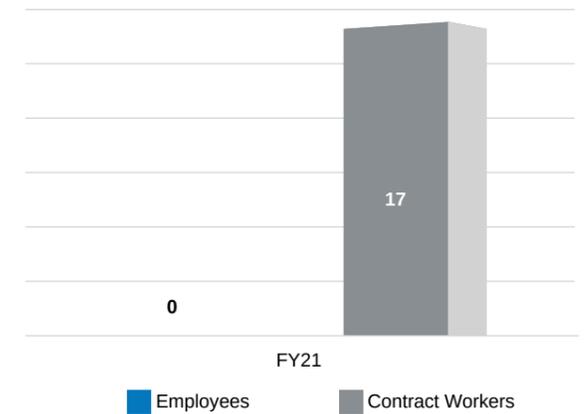
- Working Principles for Risk Analysis to be done & signed by site engineer
- Engagement of Skilled manpower in high risk jobs (Working at height/Confined space/Hot Work)
- Field supervision & presence of engineer at site on high risk jobs.
- Safety harness to be used on floor if any work required to be carried, outside building/ Edge/ any Pulling action
- Risk assessment and Job Safety Analysis (JSA) to be modified
- Rigging & Slings standard operating process to be modified
- Lifting plan format to be modified & sketch/drawing to be enclosed showing arrangement
- Training to be imparted on rigging & slinging and behavioral aspect

Apart from the corrective actions, we also created cross-functional awareness between all our units to make sure the all safety precautions are strengthened and to prevent such incidents.

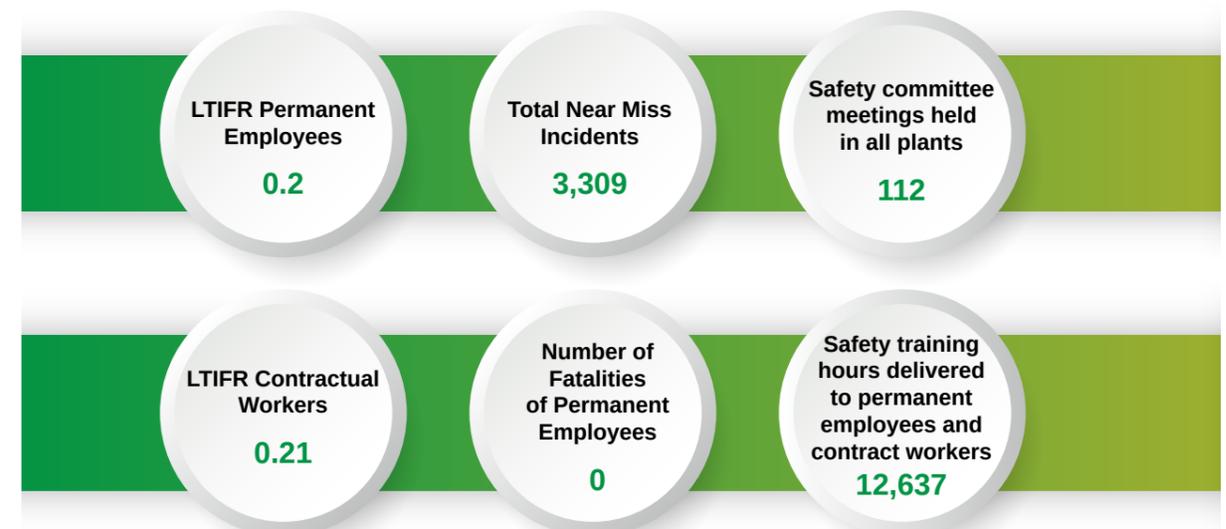
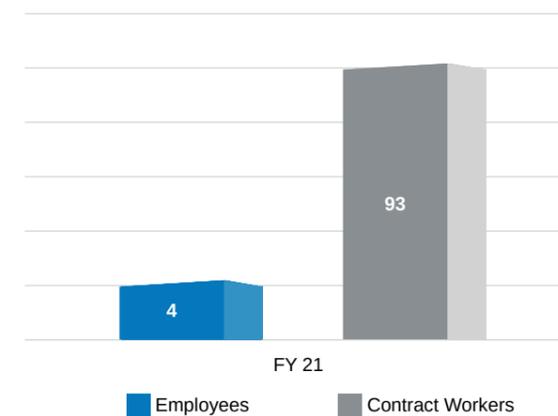
Lost Time Injuries



Medical Time Injuries



First Aid Cases



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HEALTH AND SAFETY TRAINING

Category	Gender	Average hours per person
Permanent Employees	Male	2.86
	Female	2.2
	Total	2.86
Permanent Workers	Male	4.83
	Female	2.75
	Total	4.75



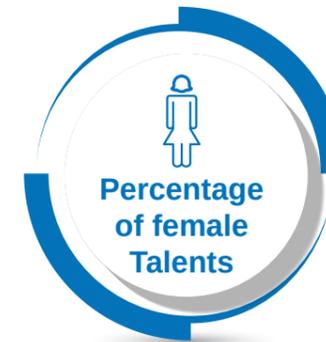
An Inclusive Workplace

Dalmia Bharat is committed to creating a fair workplace built on trust, celebrates diversity and encourages ethical behaviour at all times. We are grateful to our Talents who

have contributed to our success. We are happy that this feeling of trust and respect are valued and reciprocated by our Talent.



Inclusive workforce at Rajgangpur



Permanent : 4%
Contract : 4%



Permanent Talents: 5,807
Contract Workers: 12,260



Male : 4
Female : 1

Permanent Talent Headcount

Management (GM & Above)	Male	272
	Female	9
	Below 30 years	0
Non-management employees - DGM & Below	30 to 50 years (including 30 and 50)	144
	More than 50 years	137
	Male	3,571
Permanent workmen/ unionized labour	Female	154
	Below 30 years	708
	30 to 50 years (including 30 and 50)	2,692
Permanent workmen/ unionized labour	More than 50 years	325
	Male	1,725
	Female	76
Permanent workmen/ unionized labour	Below 30 years	74
	30 to 50 years (including 30 and 50)	965
	More than 50 years	762

Contract Worker Headcount

Contract workers	Male	11,748
	Female	512
	Below 30 years	3,906
Contract workers	30 to 50 years (including 30 and 50)	7,468
	More than 50 years	885

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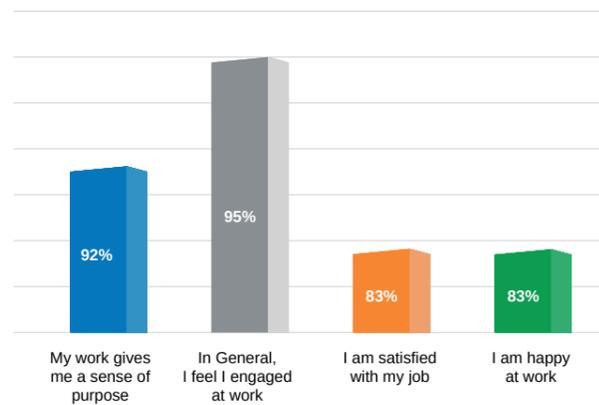


Talent Happiness and Engagement

We connect and stay engaged with our Talent to earn their trust and align them to our values. Our talent engagement initiatives include leadership talks, organisational announcements, polls, peer communication, cultural celebrations, and crisis announcements. We conducted

a Happiness Survey in FY21 to measure our employee engagement. Our Talent rated the company's performance across parameters like happiness at work, job satisfaction, role engagement, job purpose, and responsibility in the top quartile.

Responses to Happiness survey



4.2
Average score out of five received for all questions. This highlights the result of our continuous employee engagement and Dalmia Bharat values

The Happiness Survey average scores on a scale of 1 to 5, with five being the highest.



Engagement Methods

Channel

Employee Newsletter-Sampark

Dalmia Town Halls-Dalmia Connect

Promoter Message

Objective

Created and launched in May 2020, Sampark features business highlights, unique campaigns, talent achievement, etc. It has become a news byte which people look forward to reading every month.

Virtual Town Halls have been organised to connect Promoters and Business heads with our Talent. Plant-level town halls have been organised for the CEOs of different business units to share their performance numbers and plans.

Celebratory and motivational communication from the Promoters is shared with employees on occasions like New Year's, Diwali, Independence Day, and difficult times like the COVID-19 outbreak

Dalmia Bharat Group
PRESENTS
Padma Shri KAILASH KHER
Grammy® Award Winner RICKY KEJ
Jazbaa-e-Bharat
AN ONLINE CONCERT SALUTING COVID WARRIORS AND CELEBRATING OUR VALUES, SUSTAINABILITY VISION, PERFORMANCE AND THE RESILIENT INDIAN SPIRIT
Watch it live on 14th August 2020 6:15 pm – 7:30 pm
www.DBLCconcert.com YouTube /DalmiaBharatGroup

Virtual concert - Jazbaa-E-Bharat

HUMAN CAPITAL



Channel

Objective

Internal campaigns like – #CovidSafety, World Environment Day

Internal communications campaigns around areas of topical or national interest are run to build awareness amongst employees.

Internal Mailers

Birthday and anniversary greetings, organisational announcements, knowledge bytes and job postings are shared with employees through internal emailers.

Video Communication

Videos on the Dalmia DNA, Promoter and leadership messages on festivals, business performance, and COVID-19 awareness have been developed and shared over WhatsApp to improve engagement.

SMS and WhatsApp alerts

An SMS or WhatsApp alert is actioned whenever immediate communication with our Talent base is needed.



COVID-19 Related Talent Engagement

Channel

Objective

Internal Mailers

Updates on COVID-19 and initiatives to tackle the pandemic

Townhall with Promoter/ Business Heads

A town hall with Promoter and Business Heads to share information on COVID-19, its impact on the business, and related welfare initiatives.

Virtual Musical Concert – Jazbaa E Bharat

A virtual musical concert organised to boost morale during COVID-19, where renowned artists like Kailash Kher, Ricky Kej, Udit Narayan performed

Internal campaigns around COVID-19

Campaigns to showcase the contribution of our Talent and their families to COVID-19 #KidsDonateToPMcaresFund, Share Your Joys with Us, Happiness Unlimited

Safety Campaign

Campaign to create awareness about COVID-19 related safety measures led by the management team, HR and Plant Heads



Talent Attraction and Retention

As an equal opportunity employer, we make conscious efforts to drive diversity and inclusion at the workplace holistically. Our career development framework plays a crucial role in attracting and retaining Talents with the organisation's values at its core. Our diversity hiring focuses on the recruitment of female Talents. Our efforts to enhance the diversity of thought and abilities also look at attracting Talent from underprivileged segments and

the differently abled. We ensure that the salaries of our male and female Talents are at par. We are broadening our skill diversity by hiring experienced Talents from non-cement industries in senior management roles. At Dalmia Bharat, we run focused career progression planning and job shadowing programs throughout the year. These measures, amongst others, helped bring down attrition rates.



Engineers at Midnapore plant

Campus placements & Summer internship programmes

1

Students from Tier I & II institutes of the country are selected for a four month internship to work on a live project. The programme includes management level engagement and reviews by Dalmia Bharat CEO and Managing Directors

Graduate Engineer Trainee (GET) Programmes

2

Students from Tier I & II institutes of the country are selected for a four month internship to work on a live project. The programme includes management level engagement and reviews by Dalmia Bharat CEO and Managing Directors

Prarambh - Dalmia summer Internship Programme

3

This is a unique internship model to give students an opportunity to apply their knowledge through live business projects under the guidance of an assigned project mentor. The programme covers in-person sessions, plant/market visits, interim reviews and virtual learning sessions.

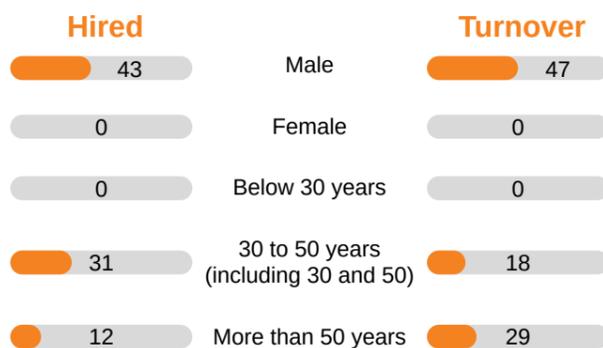


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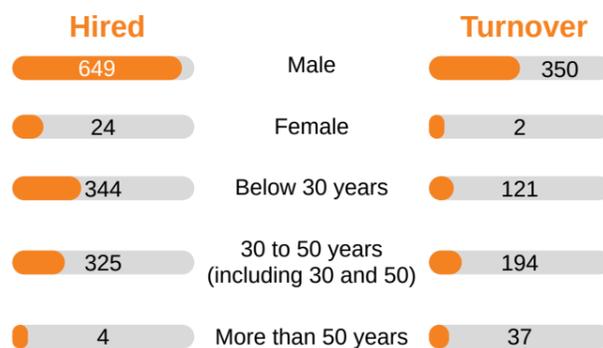


Attrition rate of Permanent Talent 8.56%

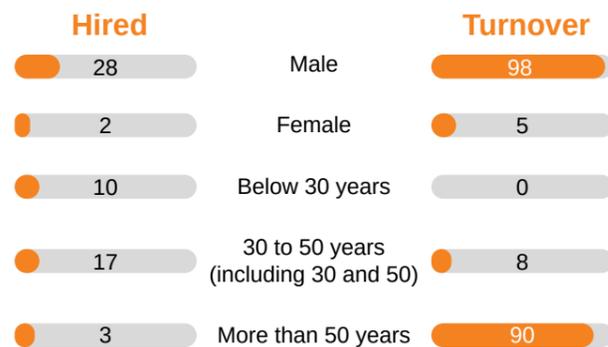
Management (Staff) (GM & Above)



Non-management employees (Staff) - DGM & Below



Permanent workmen/ unionized labour



Regular Performance and Career Development Reviews

Number of Talents	Male	Female
Management (Staff) - GM & Above	4.4%	0.2%
Non-management Talents (Staff) - DGM & Below	54.4%	2.4%
Permanent workmen / Unionized Labour	29.7%	1.3%



Learning and Development

We are committed to nurturing our Talent to accelerate value creation for the company and our stakeholders and help them build fulfilling careers. We identify key skill requirements of the company across job levels and bring

in best-of-class trainers for talent development. The Human Resources team identifies critical business talent and develops a succession plan to manage sudden exits.



Nalanda Institute

Dalmia's Leadership Learning & Change (LLC) Institute, NALANDA, is an independent Institute headed by a Dean. Launched in August 2014, it aims to develop dynamic leaders for the company. The institute creates leaders who live and lead by example and possess strong moral codes. The curriculum comprises strategic thinking, innovation, creativity, inclusiveness, sales strategy, production skills, P&L-focussed leadership, and performance through ownership.

Dalmia Technical Institute (DTI)

An arm of the Nalanda LLC Institute, DTI is responsible for identifying knowledge gap areas through tools like the Performance Management System, 360 Degree Reflect and Individual Development Planning. The team then formulates customised interventions to ensure career progression. It imparts skills training for our talent in our plants and includes drills by specialists and domain experts.

Lakshya - Advanced Leadership Programme for Star Performers

This program was launched in 2014 to promote high-impact leaders. At the end of a 15-month journey, star performers are identified. This program serves as a 'finishing school' for top performers and has helped us build a robust pipeline of leaders.

Shikhar - Accelerated Development Programme for Manufacturing Talent

We launched 'Shikhar', a program to develop leaders from the technical talent pool. The program focuses on developing behavioural and technical competencies through courses at the National Council for Cement and Building Materials, Faridabad.

HUMAN CAPITAL



Training Details

	Average hours per person		
	Leadership training	Soft skills/ Behavioural	Others
Permanent Employees			
Total	4.62	5.44	9.5
Permanent Workers			
Total	0	2.42	0.65



Learnings & Development Team at Corporate office



Labour Rights

Dalmia Bharat is firmly committed to preventing child labour and forced labour in our premises as well as those of our supply chain. We acknowledge the right of our workers to unionise and collectively bargain for issues. Dalmiapuram and Rajgangpur units have trade unions that confer with management to resolve issues democratically. Dalmia Cement National Workers Union (affiliated with INTUC-Congress) is the recognised union at Dalmiapuram. Rajgangpur plant has three recognised unions (Ganpur Shramika Sangha, Lanjiberna Shramik

Sangh, and Sundargarh Industrial Mazdoor Union) affiliated to the Centre of Indian Trade unions (CITU). The other units do not have a functional union as yet. The Works Committee ensures transparent communication between management and employees. At present, 23.68% of our workforce is a part of trade unions. We ensure that our long-term issues are resolved as quickly as possible. In FY21, no significant shutdowns have taken place due to union-led issues. We are preparing to conduct a human rights due diligence exercise in the near future.



Workers at Dalmiapuram Plant

HUMAN CAPITAL



Grievance Redressal

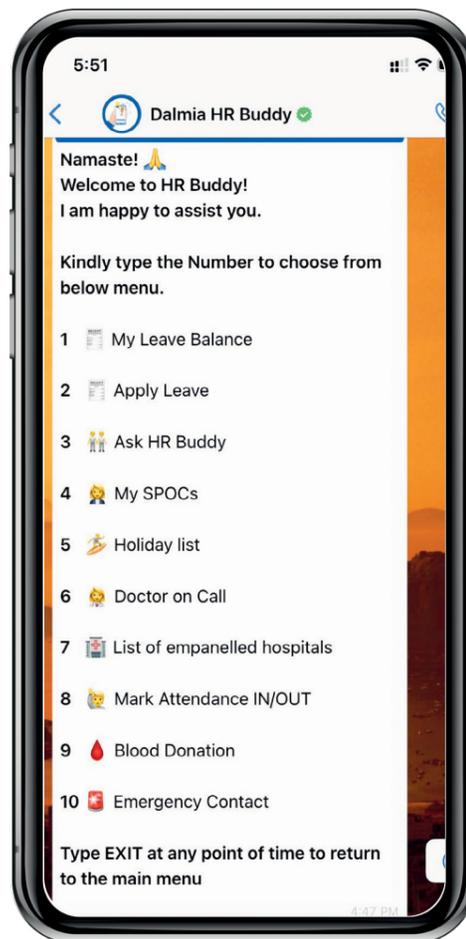
Dalmia Bharat has adopted an efficient Grievance Redressal mechanism. This process manages concerns, issues, complaints and grievances of stakeholders systematically. Dalmia Bharat is committed to being a fair workplace. We are bias-free and neutral towards markers like age,

gender, religion, caste, marital status, sexual orientation and disability. We are proud to state that in FY21 there were no complaints recorded on human rights issues such as sexual harassment, discrimination, child/forced labour, etc.



Digitalisation of Talent Management

We aim to groom a digitally enabled workforce and use digitalisation at work as a change enabler. In FY21, the organization moved from physical working to a 'Work from Anywhere' concept. The HR team prepared Talents to adapt to the changed work model and provided tools required for a smooth transition. This included setting up robust guidelines to manage fatigue from working digitally. Our HR processes are automated and digitally driven with HR buddies and bots to respond to our people's queries and concerns.



HR Buddy Interface



A faster, easier and more convenient way to get all your HR queries answered.

SOCIAL AND RELATIONSHIP CAPITAL

SOCIAL AND RELATIONSHIP CAPITAL



“Our stakeholder inclusive approach to our business operations has built strong relations with our stakeholders and reinforced our efforts for environmental protection and value-added performance”



KEY HIGHLIGHTS

- Launched several digital and cashless engagement tools for supply chain
- Reached more than 15,000 channel partners and 50,000 influencers for Covid-19 relief
- On track to achieve 2030 CSR targets in addition to constant Covid-19 support to communities

With diverse operations and a wide geographical footprint, a company like Dalmia Bharat thrives on the strength of our social licence to operate. We have built a strong foundation of Social and Relationship Capital through meaningful engagement with our stakeholders. We value the support of our diverse stakeholders, including communities, to ensure we can function efficiently without disruptions. Every relationship in this circle of trust is invaluable for our operations.

Dalmia Bharat Foundation (DBF), our Community Social Responsibility (CSR) arm, leads our social engagements. Our programmes are guided by the needs of our beneficiaries and are a combination of short, medium, and long-term interventions. Each initiative begins with detailed exploratory research. Planning meetings are set up with local communities leading to the formation of institutions and administrative councils. These bodies frame the social development agenda around the expressed needs of the community.

The company and the foundation have appropriate checks and balances to prevent its operations from adversely affecting the environment and the ecosystems in which it operates. We are embracing digital collaboration technologies to ensure seamless engagement with all our stakeholders. We maintain constant interaction with customers, dealers, influencers and partners through meetings, webinars, loyalty programs and the newly launched touch base apps.



Home Health Aid Training at DIKSHA Centre, Trichy



Key Inputs

Invested by Dalmia Bharat in CSR & Community Development
₹ 8.13 Cr.

Mobile apps developed or improved customer and dealer engagement



Key Outcomes

- CSR beneficiaries - 1,58,171
- Channel Partners - 15,000+
- Influencers - 50,000

SOCIAL AND RELATIONSHIP CAPITAL



Key Risks

- Disruption of engagement with customers and dealers
- Concerns of the local community



Key Focus Areas

- Leveraging digital apps for real time engagement with customers and dealers
- Capacity building of local community and CSR efforts to support the community



Maintaining Relationships with all Stakeholders

We interact with all our stakeholders with the highest standards of integrity, transparency, respect, and equality. These engagements provide us with insights that help us grow our business, prevent potential conflicts and generate

mechanisms to resolve concerns. We set up a COVID task force and a dedicated helpline to allow our stakeholders to reach us for any support they needed during the pandemic.

1. Investors

Dalmia Bharat strives to generate long-term value for all investors through sustainable profits and responsible growth. We undertake stringent due diligence across processes, and material information is shared on time

with all shareholders through established communication channels. To understand the value generated for our shareholders through the business activities of FY21, please refer to the Financial Capital section of the report.

2. Government and Regulatory Bodies

We strictly abide by the laws of the land and operate within stipulated regulations. We practice due diligence and adhere to all protocols and compliances. We acquire required clearances for projects- from inception through site selection, impact assessment and mitigation.

We proactively voice our stance on matters of national, regulatory and economic importance. We disseminate our

narratives across communication channels and audiences to represent our stakeholder's interests. We participate in national and global summits, industry associations, and think tanks to address upcoming challenges and explore new business opportunities collaboratively. To understand our policy advocacy, please refer to on Policy Advocacy section in Our Policies and Codes.

3. Suppliers and Business Partners

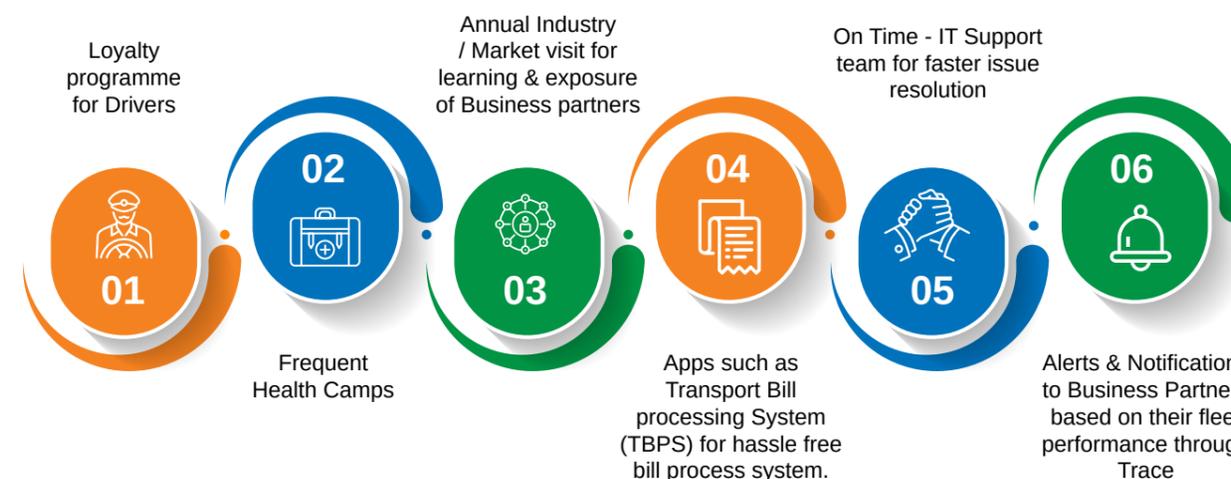
Dalmia Bharat is conscious of monitoring and addressing human rights, environmental impact, and safety in our operations and across the supply chain. Environmental, Social and Governance (ESG) requirements relevant to Environment, Health and Safety and Labour laws are included in work contracts with supply chain partners. These

requirements are re-affirmed in periodic contractor-supplier meetings. Dalmia Bharat proactively conducts knowledge meets on procurement procedures to ensure liquidity within the company and the partner ecosystem. We foster the economic development of our allied sectors by acquiring raw materials, equipment and services from local suppliers and

the communities around our plants. In FY21, we adopted a vendor rating and evaluation process that evaluated supply and service, performance rating, quality, cost, compliance

& safety parameters. In FY21, various initiatives were undertaken for our business partners, including:

Digitalisation of the Supply chain



We are transforming and digitising our supply chain and logistics processes. In FY21, we introduced cutting-edge technologies like Robotic Process Automation, Machine

Learning and others. These initiatives are discussed in detail on in the Intellectual Capital in the report.

4. Talents

Our Talents are our most important asset. We are committed to providing a safe, healthy and positive environment to enable them to have productive professional careers with Dalmia Bharat. Webinars, cultural day celebrations, training, town halls etc., help us engage and motivate our Talent and keep them updated on organisational developments. We

believe that a happy and motivated team can deliver quality products and services with greater safety, leading to higher customer satisfaction, managing operations with reduced risks, and growing business and profits. To know more about our employee engagement initiatives, please refer to the Human Capital section of the report.

5. Dealer network and Influencers

Dealers

Dalmia Bharat's loyalty programs help improve dealer sales and satisfaction as well as attract new dealers. Our dealer loyalty program 'Dalmia Delight' was taken to the next level in FY21. The program established itself amidst the COVID scenario and went on to provide delightful experiences to our channel partners in such challenging times. The app included a program called "Stay Home, Stay Safe" during COVID to boost dealer morale through positive messaging in addition to hosting skilling and learning modules. All programs under Dalmia Delight are offered through an app, ensuring dealers have access to all features and updates

in one place. We also launched IBM Skills Build – an online digital learning platform through which dealers get lifetime access for various digital training programs at no cost.

We were the first in the industry to provide cashless payment facilities to our Channel Partners so they could save on sign-up and recurring charges. This move enabled our partners to maintain social distance, reduce cash transactions and avoid unnecessary COVID-19 exposure. Customers were also allowed to pay dealers using cashless payment methods.

Influencers

We celebrate our influencers, including masons, building contractors and others. Their contributions help us grow business and strengthen brand acceptance. We have rolled

out the 'Dalmia Masters' loyalty programme to recognise and reward the hard work of our influencers who help craft the Dalmia Bharat success story every day.

SOCIAL AND RELATIONSHIP CAPITAL



Dalmia Masters Programme Benefits for Influencers



Easy Login, Access, Transactions & Redemptions



Opportunities to Earn/Quicker accrual of points



Wide Range of Rewards for Personal & Professional Development

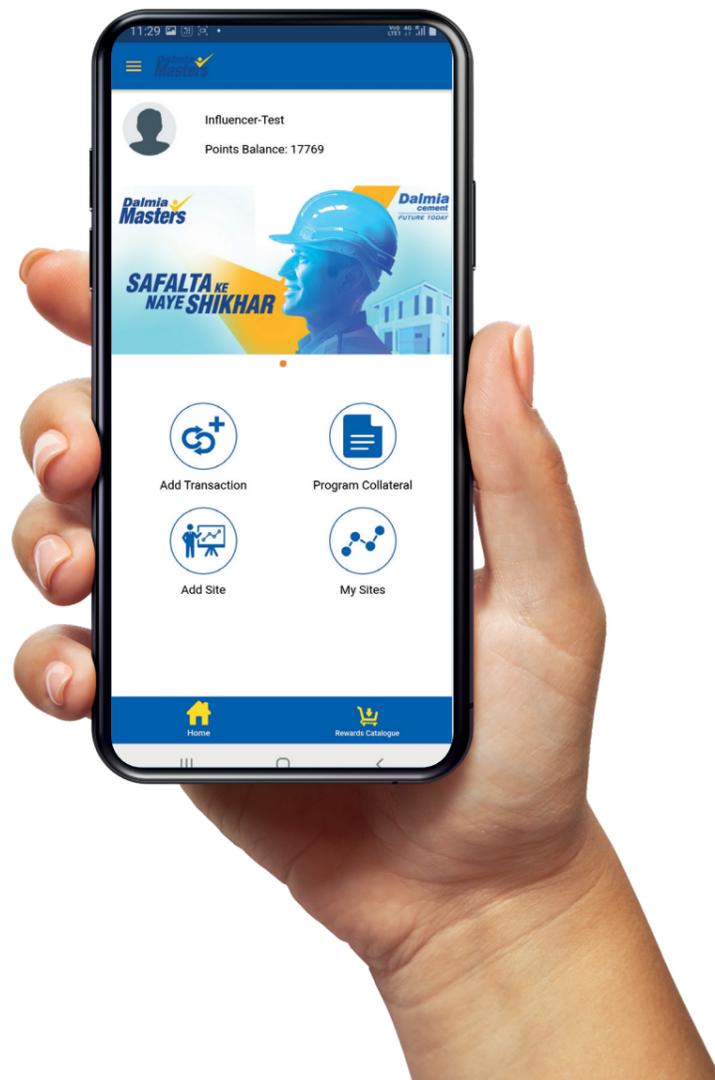


Quicker and Committed Delivery of gift



Dedicated Programme Helpdesk

Dalmia Masters app for Influencers



Standing by Our Stakeholders

As the pandemic raged, we were committed to standing by our stakeholders. We reached out to more than 1,600 masons and construction workers. We organised more than 30 engagement camps and events to sensitise 15,000+ Channel Partners and 50,000 influencers to stay safe during COVID-19. We also distributed COVID Safety Kits to them. The lockdown period was used to run training and re-skilling initiatives for them. We hosted 59 Webinars covering 6,000 participants and conducted 2,495 Virtual Meets with 10,000 Influencers.

6. Consumers

We aim to be the most trusted cement brand in the country. We strive to bring ease of construction to our customers and deliver excellent after-sales support. Our customers stay abreast of our latest products, tailored to meet their

evolving needs, through high visibility marketing campaigns. We are working to formalise our customer satisfaction surveys and set up targets to measure consumer delight.

Creating Customer Awareness on Green Cement

The world over green cement is increasingly acknowledged as the need of the hour. An environmental-friendly product that minimises carbon footprint with the help of a carbon-negative manufacturing process. Green or blended cement is becoming a natural choice for those who want to lead with sustainable practices. Dalmia Bharat is leading the transition to green cement in India. It is amongst the few cement manufacturers with a primarily green portfolio.

To foster greater adoption of this environmentally friendly building material, we have undertaken stewardship to create awareness of the product across our customers, institutional or individual. We encourage them to use blended cement and contribute to protecting our planet. Dalmia Bharat drives awareness and understanding of the benefits of green cement across our distribution chain. Our dealers and distributors are the critical last-mile link to encourage customers to buy green cement for their building needs.

Balancing Green and Growth: Green Cement

- Re-uses industrial waste**
- Requires less energy**
- Reduces carbon dioxide emissions**
- Long lasting**

Dalmia Bharat has always believed that our products must cause minimal harm to the environment while delivering the highest quality. The low porosity of Dalmia Infragreen enhances the durability of the product. It does not require any other chemical admixtures and delivers high strength, durable and waterproof concrete. It uses lesser heat in hydration than OPC large and mass concreting and can control thermal linked cracks of large sections better. Dalmia Infragreen has superior water ingress resistance and provides long-term durability against atmospheric carbonation, harmful chlorides and sulphates from groundwater usage. Our product can get runways, highway stretches, and metro sections operational in three days, whether used for building, maintenance, or repair.

We are committed to making sustainable products and green our product line. We endeavour to influence our customers to use green / blended / OPC. This is crucial if Dalmia Bharat has to meet the steep goals of becoming carbon negative and meet our commitments to platforms like EP100, RE100 and EV100. We work closely with global organisations like CDP, DJSI and others, doing tremendous work to align countries and organisations to fight climate change and deliver on the Paris agreement goals. Our investors and customers are consistently updated on the measures we have taken to achieve greener product offerings. We are engaging with government think tanks like NITI Aayog to sensitise them to the importance of growing the use of green cement and lowering the price of inputs like fly ash and other wastes. This will go a long way to help the government and civic bodies tackle the growing menace of waste sustainably and profitably. In turn, this will boost production and reduce the cost of green cement and promote its use.

Our mission to make green cement available, accessible and the preferred choice of customers is crucial to our journey of growing responsibly and sustainably.

We know that the future is here. We are proud that we are building it.

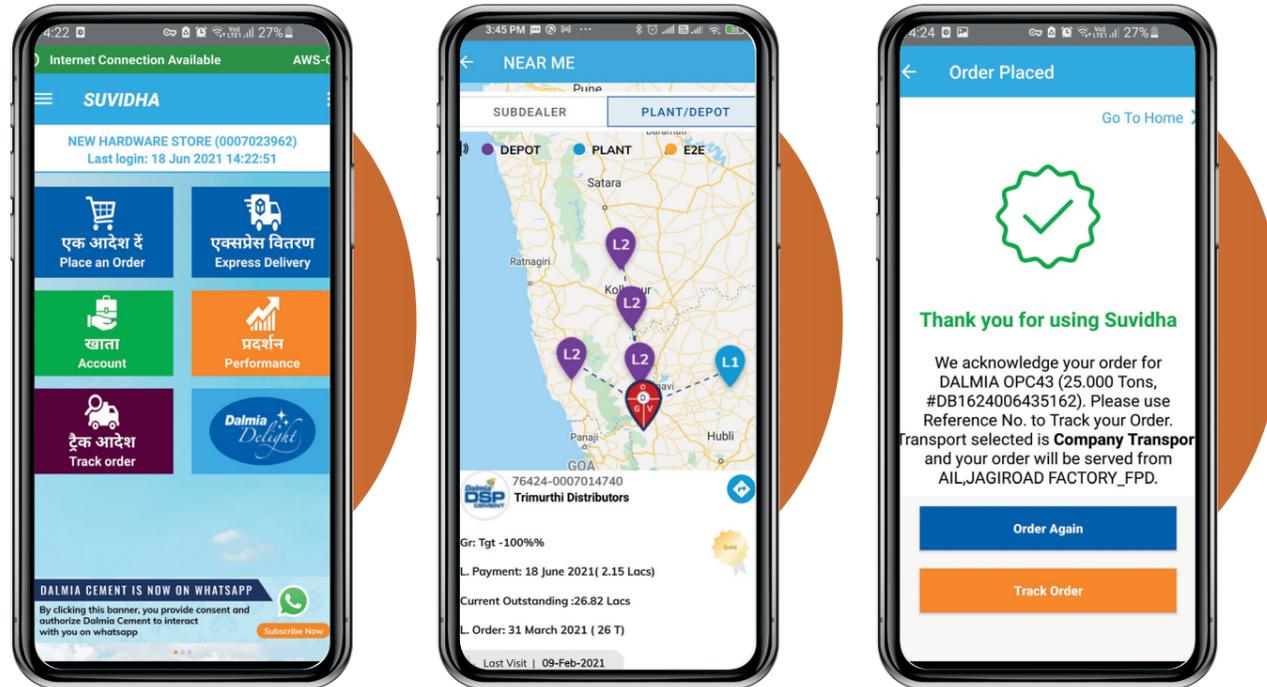
SOCIAL AND RELATIONSHIP CAPITAL



Leveraging technology in consumer engagement

(i) Customer Onboarding

We have digitised our onboarding process to improve customer experience through several touchpoint apps, including WhatsApp bots, to access product brochures, locate dealers, and register interest. Customers can also address the company's group on Amazon Alexa with basic construction queries.



(ii) Targeted marketing channels

We rolled out a tech-enabled consumer promotion targeting consumers of Dalmia DSP in the Eastern & North Eastern states of India. This included an online contest and electronic gift delivery. The consumer promotion added to Dalmia DSP's recall in key markets and would aid brand sales uplift beyond the promotion period.

(iii) Advisory services for customers

'Dalmia Build Advisor' is a set of professional support services which helps end customers and influencers access advisory and supervision services from qualified Dalmia Build Advisor Engineers. The service also offers advice on the quality and consistency of cement used on a site through the specially equipped 'Dalmia Build Advisor' Tech Van.

(iv) Technical Services

Our Technical Services (TSE) is becoming a differentiating factor for the company as it leverages technology and online platforms to enhance responsiveness. We have launched a TSE App called 'DBA Pro' that digitises the team's day-to-day activities like Lead and Site management, Monthly work plans, Service request, Complaint handling, and provides high-end analytics to increase efficiencies.

DBA PRO

Technical Services application (DBA pro) has been developed in-house, aimed to manage & impact the life cycle of our influencers & construction sites. DBA Pro empowers the Technical Services organization by digitizing their working and integrates seamlessly with our channel app (Suvidha) to forge an effective partnership with the channel, in serving our consumers. The application brings transparency of the sales pipeline, identifies opportunity and thus effective and timely action. The inbuilt site scoring model makes it easy for our sales force. The application has module to track service requests and complaints to serve our consumers better.

Customers Engagement During Covid-19

With the national lockdown in place, construction activities came to a halt. When construction in semi urban and rural markets started , the technical services team helped customers and contractors access critical building advice through virtual site tours. The teams conducted thousands of sessions across the country while maintaining social distancing measures.



Other Consumer Engagement Channels

1. DSP launch in additional South markets



SOCIAL AND RELATIONSHIP CAPITAL



2. Landmark Hoarding Program



3. New ad campaign for Konark Cement



4. DSP Consumer Promo



7. Communities

Dalmia Bharat Foundation (DBF) leads our community facing engagements and takes forward the company's eight decade-long philanthropic spirit. The foundation operates in 18 districts across 12 states across India with

an outreach population of 13 lakhs for the Group. In FY' 21, it made significant progress and is on track to meet its 2030 targets.

CSR Focus Areas

Livelihood:

Transforming households, including adding unemployed youth into the skilled workforce for enhanced income

Climate Action:
Water & Energy

Water: Harvesting and conserving water for productive use product development and product placement in market

Energy: Ensuring access to clean cooking and lighting solutions.

Social Infrastructure:

Addressing basic health, education, rural infrastructural needs of the local community

SOCIAL AND RELATIONSHIP CAPITAL



CSR progress FY' 21 and Vision 2030

FY21 progress		Goal 2030
Livelihood		
Empowering unemployed youth by transforming them into a skilled workforce	Approximately 10,959 youth benefitted	1,00,000 villagers
Overall income enhancement through livelihood creation	Approximately 19,891 villagers benefitted	2,00,000 households
Climate Action (Water & Energy)		
Water Harvesting and Conserving Water for Productive Use	24.64 million m ³	50 million m ³
Facilitating access to clean lighting solutions	27,000 clean lighting solutions across 161 villages	5,000 villages
Facilitating clean cooking solutions in rural India	11,758 clean cooking solutions across 145 villages	
Social Infrastructure		
Addressing Basic Health, Sanitation, Education and Infrastructure Needs	71,772 beneficiaries from 230 villages	5,000 villages



Livelihood

The DBF livelihoods project helps unemployed youth acquire new skills or upgrade their existing skills in the construction, farming, and non-farming sectors. We have partnered with eminent organisations like the National Skills Development Corporation, the Skill Development Missions of Tamil Nadu, Andhra Pradesh, Karnataka, Odisha, West Bengal, NABARD, NBCFDC, NSFDC, BOSCH and Schneider Electric for our flagship project DIKSHa (Dalmia Institute of Knowledge and Skills Harnessing).

In FY21, DIKSHa enrolled 5,677 youth for the programme. 3,032 participants found employment at salaries ranging from ₹ 8,000 to 10,000 per month. We have partnered with:

- BOSCH to conduct the BRIDGE program for unemployed youth at DIKSHa. In FY21, 40 youth

have been trained under this initiative.

- Two Industrial Training Institutes in Dehri, Bihar and Rajauri, Maharashtra which can skill up to 1,200 youth
- NABFOUNDATION for Project NER ENTREPRENEURS' WORLD that is developing a web portal to map skills of unemployed youth in 8 North-Eastern states for employment opportunities
- APSSDC for setting up a Centre of Excellence for skills relevant to the construction sector at the Rajiv Gandhi University of Knowledge Technologies (RGUKT), Idupulapaya.

Additionally, we have leveraged the IBM SkillsBuild Platform to build industry-relevant skill sets and enhance the employability prospects of 5,282 trainees.

NABARD- National Bank for Agriculture and Rural Development
NBCFDC- National Backward Classes Finance and Development Corporation
NSFDC- National Scheduled Caste and Scheduled Tribes Finance and Development Corporation

Impact Assessment study

A third party for the DIKSHa project conducted an Outcome Assessment study. The study shows that prior to attending DIKSHa training, only 3% of respondents were working and earning which has increased to 73% after the course. A total of 47% increase in the average monthly salary after completing DIKSHa training is also recorded. The training helped in improving in lifestyle and social standing, as it was observed that 20% increase in respondents who started living in *pucca* houses with good living conditions after the training.

DBF has formed 963 Self-help groups (SHG) with 11,194 women. '100 Self Help Groups, 100 Micro Enterprises', an initiative to help women set up micro-enterprises, has trained 846 members across 80 SHGs. Of this, 67 SHGs have rolled out projects to generate an average annual income of ₹ 40,000.

NABARD and DBF have skilled 190 women under Micro-Enterprise Development Project. We have sponsored the skilling of 50 women at Usha International's Silai School (Assam), some of who have been trained as Master Trainers. They have now set up tailoring units and earn around ₹ 3,000 to 4,000 per month.

Partnerships For Livelihoods

Co- founded India Livelihoods Collective (ILC)

India Livelihood Collective is a collaborative platform for companies, CSR foundations, philanthropic organizations, non-profits, technology service providers and innovators to explore mutual synergies and leverage cross-sectoral expertise.



Women in SHG were trained on the following topics



Partnerships For Skill Development Projects

- Letter of Understanding with IBM for SkillsBuild Platform to be delivered by partner, CSRBOX
- Memorandum of Understanding signed with :
 - National Backward Classes Finance & Development Corporation (NBCFDC) for the training of youth from backward classes at DIKSHa
 - NABFOUNDATION For Project NER ENTREPRENEURS' WORLD (NEW)

NABARD- National Bank for Agriculture and Rural Development
NBCFDC- National Backward Classes Finance and Development Corporation
NSFDC- National Scheduled Caste and Scheduled Tribes Finance and Development Corporation

SOCIAL AND RELATIONSHIP CAPITAL



Gram Parivartan Project	Farmer Producer Companies (FPC)	Integrated Tribal Development Project	Enhancing yield and incomes
Facilitates training under various Government Schemes. 3964 beneficiaries in rural areas	Six FPCs have collectivised Cotton, Bengal Gram, Paddy, Vegetable farmers and Dairy Cultivators for better yields and incomes. 3,282 shareholders are now selling agricultural and dairy produce. FPC's at Dalmiapuram and Kadapa are processing Corn, Millet, poultry feed, Khoa and Mava supported by the Government Agriculture Department.	Established 83-acre orchard plantations in Midnapore, West Bengal, in partnership with NABARD.	130 small farmers from Odisha and Assam trained on System of Rice Intensification (SRI) techniques and are reaping an additional yield of 505 quintals from a total cultivated area of 112 acres. 62 farmers were trained in scientific beekeeping by the Khadi Village Industries Board (KVIB, Meghalaya) and were given a 50% subsidy on a bee box. In Assam, the community has also been encouraged to start a Bamboo Plantation, and 25,000 saplings are being grown in a nursery for planting.

CASE STUDY - REAPING THE FRUITS OF HER HARD WORK

Forty-five-year-old Hana Hansepi hails from the village of Umrangso in the Dima Hasao District of Assam. She is a widow and has three daughters between the ages of 13-18. The eldest of these children had to drop out of school after Class Ten. The other two are still studying in the local school. Life was not easy for Hana after her husband died. She cultivated seasonal vegetables in her one acre of land and earned just enough to sustain her family. She was concerned about the future of her daughters, as she had no savings nor steady earning.

In 2018, in partnership with NABARD, the Dalmia Bharat Foundation participated in a Tribal Development Project to bolster livelihood in the region. The project aimed

to give people like Hana assistance to develop a Wadi, or plantation, to grow crops that could earn them a living and help the community and its members prosper. It provided Hana with saplings which she and her family then planted. Fueled by fresh hope, Hana planted horticulture crops like Litchi, Guava, Lemon in her acreage and cultivated turmeric, pineapple and seasonal vegetables as intercrops.

With the maturing of the fruit trees, Hana started earning ₹ 50,000 to 60,000 per year from intercrops and border crops alone. Once the plantation matures, she expects to earn between ₹ 150,000 to 200,000 a year from the yield. This initiative and the resulting outcome give Hana and others like her to look forward to an income to meet her current needs and save to secure her family's future.



Hana Hansepi of Umrangso with her daughter



Climate Action – Water & Energy

Water - Harvesting and Conserving Water for Productive Use

DBF has partnered with NABARD to implement Livelihood, Climate Action (Water/Energy) projects for communities to maintain water tables at 500 feet and address issues of soil erosion. To date, 1,254 water harvesting structures have been constructed or deepened through our initiatives.

Such as System of Rice Intensification (SRI) and building vermicomposting units. Together, these initiatives have added water harvesting and conservation have added 28.95 million m3 litres * of harvesting and conservation potential.

Impact Assessment study

A third party on soil and water conservation projects of DBF conducted an Outcome assessment study. The study shows a whopping increase of agriculture yield of crops after the implementation of the project. The top crops grown in the area like bengalgram, wheat and paddy saw a 66%, 37% and 27% growth after the intervention. About 18% increase has been captured in use of mixed cropping which helped in increasing the monthly income. According to 83% of the respondents, the project helped in increasing the water levels of the surrounding water bodies, which helped 19% respondents to farm on the barren land after the intervention.

Water conservation initiatives in FY21

S. No.	Initiatives	Results
1	8 Village Ponds	Enabled conservation of almost 3,44,343 m ³ water cumulatively and benefitted more than 14,143 people
2	30 farm ponds	Water harvesting capacity of 29,346 m ³ cumulatively
3	5 Check Dams	Water harvesting capacity of 34,751 m ³ cumulatively
4	Drip Irrigation in 73 acres of land	Water-saving of 2,46,750 m ³ cumulatively
5	Three spring chambers of 150 m3 storage capacity constructed in Assam	Catering to domestic water needs of 150 tribal households
6	5 Ring wells constructed in Umrangso, Assam	Catering to drinking water needs of 350 tribal households



Village Pond at Belgaum

*(this includes sugar location as well)

SOCIAL AND RELATIONSHIP CAPITAL



Integrated Watershed Projects

Integrated Watershed projects rolled out by DBF in Kadapa, Dalmiapuram, Belgaum and springshed management project in Umrangso aim to optimise capture and deployment of water resources to improve soil and vegetation conditions. A holistic ecosystem of capabilities

including pebble bunding, a mini percolation tank, horticulture and block plantation, recharge wells, farm ponds, water-absorbent structures, stone gully plugs and trench cum bunding works enable this optimisation.

The Chirawa Water Conservation Project

This initiative by DBF saw 484 Rainwater Harvesting Tanks and 16 Recharge Wells constructed to annually harvest 15,816 m³ of rainwater, benefitting around 3,872 villagers.

Additionally, 1,969 farmers adopted improved cultivation practices and created the potential to conserve 1,37,90,530 m³ of groundwater cumulatively.

Energy - Ensuring Access to Clean Cooking and Solar Lighting

DBF addresses the environmental challenges associated with traditional cooking fuel in a multi-pronged fashion. We advocate clean cooking solutions and facilitate access to Government schemes for LPG connections, Bio-gas plants etc. For clean lighting, efforts have been made to curb the use of polluting kerosene and replace it with solar-powered lights. We installed 12 solar-powered streetlights in Pipal

Pukhuri, Assam. Solar lanterns have been given to 32 families in this area. Solar-powered pumping systems have also been distributed to five small farmers under a scheme from the Government Agriculture Department in the state. LPG connections under the Prime Minister Ujjwal Scheme have been given to 284 households.

CASE STUDY - DOUBLING FARMERS INCOME & PROMOTING SOLAR WATER PUMPS AS A RELIABLE AND CLEAN ENERGY SOLUTION

Farmers in the Lanka area of Assam cultivated a single crop of paddy in a year. They met their irrigation needs through the monsoon rains. Alternately, they had to use pumps that ran on electricity from an unreliable grid to draw groundwater. Quite obviously, the absence of dependable water sources that did not depend on the vagaries of nature or the unreliable grid challenged these farmers in myriad ways every day. The sporadic water supply hampered not only the quality of their crops but also their lives. While solar water pumps offered a reliable and clean energy alternative for their predicament, the farmers had no way of sourcing them.

In a pleasant and timely coincidence, the Government of Assam launched a special scheme to distribute solar pump sets to farmers to help them enhance yield and incomes. These pump sets were meant to donate a reliable source of water to farmers with a reliable source of water through the year to cultivate multiple crops and broaden their sources of income. They would also reduce the environmental impact of farming with the use of renewable energy. These pump sets were also more reliable than the grid-connected pump sets, given outages did not affect them.



TDF Lanka beneficiary of Solar pump set

The Dalmia Bharat Foundation helped Debo Borah and Bubumoni Kalita, farmers from Gosigaon in Lanka, Assam get these pump sets under a government subsidised 80:20 scheme. The Foundation funded their share of the cost. The pump sets helped the farmer irrigate twenty acres of land, which included the land of their relatives. Debo and

Bubumoni have doubled their income using these pumps to irrigate their land. Despite the financial and trade uncertainties induced by COVID-19, the solar pumps are helping farmers of the region sow on time, irrigate optimally and grow multiple crops through the year.



Social Infrastructure - Addressing Basic Health, Sanitation and Infrastructure Needs of the Communities

DBF helps rural communities find a strong footing to educate, empower and enable themselves to flourish in a rapidly evolving world. Our interventions in health, sanitation, women's empowerment and social awareness are conducted with community support and in partnerships with other corporates. The interventions undertaken through FY' 21 include:



Healthcare

DBF arranged Mobile Medicare Units to reach medical services to 11,271 under-served villagers in 13 villages in Orissa. There were 39 Health Camps organised across locations for 3,189 beneficiaries. 16,187 patients availed of medical facilities through the Homeopathic dispensary at Lanjiberna, Orissa.



Sanitation

We facilitated the construction of 251 individual Sanitary Latrines (ISL), benefitting 1,255 villagers in 27 villages. We also completed the building of five Sanitation Blocks, helping 3,000 villagers. An exclusive Sanitation Block for Girls was built in Udali College, Lanka, Assam, for 325 female students.



Education

DBF's World on Wheels (WOW) digital education and awareness-building initiative accelerated the digital transformation of learning through e-education. Our aim is to train Anganwadi workers, PHC Staff, Women SHG members, and creating employment opportunity for the unprivileged communities. The WOW bus is a self-contained, internet enabled, solar power equipped facility with interactive screens which is used as a mobilisation tool for the communities. It was rolled out across six locations benefitting 1,811 community members, including more than 700 school students.



Infrastructure

Infrastructural help, educational material, drinking water and deployed the Building as Learning Aid (BaLA) program to 19 schools and eight Anganwadis housing 2,176 students. Additionally, 21 infrastructure improvement projects, including roads, drinking water facilities, bore wells, pipelines and renovation of playgrounds, were undertaken to support Primary Health Care centres. We also set up community halls in villages. These actions benefitting more than 23,000 villagers. Constructed Two Rural Haats or marketplaces with the support of NABARD, helping 800 farmers.

SOCIAL AND RELATIONSHIP CAPITAL



Community Engagement

Days of National and International importance like the World Environment Day, Independence Day, No Tobacco Day, World Water Day and International Women's Day etc., are enthusiastically observed across all our locations.

The participation of school children, women and other community members is encouraged to facilitate meaningful engagements on these occasions.



Rohtas-Banjari – Women's day celebration with community women



Engagement with communities over training of mushroom cultivation at KCW

COVID-19 Relief Measures For Communities

- Dalmia Bharat has organised more than 100 awareness, prevention and relief campaigns on COVID-19 covering 22,500 villagers.
- We distributed more than 1.25 lakh face masks made with the help of SHG members & DIKSHA trainees. Dry Ration was provided to more than 5,000 families.
- More than 11,000 bottles of hand sanitisers, Personal Protective equipment and gloves were provided to front-line workers. Distribution of 50,000 N-95 masks under Breathesafe is underway for front-line workers in partnership with ACT Grant
- A quarantine center set up by DBF was operational for 60 days at the Model School, Rajgangpur with a total capacity of over 200 beds
- Over 20,000 households were disinfected during the lockdown
- Provided 20,000 food packets to the on-field Government Officials during the lockdown.

Government Officials on the field were given 20,000 food packets during the lockdown.

Currently DBF is working with local Health Departments to create awareness about the Indian Government's #LargestVaccinationDrive and bust myths about the vaccine.



PPE kits distribution at Dalmiapuram



Maintaining social distancing at work place



Launch of WOW bus at Rajgangpur

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pradip Kumar Khaitan
Chairman & Independent Director

Mr. Yadu Hari Dalmia
Non - Executive Director

Mr. Gautam Dalmia
Managing Director

Mr. Puneet Yadu Dalmia
Managing Director & CEO

Mr. Virendra Singh Jain
Independent Director

Mrs. Sudha Pillai
Independent Director

Dr. Niddodi Subrao Rajan
Non - Executive Director

CHIEF FINANCIAL OFFICER

Mr. Dharmender Tuteja

COMPANY SECRETARY

Dr. Sanjeev Gemawat
Executive Director (Legal) and
Group Company Secretary

AUDITORS

S.S. Kothari Metha & Company

BANKERS

State Bank of India

HDFC Bank Limited

Axis Bank Limited

Standard Chartered Bank

ICICI Bank Limited

Bank of Baroda

Indian Bank

Landesbank, Germany

REGISTERED OFFICE

Dalmia Bharat Limited
CIN - L14200TN2013PLC112346
Dalmiapuram, Lalgudi
Dist.Tiruchirappalli,
Tamil Nadu - 621651

CORPORATE OFFICE

Hansalaya Building,
11th & 12th floors
15, Barakhamba Road
New Delhi - 110001

REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Private Limited
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500032, Telangana



Dr. Bhupen Hazarika Bridge, Assam made by Dalmia Cement



Salt Lake Stadium in Kolkata, made by Dalmia Cement



SATUTORY REPORTS

DALMIA BHARAT LIMITED**Registered Office:** Dalmiapuram Lalgudi Dist. Tiruchirappalli, Tamil Nadu 621651**Phone No.** 04329-235132 **Fax No.** 04329-235111**CIN:** L14200TN2013PLC112346 **Website:** www.dalmiabharat.com; **Email:** corp.sec@dalmiabharat.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighth (8th) Annual General Meeting of the Members of Dalmia Bharat Limited (“**Company**”) will be held on Wednesday, September 29, 2021 at 11:30 a.m. IST through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”) to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt:
 - Audited Standalone Financial Statements of the Company for the year ended March 31, 2021 together with the Report(s) of the Directors and Auditors thereon; and
 - Audited Consolidated Financial Statements of the Company for the year ended March 31, 2021 together with the Report of the Auditors thereon.
- To consider and declare dividend of ₹ 1.33/- (66.50%) per equity share of ₹ 2/- each for the financial year ended March 31, 2021.
- To consider and appoint a Director in place of Mr. Yadu Hari Dalmia (DIN: 00009800), who retires by rotation and being eligible, offers himself for re-appointment.
- To consider and appoint M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company, and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provision of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force and subject to all the applicable laws and regulations, including but not limited to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) be and are hereby appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. S.S. Kothari Mehta & Co. (Firm Registration No. 000756N), from the conclusion of this Annual General Meeting to the conclusion of 13th Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

- To consider, and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval be and is hereby accorded to the continuation of directorship of Mr. Yadu Hari Dalmia (DIN: 00009800), on attaining seventy-five years of age, as a Non-Executive Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”
- To consider, and if thought fit to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval be and is hereby accorded to the continuation of directorship of Mr. Virendra Singh Jain (DIN: 00253196), on attaining seventy-five years of age as an Independent Director of the Company for his remaining term of office.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”
- To consider, and if thought fit to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 196, 197, 198, 203 and Schedule V of the Companies Act, 2013 read with the relevant Rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions including any modification or re-enactment thereof, if any, the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Articles of Association of the Company, approval be and is hereby accorded for

payment of remuneration to Mr. Gautam Dalmia (DIN 00009758), the Managing Director of the Company for his remaining tenure of two years viz., from October 30, 2021 to October 29, 2023, as per details mentioned below:

- Salary:**
Basic Pay: ₹ 94,58,311/- p.m.
Special Pay: ₹ 42,23,861/- p.m.
(both components hereinafter referred to as ‘the Salary’)
- Annual Increments:**
The increments to the Salary shall fall due on 1st of April of each year and shall be of such amount as may be decided by the Board on the recommendation of the Nomination and Remuneration Committee so however that such amount shall not exceed 30% of the basic and special pay.
- Perquisites:**
In addition to the Salary, perquisites specified hereunder shall be allowed:
 - Medical reimbursement:
Medical expenses for self and family at actuals as per Rules of the Company.
 - Leave Travel Concession:
Leave travel expenses for self and family as per the Rules of the Company.
 - Club Fees/Professional Body/Association Membership Fees:
Fees of clubs, subject to a maximum of two clubs, excluding admission and life membership fees.
Fees in respect of a Professional Body/Association of which the Managing Director is a member shall be reimbursed at actuals or paid directly by the Company.
 - Personal Accident/ Hospitalisation Insurance:
Premium at actuals for self and family as per Rules of the Company.
 - Leave/Encashment of Leave:
Leave as per the Leave Rules of the Company. Leave accumulated shall be carried forward and be available for encashment at the end of the term of appointment as per the Leave Rules of the Company.
Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on remuneration.
 - Car and Telephone:
The Company shall reimburse or pay directly for two cars with drivers (expenditure on petrol, maintenance, insurance, repairs and salaries of two drivers) and telephone at residence.
 - Provident Fund, Superannuation Fund and Gratuity:
Company’s contribution to the Provident Fund, Superannuation Fund (if opted for by the appointee upto a maximum contribution of ₹ 1,50,000/- per annum) and Gratuity (including

for the period of past service rendered as an employee of the Company) in accordance with the Rules of the Company. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

IV. Commission:

Commission as may be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, from time to time, be paid to the Managing Director so however that the amount of commission, so payable together with the Salary does not exceed the limits set out under the Companies Act, 2013 read with the relevant rules, as amended from time to time.

V. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year, during the currency of the tenure, Mr. Gautam Dalmia, shall be paid a minimum remuneration comprising of the Salary and perquisites as specified above as enhanced by the increments, as approved by the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the consent be and is hereby accorded to the payment of remuneration, as specified above, to Mr. Gautam Dalmia, Managing Director, notwithstanding that (i) the annual remuneration payable to him exceeds ₹ 5 crore or 2.5% of the net profits of the Company, whichever is higher; or (ii) the aggregate annual remuneration of all the promoter executive directors of the Company exceeds 5% of the net profits of the Company.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) of the Company, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

- To consider, and if thought fit to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Sections 196, 197, 198, 203 and Schedule V of the Companies Act, 2013 read with the relevant Rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions including any modification or re-enactment thereof, the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Articles of Association of the Company, approval be and is hereby accorded for payment of remuneration to Mr. Puneet Yadu Dalmia (DIN 00022633), the Managing Director of the Company for his remaining tenure of two years viz., from October 30, 2021 to October 29, 2023, as per details mentioned below:

- Salary:**
Basic: ₹ 1,12,00,000/- p.m.
Special Pay: ₹ 42,56,000/- p.m.
(both components hereinafter referred to as ‘the Salary’)

II. Annual Increments:

The increments to the Salary shall fall due on 1st of April of each year and shall be of such amount as may be decided by the Board on the recommendation of the Nomination and Remuneration Committee so however that such amount shall not exceed 30% of the basic and special pay.

III. Perquisites:

In addition to the Salary, perquisites specified hereunder shall be allowed:

- (i) Medical reimbursement:
Medical expenses for self and family at actuals as per Rules of the Company.
- (ii) Leave Travel Concession:
Leave travel expenses for self and family as per the Rules of the Company.
- (iii) Club Fees/Professional Body/Association Membership Fees:
Fees of clubs, subject to a maximum of two clubs, excluding admission and life membership fees.

Fees in respect of a Professional Body/Association of which the Managing Director is a member shall be reimbursed at actuals or paid directly by the Company.
- (iv) Personal Accident / Hospitalisation Insurance:
Premium at actuals for self and family as per Rules of the Company.
- (v) Leave/Encashment of Leave:
Leave as per the Leave Rules of the Company. Leave accumulated shall be carried forward and be available for encashment at the end of the term of appointment as per the Leave Rules of the Company.

Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on remuneration.
- (vi) Car and Telephone:
The Company shall reimburse or pay directly for two cars with drivers (expenditure on petrol, maintenance, insurance, repairs and salaries of two drivers) and telephone at residence.
- (vii) Provident Fund, Superannuation Fund and Gratuity:
Company's contribution to the Provident Fund, Superannuation Fund (if opted for by the appointee upto a maximum contribution of ₹ 1,50,000/- per annum) and Gratuity (including for the period of past service rendered as an employee of the Company) in accordance with the Rules of the Company. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

IV. Commission:

Commission as may be decided by the Board of Directors on the recommendation of the Nomination and Remuneration Committee, from time to time, be paid to the Managing Director so however that the amount of commission, so payable together with the Salary does not exceed the limits set out under the Companies Act, 2013 read with the relevant rules, as amended from time to time.

V. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year, during the currency of the tenure, Mr. Puneet Yadu Dalmia, shall be paid a minimum remuneration comprising of the Salary and perquisites as specified above as enhanced by the increments, as approved by the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the consent be and is hereby accorded to the payment of remuneration to Mr. Puneet Yadu Dalmia, Managing Director, notwithstanding that (i) the annual remuneration payable to him exceeds ₹ 5 crore or 2.5% of the net profits of the Company, whichever is higher; or (ii) the aggregate annual remuneration of all the promoter executive directors of the Company exceeds 5% of the net profits of the Company.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) of the Company, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By Order of the Board of Directors of
Dalmia Bharat Limited

sd/-
Dr. Sanjeev Gemawat
Executive Director (Legal) &
Group Company Secretary
Membership No. FCS 3669

Place: New Delhi
Date: July 27, 2021

KEY INFORMATION

Sl. No.	PARTICULARS	DETAILS
1	Link for attending live webcast of the Annual General Meeting ("AGM") through Video Conferencing ("VC")	https://emeetings.kfintech.com
2	Link for e-voting [remote/at the AGM]	https://evoting.kfintech.com
3	Link for Members to temporarily update e-mail address	https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx
4	Username and password for VC and e-voting	Please use the remote e-voting credentials
5	Helpline number for VC and e-voting	KFin Technologies Private Limited - 1800 309 4001/ evoting@kfintech.com
6	Registrar and Share Transfer Agent	KFin Technologies Private Limited Unit: Dalmia Bharat Limited Mr. Bhaskar Roy. E-mail: einward.ris@kfintech.com ; evoting@kfintech.com Contact No.: 040 - 6716 2222/1800 309 4001
7	Cut-off/record date for e-voting/payment of dividend	Wednesday, September 22, 2021
8	Corporate/Institutional Members to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the authorised representative(s)	rvs.pcs@gmail.com and evoting@kfintech.com on or before September 27, 2021.
9	Remote e-voting period	Commences at 9:30 AM on Saturday, September 25, 2021 and ends at 5:00 PM on Tuesday, September 28, 2021
10	Period for speaker registration and expressing views and sending queries, if any	Commences at 9:00 AM on Saturday, September 25, 2021 and ends at 5:00 PM on Sunday, September 26, 2021
11	Last date for publishing results of the e-voting and results availability	Friday, October 01, 2021 and the result will be available at below website(s) besides at website(s) of Stock Exchanges www.kfintech.com www.dalmiabharat.com

NOTES:

1. In view of outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, MCA (Ministry of Corporate Affairs) vide Circular Nos.14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 respectively, ("MCA Circulars") and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021 respectively, ("SEBI Circular"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue.
2. In accordance with the MCA and SEBI Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participation in the meeting through VC/OAVM is annexed hereto.
3. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars, the AGM of the Company is being conducted through VC, herein after called as "e-AGM".
4. The Company has appointed KFin Technologies Private Limited, Registrars and Transfer Agents ("RTA"), to provide VC facility for the e-AGM and the attendant enablers for conducting the e-AGM.
5. Pursuant to the MCA Circulars:
 - a. Members can attend the e-AGM through log in credentials provided to them to connect to VC. Physical attendance of the Members at the e-AGM is not required.
 - b. Appointment of proxy (ies) to attend and cast vote on behalf of the Member(s) is not available.
 - c. Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
6. The Members can join the e-AGM 15 minutes before the scheduled time of the commencement of the e-AGM by following the procedure mentioned in the Notice.
7. Up to 1000 Members will be able to join on a First In First Out ("FIFO") basis the e-AGM of the Company.
8. There is no restriction on account of FIFO entry into e-AGM for the large shareholders (i.e., shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and Auditors etc.
9. The attendance of the Members attending the e-AGM through log in will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
10. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations") and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through e-Voting agency namely "KFin Technologies Private Limited".
11. **Voting at the e-AGM:** Members who could not vote through remote e-voting may do the e-voting at the e-AGM.
12. In line with the MCA Circulars, the notice calling the AGM has been uploaded on the website of the Company at www.dalmiabharat.com. The Notice can also be accessed from the websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and is also available on the website of e-voting agency at <https://evoting.kfintech.com>
Members who have still not registered their email ID are requested to do so at the earliest. Members holding shares in electronic mode can get their email ID registered by contacting their respective Depository Participant(s) ("DPs"). Members holding shares in physical mode are requested to register their email ID with the Company or RTA, for receiving the AGM Notice and Annual Report. Requests can be emailed to corp.sec@dalmiabharat.com or einward.ris@kfintech.com or by logging into <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>.
We urge Members to support this Green Initiative effort of the Company and get their email ID registered.
13. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is enclosed.
14. All documents referred to in the Notice and the Explanatory Statement and the Register of Directors and Key Managerial Personnel and their shareholding, the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 shall be available for inspection electronically during the e-AGM.
The aforesaid documents along with documents referred to in the AGM Notice will also be available electronically for inspection by the Members, without payment of any fees, from the date of circulation of this Notice up to the date of the AGM, i.e. Wednesday, September 29, 2021. Members seeking inspection of the aforementioned documents can send an email to corp.sec@dalmiabharat.com.
15. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, September 22, 2021.
16. The Board of Directors has appointed Mr. R. Venkatasubramanian, Practicing Company Secretary, as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
17. The Scrutiniser shall, immediately after the conclusion of voting at the e-AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting and make a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, and send the same to the Chairperson or a person authorized by him in writing who shall countersign the same.
18. The results shall be declared forthwith by the Chairperson or a person authorized in this regard. The Resolutions will be deemed to be passed on the AGM date subject to the requisite number of votes in favour of the Resolution(s).
19. The Results declared alongwith the Scrutiniser's Report shall be placed on the Company's website www.dalmiabharat.com and on the website of KFin Technologies Private Limited, www.kfintech.com within 48 hours from the conclusion of AGM and shall also be communicated to the Stock Exchanges where the Company's shares are listed as also displayed in the Notice Board at the Registered Office of the Company.
20. As per Regulation 40 of SEBI Listing Regulations, transfer of securities can be carried out only in dematerialized form with effect from April 01, 2019. Accordingly, any request for transfer of shares in physical form will not be accepted by the Company/RTA. This restriction will however not be applicable to the request received for transmission or transposition of physical shares. Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact any of the nearest branches of RTA to guide you in the demat procedure. You may visit website of depositories viz., NSDL or CDSL or websites of stock exchanges for further understanding about the demat procedure.
21. Members who wish to claim dividends, which remain unclaimed, are requested to either correspond with the Company Secretary or the Company's RTA for revalidation and encash them before the due date. In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a Member for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all the benefits accruing on such shares e.g., bonus shares, split, consolidation, fraction shares etc. except rights issue shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Therefore, it is in the interest of deposit-holders/debenture-holders/ Members to claim the unclaimed / un-encashed amount of dividend, matured deposits, matured debentures or interest thereon with in scheduled time.
22. Any person whose shares, unclaimed/un-encashed dividend, matured deposits, matured debentures, or interest thereon, have been transferred to the IEPFA, can claim back the same from IEPFA by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5.
23. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
24. The Final dividend, as recommended by the Directors of the Company for the financial year ended March 31, 2021, if declared at the AGM, will be paid within 30 days from the date of AGM to those members whose names are registered in the Company's Register of Members on Wednesday, September 22, 2021:
 - a) as Beneficial Owners as per the lists to be furnished by NSDL and CDSL in respect of the shares held in electronic form, and
 - b) whose names appear as Members in the Register of Members of the Company in physical form which are maintained with RTA

The Company shall make the payment of dividend to those Members directly in their bank accounts whose bank account details are available with the Company and those who have given their mandate for receiving dividends directly in their bank accounts through the Electronic Clearing Service ("ECS") / National Electronic Clearing Service ("NECS"). In case, the Company is unable to electronically transfer the dividend to any Member due to non-availability of their bank account details, the Company shall dispatch the dividend warrants to them by post.

For receiving dividend directly in your bank accounts, Members are requested to update/register their complete bank account details:

Physical Mode : with Company's RTA at einward.ris@kfintech.com, under a signed request letter mentioning the name, folio number, bank details, self- attested copy of the PAN Card and cancelled cheque leaf.

Electronic Mode: by updating with the Depository Participant.

25. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of members w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with the Company/ KFin Technologies Private Limited (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Shareholders having valid PAN	10% or as notified by the Government of India
Shareholders not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2021-22 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the Income Tax Act. Resident shareholders may also submit any other document as prescribed under the Income Tax Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the Income Tax Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. A Resident individual member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to einward.ris@kfintech.com.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to einward.ris@kfintech.com. The aforesaid declarations and documents need to be submitted by the shareholders by Saturday 18, 2021.

26. Instructions for Members for attending the e-AGM through VC/OAVM are as under:

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFinTech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

iv. The remote e-Voting period commences on 9:30 AM Saturday, September 25, 2021 and ends at 5:00 PM on Tuesday, September 28, 2021. During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 22, 2021 i.e. cut-off date, may cast their vote electronically. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

v. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at einward.ris@kfintech.com. However, if he / she is already registered with KFinTech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vi. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

vii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1 :Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 :Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3 :Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

DETAILS ON STEP 1 ARE MENTIONED BELOW:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

DETAILS ON STEP 2 ARE MENTIONED BELOW:**II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

- (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from Kfintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- I. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
 - II. Enter the login credentials provided in the email and click on Login.
 - III. Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.
 - IV. The new password should comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc..).
 - V. Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
 - VI. Login again with the new credentials.
 - VII. On successful login, the system will prompt you to select the "EVENT" i.e. "Dalmia Bharat Limited."
 - VIII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - IX. Members holding multiple folios may choose to vote differently for each folio / demat account.
 - X. You may then cast your vote by selecting an appropriate option and click on "Submit. A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking "SUBMIT".
 - XI. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/authority

letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser through email at and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'DBL_EVENT No'

- XII. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at <https://evoting.kfintech.com/public/Faq.aspx> or call KFin on 1-800-309-4001 (toll free).
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- I. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with Kfintech, by accessing the link:
 - II. <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> Select the company name
 - III. Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical
 - IV. Enter DPID – Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN.
 - V. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.
 - VI. In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
 - VII. Enter the email address and mobile number.
 - VIII. System will validate DP ID – Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP at the registered Mobile number as well as email address for validation.
 - IX. Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.
 - X. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.
 - XI. Alternatively, members may send an email request addressed to einward.ris@kfintech.com along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFin to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.

XII. Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.

XIII. In case of queries, members are requested to write to einward.ris@kfintech.com or call at the toll free number 1-800- 309-4001.

DETAILS ON STEP 3 ARE MENTIONED BELOW:**III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.**

- i. Member are provided with a facility to attend the AGM through VC / OAVM platform provided by Kfintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/Kfintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM though VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vi. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened at 9:00 AM on Saturday, September 25, 2021 and ends at 5:00 PM on Sunday, September 26, 2021. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com> Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will be opened from 9:00 AM on Saturday, September 25, 2021 and ends at 5:00 PM on Sunday, September 26, 2021.
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (Kfintech Website) or contact at evoting@kfintech.com or call Mr. N Shyam Kumar at Kfintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS:

MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

 1. Example for NSDL:
 2. MYEPWD <SPACE> IN12345612345678
 3. Example for CDSL:
 4. MYEPWD <SPACE> 1402345612345678
 5. Example for Physical:
 6. MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact Kfintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 4:

The explanatory statement for this item is being provided voluntarily though strictly not required as per Section 102 of the Companies Act, 2013 ("the Act").

M/s. S.S. Kothari Mehta & Company, Chartered Accountants (Firm Registration No. 000756N), existing Statutory Auditors of the Company shall complete their term and retire at the conclusion of this 8th AGM.

In view of the above, the Board of Directors of the Company on recommendation of Audit Committee recommended for appointment of M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company, for a period of 5 years from the conclusion of this 8th Annual General Meeting to the conclusion of 13th Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company.

Further, as required under the provisions of Sections 139 and 141 of the Act, M/s Walker Chandio & Co LLP, Chartered Accountants have confirmed that their appointment, if made at this Annual General Meeting, shall be in accordance with the provisions of the Act and have also confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Their appointment as Statutory Auditors, if approved, by the members of the Company, will take effect from the conclusion of this Annual General Meeting.

The Board recommends the ordinary resolution set out under Item No. 4 of the Notice for approval by the members.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

ITEM NO. 5 & 6:

At the 5th AGM of the Company held on December 31, 2018 the members had approved the appointment of Mr. Yadu Hari Dalmia as a Non-Executive Director and Mr. Virendra Singh Jain as an Independent Director of the Company.

In accordance with Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, consent of the members by way of Special Resolution is required for continuation of directorship of Non-Executive Directors of the Company upon attainment of 75 (seventy-five) years of age.

In view of Mr. Yadu Hari Dalmia, Non-Executive Director and Mr. Virendra Singh Jain, Independent Director of the Company attaining the age of 75 years, Special Resolution is required for continuation of their directorship on the Board of the Company in terms of said Regulation 17(1A) of Listing Regulations.

Mr. Yadu Hari Dalmia is a promoter of the Company and a Fellow Member of the Institute of Chartered Accountants of India. He has around five decades of experience in the cement industry. Mr. Yadu Hari Dalmia has served as President of the Cement Manufacturers Association and is a known figure in the cement industry.

Mr. Virendra Singh Jain is an Independent Director of the Company and a fellow member of the Institute of Chartered Accountants of India and Institute of Cost and Works Accountants of India. He is having experience of over four decades and had served as Executive Director of Indian Oil Corporation Limited, former Chairman of SAIL and former Managing Director & Chief Executive Officer of Jindal Stainless Ltd.

Considering the wealth of experience of Mr. Yadu Hari Dalmia & Mr. Virendra Singh Jain, the immense value they bring to the Board and the Company, the continuation of their directorship beyond 75 (seventy-five) years of age would be in the interest of the Company.

Except Mr. Yadu Hari Dalmia, the appointee, Mr. Puneet Yadu Dalmia (son of Mr. Yadu Hari Dalmia) none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 5.

Except Mr. Virendra Singh Jain none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 6.

The Board of Directors, on recommendation of the Nomination & Remuneration Committee, has recommended the resolutions set out at item nos 5 & 6 for the approval of members by way of a Special Resolution.

ITEM NO. 7 & 8:

On recommendation of the Nomination and Remuneration Committee and the Board of Directors, the members of the Company at the Annual General Meeting held on December 31, 2018, had appointed Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia as the Managing Director(s) of the Company for a period of five (5) years effective from October 30, 2018, by way of Special Resolution. Further, the remuneration payable to them was approved by the members for a period of three years i.e. up to October 29, 2021 as per Schedule V of the Companies Act, 2013 and they have drawn the same remuneration without any increment as was approved on December 31, 2018 for financial year (s) 2018-19, 2019-20 and 2020-21.

In view of the above, on recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has approved the remuneration payable to Mr. Gautam Dalmia & Mr. Puneet Yadu Dalmia, as set out in Item No. 7 & 8 of the notice respectively, for their remaining tenure of two years i.e. from October 30, 2021 till October 29, 2023 and recommended the same for consideration and approval by the members.

Except Mr. Gautam Dalmia (holding one (1) equity share in the Company) & Mr. Puneet Yadu Dalmia, being the appointee(s) and Mr. Yadu Hari Dalmia (father of Mr. Puneet Yadu Dalmia), none of the other Directors of the Company or the Key Managerial Personnel or their relatives are financially or otherwise interested in the Resolutions set out at item no 7 & 8.

The Board of Directors, on recommendation of the Nomination & Remuneration Committee, has recommended the resolutions set out at item no. 7 & 8 for the approval of members by way of Special Resolution.

The information required to be disclosed in the explanatory statement to the Notice as per item (iv) to third proviso of Section II of Part II of Schedule V of the Companies Act, 2013 is detailed below:

I. GENERAL INFORMATION:

- Nature of Industry: The Company renders management services to various companies and derives management service fee from them. The Company's operating subsidiaries are engaged in manufacture and sale of cement and refractories.
- Date of commencement of commercial production: The Company was incorporated on July 12, 2013 and pursuant to the Scheme(s) of Arrangement and Amalgamation OCL India Limited and certain other group companies and Dalmia Bharat Limited were amalgamated with the Company and all cement and other operating business were vested with Dalmia Cement (Bharat) Limited, wholly owned subsidiary of the Company as per the Scheme(s) by way of slump exchange.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: **Not applicable.**
- Financial performance based on given indicators:

₹ In Crore

Particulars	2018-19		2019-20		2020-21	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	164	9,484	151	9,674	148	10,522
Profit before tax	119	339	153	357	34	1,408
Profit after tax	101	349	135	238	25	1,243

- Foreign investments or collaborations, if any:

Non-resident members including the Foreign Portfolio Investors presently hold 14.08% (approx.) stake in the Company. No foreign collaboration is involved.

II. INFORMATION ABOUT THE APPOINTEE:

A. Mr. Gautam Dalmia

1. Background details:

Mr. Gautam Dalmia, holds Bachelor of Science and Masters in Electrical & Electronics Engineering from Columbia University. He has around three decades of experience in the cement and sugar industries.

- Past remuneration: Mr. Gautam Dalmia is a Managing Director of the Company and Dalmia Bharat Sugar and Industries Limited drew the following remuneration during the financial year 2020-21:

Sl. No.	Name of the Company	Position	Remuneration (including perquisites and retires) (₹ /crore)
1	Dalmia Bharat Limited	Managing Director	15.05
2	Dalmia Bharat Sugar and Industries Limited	Managing Director	5.82

- Recognition or award: None

- Job profile & suitability:

Mr. Gautam Dalmia, holds Masters in Electrical & Electronics Engineering from Columbia University. He has around three decades of rich and varied experience in the cement and sugar industries and has been involved in the leadership role.

- Remuneration proposed:

The proposed remuneration has been detailed in the Resolution No. 7 for approval of the members. The aforesaid proposed remuneration shall be paid as minimum remuneration in case of loss or inadequacy of profits in relevant year during his tenure.

- Comparative remuneration profile with respect to Industry, size of the Company, profile of the position and person: Considering the position held and the responsibility of the Managing Director as well as the enhanced business activities of the Company and its subsidiaries, increase in consolidated profitability and Group's plans for growth, the proposed remuneration is commensurate with the industry standards and Board Level positions held in similar sized and similarly positioned businesses.

- Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial personnel if any: Mr. Gautam Dalmia is the son of late Mr. Jai Hari Dalmia. Except drawing remuneration as Managing Director and shareholding in the Company, he does not have any pecuniary relationship whether directly or indirectly.

B. Mr. Puneet Yadu Dalmia**1. Background details:**

Mr. Puneet Yadu Dalmia, holds a B.Tech. degree from the Indian Institute of Technology, Delhi and is a gold medalist from the Indian Institute of Management, Bangalore in Strategy and Marketing. He has over two and a half decades of experience in cement industry.

2. Past remuneration: Mr. Puneet Yadu Dalmia drew following remuneration during the financial year ended March 31, 2021:

Sl. No	Name of the Company	Position	Remuneration (including perquisites and retinals) (₹ /crore)
1	Dalmia Bharat Limited	Managing Director	20.09

Name of other Company in which the appointee is a Managerial person – Except the position of Managing Director in the Company he does not hold managerial position in any other company.

3. Recognition or award:

- the EY Entrepreneur of the Year 2017 in the Manufacturing Category; and
- the LakshmiPat Singhania - IIM, Lucknow, National Leadership Award in the Business Category from the President of India in 2019.

4. Job profile & suitability:

Mr. Puneet Yadu Dalmia has rich experience in the Cement Industry and has been in the leadership role and spearheading the strategic growth of the Company.

5. Remuneration proposed:

The proposed remuneration has been detailed in the Resolution No. 8 for approval of the members. The aforesaid proposed remuneration shall be paid as minimum remuneration in case of loss or inadequacy of profits in relevant year during his tenure.

6. Comparative remuneration profile with respect to Industry, Considering the position held and the responsibility of the Managing Director as well as the enhanced business activities of the Company and its subsidiaries, increase in consolidated profitability and Group's plans for growth,, the proposed remuneration is commensurate with the industry standards and Board Level positions held in similar sized and similarly positioned businesses

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial personnel if any: Mr. Puneet Yadu Dalmia is son of one of the promoters namely Mr. Yadu Hari Dalmia. Except drawing remuneration as Managing Director and shareholding in the Company, he does not have any pecuniary relationship directly or indirectly.

III. OTHER INFORMATION:**1. Reasons of loss or inadequate profits.**

On standalone basis, the net profit after tax of the Company is lower in FY 2020-21 (Rs. 25 crore) compared to FY 2019-20 (Rs. 135 crore) due to no dividend income received from subsidiary companies in respect of FY 2019-20 as the same had already been received and accounted for in FY 2019-20 as Interim Dividend. On consolidated basis, the Company's EBITDA increased from Rs. 2106 crore in FY 2019-20 to Rs. 2783 crore in FY 2020-21 registering increase of 32%, Profit Before Tax increased from Rs. 357 crore to Rs. 1408 crore in the same period registering growth of 295% and Profit After Tax has increased from Rs. 238 crore to Rs. 1243 crore in the same period registering increase of 423% despite the challenges faced due to Covid 19.

2. Steps taken or proposed to be taken for improvement.

The Company has announced Capital Allocation Policy including dividend payout policy which envisages larger dividend payouts. This applies to our subsidiary companies as well , whose dividend payouts are reflected as income in Company's standalone accounts. At consolidated level also, the Company's EBITDA is expected to increase due to enhanced capacity and higher volume of sales while undertaking initiatives for cost reduction and increase in market share.

3. Expected increase in productivity and profits in measurable terms.

While the Company does not give guidance about future profitability, as mentioned in previous paras, the Companys' consolidated profitability has grown in FY 20-21 and is expected to increase further in FY 21-22

Additional Information on Directors recommended for appointment/re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and Secretarial Standards-2 as prescribed by the Institute of Company Secretaries of India.

Name of the Director	Mr. Yadu Hari Dalmia	Mr. Virendra Singh Jain	Mr. Gautam Dalmia	Mr. Puneet Yadu Dalmia
Director Identification Number	00009800	00253196	00009758	00022633
Date of Birth	02-06-1947	24-07-1946	16-01-1968	15-10-1972
Date of Appointment	15-10-2018 (Non-Executive Director)	15-10-2018 (Non-Executive Independent Director)	15-10-2018 as a Non-Executive Director and Change in Designation as Managing Director w.e.f. 30-10-2018	15-10-2018 as a Non-Executive Director and Change in Designation as a Managing Director w.e.f. 30-10-2018
Qualification	B.Com (Hon), CA	B.Com (H), CA, CMA	B.S. and M.S. degrees in Electrical Engineering	B Tech from IIT Delhi and PG DBA from IIM Bangalore
Experience & Expertise in specific functional area	He has around five decades of experience in the cement Industry.	He began his professional career with Indian Oil Corporation and was engaged over four decades in various capacities. He was responsible for financial strategies and implementation and financial appraisal of projects.	He has around three decades of experience in the cement and sugar industries.	He has around two and a half decades of experience in cement industry having started his career as the co-founder and Chairman of one of the most profitable e-recruitment websites in India, which was later acquired by Monster.com, a Nasdaq listed multinational company.
Profile of the Director	Mr. Yadu Hari Dalmia is a Fellow Member of the Institute of Chartered Accountants of India. Mr. Yadu Hari Dalmia has served as President of the Cement Manufacturers Association and is a known figure in the cement industry.	Mr. Virendra Singh Jain is a fellow member of the Institute of Chartered Accountants of India and Institute of Cost and Works Accountant of India. Mr. Jain began his professional career with Indian Oil Corporation and was engaged over 35 years in various capacities. He was responsible for financial strategies and implementation of projects. As Executive Director, his responsibilities included international negotiations for procurement of crude and petroleum products. He was later selected as the Chairman of Steel Authority of India, until July 2006. Post retirement, Mr. Jain was associated with the Jindal Group as Managing Director and CEO of Jindal Stainless Limited. He was also nominated as a Member of the Public Enterprises Selection Board, which post he held till July 2011.	Mr. Gautam Dalmia holds B.S. and M.S. degrees in Electrical Engineering from Columbia University. He is responsible for managing the cement and sugar businesses and is leading all operations and execution of cement projects. He provides leadership to the commercial functions for the group.	Mr. Puneet Yadu Dalmia holds a B.Tech. Degree from the Indian Institute of Technology, Delhi and is a gold medalist from the Indian Institute of Management, Bangalore in Strategy and Marketing. Mr. Puneet Yadu Dalmia conceptualized the growth strategy and governance architecture of the Group to focus on its core businesses and is spearheading the growth plans for the Group.
Terms & Conditions of re appointment along with details of remuneration sought to be paid and last drawn by him	Mr. Yadu Hari Dalmia is a Non-Executive Director of the Company. Please refer resolution No. -5 and explanatory statement in respect of Resolution No.-5 for terms and conditions of his appointment.	Mr. Virendra Singh Jain is Non-Executive Independent Director of the Company. Please refer resolution No. 6 and explanatory statement in respect of Resolution No.-6 for terms and conditions of his appointment.	Mr. Gautam Dalmia is a Managing Director of the Company. Please refer resolution No. -7 and explanatory statement in respect of Resolution No.-7 and 8 for terms and conditions of his appointment.	Mr. Puneet Yadu Dalmia is a Managing Director of the Company. Please refer resolution No. -8 and explanatory statement in respect of Resolution No.-8 for terms and conditions of his appointment.

Name of the Director	Mr. Yadu Hari Dalmia	Mr. Virendra Singh Jain	Mr. Gautam Dalmia	Mr. Puneet Yadu Dalmia
Shareholding in the Company as on date	NIL	NIL	1	NIL
Relationship with other Directors and KMPs of the Company	Mr. Yadu Hari Dalmia is the father of Mr. Puneet Yadu Dalmia	NIL	Mr. Gautam Dalmia is son of Late Shri Jai Hari Dalmia.	Mr. Puneet Yadu Dalmia is son of Mr. Yadu Hari Dalmia.
No. of meetings of Board attended during the year	4	5	4	4
List of Public Companies in which outside directorship held	NIL	1	5	1
Chairman/Member of the Committees of Board of Directors of Indian Companies	In Dalmia Bharat Limited : He is a member of Stakeholders Relationship Committee, and Corporate Social Responsibility Committee.	In Dalmia Bharat Limited: He is the chairman of Audit Committee, Stakeholders Relationship Committee, Risk Management Committee, and member of Corporate Social Responsibility Committee..	In Dalmia Bharat Limited : He is a member of Stakeholders Relationship Committee, Corporate Social Responsibility Committee, and Risk Management Committee. In Dalmia Cement (Bharat) Limited : He is a member of Corporate Social Responsibility Committee. In Dalmia Bharat Sugar and Industries Limited: He is a member of Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Finance Committee. In Sita Investment Limited: He is a member of Corporate Social Responsibility Committee. In Indian Energy Exchange Limited: He is a member of Buyback Committee, Strategic Committee Technology Advisory Committee. Enterprise Risk Management Committee, Stakeholders Relationship Committee and Audit Committee. In Indian Gas Exchange Limited: He is a member of Audit Committee.	In SRF Limited : He is a member of Nomination & Remuneration Committee.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 8th report along with the audited financial statements for the financial year ("FY") 2020-21 prepared on standalone and consolidated basis. The consolidated performance of the Company, its subsidiaries and joint venture companies (collectively referred to as "the Group") has been detailed at appropriate places in this report.

FINANCIAL HIGHLIGHTS

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
	(₹ Crore)			
Revenue from operations	148	151	10,522	9,674
Profit before finance costs, depreciation and tax	56	166	2,965	2,323
Less: Finance costs	11	4	303	415
Less: Foreign currency fluctuations (net)	-	-	(8)	23
Profit before depreciation and tax	45	162	2,670	1,885
Less: Depreciation and amortisation	11	9	1,262	1,528
Profit before tax	34	153	1,408	357
Current income tax	17	19	22	114
Deferred tax charge/(credit)	(7)	(3)	374	(16)
Tax adjustments for earlier years	(1)	2	(231)	21
Total tax expense	9	18	165	119
Profit after tax	25	135	1,243	238
Profit attributable to non-controlling interest	-	-	12	14
Profit attributable to owners of the Parent	25	135	1,231	224
Other comprehensive income	1	0	1,095	(211)
Total comprehensive income	26	135	2,338	27
Balance of profit for earlier years	238	180	2,170	1,844
Add: Profit for the year (attributable to owners of the Parent)	25	135	1,231	224
Add: Transfer from debenture redemption reserve	-	-	36	195
Add: Other comprehensive income / (loss) arising from re-measurement of defined benefit obligation (net of income tax)	1	0	(3)	(6)
Add: Transfer of realised gain on sale of equity instruments through other comprehensive income	-	-	149	7
Less: Transfer to capital redemption reserve	1	-	1	-
Less: Transfer to Reserves	-	-	-	1
Less: Dividends paid on equity shares	-	77	-	77
Less: Dividend distribution tax	-	-	-	16
Balance carried forward to the Balance Sheet	263	238	3,582	2,170

OPERATIONS AND BUSINESS PERFORMANCE

Cement has been the first sector to come out from the impact of COVID related disruptions. During the financial year 2020-21, the cement demand growth has been robust, with your company achieving a 7% volume growth year on year. There are tremendous opportunities that lie ahead given that honourable Finance Minister in her annual budget increased the budgetary allocation for infrastructure by an unprecedented 34.5%. The budget has significantly increased the capital outlay for road transport by 34.9%, for railways by 36.3% and for metros by 8.7%. The setting up of new Development Financial Institution with an initial allocation of ₹ 20,000 crore is a big positive for infrastructure financing.

With normalising of the economy, the demand for the sector is gaining momentum driven by the rural recovery, increase

in the construction of rural infrastructure and low-cost housing. A steady pick up has been witnessed in housing and government infrastructure projects which has resulted in reviving the demand in urban India.

The challenge for the industry and your Company is the increase in commodity pricing specially the petcoke, imported coal, diesel and slag. This has been the focus area for the Company during the ensuing year and the coming years.

On a standalone basis, your company recorded net revenue of ₹ 148 crore for the FY 2020-21 registering a decline in growth of 1.97% as compared to the net revenue of ₹ 151 crore in the FY 2019-20; Earnings before finance costs, depreciation and tax stood at ₹ 56 crore in FY 2020-21 as compared to ₹ 166 crore in FY 2019-20 and earned profit before tax of ₹ 34 crore during the FY 2020-21 as compared to ₹ 153 crore profit earned in the FY 2019-20.

On a consolidated basis, your Company recorded net revenue of ₹ 10,522 crore for the FY 2020-21 registering a growth of 8.77% as compared to the net revenue of ₹ 9,674 crore in the FY 2019-20; Earnings before finance costs, depreciation and tax stood at ₹ 2,965 crore in FY 2020-21 as compared to ₹ 2,323 crore in FY 2019-20 registering a growth of 27.64%; earned profit before tax of ₹ 1408 crore during the FY 2020-21 registering a growth of 294.40% as compared to ₹ 357 crore earned in the financial year 2019-20 and earned profit after tax of ₹ 1,243 crore as compared to ₹ 238 crore during FY 2020-21 registering a growth of 423%.

MATERIAL EVENTS IN SUBSIDIARIES

(A) STATUS OF ACQUISITION / REVIVAL OF MURLI INDUSTRIES LIMITED

During the year under review, Dalmia Cement (Bharat) Limited (DCBL) (a wholly owned subsidiary of the Company) completed the acquisition of Murli Industries Limited, having an integrated cement manufacturing plant with an installed capacity of 3 MnT in Chandrapur District, Maharashtra along with a captive thermal power plant of 50 MW, in terms of the Resolution Plan approved by the National Company Law Tribunal and upheld by National Company Law Appellate Tribunal.

The Resolution Plan became operational with effect from August 25, 2020, being the effective date. The powers of the Board of Directors, which were vested in the Managing Committee comprising of the representatives of the Committee of Creditors till the effective date, got vested in the reconstituted Board of Directors with nominees of DCBL.

During the year under review, DCBL and Murli Industries Limited made the payments to creditors / employees / operational creditors in accordance with the Resolution Plan and Murli Industries Limited became subsidiary of DCBL with effect from September 10, 2020. Further, upon extinguishment of existing share capital, Murli Industries Limited became a wholly owned subsidiary of DCBL with effect from November 05, 2020. The acquisition of Murli Industries Limited further strengthened Group's presence in western region. The cement and clinker production at Murli Industries Limited would commence in the FY 2021-22.

(B) SCHEME OF AMALGAMATIONS/ ARRANGEMENTS IN SUBSIDIARIES:

(i) Amalgamation of Murli Industries Limited

The Board of Directors of Dalmia Cement (Bharat) Limited and Murli Industries Limited, in their respective Board meetings held on March 23, 2021, have approved the Composite Scheme of Arrangement and Amalgamation for (a) Demerger of Paper and Solvent Extraction Undertakings of Murli Industries Limited into Ascension Mercantile Private Limited and Ascension Multiventures Private Limited (both wholly owned subsidiaries of Dalmia Cement (Bharat) Limited), respectively, followed by (b) Amalgamation of Murli Industries Limited with Dalmia Cement (Bharat) Limited. All the involved companies after approval of the Scheme by their respective Boards, have filed their respective company application(s) before

the National Company Law Tribunal, Chennai and Mumbai for approval of the said Scheme of Arrangement and Amalgamation. The Composite Scheme is pending consideration by the respective NCLT. The appointed date for the said Scheme is closing business hours of March 31, 2020.

(ii) Amalgamation of Dalmia DSP Limited

The Board of Directors of Dalmia Cement (Bharat) Limited and Dalmia DSP Limited, in their respective Board meetings held on March 23, 2021 had approved a Scheme of Amalgamation of Dalmia DSP Limited with Dalmia Cement (Bharat) Limited. Both the companies after approval of the Scheme by their respective Boards, have filed their respective company application(s) before the National Company Law Tribunal, Chennai and Kolkata for approval of the said Scheme of Amalgamation. The Scheme is pending for consideration with the respective NCLT(s). The appointed date for the said Scheme is closing business hours of March 31, 2020.

(iii) Restructuring of Refractory business in Dalmia Cement (Bharat) Limited:

During the financial year 2019-20, the Board of Directors of Dalmia Cement (Bharat) Limited and its subsidiary namely Dalmia Bharat Refractories Limited (DBRL) (formerly known as Sri Dhandauthapani Mines and Minerals Limited) and step down subsidiary, namely, Dalmia OCL Limited (Dalmia OCL) (formerly known as Ascension Comercio Private Limited) had approved the a Scheme of Arrangement amongst DCBL and DBRL and their respective shareholders and creditors for transfer and vesting of refractory undertaking of DCBL to DBRL, by way of slump exchange on a going concern basis (Scheme). The Scheme is pending consideration with the National company Law Tribunal, Chennai. The appointed date for Scheme is April 1, 2019.

(C) CAPACITY ENHANCEMENT

During the year under review, Dalmia Cement (Bharat) Limited, wholly owned subsidiary of the Company has commenced commercial production of Line III, having capacity of 3 MnTPA from its new clinker manufacturing plant at Rajgangpur, Odisha with effect from October 1, 2020 and also commenced commercial production of Line II having a capacity of 2.25 MnTPA at it Bengal Cement Works (BCW) unit in West Midnapore in the state of West Bengal with effect from March 23, 2021.

(D) RECEIVED BACK SECURITIES WHICH WERE FRAUDULENTLY TRANSFERRED FROM DEMAT ACCOUNT

During the financial year ended March 31, 2019, certain mutual fund units ("Securities") appearing as current investments, valued at ₹ 390 Crore as on March 31, 2021 (valued at ₹ 344 Crore as on March 31, 2019) of two erstwhile subsidiaries of Dalmia Cement (Bharat) Limited which is a subsidiary of the Company, were fraudulently and illegally transferred by Allied Financial Services Private Limited ("Allied/AFSPL") in collusion with IL&FS

Securities Services Limited ("ISSL") and the same had been lying with ISSL.

In the said matter, the Hon'ble Supreme Court, passed order dated March 16, 2021 to the effect that the said Securities of DCBL lying with ISSL be released in favour of DCBL subject to DCBL furnishing requisite Bank Guarantee to the satisfaction of the trial court. As per the said Order, the said Securities of DCBL lying with ISSL have been released in favour of DCBL and credited back to its demat account.

Further, after carrying out a detailed investigation, SEBI vide its order dated July 02, 2021 has passed two separate orders, imposing a penalty of ₹ 26 Crore on ISSL and ₹ 3 Crore on AFSPL in connection with the fraudulent transfer of Mutual Fund units.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis of financial performance and results of operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") is provided in a separate section and forms an integral part of this report. It inter-alia gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's business, risks and concerns and material developments during the financial year under review.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 1.33/- (@ 66.50%) per equity share of face value of ₹ 2/- each for the financial year 2020-21. The recommended dividend shall be paid to those shareholders whose names appear in the Register of Members as on the Record Date, on approval by the members at the Annual General Meeting.

The dividend is recommended based on the financial and non-financial factors prevailing during the financial year under review and in terms of the Dividend Distribution Policy of the Company. The said policy is available at the website of the Company at: <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Dividend-Distribution-Policy.pdf>

TRANSFER TO GENERAL RESERVES

Your Directors have not proposed transfer of any amount to the General Reserve.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company for the Financial Year 2020-21, are prepared in compliance with applicable provisions of the Companies Act, 2013 ("the Act"), Accounting Standards and Listing Regulations. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its Subsidiary Companies, as approved by their respective Board of Directors and forms an integral part of this Annual Report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

A report containing the salient features of the financial statements of the Company's subsidiaries, associates and joint venture companies for the financial year ended March 31, 2021 in the prescribed form AOC- 1 as per the Companies Act, 2013 is set out in **Annexure - 1** and forms an integral part of this Annual Report.

Dalmia Cement (Bharat) Limited is the material unlisted subsidiary of the Company in terms of the Listing Regulations as amended from time to time and the Company's Policy for determining material subsidiary. The Company does not have any associate company. The said policy may be accessed at the Company's website at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Policy-on-Material-Subsidiaries.pdf>

The changes in the subsidiaries during the financial year 2020-21 are as under:

Sl. No.	Name of Company	Status (subsidiary / joint venture / associate)	Added/ Ceased	Effective date
1.	Murli Industries Limited	Subsidiary Company	Added	September 10, 2020
2.	Ascension Multiventures Private Limited	Subsidiary Company	Added	March 23, 2021
3.	Ascension Mercantile Private Limited	Subsidiary Company	Added	March 23, 2021
4	DPVL Ventures LLP	Subsidiary LLP	Added	April 14, 2020

The Financial Statements of the Company/its subsidiaries and the Consolidated Financial Statements of the Company including all other documents required to be attached thereto, are placed on the Company's website www.dalmiabharat.com. These documents will also be available for inspection on all working days, during business hours, at the registered office of the Company and any member desirous of obtaining a copy of the same may write to the Company Secretary.

NUMBER OF BOARD MEETINGS

During the year under review, the Board of Directors of the Company met five (5) times, i.e., on June 13, 2020, August 06, 2020, November 05, 2020, February 04, 2021 and March 23, 2021. The Board meetings are conducted in due compliance with; and following the procedures prescribed in the Companies Act, 2013 and the rules framed thereunder including secretarial standards and the Listing Regulations. Detailed information on the meetings of the Board is included in the report on Corporate Governance which forms part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

I. RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT:

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. Yadu Hari Dalmia, Non-

Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible offers himself for re-appointment. Appropriate resolution for his re-appointment is being placed for the approval of the shareholders of the Company at the ensuing AGM.

A brief profile of Mr. Yadu Hari Dalmia and other related information has also been detailed in the Notice of AGM.

II. APPOINTMENT / RESIGNATION / CESSATION:

Mr. Jayesh Nagindas Doshi, Whole time Director and Chief financial officer of the Company has resigned from the Company with effect from October 31, 2020. The Board places on record its sincere appreciation for the valuable contribution of Mr. Jayesh Nagindas Doshi during his tenure as Whole-time Director & Chief Financial Officer of the Company.

In terms of Section 203 of the Companies Act, 2013 Mr. Dharmender Tuteja, has been appointed as the Chief Financial Officer of the Company with effect from March 23, 2021.

Sh. Jai Hari Dalmia, Promoter and Non-Executive Director of the Company passed away on July 08, 2021. He has been the guiding light for the Dalmia Bharat Group and played a crucial leadership role for over five decades with the Group. The Board places on record its sincere appreciation for the valuable contribution of Late Sh. Jai Hari Dalmia.

In accordance with the provisions of Sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following were the Key Managerial Personnel of the Company as on March 31, 2021.

1. Mr. Gautam Dalmia - Managing Director
2. Mr. Puneet Yadu Dalmia, Managing Director & Chief Executive Officer
3. Mr. Dharmender Tuteja – Chief Financial Officer
4. Dr. Sanjeev Gemawat, Executive Director (Legal) & Group Company Secretary

III. DECLARATION OF INDEPENDENCE FROM INDEPENDENT DIRECTORS:

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as under Listing Regulations.

In the opinion of the Board, Independent Directors fulfil the conditions specified in Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as under Listing Regulations and are independent from Management.

COMMITTEES OF THE BOARD

There are five statutory Committees of the Board namely (a) Audit Committee (b) Stakeholders' Relationship Committee

(c) Nomination and Remuneration Committee (d) Corporate Social Responsibility Committee and (e) Risk Management Committee

The details with respect to the compositions, number of meetings held during the FY 2020-21 and attendance of the members, powers, terms of reference and other related matters of the Committees are given in detail in the Corporate Governance Report which forms part of the Annual Report.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company lays down the constitution and role of the Nomination and Remuneration Committee. The policy has been framed with the objective –

- (a) to ensure that appointment of directors, key managerial personnel and senior managerial personnel and their removals are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations;
- (b) to set out criteria for the evaluation of performance and remuneration of directors, key managerial personnel and senior managerial personnel;
- (c) to recommend to the Board, the remuneration payable to senior management;
- (d) to adopt best practices to attract and retain talent by the Company; and
- (e) to ensure diversity of the Board of the Company.

The policy specifies the manner of effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Nomination and Remuneration policy of the Company can be accessed at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Nomination%20and%20Remuneration%20Policy.pdf>

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual evaluation of (i) its own performance; (ii) Individual Directors Performance; (iii) performance of Chairman of the Board; and (iv) Performance of all Committees of Board for the Financial Year 2020-21.

The Board's functioning was evaluated on various aspects, including *inter-alia* the structure of the Board, meetings of the Board, functions of the Board, effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed on *inter-alia* the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The Directors were evaluated on various aspects such as attendance and contribution at Board/Committee meetings and guidance/support to the Management outside Board/Committee meetings.

The performance of Non-Independent Directors, Board as a whole and the Chairman was evaluated in a separate meeting of Independent Directors. Similar evaluation was also carried out by the Nomination and Remuneration Committee and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

Based on the feedback of the Directors and on due deliberations of the views and counter views, the evaluation was carried out in terms of the Nomination and Remuneration Policy. The Directors expressed their satisfaction with the evaluation process.

Further, the evaluation process confirms that the Board and its Committees continue to operate effectively and the performance of the Directors is satisfactory

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors, state that:

- (a) In preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

PARTICULARS OF REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and is attached and marked as **Annexure – 2** and forms part of this report.

A statement showing the names of the top ten employees in terms of remuneration drawn and other employees drawing remuneration in excess of the limits set out in Rules 5(2) and other particulars in terms of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel)

Rules, 2014 is attached and marked as **Annexure-2A** and forms part of this report.

None of the Directors or Managing Director or Whole Time Director and CEO of the Company, received any remuneration or commission from the Subsidiary Company of your Company.

CORPORATE GOVERNANCE REPORT

In compliance with the provisions of Listing Regulations, a separate report on the Corporate Governance for the financial year 2020-21 forms an integral part of this Annual Report. The requisite certificate from M/s. S.S. Kothari Mehta & Co, Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance and from Secretarial Auditor that none of the Directors of the Company has been debarred or disqualified from being appointed or continuing as Director of the Company by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority is attached to the Corporate Governance Report.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report, as stipulated under Regulation 34 (2) (f) of the Listing Regulations, describing the initiatives taken by the Company from environment, social and governance perspective forms part of the Annual Report prepared as per Integrated Reporting framework.

CHANGES IN SHARE CAPITAL

During the year under review, the Company has bought back 61,66,540 equity shares of ₹ 2/- each. As a result, the paid up equity share capital of the Company has got reduced by ₹1.23 crore. Further, the Company has issued 3,25,500 equity shares of ₹ 2/- each as ESOP to the eligible employees in accordance with DBL ESOP Scheme 2018. Post taking into account the said changes, the Issued, Subscribed and Paid up equity share capital of the Company is ₹ 37.42 crore constituting of 18,71,17,513 equity shares of ₹ 2/- each.

BUYBACK OF EQUITY SHARES

As per resolution passed by the Board of Directors on March 21, 2020, the Company has completed the buyback of 61,66,540 equity shares of ₹ 2/- each from the open market through stock exchange mechanism at a volume weighted average price of ₹ 531.96 per share. This has resulted in total cash outflow of ₹ 408 crore inclusive of all transaction cost.

EMPLOYEES' STOCK OPTION SCHEME

In terms of the Scheme of arrangement and amalgamation amongst Odisha Cement Limited ("ODCL" or "Company"), Dalmia Bharat Limited ("DBL") and Dalmia Cement (Bharat) Limited ("DCBL") and their respective shareholders and creditors, the Company has adopted the DBEL ESOP Scheme 2011 with a new name i.e "DBL ESOP Scheme 2018" with the same terms and conditions. During the year under review, there has been no material change in the 'DBL ESOP Scheme 2018' of the Company and the Scheme continue to be in compliance with relevant/applicable ESOP Regulations.

Further the details required to be provided under the SEBI (Share Based Employee Benefits) Regulations, 2014 are disclosed on the website of the Company and can be accessed on the Company's website at <https://www.dalmiacement.com/wp-content/uploads/2021/08/DBL-ESOP-Disclosure-as-on-March-31-2021.pdf>

A certificate from the Statutory Auditors of the Company certifying that the DBL ESOP Scheme 2018 has been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the Shareholder's resolution will be made available electronically for inspection by the members during the AGM.

ANNUAL RETURN

As required under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the Company's website at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/DBL-Annual-Return-2020-2021.pdf>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility of the Group is based on the principle of Gandhian Trusteeship. For over eight decades, the Group has addressed the issues of health care and sanitation, education, rural development, women empowerment and other social development issues. The prime objective of our Corporate Social Responsibility policy is to hasten social, economic and environmental progress. We remain focused on generating systematic and sustainable improvement for local communities surrounding our plants and project sites.

The Board of Directors of your Company has formulated and adopted a policy on Corporate Social Responsibility which can be accessed at: <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Corporate-Social-Responsibility-Policy.pdf>

The Company has spent an aggregate amount of ₹ 1.17 crore towards corporate social responsibility activities during the FY 2020-21.

The annual report on corporate social responsibility activities containing composition of CSR committee and disclosure as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached and marked as **Annexure – 3** and forms part of this report.

On consolidated basis the Group has spent ₹ 8.13 crore in FY 2020-21 towards Corporate Social Responsibility.

RELATED PARTY TRANSACTION POLICY AND TRANSACTIONS

Related Party Transactions entered during the year under review are on an arm's length basis and in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the Listing

Regulations. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in form AOC-2 is not applicable.

Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature.

There are no materially significant Related Party Transactions entered into by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations.

In compliance with the requirements of the Companies Act, 2013 and Listing Regulations your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Policy-on-Related-Party-Transactions.pdf>

RISK MANAGEMENT

Your Company has a Risk Management Committee which monitors and reviews the risk management plan / process of your Company. The Company has adequate risk management procedures in place. The major risks are assessed through a systemic procedure of risk identification and classification. Risks are prioritised according to significance and likelihood.

The Risk Management Committee oversees the risk management processes with respect to all probable risks that the organization could face such as strategic, financial, liquidity, security including cyber security, regulatory, legal, reputational and other risks. The Committee ensures that there is a sound Risk Management Policy to address such risks. There are no elements of risk which in the opinion of the Board may threaten the existence of the Company. The details of the Risk Management Committee are given in the Corporate Governance Report which forms integral part of this Annual Report.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial control systems commensurate with the size of operations. The policies and procedures adopted by your Company ensures the orderly and efficient conduct of business, safeguarding of assets, prevention and detection of frauds and errors, adequacy and completeness of the accounting records, and timely preparation of reliable financial information. The entire system is complemented by external auditing of selected functions such as Human Resource and Labour Law Compliances, SAP – IT ERP system and IT general controls.

The internal auditors of the Company conduct regular internal audits as per approved plan and the Audit Committee reviews periodically the adequacy and effectiveness of internal control systems and takes steps for corrective measures whenever required. There are established Cause-Effect-Action (CEA) systems and escalation matrices to ensure that all critical aspects are addressed well in time.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

In Compliance with the provisions of section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has in place the Whistle Blower Policy and Vigil Mechanism for Directors, employees and other stakeholders which provides a platform to them for raising their voice about any breach of code of conduct, financial irregularities, illegal or unethical practices, unethical behaviour, actual or suspected fraud. Adequate safeguards are provided against victimization to those who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate cases is provided. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is made against any person. The Whistle Blower Policy and Vigil Mechanism may be accessed on the Company's website at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Whistleblower-Policy-and-Vigil-Mechanism.pdf>

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to ensuring that all are treated with dignity and respect. The Human Resource and the Legal & Secretarial department in collaboration with other functions, ensure protection against sexual harassment of women at workplace and for the prevention and redressal of complaint in this regard.

In line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, an Anti-Sexual Harassment Policy has been put in place and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the financial year 2020-21, no complaint was received by ICC.

LOANS, GUARANTEES, SECURITY AND INVESTMENTS

Your Company has given loans and guarantees, provided security and made investments within the limits with the necessary approvals and in terms and accordance with the provisions of Section 186 of the Companies Act, 2013. The particulars of such loans and guarantees given, securities provided and investments made are provided in the Standalone Financial Statements at note no. 39.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE TRANSACTIONS

The particulars of energy conservation and technology absorption are not applicable to the Company as it is not engaged in any manufacturing activity.

The disclosure of foreign exchange earnings and outgo, in

terms of provisions of Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014, is given hereunder: Foreign Exchange earnings and outgo

₹ crore		
Foreign Exchange	2020-2021	2019-2020
Earnings	Nil	Nil
Outgo	2.47	2.92

AUDITORS AND AUDITOR'S REPORT

A. STATUTORY AUDITORS AND THEIR REPORT

M/s. S.S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No. 000756N) the existing Statutory Auditors of the Company are completing their term and retiring at the conclusion of the ensuing 8th AGM.

In view of the above, the Board of Directors on recommendation of Audit Committee recommended appointment of M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company, for a period of 5 years from the conclusion of this AGM to the conclusion of 13th AGM.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder, from M/s Walker Chandio & Co LLP. They have confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

A resolution proposing appointment of M/s Walker Chandio & Co LLP, Chartered Accountants as Statutory Auditors of the Company, forms part of the Notice of AGM.

There is no qualification, reservation or adverse remark in their report on Standalone Financial Statements. The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any comments and explanation. The Auditors have not reported any matter under Section 143 (12) of the Act during the year under review.

The Report submitted by the Statutory Auditors on the consolidated financial statements of the Company do not contain any qualification, reservation or adverse remark or disclaimer. However, the Statutory Auditors in their report on the consolidated financial statements included matters of emphasis regarding (a) Profit before tax for the financial year ended March 31, 2021 was lower by ₹ 203 Crore, in view of amortisation of goodwill pursuant to the National Company Law Tribunal approved Schemes of Arrangement. (b) in respect of dispute between one of the Company's subsidiary namely Dalmia Cement (Bharat) Limited (DCBL) and Bawri Group (BG), minority shareholder of a step down subsidiary. During the year, Arbitral Tribunal has passed the Award according to which DCBL has to pay ₹ 30 Crore along with interest and cost of arbitration amounting to ₹ 16 Crore to BG. The Award has further rejected DCBL's claim of refund of ₹ 59 Crore in respect of investment in optionally redeemable convertible debentures and awarded to transfer 0.01% equity in Saroj Sunrise Private Limited (a BG Group company) against it. Based on the legal opinion, DCBL has

challenged the above arbitral award before the Delhi High Court. Management is of the view that no adjustments are required towards the interest, charges and impairment of investment in these consolidated financial Statements; and (c) Release of mutual fund units to the Company pursuant to the Supreme Court order, upon furnishing of Bank Guarantee of ₹ 344 Crore in Trial Court.

The said Emphasis of Matters have been explained and clarified in note no. 4(b)(ii), note no. 35(B) and note no. 9(i)(1) of the notes to accounts to the Consolidated Financial Statements of the Company for the year ended March 31, 2021, which are self-explanatory and do not call for any further comments and explanation.

With respect to the report of the Statutory Auditors on the consolidated financial statements, regarding disclosure made under the heading other matters, with respect to consolidation of management certified financial statements of a joint venture company; it may be noted that since the audit of the said joint venture company is yet to be completed, the consolidation is made based on the unaudited financial statements furnished by its management. This has no material impact on the financial statement.

B. SECRETARIAL AUDITOR AND THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Mr. R. Venkatasubramanian, Practising Company Secretary, as the Secretarial Auditor the Financial Year 2020-21.

As required under Section 204 of the Companies Act, 2013 and the Listing Regulations, the Secretarial Audit Report(s) in Form MR-3 of the Company for the FY 2020-21 is attached and marked as **Annexure – 4** and form part of this report. There is no qualification, reservation or adverse remark in the said Secretarial Audit Report(s).

Additionally, as required under the Listing Regulations, the secretarial audit of Dalmia Cement (Bharat) Limited, a material subsidiary, has also been carried out. Copy of Secretarial Audit Report of Dalmia Cement (Bharat) Limited is available at Company's website at www.dalmiabharat.com.

C. COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

DEPOSITS

During the year under review, the Company has not accepted any deposits from the public/member under Sections 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India from time to time and approved by the Central Government.

SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant or material orders which were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's Operations in future.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

No material changes and commitments, other than disclosed as part of this report, affecting the financial position of the Company have occurred between March 31, 2021 and the date of the report.

NO APPLICATION HAS BEEN MADE UNDER THE INSOLVENCY AND BANKRUPTCY CODE

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year is not applicable;

NO DIFFERENCE IN VALUATION

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

ACKNOWLEDGEMENT & APPRECIATION

Your Directors express their sincere appreciation for the assistance and co-operation received from the Government authorities, financial institutions, banks, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Place: New Delhi
Dated: July 27, 2021

P. K. Khaitan
Chairman
DIN-00004821

Annexure 1

DALMIA BHARAT LIMITED

AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES AND JOINT VENTURES AS PER COMPANIES ACT, 2013
(PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013
READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

PART - A : SUBSIDIARIES

(₹ in Crore)													
Sl. No.	Name of the subsidiary company	Reporting Currency	Share capital	Reserves & surplus	Total liabilities	Total assets	Investments	Turnover	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
1	Dalmia Cement (Bharat) Limited	₹	314	10,101	8,141	18,556	2,249	9,166	1,289	175	1,114	-	100.00 %
2	Dalmia Power Limited	₹	1	1,038	540	1,579	1,145	-	45	0	45	-	100.00 %
3	Calcolm Cement India Limited	₹	409	(139)	990	1,259	128	983	(252)	(17)	(235)	-	76.00%
4	Alstom Industries Limited	₹	19	55	172	246	24	245	11	1	10	-	100.00%
5	Dalmia DSP Limited	₹	150	(94)	518	574	12	337	5	(59)	64	-	100.00%
6	Murli Industries Limited (w.e.f. September 10, 2020)	₹	2,366	(2,201)	564	730	0	-	(15)	-	(15)	-	100.00%
7	DPVL Ventures LLP (formerly known as TVS Shriram Growth Fund 1B LLP) (w.e.f. April 14, 2020)	₹	195	0	0	195	195	-	89	-	89	-	100.00%
8	RCL Cements Limited	₹	4	(1)	29	32	31	0	(2)	(1)	(2)	-	100.00%
9	SCL Cement Limited	₹	3	(62)	60	1	-	0	(8)	-	(8)	-	100.00%
10	Vinay Cement Limited	₹	19	(253)	259	26	19	13	(62)	-	(62)	-	97.21%
11	Bangaru Kamakshi Amman Agro Frams Private Limited	₹	0	3	15	19	-	-	(1)	-	(1)	-	100.00%
12	Chandrasekara Agro Farms Private Limited	₹	0	2	0	3	-	-	(0)	-	(0)	-	100.00%
13	Cosmos Cements Limited	₹	15	(2)	37	50	-	-	(0)	0	(0)	-	100.00%
14	D.I. Properties Limited	₹	1	1	1	3	-	-	(0)	0	(0)	-	100.00%
15	Dalmia Minerals & Properties Limited	₹	1	53	5	59	2	-	(0)	0	(0)	-	100.00%
16	Geetee Estates Limited	₹	0	7	0	7	-	-	(0)	-	(0)	-	100.00%
17	Golden Hills Resort Private Limited	₹	1	(2)	1	0	-	-	(2)	-	(2)	-	100.00%
18	Hemshila Properties Limited	₹	1	6	0	7	0	-	(0)	-	(0)	-	100.00%
19	Ishita Properties Limited	₹	0	(1)	2	1	-	0	0	-	0	-	100.00%
20	Jayevijay Agro Farms Private Limited	₹	0	3	2	5	-	-	(0)	-	(0)	-	100.00%
21	Rajputna Properties Private Limited	₹	0	(0)	10	10	-	-	(0)	-	(0)	-	100.00%
22	Shri Rangam Properties Limited	₹	1	9	0	11	-	-	0	-	0	-	100.00%
23	Dalmia Bharat Refractories Limited (formerly known as Sri Dhandauthapani Mines & Minerals Limited)	₹	0	1	0	1	1	-	(0)	0	(0)	-	99.99%
24	Sri Madhusudana Mines & Properties Limited	₹	0	7	0	7	-	-	(0)	-	(0)	-	100.00%
25	Sri Shanamugha Mines & Minerals Limited	₹	1	8	0	9	-	-	0	-	0	-	100.00%
26	Sri Subramanya Mines & Minerals Limited	₹	0	6	0	6	-	-	(0)	-	(0)	-	100.00%
27	Sri Swaminatha Mines & Minerals Limited	₹	0	3	0	4	-	-	(0)	-	(0)	-	100.00%
28	Sri Trivikrama Mines & Properties Limited	₹	0	6	0	7	-	-	(0)	-	(0)	-	100.00%
29	Sutnga Mines Private Limited	₹	2	0	0	3	2	-	0	(0)	0	-	100.00%
30	Hopco Industries Limited	₹	0	(0)	0	0	0	-	(0)	-	(0)	-	100.00%
31	Dalmia OCL Limited (formerly known as Ascension Comercio Private Limited)	₹	0	0	0	0	-	-	(0)	-	(0)	-	100.00%

(₹ in Crore)

Sl. No.	Name of the subsidiary company	Reporting Currency	Share capital	Reserves & surplus	Total liabilities	Total assets	Investments	Turnover	Profit/ (loss) before taxation	Provision for taxation	Profit/ (loss) after taxation	Proposed dividend	% of shareholding
32	Ascension Mercantile Private Limited (w.e.f. March 23, 2021)	₹	0	(0)	0	0	-	-	(0)	-	(0)	-	100.00%
33	Ascension Multiventures Private Limited (w.e.f. March 23, 2021)	₹	0	(0)	0	0	-	-	(0)	-	(0)	-	100.00%
34	OCL Global Limited	USD	0	2	0	2	1	1	0	-	0	-	100.00%
	OCL Global Limited	₹	0	106	19	126	28	65	4	-	4	-	100.00%
35	OCL China Limited	RMB	4	1	1	6	-	4	(0)	(0)	(0)	-	90.00%
	OCL China Limited	₹	24	30	14	69	-	48	(4)	(1)	(3)	-	90.00%

Names of subsidiaries which are yet to commence operation.

Nil

No subsidiary was liquidated or sold during the year.

PART - B : JOINT VENTURES

(₹ in Crore)

Sl. No.	Name of joint ventures	Latest audited Balance Sheet Date	Number of shares	Amount of Investment in joint venture *	Network attributable to Shareholding as per latest audited Balance Sheet	Extend of Holding %	Profit / (loss) for the year	Profit / (loss) for the year considered in consolidation	Profit / (loss) for the year not considered in consolidation	Description of how there is significant influence	Reason why the joint venture is not consolidated
1	Radhikapur (West) Coal Mining Private Limited **	31-Mar-20	73,48,000	7	9	14.70%	2	0	2	N. A.	Consolidated
2	Khappa Coal Company Private Limited	31-Mar-20	18,36,500	2	2	36.73%	0	-	-	N. A.	Investment fully impaired

* Refer note 5A(i) of the consolidated financial statements.

** The figures as on March 31, 2021 are unaudited and based on financial statement furnished by the management.

Notes:

- a. Exchange rates as at March 31, 2021: 1 RMB = ₹ 11.21, 1 USD = ₹ 73.56.
- b. Average Exchange Rates for the year ended March 31, 2021: 1 RMB = ₹ 10.93, 1 USD = ₹ 74.20.

Puneet Yadu Dalmia
Managing Director and CEO
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Dharmender Tuteja
Chief Financial Officer

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Place : New Delhi
Date: July 27, 2021

Annexure 2**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR 2020-21.**

1. Details of the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21 are as under:

Name of the Director/KMP and Designation	Remuneration of Director/ KMP for the F.Y. 2020-21 ₹ crore	Ratio of remuneration of each Director to median remuneration of employees of the Company	% increase in the remuneration in the F.Y. 2020-21
Mr. P.K. Khaitan Chairman Non-Executive Independent	0.49	4.52	0
Mr. Jai Hari Dalmia * Non-Executive	0.03	0.28	0
Mr. Yadu Hari Dalmia Non-Executive	0.03	0.32	0
Mr. Gautam Dalmia Managing Director	15.05	140.45	0
Mr. Puneet Yadu Dalmia Managing Director & CEO	20.09	187.42	0
Mr. Virendra Singh Jain Non-Executive Independent	0.28	2.64	0
Mrs. Sudha Pillai Non-Executive Independent	0.19	1.76	0
Dr. Niddodi Subrao Rajan Non-Executive	0.15	1.38	195
Mr. Jayesh Nagindas Doshi Whole-time Director & CFO **	3.05	28.54	-19.73
Dr. Sanjeev Gemawat Company Secretary	2.18	20.36	13
Mr. Dharmender Tuteja Chief Financial Officer ***	-	-	-

Note:

*Passed away on July 8, 2021.

**resigned with effect from October 31, 2020.

***appointed with effect from March 23, 2021 and drew nil remuneration from the Company.

- The median remuneration of employees of the Company during the financial year 2020-21 is ₹ 10,71,982/- (last year ₹ 10,89,958/-)
- Percentage increase in the median remuneration of employees in the financial year (-) 1.65%.
- The number of permanent employees on the rolls of the Company at the end of the financial year was 132.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2020-21 is 15.14 %. There is no change in the rate of sitting fees or commission to the non-executive Directors. Percentage increase in remuneration of Dr. Niddodi Subrao Rajan is exceptional because of commission paid during the FY 2021 as no such commission was there in the previous year.
- It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and senior management personnel is as per the Nomination & Remuneration Policy of the Company.

DALMIA BHARAT LIMITED
STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR 2020-21

Sl. No.	NAME	AGE	DESIGNATION	QUALIFICATION	EXPERIENCE (IN YEARS)	* DATE OF COMMENCEMENT OF EMPLOYMENT	DATE OF LEAVING	NAME OF THE COMPANY (LAST EMPLOYMENT)	DESIGNATION (LAST EMPLOYMENT)	REMUNERATION RECEIVED (in ₹ Crore)
A. Employed throughout the year										
1	MR.PUNEET YADU DALMIA	48	MANAGING DIRECTOR & CEO	B. TECH. AND MBA	24 YEARS	31-10-2018	--	DALMIA CEMENT (BHARAT) LIMITED	MANAGING DIRECTOR	**20.09
2	MR.GAUTAM DALMIA	53	MANAGING DIRECTOR	B.SC. M.S.IN ELECTRICAL ENGINEERING, COLUMBIA UNIVERSITY	29 YEARS	31-10-2018	--	DALMIA CEMENT (BHARAT) LIMITED	MANAGING DIRECTOR	**15.05
3	MR.AJIT MENON	56	SENIOR EXECUTIVE DIRECTOR	B.S.C. B.B.A	24 YEARS	31-08-2012	--	DDB MUDRA PRIVATE LIMITED	EXECUTIVE DIRECTOR (ORGANIZATION DEVELOPMENT)	# 8.64
4	MR.HARISH CHANDER SEHGAL	63	GROUP GENERAL COUNSEL	B.COM (H), LLB	40 YEARS	10-08-2009	--	DALMIA BHARAT SUGAR & INDUSTRIES LIMITED	GROUP GENERAL COUNSEL	4.77
5	MR.AMIT GARG	53	EXECUTIVE DIRECTOR	PGDM - MARKETING AND FINANCE	27 YEARS	21-11-2016	--	HINDUSTAN TIMES	EXECUTIVE DIRECTOR	2.83
6	MR.SAMEER NAGPAL	51	CHIEF EXECUTIVE OFFICER - REFRACTORY	BE MECHANICAL, PGDBM	31 YEARS	03-08-2015	--	SHALIMAR PAINTS	MANAGING DIRECTOR & CEO	2.34
7	MR.ANAND KUMAR KANODIA	51	EXECUTIVE DIRECTOR	B.COM, ACA, ACS	28 YEARS	01-04-2019	--	DALMIA CEMENT (BHARAT) LIMITED	EXECUTIVE DIRECTOR	2.19
8	DR.SANJEEV GEMAWAT	51	EXECUTIVE DIRECTOR	B. Com.(Hons), LL.B, LL.M, FCIS(UK), FCS, FCA, FCMA, DITL (ICA), PHD.	27 YEARS	01-01-2016	--	DALMIA CEMENT (BHARAT) LIMITED	EXECUTIVE DIRECTOR	2.18
9	MR.R K AGRAWAL	63	EXECUTIVE DIRECTOR	CA, CS(INTER), B.COM	44 YEARS	01-09-1997	--	DALMIA INDUSTRIES LIMITED	DEPUTY GENERAL MANAGER	# 1.91
10	MR.SURATH KR. MUKHERJEE	52	EXECUTIVE DIRECTOR	A.C.A, A.I.C.W.A	26 YEARS	29-08-2008	--	DALMIA BHARAT SUGAR & INDUSTRIES LIMITED	ASSISTANT EXECUTIVE DIRECTOR	1.64
11	MRS.MADHURI MEHTA	42	EXECUTIVE DIRECTOR	POST GRADUATE DIPLOMA IN MANAGEMENT - HUMAN RESOURCES	20 YEARS	29-05-2006	--	BHARTI AIRTEL LIMITED	SENIOR MANAGER - HR OPERATIONS	1.23
B. Employed for part of the year										
1	MR.JAYESH NAGINDAS DOSHI	56	WHOLE TIME DIRECTOR & CFO	B.COM, B.L.L, A.C.A.	29 YEARS	01-02-2013	31-10-2020	PANCHSHIL REALTY	GROUP DIRECTOR - STRATEGY & FINANCE	3.06
2	MR.RAJIV BANSAL	48	SENIOR EXECUTIVE DIRECTOR	BCOM. (HONS.), COST ACCOUNTANT (ICWA), CA (ACA)	27 YEARS	05-11-2020	--	DXC TECHNOLOGY	CFO	3.40

* Date of commencement of employment of all the employees except Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia, is in the erstwhile Dalmia Bharat Limited. All these employees were employees of erstwhile Dalmia Bharat Limited and became employees of the Company pursuant to the Scheme of Arrangement and Amalgamation.

** Mr. Puneet Yadu Dalmia is son of Mr. Y.H. Dalmia, accordingly, both Directors are related to each other.

The remuneration includes perquisite value of shares allotted under DBL ESOP scheme.

Notes: 1. None of the employees held 2% or more of the equity shares of the Company by himself or alongwith his spouse and dependent children.

2. Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia have been appointed as the Managing Director(s) of the Company for a period of five years.

ANNUAL REPORT ON CSR ACTIVITIES
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The vision of our company, Dalmia Bharat Limited ("Company") is to unleash the potential of everyone we touch. As we seek to do that, we aim at sustainable and inclusive growth, by making definitive triple bottom-line (social, economic and environmental) impact. While we have always had a strong commitment to comply with the law, we seldom hesitate to go beyond the limits laid under law and put in an extra effort to achieve the status of a responsible corporate citizen in tune with the Dalmia Group's values. Aiming at creating shared values for all stakeholders, we seek to integrate corporate social responsibility ("CSR") into our businesses processes.

In compliance with the provisions of section 135 of the Companies Act, 2013 ("Act") including Schedule VII thereof, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules"), the Company shall undertake its CSR activities, projects, programmes

(either new or ongoing) in a manner compliant with the Act and the Rules ("Projects").

Our approach towards CSR is based on our Company's core values, which include fostering inclusive growth by sharing some of the wealth we create with the society at large. CSR has always been and shall always be an integral and strategic part of our business process. It is a vital constituent of our Company's commitment to sustainability. True to the spirit of our vision, we strive to utilize the potential of human and natural capital around us in a manner that facilitates social, economic and environmental progress. The main objective of this Policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development of the society. The Company aims to be a good corporate citizen by subscribing to the principles of integrating its economic, environmental and social objectives, and effectively utilizing its own resources towards improving the quality of life and building capacities of the local communities and society at large.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs Sudha Pillai	Chairperson, Independent Director	One	One
2	Mr. Y. H. Dalmia	Non-Executive Director, Member	One	One
3	Mr. Gautam Dalmia	Managing Director, Member	One	One
4	Mr. Virendra Singh Jain	Independent Director, Member	One	One

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. CSR Policy <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Corporate-Social-Responsibility-Policy.pdf>
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). **N.A.**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NIL**

- Average net profit of the company as per section 135(5) of the Companies Act, 2013 is ₹ 58.67 crore.
- (a) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013: ₹ 1.17 crore.
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year: **NIL**
- (c) Amount required to be set off for the financial year, if any: **NIL**
- (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 1,17,00,000/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1,17,00,000	NIL	N.A	-	-	-

(b) Details of CSR amount spent against **ongoing projects** for the financial year: **NIL**

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

1	2	3	4	5		6	7	8		
				State.	District.			Name	CSR Registration number.	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent in the current financial Year (in ₹).	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency		
1	Livelihood	Item No. II & III	Yes	Bihar	Rohtas	141,766				
2	Climate Action	Item No. IV	Yes	Jharkhand,	Bokaro,	2,000,892	No	Dalmia Bharat Foundation	CSR00002821	
				West Bengal,	Sundergarh,					
				Odisha	Cuttack, Midnapore					
3	Social Infrastructure	Item No. I & X	Yes	Rajasthan	Jhunjhunu	2,418,321	No	Dalmia Bharat Foundation	CSR00002821	
				Yes	Bihar	Rohtas				3,364,812
				Yes	Jharkhand	Bokaro				2,015,982
				Yes	Odisha	Sundargarh				759,063
				No	Panjab	Panipat				159,000
Yes	West bengal	Midnapore	255,163							
TOTAL						1,11,15,000				

(d) Amount spent in Administrative Overheads: ₹ 5,85,000/-

(e) Amount spent on Impact Assessment, if applicable: **NIL**

(f) Total amount spent for the Financial Year(8b+8c+8d+8e): ₹ 1,17,00,000/-

(g)

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as section 135(5)	1,17,00,000/-
(ii)	Total amount spent for the Financial Year	1,17,00,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NIL**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) of the Companies Act, 2013: **N.A.**

Place: New Delhi
Date: July 27, 2021

Sd/-
Gautam Dalmia
(Managing Director &
Member of CSR Committee)

Sd/-
Sudha Pillai
(Independent Director &
Chairperson of CSR Committee)

FORM NO MR 3 SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2021
(Pursuant to Section 204(1) of the Companies Act 2013, and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members,
Dalmia Bharat Limited
(Formerly Known as Odisha Cement Limited).

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dalmia Bharat Limited (Formerly Known as Odisha Cement Limited) (herein after called the Company). Under the ongoing COVID 19 pandemic, Secretarial Audit could only be conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Dalmia Bharat Limited's (Formerly Known as Odisha Cement Limited's) books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided to me digitally by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2021 complied with the statutory provisions listed here under and also that the Company has proper Board – processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the digital copies of books, papers, minute books, forms and returns filed and other records maintained by Dalmia Bharat Limited (Formerly Known as Odisha Cement Limited) ("The Company") for the financial year ended 31.03.2021 made available to me by email/online mode according to the provisions of:

- The Companies Act, 2013 (The Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and the External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable as the Company has not issued and listed any debt securities during the financial year under review)
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review)
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;(Not Applicable as there was no reportable event during the period under review) and
 - The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
- And other applicable laws like Factories Act, 1948, Employees State Insurance Act, 1948, Minimum Wages Act, 1948, The Payment of Gratuity Act, 1972, Workmen Compensation Act, 1923 etc

We have also examined compliance with the applicable clauses of the following:

- (1) Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (2) Listing Agreement entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above; however few of the statutory forms were filed after due date with additional fees.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I further report and certify, based on the certificate(s) provided by individual Directors, that none of the Directors on the Board of the Company have been barred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Adequate Notice is given to all Directors to schedule the Board meetings and Committee meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. There have been three Board meetings, three Audit Committee meetings and three Nomination and Remuneration Committee meetings called at a shorter notice for which the mandatory provisions as per the Act and Secretarial Standards as applicable as on date were adhered to. There have been four resolutions by circulation passed by the Board and one by Nomination and Remuneration Committee, for which also the mandatory provisions as per The Act and Secretarial Standards were adhered to. All decisions were passed with requisite majority.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has managed to continue normal business activities and conduct regular Committee meetings, Board meetings and Annual General meeting through video conferencing thereby complying with all statutory and procedural requirements, filing of ROC forms and maintenance of all relevant and required documents to the extent possible under the circumstances, in spite of the adverse business conditions caused by the ongoing COVID 19 pandemic.

I report that the following are the significant events that happened during FY 2020-21:

1. Mr. Jayesh Doshi, Whole Time Director and CFO of the company has resigned during the year.
2. Mr. Dharmendra Tuteja has been appointed as CFO of the Company.
3. Buy Back of 61, 66,540 equity shares of Rs. 2 each has been completed during the year.
4. 3,25,500 equity shares of Rs. 2 each were issued to employees under ESOP of the Company.

Place: Angarai
Date: April 29, 2021

R.Venkatasubramanian
Practising Company Secretary
ACS No. 3673; CP No. 3893
UDIN: A003673C000212640

This report is to be read with my letter of even date which is annexed as Annexure–A and forms an integral part of this report.

ANNEXURE – A

To
The Members,
Dalmia Bharat Limited
(Formerly Known as Odisha Cement Limited).

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Angarai
Date: April 29, 2021

R.Venkatasubramanian
Practising Company Secretary
ACS No. 3673; CP No. 3893
UDIN: A003673C000212640

CORPORATE GOVERNANCE REPORT

(I) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our corporate culture defines who we are, what we stand for and how we do business. Dalmia's history and its culture have been founded on the principle that strong governance makes sound business sense. Our good reputation has been built on our resolve to maintain the highest ethical and professional standards at all times, underpinned by a well-defined and effective system of governance.

Corporate governance is based on principles such as conducting the business with integrity, fairness and transparency with regard to all transactions, making all the necessary disclosures and decisions in compliance with the laws of the land, accountability and responsibility towards the stakeholders and commitment to conduct business in an ethical manner.

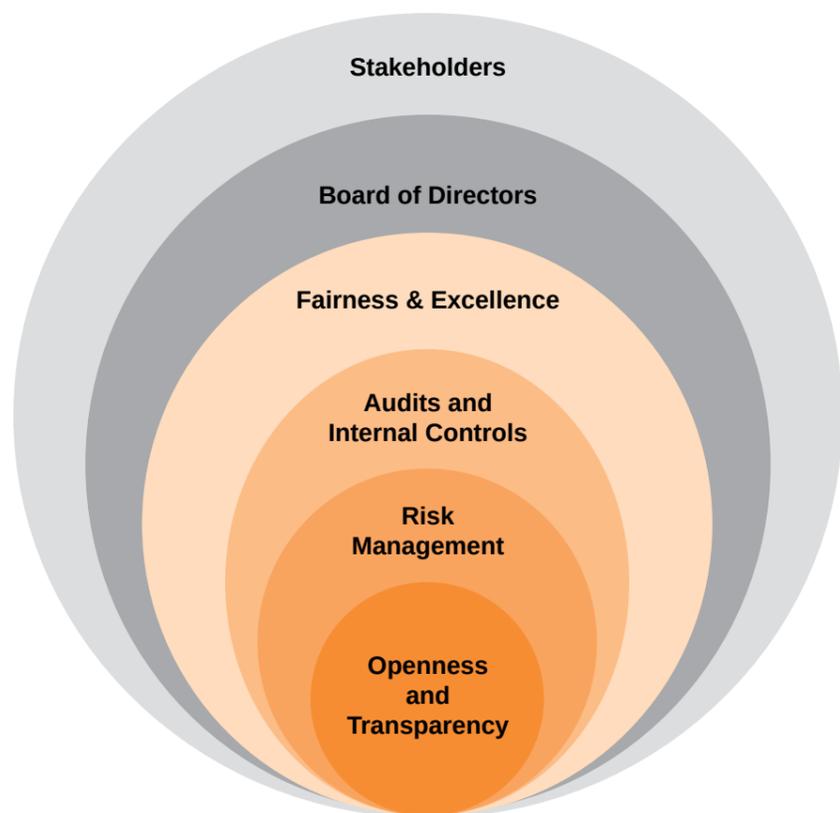
We believe that our Company has gone beyond adherence to regulatory framework. Our corporate

structure, business, operations, disclosure practices and systems have been strictly aligned to our corporate governance principles. We believe our system driven performance and performance oriented systems protect the interests of all our stakeholders.

We have blended growth and efficiency with governance and ethics. Our Board of Directors, guided by the mission statement, formulate strategies and policies having focus on optimising value for all our stakeholders.

Dalmia Bharat Group represents modern India which has a blend of traditional Indian values such as Integrity, Trust, Respect, Humility & Commitment and an aggressive performance driven culture. We inculcate an operational work behaviour of Speed, Learning, Teamwork & Excellence to complement the performance culture.

This report along with the Management Discussion and Analysis report complies with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").



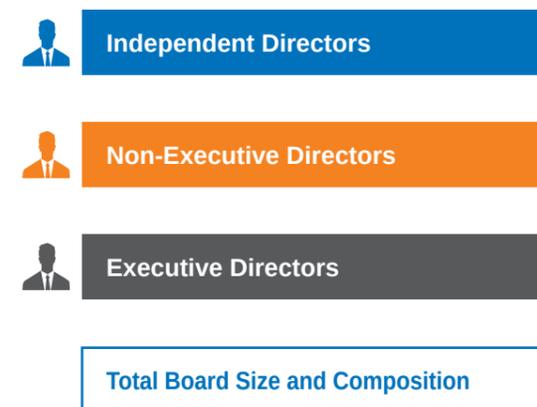
(II) BOARD OF DIRECTORS

(A) SIZE AND COMPOSITION OF THE BOARD

Our Board composition comprises of experts in various domains such as corporate governance, industries, legal and compliances, finance and accounts. Our Board has an appropriate mix of Executive, Non-

Executive and Independent Director(s) to maintain its independence, and separate its functions of governance and management. As on March 31, 2021 our Board comprised of eight Directors out of which three were Non-Executive Directors, three were Independent Directors (including one Independent Woman Director) and two were Executive Directors. The Chairman of the Board is a Non-Executive Independent Director and is not related to the Managing Director or Chief Executive Officer.

As on March 31, 2021



All the Independent Directors have given declaration(s) that they meet the criteria of independence as prescribed in the Listing Regulations and the Companies Act, 2013. Based on the said declaration(s), the Board of Directors is of the opinion that the Independent Directors fulfil the conditions specified in the Listing Regulations and the Companies Act, 2013 and are independent of the management.

The composition of the Board and other directorships of Directors of the Company held as on March 31, 2021 are provided in below Table 1.

Table 1: The Composition of the Board and other directorships held as on March 31, 2021

Name of Director	Category of directorship in other Listed Companies	Name of the Listed Companies	No. of outside directorship(s) in Public Limited Companies (1)(3)	No. of outside Committee position(s) held (2)(3)	
				Membership	Chairpersonship
Non-Executive and Independent Director(s)					
Mr. Pradip Kumar Khaitan (Chairman)		CESC Limited	6	5	2
		Firstsource Solutions Limited			
		Electrosteel Castings Limited			
		Graphite India Limited			
		Emami Limited			
		India Glycols Limited			
Mr. Virendra Singh Jain		Apl Apollo Tubes Limited	1	0	0
Mrs. Sudha Pillai		Jubilant Pharmova Limited	9	9	3
		International Travel House Limited			
		Indian Energy Exchange Limited			
		Amber Enterprises India Limited			
		Jubilant Ingrevia Limited			

Name of Director	Category of directorship in other Listed Companies	Name of the Listed Companies	No. of outside directorship(s) in Public Limited Companies (1)(3)	No. of outside Committee position(s) held (2)(3)	
				Membership	Chairpersonship
Non-Executive Director(s)					
Mr. Jai Hari Dalmia (4) (Promoter)		Dalmia Bharat Sugar and Industries Limited	4	1	0
		Alirox Abrasives Limited			
Mr. Yadu Hari Dalmia (4) (Promoter)	--	Nil	0	0	0
Dr. Niddodi Subrao Rajan	--	Nil	0	0	0
Executive Director(s)					
Mr. Gautam Dalmia (Managing Director) (4)		Dalmia Bharat Sugar and Industries Limited	5	3	0
		Indian Energy Exchange Limited			
Mr. Puneet Yadu Dalmia (Managing Director & CEO) (4)		SRF Limited	1	0	0

- Non-Executive and Independent Directors, - Non-Executive Directors, - Executive Directors

- Excluding directorships in Private Limited Companies, Foreign Companies and Section 8 Companies under the provision of the Companies Act, 2013;
- As required by Regulation 26 of the Listing Regulations, the disclosure includes membership / chairpersonship of the audit committee and stakeholder's relationship committee in Indian public companies (listed and unlisted);
- None of the Directors (i) hold membership in more than ten public limited companies and (ii) is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a Director (iii) hold directorship in more than eight listed companies and serve as an independent director in more than seven listed companies;
- Mr. Jai Hari Dalmia passed away on July 08, 2021, he was brother of Mr. Yadu Hari Dalmia and father of Mr. Gautam Dalmia. Mr. Puneet Dalmia is son of Mr. Yadu Hari Dalmia. None of the other Directors are related to any other Director on the Board.

None of the Directors have been debarred or disqualified from being appointed or continuing as Director of companies by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority. A certificate in this regard by Mr. R. Venkatasubramanian, Practicing Company Secretary, the Secretarial Auditor of the Company, is attached and forms part of this report.

During the financial year 2020-21, the Board of Directors met five (5) times, i.e., on June 13, 2020, August 06, 2020, November 05, 2020, February 04, 2021 and March 23, 2021.

As per the Companies Act, 2013 read with the Listing Regulations, the required quorum for every meeting of the Board of Directors is one third of its total strength or three Directors, whichever is higher, including at least one Independent Director. The requisite quorum was present in the said meetings.

The details of the attendance of Directors at the Board Meetings and Annual General Meeting and Shares held are provided in below Table 2.

(B) BOARD MEETINGS

The Board meetings are generally held at the corporate office of the Company. The Board usually meets at least once in a quarter and the Board meeting is requisitioned whenever it is required in between the quarterly meetings.

Table 2: Attendance at the Board Meetings and Annual General Meeting and number of shares held during financial year 2020-21

Name of the Director	Annual General Meeting	Number of Board Meetings held and attended					Held during tenure	Attended	% of attendance	Number of shares held in the Company
		1	2	3	4	5				
Mr. Pradip Kumar Khaitan							5	5	100%	Nil
Mr. Jai Hari Dalmia*						X	5	4	80%	2
Mr. Yadu Hari Dalmia						X	5	4	80%	Nil
Mr. Gautam Dalmia						X	5	4	80%	1
Mr. Puneet Yadu Dalmia						X	5	4	80%	Nil
Mr. Virendra Singh Jain							5	5	100%	Nil
Mrs. Sudha Pillai							5	5	100%	Nil
Dr. Niddodi Subrao Rajan							5	5	100%	14905
Mr. Jayesh Nagindas Doshi**				NA	NA	NA	3	3	100%	84,800

- Attended X - Leave of Absence

* Mr. Jai Hari Dalmia passed away on July 08, 2021

**Mr. Jayesh Nagindas Doshi, Whole Time Director and CFO resigned with effect from October 31, 2020.

In Compliance with the Secretarial Standards, the draft minutes of the Board and Committee meetings were circulated to the Directors for their comments within a period of 15 days from the date of respective meeting(s) and entered in the minutes books after incorporation of their comments, if any, within a period of 30 days from the date of the respective meeting(s).

(C) MEETING OF INDEPENDENT DIRECTORS AND FAMILIARIZATION PROGRAMMES

The Independent Directors of the Company met once during the financial year on February 01, 2021 without the presence of Non-Independent Director(s) and members of the management.

The Independent Directors, *inter-alia*, reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Directors immediately upon appointment are familiarized *inter-alia* with the Company, nature of industry in which the Company operates, business model of the Company, Code of Conduct for the Directors, reports and policies of the Company as part of their induction programme. Every Director is also familiarized with the expectation of the Board from him, the Board level committees in which he/she is expected to serve and its tasks, the fiduciary duties that come with such appointment alongwith accompanying liabilities and the actions that he/she should not take while functioning as such in the Company

The details of sitting fees and commission paid to the Non-Executive Directors and remuneration paid to Executive Directors during the financial year 2020-21 are provided in below Table 3.

Table 3: Remuneration details

(₹ in Crore)						
Sl. No	Name of Director	Sitting fees	Commission	Salary	Benefits & perquisites	Total
A Non-Executive Director(s)						
1	Mr. Pradip Kumar Khaitan	0.09	0.40	-	-	0.49
2	Mr. Jai Hari Dalmia*	0.03	-	-	-	0.03
3	Mr. Yadu Hari Dalmia	0.03	-	-	-	0.03
4	Mr. Virendra Singh Jain	0.08	0.20	-	-	0.28
5	Mrs. Sudha Pillai	0.09	0.10	-	-	0.19
6	Dr. Niddodi Subrao Rajan	0.05	0.10	-	-	0.15
B Executive Director(s)						
7	Mr. Gautam Dalmia	-	-	13.36	1.69	15.05
8	Mr. Puneet Yadu Dalmia	-	-	17.98	2.11	20.09
9	Mr. Jayesh Nagindas Doshi**	-	-	2.93	0.13	3.06

*passed away on July 08, 2021.

** resigned with effect from October 31, 2020

The Directors are also regularly familiarized by way of periodic presentations at the Board and Committee meetings *inter-alia* with respect to updates on approved projects, business opportunities and proposed projects, updates on Enterprise Risk Management, demand supply scenario, benchmarking and statutory and regulatory changes. Detailed presentations on the Company's subsidiaries, associates, business segments are made. The detail of such familiarisation programme for the financial year 2020-21 is disclosed at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Familiarisation-Programme-for-Independent-Directors-FY-2020-21.pdf> in terms of the Listing Regulations.

(D) REMUNERATION PAID TO DIRECTORS AND ESOPs

As on March 31, 2021 the Board of Directors comprised of six Non-Executive Directors and two Executive Directors.

The sitting fee is paid to the Non-Executive Directors within the limits prescribed under the Companies Act, 2013 and as approved by the Board of Directors of the Company. The Directors are also entitled to commission and reimbursement of expenses incurred by them for undertaking their duties as Directors of the Company. The same is decided keeping in view the Nomination and Remuneration Policy.

The commission is paid to the Non-Executive Directors within the limits prescribed under the Companies Act, 2013 and as approved by the Shareholders at the Annual General Meeting held on December 31, 2018, i.e., not exceeding 1% of the net profits of the Company. The commission to the Non-Executive Directors varies in view *inter-alia* of the responsibility held as a Chairman / member of various Board Committees of the Company. The commission payable is decided by the Board of Directors of the Company as per the Nomination and Remuneration Policy.

Benefits and perquisites includes retirement benefits to the Executive Directors comprising of the Company's contribution to provident fund and superannuation fund. The payment of retirement benefits is made by the respective fund(s). In addition to the above the Company also contributes, on actuarial valuation basis, amounts to the gratuity fund towards gratuity of its employees including for the Executive Directors.

There is no other pecuniary relationship/transaction of the Non- Executive Directors *vis a vis* the Company except that Dr. Niddodi Subrao Rajan has been appointed as Advisor in Dalmia Cement (Bharat) Limited, a material subsidiary, with effect from January 1, 2020 and receives professional fees therefrom. Same being a related party transaction has been approved by the shareholders of the Company on February 9, 2020 through postal ballot.

As per the terms of the appointment of Managing Director(s), the appointment may be terminated by either party by giving three months' notice. There is no provision for severance fee in case of termination.

During the year, 3,25,500 stock options were vested and exercised by the eligible employees of the Company / subsidiary as per DBL ESOP Scheme 2018. No stock options were vested in favour of any director of the Company.

(E) CODE OF CONDUCT FOR THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

The Company's Board has laid down a code of conduct for all the Board members and designated senior management of the Company. The Code of Conduct includes the code of conduct for Independent Directors and provides in detail the guidelines of professional conduct, role and functions and duties of Independent Directors. The Code of Conduct is available on the website of the Company at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Code-of-Conduct.pdf>. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer to this effect is annexed at the end of this report.

Sl. No	Experience, Expertise and Attribute	Description
1	Leadership Experience	Strong management and leadership experience in leading well-governed large organization in the areas of business development, strategic planning and mergers & acquisitions and have visionary with strategic goal for the Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its energy/efforts in appropriate direction and thought to be a leader and a role model in good governance and ethical conduct of business, while encouraging the organisation to maximise stakeholders value having hands on experience of leading an entity at the highest level.
2	Industry knowledge and experience	Depth knowledge in businesses in which the Company participates viz. Cement, Power, Refractory and Management Consultancy and such other areas as appropriate for betterment of Company's business.
3	Experience and Exposure in policy shaping and industry advocacy	Ability to develop professional relationship with the Policy makers and Regulators for contributing to the shaping of Government policies in the areas of Company's business.
4	Governance including legal compliance	Experience in developing and implementing good corporate governance practices, maintaining accountability of Board and its management, managing stakeholders interest and responsibility towards customers, employees, suppliers, regulatory bodies etc. to support the Company's legal compliance systems and governance policies/practices.
5	Expertise/ Experience in Finance & Accounts / Audit / Risk Management areas	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, macro- economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.

(F) CEO/ CFO CERTIFICATION

The CEO and CFO certification of the financial statements for the financial year 2020-21 is annexed at the end of this report.

(G) BOARD SKILL MATRIX:

The Board of the Company comprises of eminent personalities and leaders in their respective fields. These Directors are nominated based on well-defined selection criteria. The Board and Nomination and Remuneration Committee considers, inter alia, key qualifications, skills, expertise and competencies, whilst recommending candidates for election as a Director on the Board. The criteria for appointment to the Board also includes:

- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- desired age and diversity on the Board;
- balance of skills and expertise in view of the objectives and activities of the Company;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

The Board and Nomination and Remuneration Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013.

In the opinion of the Board and the Nomination and Remuneration Committee, the following is a list of core skills/expertise/competencies required in the context of the Company's business and which are available with the Board:

Given below is a list of core skills, expertise and competencies of the individual Directors:

Name of the Director(s)	Skills/Expertise/Competencies				
	Leadership Experience	Industry knowledge and experience	Experience and Exposure in policy shaping and industry advocacy	Governance including legal compliance	Expertise/ Experience in Finance & Accounts / Audit / Risk Management areas
Mr. Pradip Kumar Khaitan	√	--	√	√	√
Mr. Jai Hari Dalmia*	√	√	--	--	√
Mr. Yadu Hari Dalmia	√	√	--	--	√
Mr. Gautam Dalmia	√	√	--	--	√
Mr. Puneet Yadu Dalmia	√	√	--	--	√
Mr. Virendra Singh Jain	√	--	--	√	√
Mrs. Sudha Pillai	√	--	√	√	√
Dr. Niddodi Subrao Rajan	√	--	--	√	√

*passed away on July 08, 2021

(III) COMMITTEES OF THE BOARD OF DIRECTORS OF THE COMPANY

(A) COMPOSITION OF COMMITTEES, THEIR MEETINGS AND ATTENDANCE

The Board of Directors of the Company has five (5) Board level Committees as on March 31, 2021, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The composition, constitution and functioning of these Committees meet the requirements of the Companies Act, 2013 and the Listing Regulations. The Chairman and members of these Committees are selected by the Board based on the category of Director(s) and their expertise, knowledge and experience. The role and terms of reference of these Committees is approved by the Board of Directors of the Company. The Company Secretary acts as Secretary to these Committees. Below Table 4 shows composition of the Board and Committees:

Table 4: Composition of the Board and Committees

Name of the Director	Board	Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Risk Management Committee	Stakeholders Relationship Committee
Mr. Pradip Kumar Khaitan				--	--	--
Mr. Jai Hari Dalmia*		--	--	--	--	--
Mr. Yadu Hari Dalmia		--	--		--	
Mr. Gautam Dalmia		--	--			
Mr. Puneet Yadu Dalmia		--	--	--	--	--
Mr. Virendra Singh Jain			--			
Mrs. Sudha Pillai						--
Dr. Niddodi Subrao Rajan		--		--		--
Mr. Jayesh Nagindas Doshi**		--	--	--	--	--
Total Number of Members	9	3	3	4	4	3

 - Chairperson  - Member

* Passed away on July 08, 2021

** Was a member of the Board till October 31, 2020.

AUDIT COMMITTEE

The Audit Committee met five times during the financial year 2020-21 and the gap between two committee meetings did not exceed 120 days. The dates on which the committee meetings held were: June 13, 2020, Aug 06, 2020, November 05, 2020, February 04, 2021 and March 23, 2021. The composition as well as terms of reference of the Audit Committee are in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The attendance details of the Committee meetings are given in below Table 5:

Table 5: Audit Committee Meeting

Name of the member	Number of Audit Committee Meetings					Held during tenure	Attended	% of attendance
	1	2	3	4	5			
Mr. Virendra Singh Jain						5	5	100%
Mr. Pradip Kumar Khaitan						5	5	100%
Mrs. Sudha Pillai						5	5	100%

- Attended in person X - Leave of absence

The Audit Committee of the Board of Directors comprises of qualified and independent members of the Board, who have expertise, knowledge and experience in the field of accounting and financial management and have held or hold senior positions in other reputed organizations.

The role, powers and terms of reference of the Audit Committee covers all the areas prescribed under Section 177 of the Companies Act, 2013 and Regulation 18 (3) of the Listing Regulations besides other terms as referred by the Board of Directors from time to time. The role of Audit Committee broadly includes the following:

- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company and payment for any other services rendered by them, review and monitor their independence and performance, and effectiveness of audit process.
- Oversight of the Company's financial reporting process, reviewing the quarterly financial statements and the annual financial statements and auditor's report thereon before submission to the Board for approval and to ensure that the financial statements are correct, sufficient and credible.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Review of the quarterly and half yearly financial results with the management and the statutory auditors.
- Scrutiny of inter-corporate loans and investments.
- Reviewing performance of statutory and internal auditors, adequacy of the internal control systems, risk management systems and internal audit function.

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary.
- Review the functioning of the Whistle Blower mechanism.
- Approval of appointment of Chief Financial officer.

The representatives of Statutory Auditors, Internal Auditors, CFO, executives from finance and secretarial departments usually attend the committee meetings and Managing Director & CEO and other departmental heads attend the meeting whenever required. The Company Secretary of the Company acts as the Secretary to the Audit Committee. All the recommendations of the Audit Committee during the financial year 2020-21 were accepted by the Board of Directors.

All members of the Audit Committee were present at the Annual General Meeting of the Company held on September 30, 2020.

NOMINATION AND REMUNERATION COMMITTEE.

The Nomination and Remuneration Committee met four times during the financial year 2020-21 on October 14, 2020, January 14, 2021, February 1, 2021 and March 23, 2021. The composition as well as the terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The attendance details of the Committee meetings are given in below Table 6:

Table 6: Nomination and Remuneration Committee Meeting

Name of the member	Number of Nomination and Remuneration Committee Meeting				Held during tenure	Attended	% of attendance
	1	2	3	4			
Mrs. Sudha Pillai					4	4	100%
Mr. Pradip Kumar Khaitan					4	4	100%
Dr. Niddodi Subrao Rajan					4	4	100%

- Attended in person X - Leave of absence

The role, powers and terms of reference of the Nomination and Remuneration Committee covers all the areas prescribed under Section 178 of the Companies Act, 2013 and Regulation 19(4) of the Listing Regulations besides other terms as referred by the Board of Directors from time to time. The role of Nomination and Remuneration Committee broadly includes the following:

- Formulate criteria for determining qualifications, age, extension of term, positive attributes and independence of a Director and recommend to the Board the Nomination and Remuneration Policy.
- Devise a Board diversity policy.
- Formulate criteria for performance evaluation of Directors.
- Identify qualified persons and recommend to the Board of Directors appointment, remuneration and removal of Directors and senior management.
- Review Human Resource policies and succession planning.
- Administer, monitor and formulate detailed terms and conditions of the Employees Stock Option Scheme.

The Head of Human Resource department is invited to the Nomination and Remuneration Committee meetings as and when desired by the Committee. The Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee. All the recommendations of the committee during the financial year 2020-21 were accepted by the Board of Directors.

All members of the Nomination and Remuneration Committee were present at the Annual General Meeting of the Company held on September 30, 2020.

Table 7: Stakeholders' Relationship Committee Meeting

Name of the member	Number of Stakeholders' Relationship Committee Meeting	Held during tenure	Attended	% of attendance
	1			
Mr. Virendra Singh Jain		1	1	100%
Mr. Yadu Hari Dalmia		1	1	100%
Mr. Gautam Dalmia	X	0	0	0%

- Attended X - Leave of absence

The role, powers and terms of reference of the Stakeholders' Relationship Committee covers all the areas prescribed under Section 178 of the Companies Act, 2013 and Regulation 20(4) of the Listing Regulations besides other terms as referred by the Board of Directors from time to time. The role of Stakeholders' Relationship Committee broadly includes the following:

- Resolve grievances of security holders.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review adherence to service standards adopted in respect of services being rendered by the Registrar and Share Transfer Agent.

PERFORMANCE EVALUATION CRITERIA

The Nomination and Remuneration Committee, as part of the Nomination and Remuneration Policy, has formulated criteria and specified the manner of effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and effective evaluation of performance of key managerial personnel and senior management; and reviews its implementation and compliance.

During the financial year 2020-21, the Directors evaluated the performance of Non-Independent Directors of the Board and post review of the performance on several criteria including attendance, participation at the meetings, qualification, experience, etc., found that their overall performance was good. The Directors appreciated the executive management for its receptiveness to the calls for strong corporate governance, internal controls and compliances.

Further, the performance evaluation of Independent Directors was done by the entire Board excluding the Directors being evaluated.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee met once during the financial year 2020-21 on February 01, 2021. The composition of the Stakeholders' Relationship Committee as well as its terms of reference are in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The attendance details of the Committee meeting are given in below Table 7:

- Review measures for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by shareholders.

All members of the Stakeholders' Relationship Committee were present at the Annual General Meeting of the Company held on September 30, 2020.

Dr. Sanjeev Gemawat, Company Secretary, is the compliance officer of the Company and responsible for ensuring compliance with the requirements of Securities Laws.

SHAREHOLDERS COMPLAINTS:

During the financial year 2020-21, the Company received 242 complaints from the shareholders. Details of shareholders' complaints are given in below Table 8:

Table 8- shareholders' complaints

Particulars	No of Complaints
No of shareholders' complaints outstanding as at April 01, 2020	Nil
No of shareholders' complaints received during the financial year 2020-21	242
No of shareholders' complaints resolved to the satisfaction of the shareholders during the financial year 2020-21	242
No of shareholders' complaints pending as at March 31, 2021	Nil

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee met once during the financial year 2020-21 on June 12, 2020. The composition as well as charter of the Committee are in line with the requirements of the Companies Act, 2013. The attendance details of the Committee meetings are given in below Table 9:

Table 9: Corporate Social Responsibility Committee Meeting

Name of the member	Number of Corporate Social Responsibility Committee Meeting	Held during tenure	Attended	% of attendance
	1			
Mrs. Sudha Pillai		1	1	100%
Mr. Virendra Singh Jain		1	1	100%
Mr. Yadu Hari Dalmia		1	1	100%
Mr. Gautam Dalmia		1	1	100%

 - Attended X - Leave of absence

The role, powers and terms of reference of the Corporate Social Responsibility Committee covers all the areas prescribed under Section 135 of the Companies Act, 2013 besides other terms as referred by the Board of Directors from time to time. The role of Corporate Social Responsibility Committee broadly includes the following:

- Formulate and recommend Corporate Social Responsibility Policy to the Board.
- Recommend the amount of expenditure to be incurred on activities to be undertaken by the Companies in the areas or subject, specified on Schedule VII of the Companies Act, 2013.
- Monitor the Corporate Social Responsibility Policy from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Corporate-Social-Responsibility-Policy.pdf>. The Annual Report on CSR activities for the financial year 2020-21 forms part of the Board's Report.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee met once during the financial year 2020-21 on June 12, 2020. The composition as well as charter of the Committee are in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The attendance details of the Committee meetings are given in below Table 10:

Table 10: Risk Management Committee

Name of the member	Number of Risk Management Committee Meetings held and attended	Held during tenure	Attended	% of attendance
	1			
Mr. Virendra Singh Jain		1	1	100%
Mr. Gautam Dalmia		1	1	100%
Mrs. Sudha Pillai		1	1	100%
Dr. Niddodi Subrao Rajan		1	1	100%

 - Attended

The role, powers and terms of reference of the Risk Management Committee covers all the areas prescribed under Schedule II, Part D, Para C of the SEBI Listing Regulations besides other terms as referred by the Board of Directors from time to time.

The role of Risk Management Committee broadly includes the following:

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

The Company Secretary of the Company acts as the Secretary of the Risk Management Committee.

(IV) GENERAL BODY MEETINGS**(A) ANNUAL GENERAL MEETINGS ("AGM")**

The AGMs are held at the registered office of the Company.

The Chairman/member(s) of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee attend the AGMs to respond to the queries of the shareholders.

Also, the representatives of the Statutory Auditors and Secretarial Auditors attend the AGMs to respond to the queries of shareholders, if any, with respect to audit observation / matter of emphasis or otherwise.

The representatives of the Registrar and Transfer Agent checks and verifies the attendance of members and the Scrutinizer scrutinizes the voting (e-voting and physical) and provides report thereon.

The details of the last three Annual General Meetings (AGMs) are given below in Table 11.

Table 11: Details of last three AGMs

AGM	Date	Time	Location
7 th AGM	September 30, 2020	11.30 a.m.	Conducted online through Video Conference, deemed to be held at Dalmiapuram - 621651, Lalgudi Taluk, District Tiruchirapalli, Tamil Nadu
6 th AGM	August 30, 2019	10.30 a.m.	Dalmiapuram - 621651, Lalgudi Taluk, District Tiruchirapalli, Tamil Nadu
5 th AGM	December 31, 2018	10.30 a.m.	Dalmiapuram - 621651, Lalgudi Taluk, District Tiruchirapalli, Tamil Nadu

(B) SPECIAL RESOLUTIONS

Special Resolution passed at the 7 th AGM held on September 30, 2020	<ul style="list-style-type: none"> Continuance of appointment of Mr. Jai Hari Dalmia (DIN: 00009717) as a Non-Executive Director of the Company pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015.
Special Resolution passed at the 6 th AGM held on August 30, 2019	<ul style="list-style-type: none"> No Special Resolution was proposed and passed at the 6th AGM
Special Resolutions passed at the 5 th AGM held on December 31, 2018	<ul style="list-style-type: none"> Appointment of Mr. Gautam Dalmia, as a Managing Director of the Company for a period of five years with effect from October 30, 2018. Appointment of Mr. Puneet Yadu Dalmia, as a Managing Director of the Company for a period of five years with effect from October 30, 2018. Appointment of Mr. Jayesh Nagindas Doshi, as a Whole time Director and Chief Financial Officer of the Company for a period of three years with effect from October 30, 2018. Appointment of Mr. Nagarajan Gopalaswamy, as Non-Executive Independent Director of the Company for a period of five years with effect from October 15, 2018. Appointment of Mr. Pradip Kumar Khaitan, as Non-Executive Independent Director of the Company for a period of five years with effect from October 15, 2018. Appointment of Mr. Dharmendar Nath Davar, as a Non-Executive Director of the Company, liable to retirement by rotation. Payment of commission to the Non-Executive Directors, not exceeding 1% (one percent) of net profits of the Company.

(C) POSTAL BALLOT

No Special Resolution was passed during financial year 2020-21 through postal ballot. As on the date of this report, no Special Resolution is proposed to be passed through Postal Ballot.

(V) MEANS OF COMMUNICATION**QUARTERLY RESULTS**

The quarterly unaudited/audited financial results of the Company prepared in the format prescribed by the Listing Regulations are recommended by the Audit Committee and approved by the Board of Directors. The same are limited reviewed/audited by the Statutory Auditors and are submitted to the Stock Exchanges, on which the shares of the Company are listed, i.e., BSE Limited and National Stock Exchange of India Limited, within a period of 45 days of the close of every quarter and within a period of 60 days in case of annual financial results. The results are disseminated on the Stock Exchanges electronically (through NEAPS / BSE listing centre) within 30 minutes of the closure of the Board meeting.

The financial results are normally published in Financial Express, i.e., the English language national daily newspaper circulating in the whole or substantially the whole of India and in Dinamani, i.e., the daily newspaper published in the language of the region where the registered office of the Company is situated, i.e., Tamil.

The financial results are also posted on the website of the Company, i.e., www.dalmiabharat.com.

PRESS RELEASE / PRESENTATIONS

The Company also issues the press release on the results immediately after the Board meeting and same is also disseminated on the Stock Exchanges electronically (through NEAPS / BSE listing centre) and is also posted on the website of the Company, i.e., www.dalmiabharat.com.

The presentations to investors or to the analysts are posted on the website of the Company, i.e., www.dalmiabharat.com.

DISCLOSURES

The Company filed various disclosures with the Stock Exchanges including inter-alia, the quarterly Shareholding Pattern, Investors Complaints Report, Corporate Governance Report, Disclosures as per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 etc. electronically on NEAPS and BSE Listing Centre.

(VI) GENERAL SHAREHOLDERS INFORMATION**(A) ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company is scheduled to be held on Wednesday, September 29, 2021. at 11.30 a.m. through Video Conferencing/Other Audio Visual Means ("VC/OAVM") facility. [deemed venue: registered office at Dalmiapuram -621651, Dist. Tiruchirappalli, Tamil Nadu.]

The record date for payment of final dividend is Wednesday, September 22, 2021.

(B) FINANCIAL YEAR

The financial year of the Company is from April 01, 2020 to March 31, 2021.

(C) DIVIDEND PAYMENT DATE

Your Directors have recommended a dividend of ₹ 1.33 per equity share of face value of ₹ 2/- (@ 66.50%) for the financial year 2020-21. The recommended dividend shall be paid to those shareholders whose names appear in the Register of Members as on the Record Date, on approval by the members at the Annual General Meeting. The dividend is recommended based on the financial and non-financial factors prevailing during the FY under review and in terms of the Dividend Distribution Policy of the Company which is posted on the Company's website at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Dividend-Distribution-Policy.pdf>. The dividend shall be paid within 30 days from the date of Annual General Meeting.

(D) LISTING

The Equity Shares of the Company are listed on the following Stock Exchanges:

- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
- National Stock Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400051

The Company has made the payment of annual listing fees to both the Stock Exchanges.

(E) STOCK CODES

BSE Limited: 542216
National Stock Exchange of India Limited: DALBHARAT
ISIN (for Dematerialised Shares) : INE00R701025

(F) MARKET PRICE DATA AND PERFORMANCE COMPARISON

The market price data as per quotations of BSE Limited and National Stock Exchange of India Limited, i.e., high, low and close during each month in the financial year 2020-21 is given below in Table 12.

Table 12: High, low and close market price of the shares during financial year 2020-21 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2020	570.75	417.00	521.60	569.90	415.55	521.65
May, 2020	577.00	475.00	554.70	577.50	474.80	554.85
June, 2020	720.00	549.80	675.70	720.00	549.50	673.30
July, 2020	775.00	671.00	761.10	774.75	670.90	760.65
August, 2020	824.55	715.00	748.85	825.00	732.70	749.75
September, 2020	806.20	651.95	782.25	807.80	652.30	781.45
October, 2020	874.00	740.00	841.90	874.40	740.00	842.85
November, 2020	1110.00	826.95	1099.15	1111.00	825.20	1101.70
December, 2020	1195.70	944.30	1078.65	1198.00	945.00	1079.75
January, 2021	1229.00	1064.05	1156.35	1229.80	1061.00	1154.95
February, 2021	1570.00	1137.30	1434.75	1574.00	1135.60	1436.15
March, 2021	1690.60	1425.00	1587.05	1689.75	1423.30	1589.00

Chart A: Share Performance versus BSE Sensex

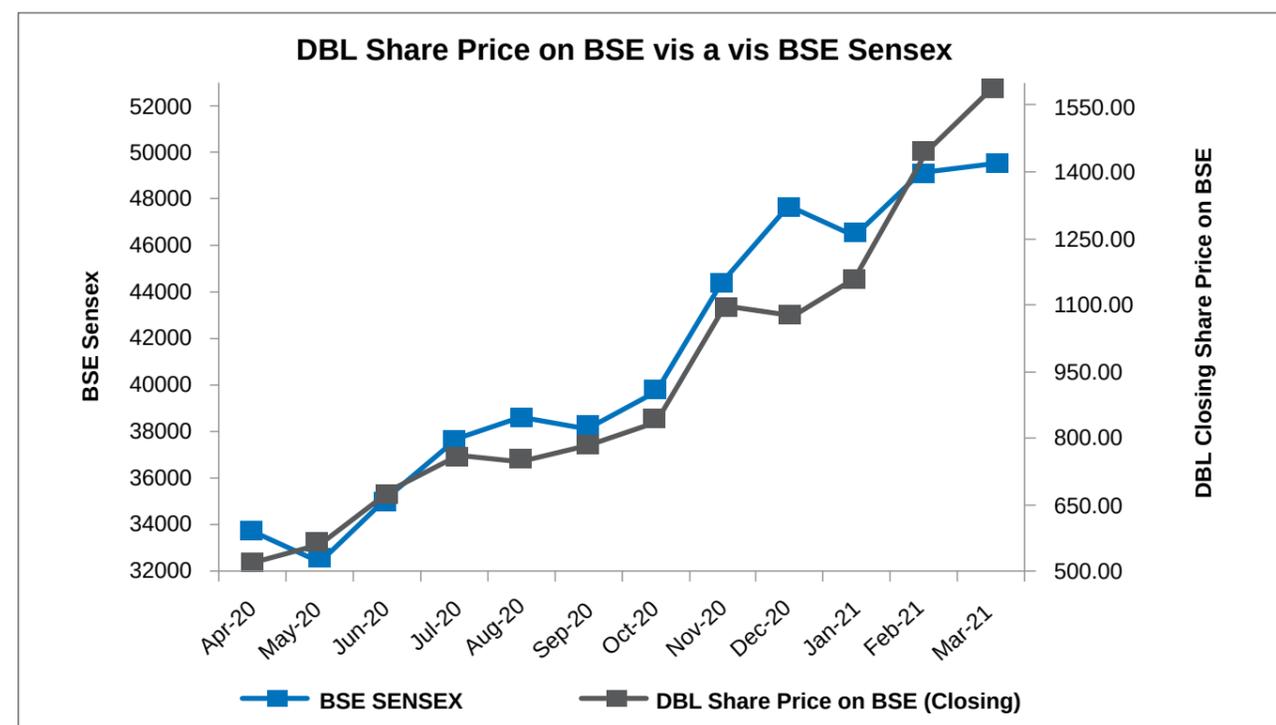
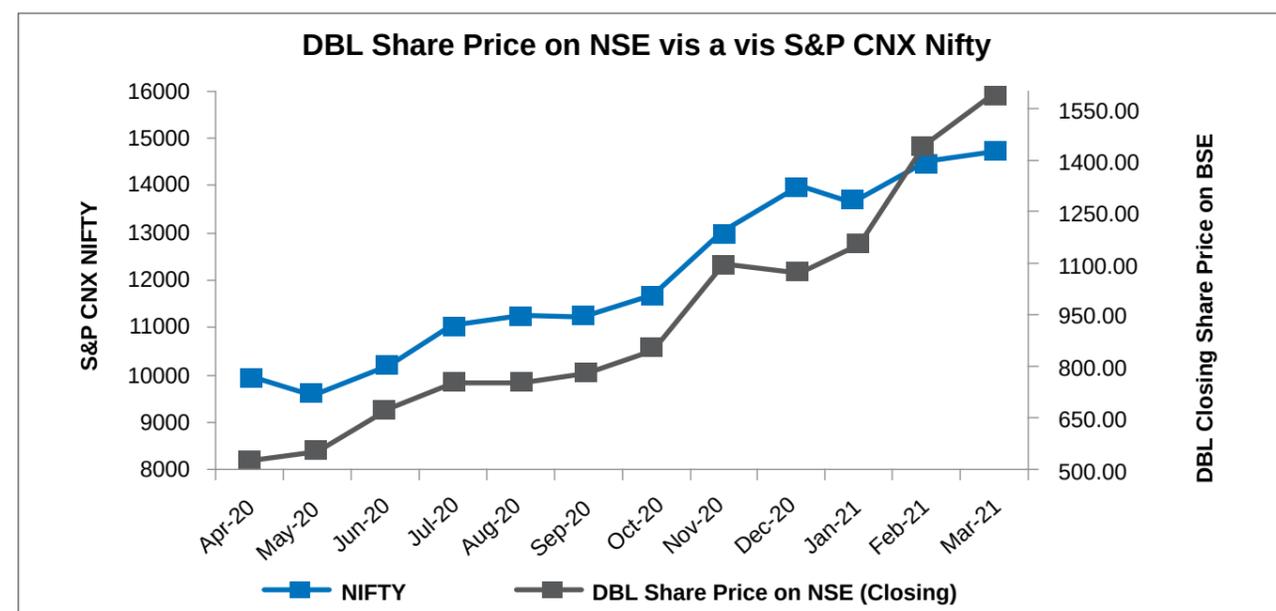


Chart B: Share Performance versus NIFTY

**(H) REGISTRAR AND TRANSFER AGENT**

The Company has appointed KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) as the Registrar and Transfer Agent.

KFin Technologies Private Limited
Selenium Tower B, Plot 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500032, Telangana.
Toll Free No: 1- 800-309-4001
Email id: einward.ris@kfintech.com
Website: www.kfintech.com

All activities in relation to the share transfer facility are maintained by the Registrar and Share Transfer Agent. A compliance certificate to this effect is submitted by the Company with the Stock Exchanges on a half yearly basis under signatures of the Compliance Officer of the Company and the authorized representative of the Registrar and Transfer Agent.

(I) SHARE TRANSFER SYSTEM AND DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has provided demat facility to its shareholders with National Securities Depository Limited as well as Central Depository Services Limited.

As on March 31, 2021, 98.87% of the equity shares of the Company are in the dematerialised form. The equity shares of the Company are actively traded at BSE & NSE. The promoters and promoters group of the Company hold their entire shareholding in dematerialised form.

A summary of transfer and transmission of shares of the Company and the Reconciliation of Share Capital Audit Report by Savita Jyoti & Associates, the Practicing Company Secretary is presented to the Board at the quarterly Board meetings.

(J) DISTRIBUTION OF SHAREHOLDING

The list of distribution of shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2021 is given below in Tables 13 and 14 respectively:

Table 13: Distribution of shareholding by size

Sl. No.	No. of Equity Shares held (Range)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	1 - 500	26971	82.87	2021789	1.08
2	501 - 1000	1878	5.77	1448432	0.77
3	1001 - 2000	1503	4.62	2226931	1.19
4	2001 - 3000	606	1.86	1521240	0.81
5	3001 - 4000	354	1.09	1269002	0.68
6	4001 - 5000	199	0.61	906297	0.48
7	5001 - 10000	465	1.43	3280254	1.75
8	10001 and above	571	1.75	174443568	93.23
TOTAL:		32547	100.00	187117513	100.00

Table 14: Distribution of shareholding by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	2	0.01	26102	0.01
Promoters Bodies Corporate/ Trusts/HUF/Individuals	25	0.08	104705446	56.05
Central/State Governments	3	0.01	137910	0.07
Financial Institutions	0	0	0	0
Mutual Funds	57	0.18	6280928	3.36
Foreign Institutional Investors	204	0.63	25194186	13.49
Insurance Companies	0	0	0	0
Bodies Corporates	604	1.86	14714351	7.88
NRI/Foreign Nationals	929	2.85	1151966	0.62
Individuals/Others	30723	95.34	34906624	18.51
Total	32547	100.00	187117513	100.00

(K) OUTSTANDING GDRS/ADRS/WARRANTS/OPTIONS

No GDRs/ ADRs/Warrants or Convertible Instruments has been issued by the Company.

(L) COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

No hedging activity was undertaken during the year under review.

(M) PLANT LOCATIONS

The Group has manufacturing plants at thirteen locations in Southern, North Eastern and Eastern regions of India as detailed below in Table 15.

Table 15: Plant Locations

Plant location	State	Plant Type
Southern Region		
Dalmiapuram	Tamil Nadu	Integrated
Ariyalur	Tamil Nadu	Integrated
Kadappa	Andhra Pradesh	Integrated
Belgaum	Karnataka	Integrated
Eastern Region		
Rajgangpur	Odisha	Integrated
Kapilas	Odisha	Grinding
Midnapore	West Bengal	Grinding
Bokaro	Jharkhand	Grinding
Banjari	Bihar	Integrated
North Eastern Region		
Meghalaya	Meghalaya	Integrated
Lanka	Assam	Grinding
Umrangshu	Assam	Integrated
Marigaon	Assam	Grinding
Western Region		
Naranda, Koropana	Maharashtra	Integrated

(N) ADDRESS FOR CORRESPONDENCE

Dalmia Bharat Limited

(1) Shares Department
Dalmiapuram – 621651
Dist. Tiruchirapalli
Tamil Nadu
Phone: 04329 - 235127
Fax: 04329 235111

(2) The Company Secretary
11th and 12th Floor
Hansalaya Building
15, Barakhamba Road
New Delhi – 110 001
Phone: 011 - 2331 0121/23/24/25
Fax: 011 - 2331 3303

Your Company has also designated corp.sec@dalmiabharat.com as an exclusive email ID for investors for the purpose of registering their complaints and the same has been displayed on Company's website also.

(VII) DISCLOSURES**(A) SIGNIFICANT RELATED PARTY TRANSACTIONS**

All the related party transactions have been entered into in the ordinary course of business and at arms' length basis.

There are no materially significant related party transactions that may have potential conflict with the interests of the Company.

The Company's Policy on Related Party Transactions is posted at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Policy-on-Related-Party-Transactions.pdf>

(B) POLICY ON MATERIAL SUBSIDIARIES

The Company's Policy on Material Subsidiaries is posted at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Policy-on-Material-Subsidiaries.pdf>

As per the said policy, Dalmia Cement (Bharat) Limited is a material unlisted subsidiary. Mrs. Sudha Pillai, Non-Executive and Independent Director of the Company is also the member on the Board of Directors of Dalmia Cement (Bharat) Limited.

The Audit Committee periodically reviews the financial performance of the subsidiary companies and the annual financial statements are placed at the Audit Committee meetings and Board meetings of the Company. The minutes of meetings of the Board of Directors of the subsidiary companies are placed at the Board meeting of the Company. Statement of all significant transactions and arrangements entered into by subsidiaries is brought to the notice of the Board of Directors of the Company.

(C) DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to create a workplace free from harassment and discrimination, where co-workers are respected, and provided an appropriate environment so as to encourage good performance and conduct.

The Company has in place policy against sexual harassment of women. During the year no complaint has been received by the Company.

(D) WHISTLE BLOWER MECHANISM

The Company is committed to conduct its business in accordance with applicable laws, rules and regulations. The Company promotes ethical behaviour in its operations and has a vigil mechanism which is overseen through the Audit Committee.

The Company has in place the whistle blower policy /vigil mechanism and same is posted on the Company's website at <https://www.dalmiacement.com/wp-content/themes/DalmiaCement/assets/pdf/dbl-industries/Whistleblower-Policy-and-Vigil-Mechanism.pdf>

Direct access to the Chairman of the Audit Committee is provided to all in accordance with the said policy.

(E) DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS.

The Company has followed the guidelines of Ind AS specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended/ laid down by the Central Government under the provisions of section 129(1) of the Companies Act, 2013 in the preparation of its financial statements.

(F) DETAILS OF NON-COMPLIANCE

During last three years, there were no instances of non-compliance and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets.

(G) COMPLIANCE**Mandatory requirements:**

The Company has complied with all the applicable mandatory requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

Discretionary requirements:

The discretionary/non-mandatory requirements, as stipulated in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations, other than the half-yearly declaration of financial performance to shareholders have been adopted by the Company.

The standalone financial statements of the Company are with unmodified audit opinion.

The internal auditor reports directly to the Audit Committee.

(H) DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT

No funds have been raised by the Company through preferential allotment or qualified institutions placement in the last three years

(I) TOTAL FEES FOR ALL SERVICES PAID BY THE COMPANY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITORS AND ALL ENTITIES IN THE NETWORK FIRM / NETWORK ENTITY OF WHICH STATUTORY AUDITOR IS A PART

The total fees paid by the Company and the subsidiaries on consolidated basis to S.S. Kothari Mehta & Company, Chartered Accountants, the Statutory Auditors of the Company, during the year was ₹ 85.56 Lakhs.

(J) UNCLAIMED SUSPENSE ACCOUNT

Not applicable.

(K) CREDIT RATING.

During the financial year 2020-21, the Company has obtained rating from CRISIL Ratings Limited. The rating of the Company for its bank facilities- long-term is CRISIL AA+/stable (pronounced as CRISIL double A plus stable rating) and rating for the Bank Facilities - short-term and commercial papers is CRISIL A1+ (pronounced as CRISIL A One Plus rating).

Instruments with CRISIL AA+/stable rating are considered to have high degree of safety regarding timely servicing of financial obligations and instruments with CRISIL A1+ rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Within this category, rating modifier {"+"} used with the rating symbol reflects the comparative standing within the category.

(L) COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

In compliance with the Listing Regulations, a certificate on Corporate Governance issued by the statutory Auditors is annexed to this Report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Dalmia Bharat Limited
Dalmiapuram-621651, Dist. Trichirapalli,
Tamil Nadu

1. We have examined the compliance of conditions of Corporate Governance by **Dalmia Bharat Limited** ("the Company") for the year ended March 31, 2021, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **S. S. KOTHARI MEHTA & COMPANY**
Chartered Accountants
FRN - 000756N

Amit Goel
Partner

Membership No. 500607
UDIN : 21500607AAAAIY6936

Place: New Delhi
Date: July 27, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To
The Members,
Dalmia Bharat Limited
Dalmiapuram, Lalgudi,
District Tiruchirappalli
Tamil Nadu- 621651

As required by item 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, I certify that none of the directors on the board of Dalmia Bharat Limited have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

R. Venkatasubramanian
Practising Company Secretary
ACS No. 3673; CP No. 3893
UDIN: A003673C000212673

Place: Angarai
Date: 13.06.2020

DECLARATION ON CODE OF CONDUCT

To
The Board of Directors,
Dalmia Bharat Limited
Dalmiapuram, Lalgudi,
District Tiruchirappalli
Tamil Nadu- 621651

I do hereby certify that the all the members of the Board of Directors of the Company and the Senior Management Personnel have affirmed their compliance with the code of conduct laid down by the Board of Directors of the Company in their meeting held on October 15, 2018.

This certificate is being given in compliance with the requirements of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Place: New Delhi
Date: July 27, 2021

Puneet Yadu Dalmia
Managing Director &
Chief Executive Officer

CEO/CFO CERTIFICATE

To
The Board of Directors,
Dalmia Bharat Limited
Dalmiapuram, Lalgudi,
District Tiruchirappalli
Tamil Nadu- 621651

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2021 and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2021 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit Committee:
 - a. that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2021;
 - b. that there are no significant changes in accounting policies during the financial year ended March 31, 2021; and
 - c. that there are no instances of significant fraud of which we have become aware.

Place : New Delhi
Dated: April 30, 2021

Dharmender Tuteja
Chief Financial Officer

Puneet Yadu Dalmia
Managing Director &
Chief Executive Officer

BUSINESS RESPONSIBILITY REPORT

Mapping of Integrated Report for FY 2020-21 (IR) with Securities and Exchange Board of India's Business Responsibility Report (SEBI BRR 2015) Framework

Question No.	BRR Section	Information or Section in IR
SECTION A: GENERAL DISCLOSURES		
A1	Corporate Identification Number (CIN)	L14200TN2013PLC112346
A2	Name of the Company	Dalmia Bharat Limited
A3, A4, A5	Registered office, website & email	Dalmiapuram Lalgudi Dist. Tiruchirappalli, Tamil Nadu 621651 www.dalmiacement.com investorrelations@dalmiabharat.com
A6	Reporting period	01 April 2020 to 31 March 2021
A7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Group Class Sub Class Description 642 6,420 64,200 Activities of holding company 702 7,020 70,200 Management Consultancy Services
A8	List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Activities of holding company (ii) Management services
A9	Total number of locations where business activity is undertaken by the Company	(a) Number of international locations One refractory plant in China of OCL China Limited, a step-down subsidiary of the Company. (b) Number of national locations Manufacturing plants at 14 locations in Southern, North Eastern and Eastern regions of India besides a corporate office in New Delhi and regional offices in Chennai, Guwahati and Kolkata. The reporting boundary covers 13 plants excluding newly acquired Murli Industries, whose capacity has not be considered in the reporting period.
A10	Markets served by the Company – local/ state/national/international	Currently, the Group serves markets in 22 states in India; and markets in China, Bangladesh, Nepal, Sri Lanka, Myanmar, Bhutan, Italy, Spain, UK, Germany, Turkey and Russia.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Question No.	BRR Section	Information or Section in IR
B1	Paid up Capital (₹),	₹ 37 Crore
B2	Total Turnover (INR)	₹ 10,522 Crore (consolidated) ₹ 148 Crore (standalone)
B3	Total profit after taxes (INR)	₹ 1,243 Crore (consolidated) ₹ 25 Crore (standalone)
B4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 8.13 Crore (consolidated) 2.69% ₹ 1.17 Crore (standalone) 2%
B5	List of activities in which expenditure in B4 has been incurred	The Group spends on varied activities pertaining to CSR in accordance with the Companies Act, 2013. The annual report on CSR detailing the various activities like soil and water conservation, energy conservation, women's empowerment, among others undertaken during the financial year under review is presented in Social and Relationship Capital

SECTION C: OTHER DETAILS

Question No.	BRR Section	Information or Section in IR
C1	Does the Company have any Subsidiary Company/ Companies?	Yes, the company has 35 subsidiaries and 2 joint ventures as of March 31, 2021
C2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The core philosophy and belief abided by the Group, of which the Company and its subsidiaries are a part, is simple but vital in respecting the environment, operating with a sense of responsibility towards several stakeholders and enhancing intrinsic value of the business, of the people and the country. Accordingly, the business responsibility initiatives are intrinsic to all the subsidiaries of the Company, as far as applicable to them.
C3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes, our suppliers are varied and some of them such as NTPC, Tata Steel, SAIL, etc. are participating in BR initiatives and are prominent in supplying alternative raw materials to Dalmia Bharat. Stakeholder engagement is an important aspect of sustainability and leads to sustained profitability. Our Board, senior management, shareholders, employees and other stakeholders helped conduct our operations in an ethical manner. We make sure that we are in regular touch with all stakeholders to understand their needs, concerns and are open to their views and suggestions. This enhances informed decision-making and reinforces the compliance with business responsibility initiatives. We encourage all stakeholders to participate in business responsibility initiatives. The participation in percentage terms cannot be measured.

SECTION D: BR INFORMATION

Question No.	BRR Section	Information or Section in IR
D1	(a) Details of the Director/ Director responsible for implementation of the BR policy/policies (b) Details of the BR head	a) Committee comprising of Mr. Gautam Dalmia, Managing Director (DIN: 00009758), Mr. Dharmender tuteja, Chief Financial Officer, Dr. Sanjeev Gemawat, Executive Director-Legal & Group Company Secretary b) Name Mr. Dharmender Tuteja DIN- N/A Designation – Chief Financial Officer Email – tuteja.dharmender@dalmiacement.com Telephone - 011-2331-0121

D2 Principle-wise (as per National Voluntary Guidelines) BR Policy/policies(Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3 (P3): Businesses should promote the well-being of all employees

Principle 4 (P4): Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5 (P5): Businesses should respect and promote human rights

Principle 6 (P6): Businesses should respect, protect, and make efforts to restore the environment

Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8 (P8): Businesses should support inclusive growth and equitable development

Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner

QUESTIONS	P1 P2 P3 P4 P5 P6 P7 P8 P9
i. Do you have a policy/policies for...	Yes
ii. Has the policy being formulated in consultation with the relevant stakeholders?	Yes, the Company policies and practices have been formulated after extensive discussions with internal and external stakeholders.
iii. Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, policies and practices meet application regulatory and best practices. The policies are based on prescribed principles, conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, ISO 45000, UNGC guidelines, GRI Standards and ILO principles, wherever applicable
iv. Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes
v. Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes
vi. Indicate the link for the policy to be viewed online?	www.dalmiacement.com/investor/dalmia-bharat-limited
vii. Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been appropriately communicated to all relevant stakeholders directly or indirectly through various engagements, campaigns, training, awareness programmes, as applicable
viii. Does the company have in-house structure to implement the policy/ policies?	Yes
ix. Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, the Company has a Whistle Blower Policy which is operated by a third party company. All complaints are thoroughly investigated by internal committee.
x. Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, the working of the BR Policy is reviewed/evaluated on a regular basis with a view to strengthen the policy framework. Further evaluation/audit is done through external agencies, wherever applicable; for example, third party assurance/audit is done on sustainability in accordance with GRI Standards.

b.If answer to the question at serial number 1 against any principle, is 'No', please explain why:

QUESTIONS	P1 P2 P3 P4 P5 P6 P7 P8 P9
i. The company has not understood the Principles	
ii. The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	
iii. The company does not have financial or manpower resources available for the task	Not Applicable
iv. It is planned to be done within next 6 months	
v. It is planned to be done within the next 1 year	
vi. Any other reason (please specify)	

3. Governance related to BR

D3	i.Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The business responsibility performance of the Company is assessed on a regular basis by the Committee comprising of the Managing Director, Chief Financial Officer and the Company Secretary of the Company. Overall performance is assessed at least once in a year by the Board.
D3	ii.Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, Integrated Report of Dalmia Bharat Group for the period 2020-21 is published in accordance with IIRC, UNGC, Global Reporting Initiatives (GRI) Standard and GCCA. It can be accessed at www.dalmiacement.com/investor/dalmia-bharat-limited/

SECTION E: PRINCIPLE-WISE PERFORMANCE

	Principle 1	Page nos.
P1-1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?	Yes, the policy covers the company and extend to the subsidiaries. A third party enabled ethics helpline operates.
P1-2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so	Human Capital 88
	Principle 2	Page nos.
P2-1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	1. Breakthrough innovation and Green Practices to Design World-Class Products 2. Natural Capital
P2-2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? ii.Reduction during usage by consumers (energy, water) has been achieved since the previous year?	i) 60,392 ii) 60,72,392

P2-3	Does the company have procedures in place for sustainable sourcing (including transportation)? i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	More than 31% of the raw material sourced for production of cement is attributable as industrial waste (Alternative Raw Material). Similarly, 7.6% of the kiln fuels heat was provided by alternative fuels (wastes having calorific value). Please refer to Natural capital and GCCA table	60,392
P2-4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? i.If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Cement is a regionally produced and consumed material. The major raw material is limestone which is sourced from local captive mine. Hence, local sourcing and local transportation in a predominant activity in business	
P2-5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	More than 31% of the raw material sourced for production of cement is attributable as industrial waste (Alternative Raw Material). Similarly, 7.6% of the kiln fuels heat was provided by alternative fuels (wastes having calorific value). Please refer to Natural capital and GCCA table	60,392

Principle 3			Page nos.
P3-1	Please indicate the Total number of employees.	Human Capital	90
P3-2	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	Human Capital	90
P3-3	Please indicate the Number of permanent women employees	Human Capital	90
P3-4	Please indicate the Number of permanent employees with disabilities	Human Capital	95
P3-5	Do you have an employee association that is recognized by management?	Human Capital	103
P3-6	What percentage of your permanent employees is members of this recognized employee association?	Human Capital	103
P3-7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Human Capital	104
P3-8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Human Capital	94,102

Principle 4			Page nos.
P4-1	Has the Company mapped its internal and external stakeholders? Yes/ No	Stakeholder Engagement	32
P4-2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	Stakeholder Engagement	32
P4-3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	Social and Relationship Capital	115

Principle 5			Page nos.
P5-1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Yes, the policy covers the company and extend to the subsidiaries. A third party enabled ethics helpline operates. Human rights policy are covered in the contracts for suppliers and contractors.	

P5-2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Human Capital	104
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Principle 6			Page nos.
P6-1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.	The policy covers the company and extend to the subsidiaries	
P6-2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Sustainability Policy, Natural Capital, GCCA table	30,60,392
P6-3	Does the company identify and assess potential environmental risks? Y/N	Risk Management	38
P6-4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Yes, we have initiated Clean Development Mechanism ('CDM') projects on blended cement under the approved CDM methodology ACM 0005. Further details of the same can be found at : http://cdm.unfccc.int/Projects/DB/DNV_CUK1156766994.32/view and https://cdm.unfccc.int/Projects/DB/SGS-UKL1161119962.23/view . The compliance reports, as per the provisions of the central and state authorities/boards, are submitted on regular intervals	
P6-5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, Please refer to Natural capital and GCCA table	60,392
P6-6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, Please refer to Natural capital and GCCA table	60,392
P6-7	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No complaints or fines on environmental parameters.	

Principle 7			Page nos.
P7-1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: (a) .. (b) .. (c) .. (d) ..	Membership and Associations	17
P7-5	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Public Advocacy	31

Principle 8			Page nos.
P8-1	Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Social and Relationship Capital	115
P8-2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	Social and Relationship Capital	115
P8-3	Have you done any impact assessment of your initiative?	Social and Relationship Capital	115

P8-4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	Social and Relationship Capital	106
P8-5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, all projects are implemented post need assessment and PRA. Please refer to Social and Relationship Capital	115

Principle 9			
P9-1	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	There are 22 customer complaints pending as of March 31, 2021	
P9-2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)	Yes, As per the cement product label standards applicable in India.	
P9-3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.	No cases filed	
P9-4	Did your company carry out any consumer survey/ consumer satisfaction trends?	No, we did not conduct any survey in FY21. However, Dalmia Bharat is in the process of conducting customer survey in FY'22.	

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The SEBI circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562 has stated that with effect from the financial year 2022-2023, filing of BRSR shall be mandatory for the top 1000 listed companies (by market capitalization) and shall replace the existing BRR. Filing of BRSR is voluntary for the financial year 2021-22. As a proactive measure to adapt to changing regulatory requirements, we have attempted to map our existing ESG information with the requirements of BRSR. In addition to BRSR, we are also reporting Business Responsibility Report (BRR) as per mandates.

SECTION A - GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

Corporate Identity number	L14200TN2013PLC112346
Name of the Listed Entity	Dalmia Bharat limited
Year of incorporation	2013
Registered office address	Dalmiapuram-621651, Dist. Trichirapalli, Tamil Nadu
Corporate address	Dalmia Bharat Group, 11th & 12th Floor, Hansalaya Building, 15 Barakhamba Road, New Delhi
E-mail	investorrelations@dalmiabharat.com ; corp.sec@dalmiabharat.com
Telephone	04329-235132
Website	www.dalmiacement.com
Financial year for which reporting is being done	April 01, 2020 to March 31, 2021
Name of the Stock Exchange(s) where shares are listed	NSE & BSE
Paid-up Capital	₹ 37 Crore
Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	investorrelations@dalmiabharat.com ; corp.sec@dalmiabharat.com
Reporting boundary	The reporting boundary covers 13 plants of Dalmia Bharat as well as corporate office data for period from April 1, 2020 to March 31, 2021. The reporting boundary excludes the newly acquired Murli Industries, whose capacity has not been considered in the reporting period.

II. PRODUCTS/SERVICES

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
i	Professional, Scientific and Technical	Management Consultancy services	51.36
ii	Financial and insurance Service	Activities of holding company	42.52

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Turnover of the entity
i	Management services	74140	51.36
ii	Activities of holding company	64200	42.52

III. OPERATIONS**16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	14 (including Murlil)	1 corporate office + 3 regional offices	18
International	1	0	1

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of states)	22 states
International (No. of countries)	12 countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers

Dalmia Bharat has two types of customers primarily, Individual customers and Institutional customers. The individual customers are categorised as consumers of construction materials for household purpose and institutional customers are consumers for medium to large scale infrastructure needs.

IV. EMPLOYEES**18. Details as at the end of Financial Year:**

a. Employees and workers (including differently abled):

S.No.	Particulars	Total(A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	4,006	3,843	96%	163	4%
2	Other than Permanent (E) (interns, trainees, part time employees, etc.)	142	139	98%	3	2%
3	Total employees (D + E)	4,148	3,982	96%	166	4%
WORKERS						
4	Permanent (F)	1,801	1,725	96%	76	4%
5	Other than Permanent (G) (contract)	12,260	11,748	96%	512	4%
6	Total workers (F + G)	14,061	13,473	96%	599	4%

b. Differently abled Employees and workers:

S.No.	Particulars	Total(A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	4	3	75%	1	25%
2	Other than Permanent (E)	-	-	-	-	-
3	Total differently abled employees (D + E)	4	3	75%	1	25%

DIFFERENTLY ABLED WORKERS

4	Permanent (F)	1	1	100%	0	0
5	Other than Permanent (G)	-	-	-	-	-
6	Total differently abled workers (F + G)	1	1	100%	0	0

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors *	8	1	12.5%
Key Management Personnel	6	1	16.67%

Note: All figures include Dalmia Bharat Limited and its material subsidiary viz: Dalmia Cement (Bharat) Limited

* Excluding Managing Director(s) & Whole-Time Director, who have been considered in KMP category

20. Turnover rate for permanent employees and workers

	FY 2020-21		
	Male	Female	Total
Permanent Employees	10.33	1.23	9.96
Permanent Workers	5.39	6.58	5.44

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

S.No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)

Dalmia Bharat Limited has 35 subsidiaries and 2 JVs as of 31st March 2021. The core philosophy and belief abided by the Group, of which the Company and its subsidiaries are a part, is simple but vital in respecting the environment, operating with a sense of responsibility towards several stakeholders and enhancing intrinsic value of the business, of the people and the country. Accordingly, the business responsibility initiatives are intrinsic to all the subsidiaries of the Company, as far as applicable to them.

VI. CSR DETAILS**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

(ii) Turnover (in Rs.): 10,522 Cr.

(iii) Net worth (in Rs.): 12,626 Cr.

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct: ***

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2020-21	
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	-	-	-
Investors (other than shareholders)	-	-	-
Shareholders	Yes	242	0

Employees and workers	-	-	-
Customers	Yes	1,303	22
Value Chain Partners	-	-	-
Other (please specify)	-	-	-

* Not covered in independent Assurance

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
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Please refer materiality assessment and risk assessment sections of IR

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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POLICY AND MANAGEMENT PROCESSES

1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.dalmiacement.com/investor/dalmia-bharat-limited/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	No	No	No	No	No	No	Yes
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The policies are based on prescribed principles, conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, UNGC guidelines, GRI – standards and ILO principles, WBCSD, wherever applicable								

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to Human Capital Section of IR	Please refer to Natural Capital Section of IR	Please refer to Social and Relationship Capital of IR
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6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Please refer to Human Capital Section of IR	Please refer to Natural Capital Section of IR	Please refer to Social and Relationship Capital of IR
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GOVERNANCE, LEADERSHIP AND OVERSIGHT

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements : Please refer to messages from Managing Directors and CEO in the Integrated Report.

8. Details of the highest authority responsible for implementation on and oversight of the Business Responsibility policy(ies).	a) Committee comprising of Mr. Gautam Dalmia, Managing Director (DIN: 00009758) Mr. Dharmender Tuteja, Chief Financial Officer, Dr. Sanjeev Gemawat, Executive Director-Legal & Group Company Secretary
	b) Name Mr. Dharmender Tuteja DIN- N/A Designation – Chief Financial Officer Email – Tuteja.dharmender@dalmiabharat.com Telephone - 011-2331-0121

Our policies can be viewed at <https://www.dalmiacement.com/investor/dalmia-bharat-limited/>

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The business responsibility performance of the Company is assessed on a regular basis by the Committee comprising of the Managing Director, Chief Financial Officer and the Company Secretary of the Company. Overall performance is assessed at least once in a year by the Board. The targets related to environmental KPI such as water reduction in operations, usage of alternative fuels and raw materials as well as mitigation and management of climate change impacts is part of the KRA of senior management. The board reviews the performance against these KRA at least every quarter.
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10. Details of Review of NGRBCs by the Company:

	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committees									Frequency (Annually/ Half-yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board Committees									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board Committees									Annually								

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes, Ernst & Young Associates LLP (EY) was engaged by Dalmia Bharat Limited (the 'Company') to provide independent assurance on its Integrated Report FY 2020-21 (the 'Report') covering the Company's sustainability performance against P2, P3, P4, P6 and P8 during the period 1st April 2020 to 31st March 2021. The assurance is in accordance with ISAE 3000 standards.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	Nil	NA	Nil
Key Managerial Personnel	Nil	NA	Nil
Employees other than BoD and KMPs	70	Dalmia DNA Behaviors, Code of Conduct	74%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

There were no penalties imposed on Dalmia Bharat by the Stock Exchanges or SEBI or any statutory or regulatory authority on any matter during the reporting period. Similarly, there were no significant orders passed by Regulators or Courts which would adversely impact Dalmia Bharat and its future operations. Further, there were no incidences of significant fines levied or non-compliance with respect to the regulations concerning aspects related to environment, labour, health and safety impacts of products and services, marketing communications, and product information disclosure and labelling.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, our internal policy called Dalmia Way of Life, as well as our code of conduct, cover Dalmia Bharat's intolerance to corruption and bribery. Our Code of conduct for senior managers can be read at DBL CODE OF CONDUCT -for Board and Senior Managers (dalmiacement.com). In addition, the required steps to ensure proper reporting of incidents is also outlined in our vigilance and whistleblower policy.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2020-21
Directors	Nil
KMPs	Nil
Employees	-
Workers	-

6. Details of complaints with regard to conflict of interest:

	FY 2020-21
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with each partner) under the awareness programmes
Nil	NA	Nil

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Please refer to Corporate Governance Report, which is a part of the IR.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	FY 2020-21	Details of improvements in environmental and social impacts
R&D	₹ 5 Cr.	DRC (Dalmia research Centre) is presently engaged in R&D-led process improvements in cement manufacture, innovative extension of the life of limestone reserves, reduction in carbon emission and adding social value to its products. For more information refer to the Intellectual Capital section of the IR
Capex	Nil	NA

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

Approximately, 31% of the raw material sourced for production of cement is attributable as industrial waste (Alternative Raw Material) which is sustainably sourced from the waste streams of other industries. Similarly, about 7.6% of the pyro-heat was provided by alternative fuels (wastes having calorific value and biomass).

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

a. Dalmia Bharat's major product is cement, which is packaged in cement bags. These bags are reused in majority cases to store other inventory for construction purpose as well as other items such as grains, fodder, etc. The plastic bags once discarded are also recycled by waste recyclers to create new bags. Also, Dalmia Bharat is an 'industrial waste disposer' and re-purposes waste through the use of alternative fuels, one of which is plastic.

b. Our products do not produce any E-waste

c. Dalmia Bharat does not make any products that produce hazardous waste

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

LEADERSHIP INDICATORS**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

DBL has not conducted LCA of its products

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable as DBL has not conducted Life Cycle Assessments

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Details of improvements in environmental and social impacts
	FY 2020-21
Alternative Raw Materials such as flyash, slag etc.	31.9% of raw materials used are Alternate raw materials, which replace clinker and other natural minerals. As a result, lower resource consumption is achieved in addition to reduced greenhouse gas emissions due to reduction in energy consumed in extraction and processing of the raw materials.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2020-21		
	Re-used	Recycled	Safely disposed
Plastics (including packaging)			
E-waste		Not Applicable	
Hazardous Waste			
Other Waste			

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable as the product is cement which is used in the form of concrete in buildings and cannot be reclaimed. The packaging is not reclaimed as it is recycled by the end users

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**ESSENTIAL INDICATORS****1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total(A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES											
Male	3,837	3,837	100%	3,837	100%	NA	NA	3,837	100%	Nil	Nil
Female	163	163	100%	163	100%	163	100%	NA	NA	Nil	Nil
Total	4,000	4,000	100%	4,000	100%	163	100%	3,837	100%	Nil	Nil
OTHER THAN PERMANENT EMPLOYEES											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total(A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT WORKERS											
Male	1,725	1,725	100%	1,725	100%	NA	NA	1,725	100%	Nil	Nil
Female	76	76	100%	76	100%	76	100%	NA	NA	Nil	Nil
Total	1,801	1,801	100%	1,801	100%	76	100%	1,725	100%	Nil	Nil
OTHER THAN PERMANENT WORKERS											
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2. Details of retirement benefits, for Current FY*.

Benefits	FY 2020-21		
	No. of employees covered as a % of total employees	No. of permanent workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100%	100%	Yes
Gratuity	100% for eligible employees	100% for eligible workers	Yes
ESI	100% for eligible employees	100% for eligible workers	Yes

* Not covered in Independent Assurance

3. Accessibility of workplaces : Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Dalmia Bharat is committed to being an equal opportunity employer and ensures an inclusive workplace for all our employees, contractors and partners. We are working on developing a policy to strengthen our commitments to ensure equal opportunity for all stakeholders.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

We are currently not tracking this information. Henceforth, we aim to track this information to further strengthen our employment policies and disclosures.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, third party managed whistleblower helpline, details are provided in whistleblower policy
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2020-21		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)
Total Permanent Employees	4,006	0	0%
Male	3,843	0	0%
Female	163	0	Nil
Total Permanent Workers	1,801	1,375	76%
Male	1,725	1,360	79%
Female	76	15	20%

8. Details of training given to employees and workers:

Category	FY 2020-21				
	Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES					
Male	7,117	1,422	20%	5,695	80%
Female	126	10	8%	116	92%
Total	7,243	1,432	20%	5,811	80%
PERMANENT WORKERS					
Male	3,037	1,725	57%	1,312	43%
Female	131	76	58%	55	42%
Total	3,168	1,801	57%	1,367	43%

Note: The above information does not represent unique number of training attendees, therefore the total number is exceeding the headcount. Going forward, we aim to capture the training attendees' information with greater accuracy.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2020-21		
	Total (A)	No. (B)	% (B / A)
		No. (B)	% (B / A)
EMPLOYEES			
Male	3,843	3,414	89%
Female	163	146	90%
Total	4,006	3,560	89%
PERMANENT WORKERS			
Male	1,725	1,725	100%
Male	76	76	100%
Total	1,801	1,801	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, our plants have implemented either ISO 45001 or OHSAS 18000 systems. At present the system exists in 10 out of our 13 operational plants. In addition, our plant at Lanka is in process of implementing the system. The other plants are new acquisitions and hence are yet to implement these systems.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Yes, please refer to human capital section of IR

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, we encourage our employees to report near miss incidents identified through various digital platforms which is analysed from a central repository. The employees who report highest number of instances are also felicitated for their efforts which acts as an incentive for our employees to report near miss incidents sighted.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2020-21 Current Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees and Permanent workers	0.20
	Contract Workers	0.21
Total recordable work-related injuries	Employees and Permanent workers	1
	Contract Workers	5
No. of fatalities	Employees and Permanent workers	0
	Contract Workers	3
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0
	Permanent Workers	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace

Dalmia Bharat has included best in class safety practices which includes deploying a line manager responsible for safety, implementation of Du-Pont model across plant. We have also curated an 'Incident management system' for continuous monitoring and real-time reporting of accidents. For further details please refer to the Human Capital section.

13. Number of Complaints on the following made by employees and workers:

	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Nil

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Please refer to Human Capital section in IR to see correction actions related to contract worker fatalities.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of

- (A) Employees (Y/N) - Yes
- (B) Permanent Workers (Y/N) -

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

In all contractual obligations with value chain partners, statutory dues such as PF, gratuity, etc. are deducted and paid accordingly

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	FY 2020-21	
	Total no. of affected employees/workers	No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment
Employees		
Permanent Workers		Not Applicable

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	No audit conducted during the year FY2020-21. We are aiming to conduct audits in the near future.
Working Conditions	No audit conducted during the year FY2020-21. We are aiming to conduct audits in the near future.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

Not Applicable as no audit was conducted during the year 2020-21

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity

Please refer to Stakeholder Engagement section of IR

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement

Please refer to Stakeholder Engagement section of IR

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Please refer to Stakeholder Engagement section of IR

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, please refer to Stakeholder Engagement section of IR

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Dalmia Bharat always consciously acts as a responsible corporate citizen and engages with the marginalised & vulnerable sections of our society. Our major engagement channels are with communities benefiting from our CSR interventions and dealer network. We engage with them frequently through need assessment and other participatory methods to understand their needs and impact of our interventions. In addition, we also engage with our dealer network and other influencers such as masons, construction workers and masons through various attractive loyalty programmes and rewards systems. We have also provided essential Covid-19 relief to our vulnerable stakeholders such as communities, masons, painters, etc.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2020-21		
	Total (A)	No. of employees / workers covered (B)	% (B / A)
EMPLOYEES			
Permanent	4,006	52	1%
Other than permanent	Nil	Nil	Nil
Total Employees	4,006	52	1%
WORKERS			
Permanent	1,801	155	9%
Other than permanent	12,260	Nil	Nil
Total Workers	14,061	155	1%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2020-21				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES					
Permanent					
Male	3,843	Nil	Nil	3,843	100%
Female	163	Nil	Nil	163	100%
Other than Permanent					
Male	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil
WORKERS					
Permanent					
Male	1,801	Nil	Nil	1,801	100%
Female	1,725	Nil	Nil	1,725	100%
Other than Permanent					
Male	76	Nil	Nil	76	100%
Female	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in ₹)	Number	Median remuneration/ salary/ wages of respective category (in ₹)
Board of Directors (BoD) *	8	2,152,500	1	4,895,000
Key Managerial Personnel	6	90,772,366	1	1,822,458
Employees other than BoD and KMP	3,843	1,555,681	163	1,231,374
Permanent Workers	1,725	367,859	76	222,495

Note: All figures include Dalmia Bharat Limited and its material subsidiary viz: Dalmia Cement (Bharat) Limited

* Excluding Managing Director(s) & Whole-Time Director, whose remuneration have been considered in KMP category

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, all our operations are strictly monitored for human rights impacts as per our internal risk procedures. The human rights issues and impacts are overseen by the management of Dalmia Bharat.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Dalmia Bharat has a third party ethics helpline which allows stakeholders to report issues on human rights violations. The details are also mentioned in our whistleblower policy. Toll Free No: 1800 103 3235 email: dalmia_complaints@ethicshelpline.com

6. Number of Complaints on the following made by employees and workers:

	FY 2020-21	
	Filed during the year	Pending resolution at the end of year
Sexual Harassment	Nil	Nil
Discrimination at workplace	Nil	Nil
Child Labour	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil
Wages	Nil	Nil
Other human rights related issues	Nil	Nil

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

All complaints are made in anonymity through a third party helpline. Investigations are carried thoroughly once complaint is made, the management of Dalmia Bharat ensures all necessary procedures are carried out appropriately.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Dalmia Bharat has strict guidelines on human rights issues in all external contracts. In addition, internal control mechanisms exist to ensure human rights due diligence. All contracts are monitored constantly for compliance to guidelines.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Dalmia Bharat ensures proper screening of potential suppliers and partners to make sure that there are no individuals below 18 years of age and/or forced/involuntary are engaged. Our contracts with our value chain partners prohibit employment of child labour and force/involuntary labour.

In regards, to sexual harassment and discrimination instances, all complaints are made in anonymity through a third party helpline. Investigations are carried thoroughly once complaint is made and DBL management makes decision based on investigation report. Dalmia Bharat strives to be a discrimination free company and we do not allow discrimination and harassment based on religion, gender, caste, disability, nationality, sexual orientation, race and age. We also ensure all our employees and permanent workers are paid more than minimum wage requirements. In addition, we also expect all our value chain partners to uphold these principles and include guidelines on human rights in all our contracts.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints

No complaints so far hence not applicable. Dalmia Bharat is also signatory of UNGC principles and ensures all human rights related risks and corrective action on complaints are taken into business process

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Dalmia Bharat has internal control mechanisms to ensure human rights due diligence. With external contracts, all contracts contain strict guidelines on human rights issues and compliance is monitored constantly.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil
Others – please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2020-21
Total electricity consumption (in cement plants) (A)	5,000 TJ
Total fuel consumption (kiln fuels) (B)	41,267 TJ
Energy consumption through other sources (C)	0
Total energy consumption (A+B+C)	46,267 TJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	4.39 x 10 ⁻⁷

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Ernst & Young Associates LLP (EY) was engaged by DBL. Please refer to assurance statement on page 394.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

The following plants are registered as designated consumers under PAT scheme of Government of India : DPM, KPD, MGH, B-CW, KCW, RGP, BLG, UMG, LCW, JCW. Dalmia Bharat, being a progressive organisation has achieved beyond the PAT targets in past cycle. We have achieved the saving certificates called E-Certs. The certificates have been allotted by the Government of India for the excess saving of energy compared to the allotted targets. Significant investments in technology has been incurred to meet the PAT targets.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2020-21
Water withdrawal by source (in kilolitres)	
(i) Surface water	17,44,923
(ii) Groundwater	6,41,563
(iii) Third party water (Municipal Water Supply)	47,339
(iv) Seawater / desalinated water	Nil
(v) Others (Rainwater Harvesting structures)	4,91,838
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	29,25,663
Total volume of water consumption (in kilolitres) (zero discharge of water)	29,25,663
Water intensity per rupee of turnover (Water consumed / turnover)	278.05 x 10⁻⁷

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Ernst & Young Associates LLP (EY) was engaged by DBL. Please refer to assurance statement on page 394.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

All of Dalmia Bharat's plants are Zero Liquid Discharge facilities. All water effluents are recycled through ETP and STP and used in our processes again.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2020-21
NOx	Tonnes	5,260
SOx	Tonnes	485
Particulate matter (PM)	Tonnes	122
Persistent organic pollutants (POP)	Ng. TEQ	less than detectable levels
Volatile organic compounds (VOC)	Ng. TEQ	less than detectable levels
Hazardous air pollutants (HAP)	-	-
Others – please specify		

Dalmia Bharat monitors all air emissions as per regulatory standards in a periodic frequency. Our operations don't produce any significant POC, VOC and HAP and all the values are below detectable limits.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, Ernst & Young Associates LLP (EY) was engaged by DBL. Please refer to assurance statement on page 394.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format

Parameter	Unit	FY 2020-21
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,12,75,305
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	4,58,687
Total Scope 1 and Scope 2 emissions per rupee of turnover	Tonne CO ₂ per INR	1,115 x 10 ⁻⁷

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Ernst & Young Associates LLP (EY) was engaged by DBL. Please refer to assurance statement on page 394.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, in order to reduce Green House Gas emissions, Dalmia Bharat has committed to becoming carbon negative by 2040 in addition to RE100, EP100 and EV100 commitments by 2030. To achieve these targets, we have implemented several measures like alternative fuels, lower clinker factor, blended cement production, energy efficiency efforts, expansion of renewable energy usage and many more. Please refer to Natural Capital section in IR for more details.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2020-21
Total Waste generated (in metric tonnes)	
Plastic waste (A) <i>(This indicator covers 3 plants)</i>	5
E-waste (B)	17.34
Bio-medical waste (C)	0.14
Construction and demolition waste (D)	Nil
Battery waste (E)	600
Radioactive waste (F)	Nil
Other Hazardous waste. Please specify, if any. (G)	
1. Grease	33.93
2. Used Oil	81.04
3. ETP Sludge	2.78
4. Dry ink waste	19
5. Waste containing oil	0.85
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	9,485
Total (A+B + C + D + E + F + G + H)	10,245
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)	
(i) Recycled	9,490
(ii) Re-used	0

(iii) Other recovery operations	0
Total	9,490
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)	
Category of waste	
(i) Incineration	0
(ii) Landfilling	0
(iii) Other disposal operations	0
Total	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Ernst & Young Associates LLP (EY) was engaged by DBL. Please refer to assurance statement on page 394.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Dalmia Bharat always strives to replace hazardous and toxic chemicals in our products with eco-friendly alternatives. As such, our products do not use any hazardous and toxic chemicals. For details on our waste management strategy, please refer to Natural Capital section of IR.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable as there are no operations near above mentioned zones.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No EIA undertaken in FY 2020-21					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective taken action, if any
	Nil	NA	Nil	NA

LEADERSHIP INDICATORS**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2020-21
From renewable sources	
Total electricity consumption (A)	534 TJ
Total fuel consumption (B) (from Biomass sources)	1,190 TJ
Energy consumption through other sources (C)	
Total energy consumed from renewable sources (A+B+C)	1,724 TJ
From non-renewable sources	
Total electricity consumption (D)	4,466 TJ
Total fuel consumption (E) (kiln fuels excluding AFR biomass)	36,036 TJ
Energy consumption through other sources (F) (from Alternative fuel sources)	1,773 TJ
Energy consumption through other sources (F) (non-kiln fuel consumption)	2,268 TJ
Total energy consumed from non-renewable sources (D+E+F)	44,543 TJ

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Ernst & Young Associates LLP (EY) was engaged by DBL. Please refer to assurance statement on page 394.

2. Provide the following details related to water discharged:

All our facilities are zero liquid discharge plants, hence water discharged is zero for FY 2020-21.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Ernst & Young Associates LLP (EY) was engaged by DBL. Please refer to assurance statement on page 394.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Note: We have identified high water stress areas using WRI Aqueduct tool

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area: Belgaum, Karnataka
- Nature of operations: Integrated Cement Plant
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2020-21
Water withdrawal by source (in kilolitres)	
(i) Surface water	28,651
(ii) Groundwater	1,21,484
Total volume of water withdrawal (in kilolitres)	1,50,135
Total volume of water consumption (in kilolitres)	1,50,135
Water intensity per rupee of turnover (KL Water consumed / turnover)	14.27 x 10 ⁻⁷
Water discharge by destination and level of treatment (in kilolitres)	
Total water discharged (in kilolitres)	0 (zero discharge plant)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Ernst & Young Associates LLP (EY) was engaged by DBL. Please refer to assurance statement on page 394.

- Name of the area: Kadapa, Andhra Pradesh
- Nature of operations: Integrated Cement Plant
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2020-21
Water withdrawal by source (in kilolitres)	
(i) Surface water	0
(ii) Groundwater	1,03,200
Total volume of water withdrawal (in kilolitres)	1,03,200
Total volume of water consumption (in kilolitres)	1,03,200
Water intensity per rupee of turnover (KL Water consumed / turnover)	9.8 x 10⁻⁷
Water discharge by destination and level of treatment (in kilolitres)	
Total water discharged (in kilolitres)	0 (zero discharge plant)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Ernst & Young Associates LLP (EY) was engaged by DBL. Please refer to assurance statement on page 394.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2020-21
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	13,36,432
Total Scope 3 emissions per rupee of turnover	Tonne CO ₂ per rupee	127 x 10 ⁻⁷

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Ernst & Young Associates LLP (EY) was engaged by DBL. Please refer to assurance statement on page 394.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
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Please refer to Natural Capital section of IR.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, all our Manufacturing units are having Onsite-emergency plan where disaster management plan is there. The plan is targeted to- contain the incident, minimize casualties and prevent further injuries, migratory measures, quick and streamlined relief and rescue operation without unnecessary delay, speed up restoration of normalcy and ensure each member of the emergency operation including response team and employees are aware of their role in emergency. With respect to Business continuity, we have adequate mines reserve to continue the business. All our manufacturing units as having Factory licence to operate business and being renewed.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Refer Natural Capital in IR

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**ESSENTIAL INDICATORS****1. a. Number of affiliations with trade and industry chambers/ associations.**

Dalmia Bharat is a part of 13 associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
2	Confederation of Indian Industries (CII)	National
3	The Associated Chambers of Commerce of India (ASSOCHAM)	National
4	PHD Chamber of Commerce & Industry	National
5	Cement Manufacturers Association (CMA)	National
6	Indian Chamber of Commerce (ICC)	National
7	GCCA	International
8	World Cement Association	International
9	GCCA India	National
10	Federation of Indian Mineral Industries (FIMI)	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

LEADERSHIP INDICATORS**1. a. Number of affiliations with trade and industry chambers/ associations.**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	Renewable energy adoption, carbon emissions reduction in cement industry	raising voices	Yes, national seminars	Quarterly	NA
2	Fly Ash regulations and market dynamics	seminars, conferences, thru trade associations - GCCA, CII, FICCI	conferences participated	Quarterly	NA

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**ESSENTIAL INDICATORS****1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No SIA conducted					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
None						

3. Describe the mechanisms to receive and redress grievances of the community.

Dalmia Bharat has various mechanisms to receive and redress grievance of the community. In plants we have complaint register the communities also follow formal channel and informal channels through CSR teams, external stakeholder groups and many more.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2020-21
Directly sourced from MSMEs/ small producers	-
Sourced directly from within the district and neighbouring districts	DBL has Pan India operations with internal transfer within plants, we ensure to source all raw material is locally wherever feasible

LEADERSHIP INDICATORS**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Andhra Pradesh	Kadapa	₹ 437.50 Lakhs

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
(b) From which marginalized /vulnerable groups do you procure?
(c) What percentage of total procurement (by value) does it constitute?**

No

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
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Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
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Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	SHG Members	11,194	100
2	DIKSHa Trainees	5,677	100
3	Farmer Producers Organisation	3,282	100
4	IBM Skillsbuild	5,282	100
5	Gram Parivartan Project	2,689	100
6	IGP Trainings (IITs/LEDP/MEDP/ SRI/ Silai School/ Bamboo Plantation/100SHGs initiative)	2,724	100
7	Village Pond	14,143	100
8	Check Dam	2,650	100
9	Farm Pond	32	100
10	Roof Rainwater Harvesting and Recharge well in Chirawa	3,872	100
11	Adoption of Better Cultivation Practises - Chirawa	1,969	100
12	Drip Irrigation	32	100
13	Other Drinking water initiatives	2,500	100
14	Climate Action - Energy	1,420	100
15	Infrastructure - Community / School / Rural Haat	25,976	100
16	Sanitation	4,580	100
17	HP WoW	2,511	100
18	Health Care	30,638	100
19	Mask - Frontline workers	10,000	100

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have a dedicated team of approximately 500 employees, which focuses on catering to the various requirements of our consumers for a seamless experience.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	All necessary information as per regulatory requirements are disclosed on all our products
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2020 - 21	
	Received during the year	Pending resolution at end of year
Data privacy	-	-
Advertising	-	-
Cyber-security		
Delivery of essential services	Not Applicable	Not Applicable
Restrictive Trade Practices	-	-
Unfair Trade Practices	-	-
Other (Product related)	1,303	22

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	
Forced recalls	Nil	

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

We consider data privacy a critical aspect to ensure customer information safety. Our [privacy policy \(Privacy Policy for users & visitors Dalmia Bharat Group\)](#) clearly outlines our approach to maintaining data privacy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Since there are no complaints, there was no need for any corrective action. However, we always strive to ensure the best quality products are delivered to our customers and ensure all feedback from our stakeholders is considered in our business processes.

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

- dalmiacement.com,
- dealer shops,
- Influencer meets,
- client submissions

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

- On-site services for raw material testing and product application, through Technical Mobile Van.
- Site supervision services to educate customers on right construction methodologies and practices.
- Advise on good construction practices through meets, leaflets, brochures, etc.
- Training to mason and contractors on good construction practices.
- Sharing of Third party test reports (if required) with customers and influencers.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not Applicable.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not Applicable. As our products are non-perishable and nontoxic, as per local laws, all guidelines are followed. No customer satisfaction survey was conducted for FY21 but we have a survey underway for FY22

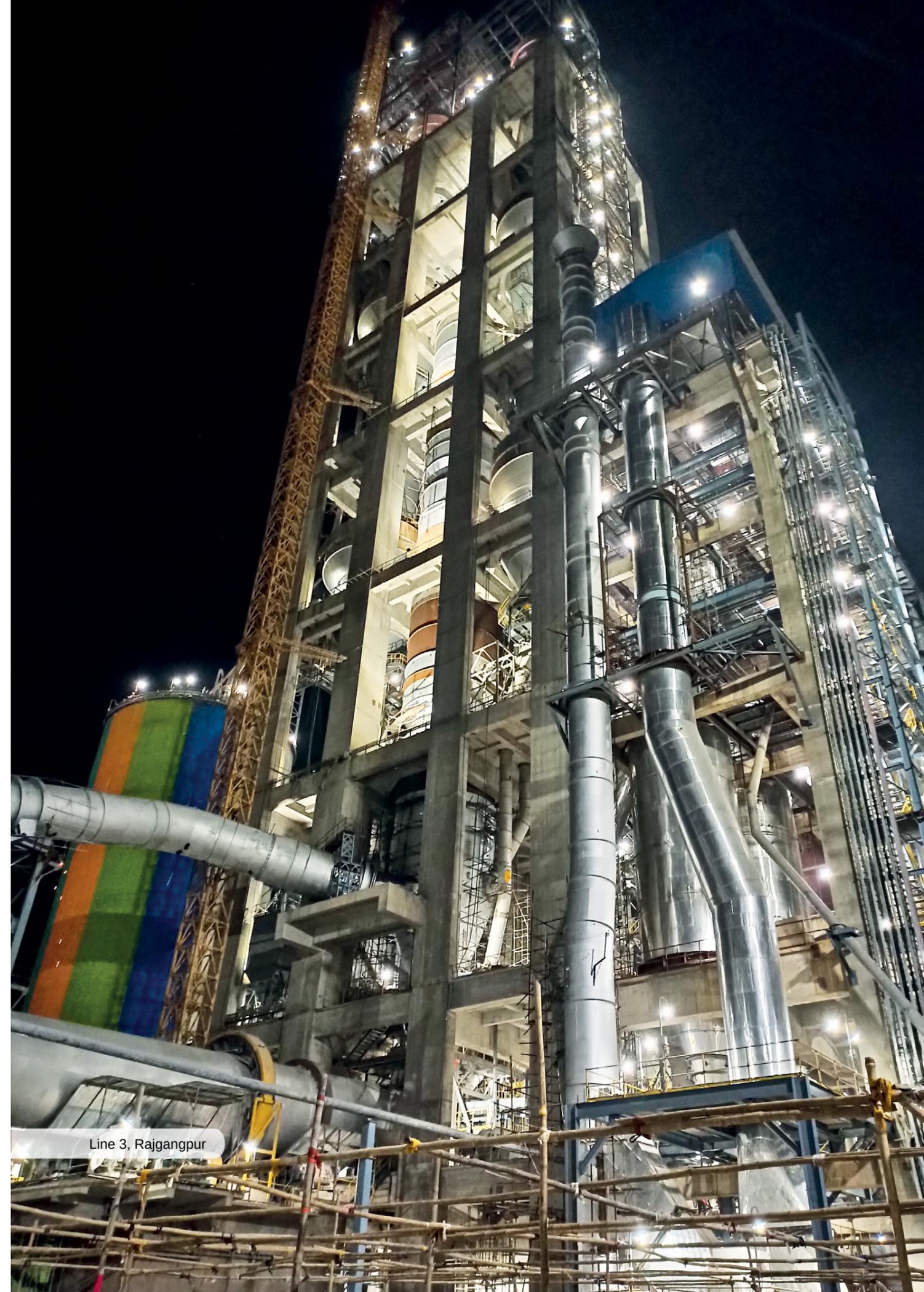
5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil



INDEPENDENT AUDITORS' REPORT

To the Members of Dalmia Bharat Limited Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Dalmia Bharat Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



FINANCIAL STATEMENT

(Standalone)

going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the relevant books of accounts;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on

record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act read along with clause (xi) in Annexure – A of our report on the Order issued under Section 143 (11) of the Act; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 31 to the standalone financial statements;
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.S. Kothari Mehta & Company
Chartered Accountants
ICAI Firm registration number: 000756N

Place: New Delhi
Date: April 30, 2021
UDIN: 21500607AAAAFE9871

AMIT GOEL
Partner
Membership No: - 500607

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DALMIA BHARAT LIMITED DATED APRIL 30, 2021.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment. activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (b) The Company has a program of physical verification of property, plant and equipment that covers every item of fixed assets over a period of three years. In our opinion, this periodicity and manner of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification undertaken during the year. (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other statutory dues, as applicable, with the appropriate authorities during the year. There are no arrears of outstanding statutory dues as at March 31, 2021 for a period of more than six months from the date when they became payable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except for buildings having a gross block of Rs. 47 crore and net block of Rs. 37 crore, which are yet to be registered in the name of the Company as at the balance sheet date. (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, service tax, duty of customs or duty of excise, value added tax and goods and service tax which have not been deposited on account of any dispute.
- (ii) The Company is in the business of rendering services and its operations does not give rise to inventory. Therefore, the provisions of clause 3(ii) of the Order are not applicable to the Company. (viii) According to the information and explanations given to us and as per the books and records examined by us, the Company does not have any loans or borrowings from banks, financial institutions or Government. The Company does not have any outstanding debentures.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon. (ix) In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer / further public offer. The Company has not taken any term loan during the year.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors including entities in which directors are interested to which provisions of Section 185 of the Companies Act, 2013 apply. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Companies Act, 2013 in the respect of loans and advances given, investments made, guarantees and securities given have been complied with by the Company. (x) In our opinion, and according to the information and explanations given to us, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder. (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act for the Company's (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.S. Kothari Mehta & Company
Chartered Accountants
ICAI Firm registration number: 000756N

Place: New Delhi
Date: April 30, 2021
UDIN: 21500607AAAAFE9871

Amit Goel
Partner
Membership No: - 500607

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DALMIA BHARAT LIMITED DATED APRIL 30, 2021 ON ITS STANDALONE FINANCIAL STATEMENTS

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2 (f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **Dalmia Bharat Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based

on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,

2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S.S. Kothari Mehta & Company
Chartered Accountants
ICAI Firm registration number: 000756N

Place: New Delhi
Date: April 30, 2021
UDIN: 21500607AAAAFE9871

Amit Goel
Partner
Membership No: - 500607

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	66	70
Capital work-in-progress	3	1	1
Other intangible assets	4	0	0
Right-of-use assets	29	7	20
Intangible assets under development		-	1
Investments	5	6,788	6,786
Financial assets			
(i) Investments	6(i)	1	2
(ii) Loans	6(ii)	2	3
Deferred tax assets (net)	7	7	13
Income tax assets (net)		55	61
Other non-current assets	8	0	1
		6,927	6,958
Current assets			
Financial assets			
(i) Investments	9(i)	54	254
(ii) Trade receivables	9(ii)	13	17
(iii) Cash and cash equivalents	9(iii)	6	113
(iv) Bank balances other than (iii) above	9(iv)	5	17
(v) Loans	9(v)	495	308
(vi) Other financial assets	9(vi)	31	33
Other current assets	10	5	13
		609	755
Total assets		7,536	7,713
EQUITY & LIABILITIES			
Equity			
Equity share capital	11	37	39
Other equity	12	7,229	7,603
Total equity		7,266	7,642
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	29	5	14
Provisions	13	23	21
		28	35
Current liabilities			
Financial liabilities			
(i) Borrowings	14	198	-
(ii) Lease liabilities	29	2	5
(iii) Trade payables	15	-	0
- total outstanding dues of micro enterprises and small enterprises		3	5
- total outstanding dues of creditors other than micro enterprises and small enterprises		9	9
(iv) Other financial liabilities	16	9	9
Provisions	17	19	11
Other current liabilities	18	11	6
		242	36
Total liabilities		270	71
Total equity and liabilities		7,536	7,713
Significant accounting policies	1B		

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For S.S. Kothari Mehta & CompanyChartered Accountants
Firm Registration No. 000756N**Amit Goel**Partner
Membership No.: 500607Place : New Delhi
Date : April 30, 2021**For and on behalf of the Board of Directors of Dalmia Bharat Limited****Puneet Yadu Dalmia**
Managing Director & CEO
DIN: 00022633**Gautam Dalmia**
Managing Director
DIN: 00009758**Dharmender Tuteja**
Chief Financial Officer**Dr. Sanjeev Gemawat**
Company Secretary
Membership No. F 3669**STANDALONE STATEMENT OF PROFIT AND LOSS**

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	19	148	151
Other income	20	41	143
Total income		189	294
Expenses			
Cost of materials consumed		-	-
Purchases of stock in trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
Employees benefits expense	21	86	86
Finance costs	22	11	4
Depreciation and amortisation expense	23	11	9
Other expenses	24	47	42
Total expenses		155	141
Profit before tax		34	153
Tax expense (refer note 7)			
Current tax		17	19
Deferred tax		(7)	(3)
Tax adjustments for earlier years		(1)	2
Total tax expense		9	18
Profit after tax		25	135
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
- Re-measurement gain on defined benefit plan		1	0
- Income tax credit/ (charge) relating to above item		(0)	0
Other comprehensive income for the year, net of tax		1	0
Total comprehensive income for the year		26	135
Earnings per Share	25		
[Nominal value of Rupees 2 (Rupees 2) each]			
Basic (In Rupees)		1.33	7.00
Diluted (In Rupees)		1.33	6.99
Significant accounting policies	1B		

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For S.S. Kothari Mehta & CompanyChartered Accountants
Firm Registration No. 000756N**Amit Goel**Partner
Membership No.: 500607Place : New Delhi
Date : April 30, 2021**For and on behalf of the Board of Directors of Dalmia Bharat Limited****Puneet Yadu Dalmia**
Managing Director & CEO
DIN: 00022633**Gautam Dalmia**
Managing Director
DIN: 00009758**Dharmender Tuteja**
Chief Financial Officer**Dr. Sanjeev Gemawat**
Company Secretary
Membership No. F 3669

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

A. EQUITY SHARE CAPITAL :

(Amount in ₹)

Equity shares of Rupees 2 each issued, subscribed and fully paid	No. of shares	₹
As at April 1, 2019	192,958,553	39
Changes in equity share capital	-	-
As at March 31, 2020	192,958,553	39
Changes in equity share capital:		
Shares bought back and extinguished during the year (note 11(a))	(6,166,540)	(1)
Shares issued on exercise of employee stock options (note 28)	325,500	0
As at March 31, 2021	187,117,513	37

B. OTHER EQUITY :

(Amount in ₹)

Particulars	Reserve and surplus						Total other equity
	Securities premium	Capital reserve	General reserve	Retained earnings	Capital redemption reserve	Employee stock options outstanding	
As at April 1, 2019	7,256	88	3	180	-	14	7,541
Profit for the year	-	-	-	135	-	-	135
Other comprehensive income (net of tax)							
Re-measurement gain on defined benefit plan	-	-	-	0	-	-	0
Total comprehensive income for the year	-	-	-	135	-	-	135
Exercise of employee stock options	7	-	-	-	-	(7)	-
Employee stock option expense *	-	-	-	-	-	4	4
Dividends paid (refer note 12)	-	-	-	(77)	-	-	(77)
As at March 31, 2020	7,263	88	3	238	-	11	7,603
As at April 1, 2020	7,263	88	3	238	-	11	7,603
Profit for the year	-	-	-	25	-	-	25
Other comprehensive income (net of tax)							
Re-measurement gain on defined benefit plan	-	-	-	1	-	-	1
Total comprehensive income for the year	-	-	-	26	-	-	26
Premium on issue of employee stock options	5	-	-	-	-	-	5
Exercise of employee stock options	7	-	-	-	-	(7)	-
Employee stock option expense *	-	-	-	-	-	2	2
Amount paid upon buyback of equity shares (refer note 11(a))	(328)	-	-	-	-	-	(328)
Tax on buyback of equity shares (refer note 11(a))	(76)	-	-	-	-	-	(76)
Transaction costs for buyback of equity shares (refer note 11(a))	(3)	-	-	-	-	-	(3)
Amount transferred to capital redemption reserve upon buyback (refer note 11(a))	-	-	-	(1)	1	-	-
As at March 31, 2021	6,868	88	3	263	1	6	7,229

* includes ₹ 2 (March 31, 2020: ₹ 3) granted to employees of a subsidiary company.

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

Amit Goel
Partner
Membership No.: 500607

Place : New Delhi
Date : April 30, 2021

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Puneet Yadu Dalmia
Managing Director & CEO
DIN: 00022633

Dharmender Tuteja
Chief Financial Officer

Gautam Dalmia
Managing Director
DIN: 00009758

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)

Particulars	Notes	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from operating activities			
Profit before tax		34	153
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	23	11	9
Impairment allowance	24	4	-
Dividend income	20	-	(83)
Interest income	20	(45)	(42)
Finance costs	22	11	4
Expenses on employee stock option scheme	21	0	1
Profit on sale of current investments (net)	20	(2)	(39)
Change in fair value of investments measured at FVTPL	20	7	23
Loss/ gain on disposal of property, plant and equipment (net)	24	0	(0)
Gain on termination of leases		(1)	(2)
Operating profit before working capital changes		19	24
Adjustments for working capital changes :			
Decrease in trade receivables		4	36
Decrease in financial and other assets		2	3
(Decrease)/ increase in trade and other payables		1	(59)
Increase in provisions		12	2
Cash generated from operations		38	6
Income tax refund/ (paid)		2	(18)
Net cash flow from/ (used in) operating activities		40	(12)
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangibles		(1)	(2)
Proceeds from sale of property, plant and equipment		0	0
Proceeds from non current investments (net)		-	0
Proceeds from sale of current investments		195	90
Loan given to a subsidiary company		(343)	(3)
Loan repaid by a subsidiary company		159	7
(Investment in)/ proceeds from maturity of deposits (having original maturity of more than three months)		12	(13)
Interest received		48	43
Dividend received		-	83
Net cash flow from investing activities		70	205
C. Cash flow from financing activities			
Payment on buyback of equity shares	11(a)	(329)	-
Tax on buyback of equity shares	11(a)	(76)	-
Transaction costs for buyback of equity shares		(0)	(3)
Proceeds from issue of shares on exercise of stock options		5	-
Proceeds from short term borrowings (net)		198	-
Interest paid		(11)	(4)
Payment of principal portion of lease liabilities		(4)	(7)
Dividends paid	12	-	(77)
Net cash flow (used in) financing activities		(217)	(91)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(107)	102
Cash and cash equivalents at the beginning of the year		113	11
Cash and cash equivalents at the end of the year	9(iii)	6	113

STANDALONE STATEMENT OF CASH FLOWS (CONTD.)

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTES:

(a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) 'Statement of Cash Flow'.

(b) Changes in liabilities arising from financing activities:

Particulars	As at April 1, 2020	Cash flows	Fair value changes	As at March 31, 2021
Current borrowings (refer note 14)				
For lease liabilities, refer note 29.	-	198	-	198

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company

Chartered Accountants
Firm Registration No. 000756N

Amit Goel

Partner
Membership No.: 500607

Place : New Delhi
Date : April 30, 2021

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Puneet Yadu Dalmia
Managing Director & CEO
DIN: 00022633

Dharmender Tuteja
Chief Financial Officer

Gautam Dalmia
Managing Director
DIN: 00009758

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 1

A. CORPORATE INFORMATION

Dalmia Bharat Limited ('the Company') is a public company domiciled in India and was incorporated on July 12, 2013 in the name of Odisha Cement Limited under the Companies Act, 1956 and as per the Scheme of Arrangement and Amalgamation approved by the NCLT, Chennai, the name of the Company was changed from Odisha Cement Limited to Dalmia Bharat Limited vide fresh certificate of incorporation dated April 15, 2019. Its equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Dalmiapuram Distt Tiruchirappalli Tamil Nadu- 621651.

The Company is primarily engaged in providing management services to its group companies.

The Standalone financial statements for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the Board of Directors on April 30, 2021.

B. SIGNIFICANT ACCOUNTING POLICIES

(i). BASIS OF PREPARATION

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets measured at fair value [refer accounting policy regarding financial instruments];
- Defined benefit plans - plan assets measured at fair value [refer accounting policy 1B(ii)(n)]; and
- Share based payments [refer accounting policy 1B(ii)(o)]

The standalone financial statements are presented in Indian Rupee (₹) and all the values are rounded off to the nearest Crore, except number of shares, face value of share, earning per share or wherever otherwise indicated. Wherever the amount represented ₹ '0' (zero) construes value less than Rupees fifty lakhs.

(ii). SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Business Combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Company had elected to apply Ind AS accounting for business combinations prospectively from the date of transition to Ind AS i.e. April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date have been carried forward with minimal adjustment. Business combination post April 1, 2015 has been accounted for as per the provisions of the Scheme of Arrangement and Amalgamation approved by Hon'ble National Company Law Tribunal (NCLT).

b. Current Versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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NOTE 1 (CONTD.)

c. Investment in Subsidiaries

Investment in subsidiaries are measured at cost in accordance with Ind AS 27.

A subsidiary is an entity that is controlled by the Company. Control is evidenced where the Company (a) has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

Any impairment loss required to be recognised in statement of profit and loss is in accordance with Ind AS 109.

On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

d. Foreign Currencies

The Company's standalone financial statements are presented in Indian Rupees which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in statement of profit or loss are also recognised in statement of profit or loss).

e. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

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External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Property, plant and equipment (note 2)
- Disclosures for valuation methods, significant estimates and assumptions (note 26)
- Financial instruments (including those carried at amortised cost) (note 33)
- Comparison of carrying value and fair value of financial instruments (note 33)
- Quantitative disclosures of fair value measurement hierarchy (note 34)

f. Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable taking into account the contractually defined terms of

payment and net of taxes collected on behalf of the government such as goods and service tax, etc. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Revenue From Services

Revenue from management services are recognised at the point in time i.e. as and when services are rendered.

Interest Income

For all debt instruments/ subsidies measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument/ subsidies or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

Insurance Claim

Insurance claims and other claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

g. Income Taxes

Tax expense comprises current income tax and deferred tax.

Current Income Tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and includes any adjustment to tax payable in respect of previous years.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other

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comprehensive income (OCI) or in equity}. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of

the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credit can be utilised. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

h. Property, Plant and Equipment

The Company has measured property, plant and equipment (PPE) except vehicle, furniture and fixture and office equipment at fair value as on transition date i.e. April 1, 2015 which has become its deemed cost. In respect of vehicle, furniture and fixture and office equipment, the Company has applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at transition date.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost comprises the purchase price, including import duties and non-refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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Subsequent expenditure related to an item of PPE is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company.

Capital work-in-progress (CWIP)

Capital work in progress are stated at cost, net of impairment loss, if any. Assets in the course of construction are capitalised in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

Depreciation Charge

Depreciation on property, plant and equipment is provided on a straight-line basis based on the estimated useful lives of an asset as prescribed under Schedule II to the Companies Act, 2013.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i. Other Intangible Assets

The Company has measured intangible assets at carrying value as recognised in the standalone financial statements as on transition date i.e. April 1, 2015 which became its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised

in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit/loss when the asset is derecognised.

A summary of amortisation policy applied to the Company's intangible assets is as below:

	Useful life	Amortisation Method used
Computer software	3 to 5 years	On a straight line basis over its useful life
Intellectual property rights	3 years	On a straight line basis over its useful life

j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets (refer note 1(B)(ii)(k)(iii) below). The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use

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assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Right-of-use assets	Lease Term (in years)
Buildings	1 to 7 years
Vehicles	2 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (I) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

iii) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

I. Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the

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products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses are recognised in the statement of profit and loss, if any.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

m. Provisions and Contingent Liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liabilities

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

n. Retirement and Other Employee Benefits

Retirement benefits in the form of contribution to Statutory Provident Fund, Pension fund, Superannuation fund and National Pension Scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates three defined benefit plans for its employees, viz., gratuity, provident fund contribution to Dalmia Cement Provident Fund Trust and post-retirement medical benefits. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Re-measurements, comprising of re-measurement gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service costs are recognised in statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

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Current service cost is recognised within employee benefits expenses. Net interest expense or income is recognised with finance costs.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Re measurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

o. Share-Based Payments

Certain employees (Senior Executives) of the Company receive remuneration in the form of share-based payments whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-Settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised, together with a corresponding increase in Employee stock options outstanding in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions of Company are reflected within the grant date fair value.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

q. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by

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regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Investment in equity instruments are classified at FVTPL, which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Debt instruments, which do not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However,

such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investment in mutual funds, bonds and other venture capital fund as at FVTPL.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and bank balance.
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

• Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk of customer has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 1 (CONTD.)

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

De-Recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting standalone financial statements of the Company as a whole.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 1 (CONTD.)

s. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

t. Cash dividend distribution to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity. Interim dividends are recognised as a liability on the date of declaration by the Company's Board of directors.

C. STANDARDS NOTIFIED BUT NOT YET EFFECTIVE

There are no new standards that are notified, but not yet effective, upto the date of issuance of the standalone financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)						
	Freehold land	Buildings	Furniture and fixtures	Vehicles	Office equipment	Total
Deemed Cost * / Cost						
As at April 1, 2019	18	56	3	4	3	84
Additions	-	-	0	1	0	1
Disposals	-	-	-	0	-	0
Reclassified on account of adoption of Ind AS 116 (refer note 29)	-	-	-	-	2	2
As at March 31, 2020	18	56	3	5	1	83
Additions	-	-	-	-	0	0
Disposals	-	-	-	1	-	1
As at March 31, 2021	18	56	3	4	1	82
Depreciation						
As at April 1, 2019	-	8	1	1	2	12
Charge for the year	-	2	0	0	1	3
Disposals	-	-	-	0	-	0
Reclassified on account of adoption of Ind AS 116 (refer note 29)	-	-	-	-	2	2
As at March 31, 2020	-	10	1	1	1	13
Charge for the year	-	2	1	0	1	4
Disposals	-	-	-	1	-	1
As at March 31, 2021	-	12	2	1	1	16
Net block						
As at March 31, 2021	18	44	1	3	0	66
As at March 31, 2020	18	46	2	4	0	70

* Refer note 1(B)(ii)(h)

NOTE:

Buildings having gross block of ₹ 47 (March 31, 2020 : ₹ 47) is pending to be registered in the name of Company.

NOTE 3 - CAPITAL WORK-IN-PROGRESS (CWIP)

Movement of capital work-in-progress

(Amount in ₹)	
Particulars	CWIP
As at April 1, 2019	2
Additions during the year	1
Capitalised during the year	2
As at March 31, 2020	1
Additions during the year	0
Capitalised during the year	-
As at March 31, 2021	1

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 4 - OTHER INTANGIBLE ASSETS

(Amount in ₹)			
	Intellectual property rights	Computer software	Total
Cost			
As at April 1, 2019	-	1	1
Additions	0	0	0
Disposals	-	-	-
As at March 31, 2020	0	1	1
Additions	-	2	2
Disposals	-	-	-
As at March 31, 2021	0	3	3
Amortisation			
As at April 1, 2019	-	1	1
Charge for the year	0	0	0
Disposals	-	-	-
As at March 31, 2020	0	1	1
Charge for the year	0	2	2
Disposals	-	-	-
As at March 31, 2021	0	3	3
Net block			
As at March 31, 2021	0	0	0
As at March 31, 2020	0	0	0

NOTE 5 - INVESTMENTS

(Amount in ₹)				
	As at March 31, 2021		As at March 31, 2020	
Investments measured at cost				
a. Equity instruments (unquoted)				
Subsidiary companies				
31,40,45,267 (March 31, 2020: 31,40,45,267) Shares of ₹ 10/- each fully paid up in Dalmia Cement (Bharat) Limited #	6,758		6,756	
5,00,000 (March 31, 2020: 5,00,000) Shares of ₹ 10/- each fully paid up in Dalmia Power Limited	1	6,759	1	6,757
b. Equity instruments (quoted)				
Others				
1,48,29,764 (March 31, 2020: 1,48,29,764) Shares of ₹ 2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		29		29
		6,788		6,786
Aggregate book value of quoted investments		29		29
Aggregate market value of quoted investments		277		72
Aggregate book value of unquoted investments		6,759		6,757
Aggregate provision for diminution in value of investments		-		-

includes investment booked on account of stock options issued to employees of subsidiary company.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 6 - FINANCIAL ASSETS

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(i) Non-current investments		
Investments measured at fair value through profit or loss		
(a) Equity instruments (quoted)		
250 (March 31, 2020: 250) Shares of ₹ 10/- each fully paid up in Haryana Financial Corporation	0	0
(b) Tax Free Bonds (quoted)		
2,472 Units (March 31, 2020: 2,472) of 8.30% NHAI tax free bonds	0	0
(c) Investment in others (unquoted)		
1,188 (March 31, 2020: 1,188) Units of ₹ 27,430/- (March 31, 2020: ₹ 27,930/-) each fully paid up in Urban Infrastructure Opportunities Fund	1	2
	1	2
Aggregate book value of quoted investments	0	0
Aggregate market value of quoted investments	0	0
Aggregate book value of unquoted investments	1	2
Aggregate amount of impairment in value of investments	-	-
(ii) Loans		
(Unsecured, considered good)		
Security deposits	1	2
Loans to employees	1	1
	2	3
No loans or advances are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.		
Break up of financial assets carried at amortised cost		
Security deposits	1	2
Loans to employees	1	1
	2	3
Break up of financial assets carried at fair value through profit or loss		
Investment - Tax Free Bonds	0	0
Investment - Others	1	2
	1	2

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 7 - INCOME TAXES

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
(i) The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:		
Profit or loss section:		
Current income tax :		
Current income tax charge	17	19
Adjustment of tax relating to earlier years	(0)	9
Deferred tax :		
Relation to origination of temporary differences	(7)	(3)
Adjustment of tax relating to earlier years	(1)	(7)
Income tax expense reported in the statement of profit or loss	9	18
OCI section:		
Deferred tax related to items recognised in OCI during the year		
Net (gains)/ loss on re-measurement of defined benefit plan	(0)	0
Income tax (expense)/ credit charged to OCI	(0)	0
(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:		
Accounting profit before tax	34	153
Applicable tax rate	29.120%	29.120%
Computed Tax Expense	10	44
Adjustment of tax relating to earlier years	(1)	2
Income exempt from tax	-	(24)
Recognition of deferred tax credit on account of application of indexation benefit on 'Land'	-	(2)
Impact of change in income tax rate	-	(2)
Effect of income taxed at special rate	-	(1)
Other non-deductible expenses for tax purpose	1	1
Income tax reported in statement of profit and loss	9	18

The Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies with an option to opt for lower tax rates effective April 1, 2019, subject to certain conditions. The Company has chosen not to opt for lower tax rates and continue with the erstwhile tax rate.

(iii) Deferred tax:

	(Amount in ₹)			
Deferred Tax Relates to the Following:	Balance sheet		Statement of Profit And Loss	
	As at March 31, 2021	As at March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax liabilities				
Property, plant and equipment (including other intangible assets)	11	14	(3)	(5)
Others	1	1	0	1
Total deferred tax liabilities	12	15	(3)	(4)
Deferred tax assets				
Expenditure debited in statement of profit and loss but allowable for tax purposes in subsequent years	9	9	(0)	(6)
Impairment allowance (for doubtful deposit and advance)	1	-	(1)	-
Others	3	-	(3)	-
MAT credit entitlement	6	19	-	-
Total Deferred tax assets	19	28	(5)	(6)
Deferred tax (income)			(8)	(10)
Deferred tax assets (net)	7	13		
Reconciliation of deferred tax assets (net):				
Opening balance as at April 1	13	5		
Tax income during the year recognised in profit or loss	8	10		
Tax (expense) during the year recognised in OCI	(0)	0		
MAT credit entitlement	(13)	(3)		
Closing balance as at March 31	7	13		

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 8 - OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Prepayments	0	1
	0	1

NOTE 9 - FINANCIAL ASSETS

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(i) Current Investments		
Investments measured at fair value through profit and loss		
(a) Equity Instruments (quoted)		
Nil (March 31, 2020: 4,366) Shares of ₹ 10/- each fully paid up in Poddar Pigments Limited	-	0
(b) Corporate Bonds (quoted)	-	254
(c) Units of debt schemes of various mutual funds (unquoted)	54	-
	54	254
Aggregate book value of quoted investments	-	254
Aggregate market value of quoted investments	-	254
Aggregate carrying value of unquoted investments	54	-
Aggregate amount of impairment in value of investments	-	-
(ii) Trade receivables		
Trade receivables		
Receivable from related parties (refer note 32)	13	17
	13	17
Break-up for security details :		
Trade receivables		
Unsecured, considered good	13	17
Trade receivables - credit impaired	-	-
	13	17
(a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 15 days.		
(b) For information on financial risk management objectives and policies, refer note 35.		
(iii) Cash and cash equivalents		
Balances with banks :		
- On current accounts	5	0
- On cash credit accounts	0	0
- On deposit accounts with original maturity of less than three months *	-	113
Cash on hand	0	0
Cheques on hand	1	0
	6	113
* The Company can utilise ₹ Nil (March 31, 2020: ₹ 113) only towards buy back of equity shares.		
At March 31, 2021, Company had available ₹ 5 (March 31, 2020: ₹ 5) of undrawn committed borrowing facilities.		
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balances with banks:		
- On current accounts	5	0
- On cash credit accounts	0	0
- On deposit accounts with original maturity of less than three months	-	113
Cash on hand	0	0
Cheques on hand	1	0
	6	113

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 9 - FINANCIAL ASSETS (CONTD.)

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(iv) Bank balances other than (iii) above		
- Unpaid dividend accounts	5	4
- Deposit with remaining maturity of less than 12 months	-	13
	5	17
(v) Loans		
(Unsecured, considered good unless otherwise stated)		
Security deposits		
- Considered good	6	5
- Credit impaired	3	-
	9	5
- Less: Impairment allowance (allowance for doubtful deposit)	(3)	-
	6	5
Loans to a related party (refer note 32)	458	273
Loans to employees	1	0
Loans to others	30	30
	495	308
(vi) Other financial assets		
(Unsecured, considered good)		
Interest receivable		
- From a related party (refer note 32)	28	25
- From others *	3	8
Other receivables	0	-
	31	33
* includes ₹ Nil (March 31, 2020: ₹ 8) on corporate bonds classified in current investments under note 9(i) above.		
Break up of financial assets carried at amortised cost		
Trade receivables	13	17
Cash and cash equivalents	6	113
Other bank balances	5	17
Loans to employees	1	0
Loans to a related party	458	273
Loans to others	30	30
Security deposits	6	5
Interest receivable - from a related party	28	25
Interest receivable - from others	3	8
Other receivables	0	-
	550	488
Break up of financial assets carried at fair value through profit or loss		
Investment in mutual funds	54	-
Investment in equity shares	-	0
Investment in corporate bonds	-	254
	54	254

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 10 - OTHER CURRENT ASSETS

(UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED) (Amount in ₹)

	As at March 31, 2021	As at March 31, 2020
Advances other than capital advances		
Advance to suppliers		
- Unsecured, considered good	3	8
- Unsecured, considered doubtful	2	0
	5	8
Less: Impairment allowance (allowance for doubtful advances)	(2)	(0)
	3	8
Prepayments	2	5
Other receivable	0	0
	5	13

NOTE 11 - SHARE CAPITAL

(Amount in ₹)

	As at March 31, 2021	As at March 31, 2020
Authorised :		
1,59,55,00,000 (March 31, 2020: 1,59,55,00,000) Equity Shares of Rupees 2/- each	319	319
1,00,000 (March 31, 2020: 1,00,000) Preference Shares of Rupees 100/- each	1	1
5,00,00,000 (March 31, 2020: 5,00,00,000) Preference Shares of Rupees 10/- each	50	50
	370	370
Issued, subscribed and fully paid up :		
18,71,17,513 (March 31, 2020: 19,29,58,553) Equity Shares of Rupees 2/- each	37	39

a. Reconciliation of equity shares outstanding at the beginning and at the end of the year:

(Amount in ₹)

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹	No. of Shares	₹
At the beginning of the year	19,29,58,553	39	19,29,58,553	39
Changes in equity share capital:				
Shares bought back and extinguished during the year *	(61,66,540)	(1)	-	-
Shares issued on exercise of employee stock options (refer note 28)	3,25,500	0	-	-
At the end of the year	18,71,17,513	37	19,29,58,553	39

* The Board of Directors in its meeting held on March 21, 2020, approved buyback of Company's fully paid-up equity shares of face value of Rupees 2/- each from its shareholders/ beneficial owners excluding promoters, promoter group and persons who are in control of the Company, via "open market" route through the stock exchanges, for a total amount not exceeding ₹ 500 ("Maximum Buyback Size") [excluding any applicable taxes, fees and transaction charges], and at a price not exceeding Rupees 700 per equity share ("Maximum Buyback Price").

During the year, the Company has completed the buyback of 61,66,540 equity shares. This has resulted in total cash outflow of ₹ 408 (including ₹ 3 towards transaction costs for buyback and ₹ 76 towards tax on buyback). In line with requirement of the Companies Act, 2013, an amount of ₹ 407 has been utilised from securities premium. Further, capital redemption reserve of ₹ 1 (representing the nominal value of the shares bought back) has been created as an appropriation from retained earnings. Consequent to extinguishment of shares so bought back, the paid-up equity share capital of the Company has reduced by ₹ 1 (refer note 12).

b. Terms/ rights attached to Equity Shares

The Company has only one class of equity shares having a face value of Rupees 2 per share. Each equity shareholder is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by the Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 11 - SHARE CAPITAL (CONTD.)

c. Aggregate number of shares issued for consideration other than cash:

	No. of Shares	
	As at March 31, 2021	As at March 31, 2020
Equity shares of Rupees 2 each fully paid up issued during the year 2018-19 to the shareholders of erstwhile Dalmia Bharat Limited and OCL India Limited pursuant to Scheme of Arrangement and Amalgamation	19,27,27,553	19,27,27,553

d. Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Rama Investment Company Private Limited	7,98,46,410	42.67%	7,98,46,410	41.38%
Sita Investment Company Limited	1,38,88,260	7.42%	1,38,88,260	7.20%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shares reserved for issue under options:

Information related to DBL ESOP Scheme 2018, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 28.

NOTE 12 - OTHER EQUITY

(Amount in ₹)

	As at March 31, 2021	As at March 31, 2020
Employee stock options outstanding		
Opening balance as per last financial statements	11	14
Add: Employee stock option expense *	2	4
Less: Transfer to securities premium on exercise of stock options	(7)	(7)
Closing balance	6	11
* includes ₹ 2 (March 31, 2020: ₹ 3) granted to employees of a subsidiary company.		
Securities premium		
Opening balance as per last financial statements	7,263	7,256
Less: Amount paid upon buyback of equity shares (refer note 11(a))	(328)	-
Less: Tax on buyback of equity shares (refer note 11(a))	(76)	-
Less: Transaction costs for buyback of equity shares (refer note 11(a))	(3)	-
Add: Premium on issue of employee stock options	5	-
Add: Amount transferred on exercise of stock options	7	7
Closing balance	6,868	7,263
General reserve		
Opening balance as per last financial statements	3	3
Closing balance	3	3
Capital reserve		
Opening balance as per last financial statements	88	88
Closing balance	88	88
Capital redemption reserve		
Opening balance as per last financial statements	-	-
Add: Amount transferred from retained earnings upon buyback (refer note 11(a))	1	-
Closing balance	1	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 12 - OTHER EQUITY

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Opening balance as per last financial statements	238	180
Profit for the year	25	135
Items of OCI recognised directly in retained earnings		
- Re-measurement gain on defined benefit plan (net of tax)	1	0
	264	315
Less: Appropriations		
Dividends paid	-	77
Amount transferred to capital redemption reserve upon buyback (refer note 11(a))	1	-
Total appropriations	1	77
Closing balance	263	238
Total other equity	7,229	7,603
Distribution made and proposed		
Cash dividends on equity shares paid :		
Final dividend for the year ended on March 31, 2020: Rupees Nil per share (March 31, 2019: Rupees 2.00 per share)	-	39
Interim dividend for the year ended on March 31, 2021: Rupees Nil per share (March 31, 2020: Rupees 2.00 per share) #	-	39
Dividend distribution tax *	-	-
	-	77
* During the previous year, Company had also received dividend of ₹ 77 from its subsidiary company. Hence, the liability of payment of Dividend Distribution Tax (DDT) did not arise on the Company as the Company had entitlement of credit of Dividend Distribution Tax paid by its subsidiary.		
Proposed dividend on equity shares:		
Final cash dividend for the year ended on March 31, 2021: Rupees 1.33 per share (March 31, 2020: Rupees Nil per share)	25	-
	25	-

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and is not recognised as a liability as at March 31, 2021.

On February 6, 2020, the Board of Directors of the Company declared an interim dividend of ₹ 39 for the financial year 2019-20, which was paid during the year 2019-20.

Description of nature and purpose of each reserve

- (a) Employee stock options outstanding** - The employee stock options outstanding is used to recognise the grant date fair value of options issued to employees under Employee Stock Option Plan.
- (b) Securities premium** - The amount received in excess of face value of the equity shares is recognised in securities premium reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.
- (c) General reserve**- The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (d) Capital reserve** - Capital reserve was created partly due to reduction of face value of equity share and partly due to cancellation & extinguishment of equity and preference share capital held by Dalmia Cement (Bharat) Limited, pursuant to Scheme of Arrangement and Amalgamation sanctioned by Hon'ble NCLT.
- (e) Capital redemption reserve** - Represents the nominal value of equity shares bought back pursuant to buyback in accordance with Section 69 of the Companies Act, 2013.
- (f) Retained earnings**- Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 13 - PROVISIONS

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Provision for gratuity (refer note 27)	23	21
Provision for post-retirement medical benefits (refer note 27)	0	-
	23	21
Financial liabilities carried at amortised cost		
Lease liabilities	5	14

NOTE 14 - BORROWINGS

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Unsecured		
Commercial papers	198	-
	198	-
Commercial papers are payable in three months and carry interest rate in the range of 3.90% p.a. to 3.99% p.a.		

NOTE 15 - TRADE PAYABLES

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 38)	-	0
Total outstanding dues of creditors other than micro enterprises and small enterprises *	3	5
	3	5
* includes due to related parties ₹ 0 (March 31, 2020: ₹ 1) (refer note 32).		
For maturity profile of trade payables and other financial liabilities, refer note 35.		

NOTE 16 - OTHER FINANCIAL LIABILITIES

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Unclaimed/ unpaid dividend *	5	4
Accrued employee liabilities **	3	4
Directors' commission payable (refer note 32)	1	1
Other payables	0	0
	9	9
* There is no amount required to be credited to Investor Education and Protection Fund (refer note 42).		
** includes payable to related parties of ₹ 2 (March 31, 2020: ₹ 2) (refer note 32).		
Financial liabilities carried at amortised cost		
Borrowings	198	-
Lease liabilities	2	5
Trade payables	3	5
Unclaimed dividend	5	4
Accrued employee liabilities	3	4
Directors' commission payable	1	1
Other payables	0	0
	212	19

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 17 - PROVISIONS

(Amount in ₹)		
	As at March 31, 2021	As at March 31, 2020
Provision for gratuity (refer note 27)	5	4
Provision for leave encashment	8	7
Provision for post-retirement medical benefits (refer note 27)	0	-
Provision for contingencies (refer note below)	6	-
	19	11
Note:		
Movement of provision for contingencies during the year as under:		
Opening balance	-	-
Additions during the year	6	-
Utilised during the year	-	-
Closing balance	6	-

The Company has made provision in respect of probable contingent liabilities. The Company has assessed that the probability of paying this amount is high.

NOTE 18 - OTHER CURRENT LIABILITIES

(Amount in ₹)		
	As at March 31, 2021	As at March 31, 2020
Other liabilities		
- Statutory dues	9	5
- Others	2	1
	11	6

NOTE 19 - REVENUE FROM OPERATIONS

(Amount in ₹)		
	Year ended March 31, 2021	Year ended March 31, 2020
Management service charges	148	151
Other operating revenue	0	0
	148	151
19.1 Disaggregated Revenue Information		
Set out below is the disaggregation of the Company's revenue from contracts with customers		
Management service charges	148	151
	148	151
19.2 Contract Balances		
The following table provides information about receivables from contracts with customers		
	As at March 31, 2021	As at March 31, 2020
Contract Assets		
Trade Receivables	13	17
19.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:		
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contracted price	148	151
Adjustments:		
Discount	-	-
Revenue from contracts with customers	148	151

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 20 - OTHER INCOME

(Amount in ₹)		
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income	45	42
Interest income from other financial assets at amortised cost	0	0
Dividend income (refer note 32)	-	83
Gains/ (losses) on financial instruments measured at fair value through profit or loss (net):		
- Profit on sale of current investments (net)	2	39
- On change of fair value of investments measured at FVTPL	(7)	(23)
Liabilities no longer required written back	0	-
Miscellaneous receipts	1	2
	41	143

NOTE 21 - EMPLOYEES BENEFITS EXPENSE

(Amount in ₹)		
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	77	75
Contribution to provident and other funds	6	6
Gratuity expense (refer note 27)	2	2
Post-retirement medical benefits (refer note 27)	0	-
Expenses on employee stock option scheme (refer note 28)	0	1
Workmen and staff welfare expenses	1	2
	86	86

NOTE 22 - FINANCE COSTS

(Amount in ₹)		
	Year ended March 31, 2021	Year ended March 31, 2020
Interest cost		
- On short term borrowings at amortised cost	4	-
- On defined benefit obligation (net) (refer note 27)	3	2
- On lease liabilities (refer note 29)	1	2
- On others (including interest on income tax ₹ 3 (March 31, 2020: ₹ Nil))	3	-
	11	4

NOTE 23 - DEPRECIATION AND AMORTISATION EXPENSE

(Amount in ₹)		
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment (refer note 2)	4	3
Amortisation of intangible assets (refer note 4)	2	0
Depreciation of right-of-use assets (refer note 29)	5	6
	11	9

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 24 - OTHER EXPENSES

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Repairs and maintenance - others	2	4
Rent	0	1
Rates and taxes	0	1
Insurance	11	8
Professional charges	11	12
Advertisement and publicity	0	0
Travelling and conveyance	1	3
Impairment allowance	4	-
Corporate social responsibility expenses (refer note (i) below)	1	2
Directors sitting fees (refer note 32)	0	1
Loss on disposal of property, plant and equipment (net)	0	0
Miscellaneous expenses (refer note (ii) below)	17	10
	47	42

Notes:

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
(i) Corporate social responsibility expenses:		
Gross amount required to be spent during the year	1	1
Amount spent during the year * :		
- Construction/acquisition of any asset	-	-
- On purposes other than above	1	2
* includes ₹ 1 (March 31, 2020: ₹ 1) paid to related party (refer note 32).		
(ii) Remuneration paid to statutory auditors (included in Miscellaneous expenses):		
As an auditor		
i) Statutory audit fee	0	0
ii) Tax audit fee	0	0
iii) Limited review fee	0	0
In other capacity		
i) Certification fee	0	-

NOTE 25 - EARNINGS PER SHARE

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Basic EPS		
Net profit for calculation of basic earnings (₹)	25	135
Weighted average number of equity shares for basic EPS (Nos.)	18,75,20,749	19,29,58,553
Basic earnings per share (In Rupees)	1.33	7.00
Diluted EPS		
Net profit for calculation of Diluted EPS (₹)	25	135
Weighted average number of equity shares for basic EPS (Nos.)	18,75,20,749	19,29,58,553
Effect of Dilution:		
Share options (Nos.)	2,73,228	3,57,651
Weighted average number of equity shares for diluted EPS (Nos.)	18,77,93,977	19,33,16,204
Diluted Earnings per share (In Rupees)	1.33	6.99

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 26 - DISCLOSURE OF SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgement, which have the most significant effect on the amounts recognised in the standalone financial statements:

Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred. Estimating fair value for equity-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, risk free rate, expected dividend yield, market price and exercise price and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be disclosed at the carrying amount at end of each reporting period up to the date of settlement. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 28. Change in assumptions for estimating fair value of share-based payment transactions is expected to have insignificant impact on income statement.

Income taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

MAT credit entitlement is recognised to the extent it is probable that taxable profit will be available against which the MAT credit can be utilised. Further details on taxes are disclosed in note 7.

Change in estimate

Deferred tax credit for the previous year included Rs. 2 on account of change in assumptions pertaining to 'Land' as per the provisions of Ind-AS 12 'Income Taxes'.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 26 - DISCLOSURE OF SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

Defined benefit plans

The cost of the defined benefit gratuity plan, post-retirement medical benefits and other defined benefit plan and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2012-14. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about the defined benefit plans are given in note 27.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 33 and 34 for further disclosures.

Property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Impairment of property, plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived based on remaining useful life of the respective assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

There are no impairment losses recognised for the years ended March 31, 2021 and March 31, 2020.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 27 - GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

(a) Gratuity

The Company has a defined benefit gratuity plan. The gratuity is governed by the Payment of Gratuity Act, 1972 ('the Act'). Under the Act, employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded through Gratuity Fund Trust with an insurance company in the form of a qualifying insurance policy. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Company makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

(b) Provident fund ('PF')

The Company contributes provident fund liability to Dalmia Cement Provident Fund Trust. As per the applicable accounting standard, provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuarial Society of India for measurement of provident fund liabilities and a provision has been recognised in respect of future anticipated shortfall with regard to interest rate obligation as at the balance sheet date.

The following tables summarize the components of net employee benefit expenses recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the above mentioned plan.

(c) Post-retirement medical benefits plan ('PRMB')

The Company provides post-retirement medical benefits to its certain retired employees. The plan is not funded by the Company.

Net benefit expense (recognised in profit or loss)

Particulars	Gratuity		PF		PRMB	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Service cost	2	2	6	6	0	-
Net interest cost on benefit obligation	2	2	1	1	-	-
Net benefit expenses	4	4	7	7	0	-

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2021

Particulars	Gratuity			PF			PRMB		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2020 (1)	29	4	25	54	53	1	-	-	-
Service cost (2):									
- Current service	2	-	2	6	-	6	-	-	-
- Past service	-	-	-	-	-	-	0	-	0
Net interest expense (3)	2	0	2	6	5	1	-	-	-
Sub-total included in profit or loss (2+3)=(4)	4	0	4	12	5	7	0	-	0
Re-measurements									
Return on plan assets (excluding amounts included in net interest expense) (5)	-	0	(0)	-	2	(2)	-	-	-
(Gain)/ loss from changes in demographic assumptions (6)	-	-	-	-	-	-	-	-	-
(Gain)/ loss from changes in financial assumptions (7)	0	-	0	-	-	-	-	-	-
Experience (gains)/ losses (8)	(1)	-	(1)	2	-	2	-	-	-
Sub-total (5+6+7+8)=(9)	(1)	0	(1)	2	2	(0)	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 27 - GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS (CONTD.)

(Amount in ₹)

Particulars	Gratuity			PF			PRMB		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
Expense/ (income) included in OCI out of (9) above	(1)	0	(1)	-	-	-	-	-	-
Contributions by employer (10)	-	-	-	-	7	(7)	-	-	-
Contribution by plan participation/ employees (11)	-	-	-	9	9	-	-	-	-
Settlements/ (Transfer in) (12)	-	-	-	4	4	-	-	-	-
Acquisition/ other adjustments (13)	(0)	0	(0)	-	-	-	-	-	-
Benefits paid (14)	(1)	(1)	(0)	(2)	(2)	-	-	-	-
Sub-total (10+11+12+13+14)=(15)	(1)	(1)	(0)	11	18	(7)	-	-	-
March 31, 2021 (1+4+9+15)	31	3	28	79	78	1	0	-	0

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2020

(Amount in ₹)

Particulars	Gratuity			PF		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2019 (1)	28	6	22	43	42	1
Service cost (2)	2	-	2	6	-	6
Net interest expense/ (income) (3)	2	0	2	5	4	1
Sub-total included in profit or loss (2+3)=(4)	4	0	4	11	4	7
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	(0)	0	-	1	(1)
(Gain)/loss from changes in demographic assumptions (6)	(0)	-	(0)	-	-	-
(Gain)/loss from changes in financial assumptions (7)	1	-	1	0	-	0
Experience (gains)/ losses (8)	(1)	-	(1)	0	-	0
Sub-total (5+6+7+8)=(9)	(0)	(0)	(0)	0	1	(1)
Expense/ (income) included in OCI out of (9) above	(0)	(0)	(0)	-	-	-
Contributions by employer (10)	-	-	-	8	6	2
Contribution by plan participation/ employees (11)	-	-	-	(5)	8	(13)
Settlements/ (Transfer in) (12)	-	-	-	-	(5)	5
Acquisition adjustments (13)	(2)	(1)	(1)	-	-	-
Benefits paid (14)	(1)	(1)	-	(3)	(3)	-
Sub-total (10+11+12+13+14)=(15)	(3)	(2)	(1)	(0)	6	(6)
March 31, 2020 (1+4+9+15)	29	4	25	54	53	1

The Company expects to contribute ₹ 30 (March 31, 2020: ₹ 27) to gratuity and ₹ 6 (March 31, 2020: ₹ 6) to PF in 2021-22.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 27 - GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS (CONTD.)

The major categories of plan assets of the fair value of the total plan assets of Gratuity and PF are as follows:

(Amount in ₹)

Particulars	Gratuity		PF	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investment pattern in plan assets:				
Insurance company products	3	4	-	-
Central government securities	-	-	8	6
State government securities	-	-	30	20
Special deposit scheme	-	-	1	1
Corporate bonds	-	-	33	23
Cash and cash equivalents	-	-	0	0
Other investment	-	-	6	3
Total	3	4	78	53

The principal assumptions used in determining Gratuity, PF and Post-retirement medical benefits for the Company are shown below:

(Amount in ₹)

Particulars	Gratuity		PF		PRMB	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate (%)	6.15	6.40	6.15	6.40	6.60	-
Future salary increase (%)	7.00	7.00	-	-	-	-
Guaranteed interest rate (%)	-	-	8.50	8.50	-	-
Medical cost inflation rate (%)	-	-	-	-	5.00	-
Mortality Table	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	90% (of LIC 96-98 mod ult.)	-

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 is as shown below:

Gratuity Plan:

(Amount in ₹)

Assumption	Discount rate				Future salary increases			
	1% Decrease		1% Increase		1% Decrease		1% Increase	
Sensitivity Level	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Impact on defined benefit obligation	2	2	(1)	(1)	(1)	(1)	2	2

Provident Fund:

(Amount in ₹)

Assumption	Discount rate				Interest rate guarantee			
	1% Decrease		1% Increase		1% Decrease		1% Increase	
Sensitivity Level	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Impact on defined benefit obligation	2	1	(1)	0	(3)	(1)	3	2

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 27 - GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS (CONTD.)

PRMB:

(Amount in ₹)

Assumption	Discount rate				Medical cost inflation rate			
	1% Decrease		1% Increase		1% Decrease		1% Increase	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Impact on defined benefit obligation	0	-	(0)	-	(0)	-	0	-

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

(Amount in ₹)

Particulars	Gratuity		PRMB	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	5	5	0	-
Between 2 and 5 years	18	14	0	-
Between 5 and 10 years	18	13	0	-
Beyond 10 years	1	10	1	-
Total expected payments	43	42	1	-

The weighted average duration (based on discounted cash flows) of the defined benefit plan obligation at the end of the reporting period for Gratuity is 5 years (March 31, 2020: 5 years) and for Post-retirement medical benefits is 9 years.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities and in government securities. The investments are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

Asset Liability Matching Risk

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

Liquidity Risk

The Company actively monitors how the duration and the expected yield of investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 27 - GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS (CONTD.)

Contribution to defined contribution plans:

(Amount in ₹)

Particulars	2020-21	2019-20
Provident fund/ Pension fund	0	0
Superannuation fund	0	0
National pension scheme	0	1
	0	1

NOTE 28 - SHARE - BASED PAYMENTS

Employee Stock Option Scheme 2018 namely "DBL ESOP 2018" was adopted by the Board of Directors pursuant to the Scheme of Arrangement and Amalgamation sanctioned by Hon'ble NCLT Chennai vide its order dated April 20, 2018. Under the DBL ESOP 2018, the Company granted 2 (two) new stock options ('New Options') to the eligible employees of Company, including employees of subsidiary company, in lieu of every 1 (one) stock option held by them under erstwhile DBEL ESOP Scheme 2011 (whether vested or unvested).

Options granted under DBL ESOP 2018 would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and Remuneration Committee of the Company has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment and certain performance parameters stipulated by the Nomination and Remuneration Committee. Hence the options would vest with passage of time on meeting the performance parameters.

The fair value of the share options is estimated at the grant date using the Black- Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

Options have been granted with vesting period of 5 years in case of Grant 1, 2 & 3; and 4 years in case of Grant 4 on the basis of graded vesting and are exercisable for a period of 3 years once vested. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options. Options granted under the DBL ESOP 2018 will carry no dividend or voting rights. On exercise, each option is convertible into one equity share.

The expense recognised for employee services received during the year is shown in the following table:

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Expense arising from equity-settled share-based payment transactions	0	1
Total expense arising from share-based payment transactions	0	1

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	March 31, 2021		March 31, 2020	
	Numbers	WAEP	Numbers	WAEP
Outstanding at the beginning of the year	1,27,000	144.62	2,07,000	138.74
Granted during the year	55,800	-	-	-
Exercised during the year	(53,500) ¹	129.40	(80,000) ^{1/2}	129.40
Expired/ lapsed during the year	(52,500) ^{**}	134.75	-	-
Outstanding at the end of the year	76,800	144.62	1,27,000	144.62
Exercisable at the end of the year	-	-	-	-

¹ Shares exercised during the previous year, were issued through DB Trust.

^{**} Unvested options expired on resignation of employee.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 28 - SHARE - BASED PAYMENTS (CONTD.)

1. The weighted average share price at the date of exercise of these options is Rupees 1,219.30/-

2. The weighted average share price at the date of exercise of these options is Rupees 511.10/-

The weighted average remaining contractual life for the share options outstanding as at March 31, 2021 was 4.90 years (March 31, 2020: 4.08 years).

The weighted average fair value of options granted during the year was Rupees 849.84/- (March 31, 2020: Rupees Nil).

The following table list the inputs to the models used for the plan for the year ended March 31, 2021 and March 31, 2020:

	Grant 1	Grant 2	Grant 3	Grant 4
Weighted average fair values at the measurement date	23.45	180.23	239.65	849.84
Dividend yield (%)	1.42	0.40	0.21	0.23
Expected volatility (%) *	42.76	48.58	46.92	43.11
Risk-free interest rate (%)	8.16	7.71	7.54	4.83
Average expected life of options (years)	4.50	4.53	4.51	4.20
Weighted average share price (Rupees per share)	105.95	502.05	713.80	859.83
Date of grant	May 18, 2012	January 29, 2015	February 03, 2016	November 5, 2020
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model	Black Scholes Model
Exercise price (Rupees per share)	52.75	108.62	191.77	2.00

* The expected volatility was determined based on historical volatility data.

NOTE 29 - LEASES

A. Company as a lessee

The Company has lease contracts for various buildings (office and residential premises) and vehicles used in its operations. Leases of office and residential premises have lease terms between 1 and 7 years and vehicles generally have lease terms between 1 and 5 years. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Buidlings	Vehicles	Other equipment	Total
Cost				
As at April 1, 2019	16	2	0	18
Additions	7	1	-	8
Disposals	-	0	0	0
As at March 31, 2020	23	3	-	26
Additions	2	0	-	2
Disposals	16	1	-	17
As at March 31, 2021	9	2	-	11
Accumulated Depreciation				
As at April 1, 2019	-	-	-	-
Charge for the year	5	1	-	6
Disposals	-	0	-	0
As at March 31, 2020	5	1	-	6
Charge for the year	4	1	-	5
Disposals	6	1	-	7
As at March 31, 2021	3	1	-	4
Net block				
As at March 31, 2021	6	1	-	7
As at March 31, 2020	18	2	-	20

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 29 - LEASES

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	(Amount in ₹)	
Particulars	2020-21	2019-20
Opening balance	19	20
Additions	2	8
Deletions	10	2
Accretion of interest	1	2
Payments	5	9
Closing balance	7	19
Current	2	5
Non-current	5	14

The maturity analysis of lease liabilities are disclosed in note 35.

The effective interest rate for lease liabilities is 8% - 10% (March 31, 2020: 10.00%), with maturity between 2022-2026.

The following are the amounts recognised in profit or loss:

	(Amount in ₹)	
Particulars	2020-21	2019-20
Depreciation expense of right-of-use assets	5	6
Interest expense on lease liabilities	1	2
Expense relating to short-term leases (included in other expenses)	0	1
Total amount recognised in profit or loss	6	9

Amounts recognised in statement of cash flows:

	(Amount in ₹)	
Particulars	2020-21	2019-20
Total cash outflow for leases	5	9

NOTE 30 - CAPITAL AND OTHER COMMITMENTS

	(Amount in ₹)	
Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1	6

NOTE 31 - CONTINGENT LIABILITIES

A. To the extent not provided for in respect of:

	(Amount in ₹)	
Particulars	March 31, 2021	March 31, 2020
i) Claims against the Company not acknowledged as debts	-	-
ii) Demand of service tax	1	-

B. Guarantees:

	(Amount in ₹)	
Particulars	March 31, 2021	March 31, 2020
Guarantees * given to a bank on behalf of others of ₹ 16 (March 31, 2020: ₹ 21) – Loan outstanding	6	9

* These are covered by first pari pasu charge created in favour of the Company's bank by way of hypothecation of current assets and receivables.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 32 - RELATED PARTY DISCLOSURES

A). List of related parties and nature of relationship:

Related parties where control exists:

(i) Subsidiaries

1. Dalmia Cement (Bharat) Limited (DCBL),
2. Dalmia Power Limited,

(ii) Step down subsidiaries

1. Calcom Cement India Limited,
2. Vinay Cement Limited,
3. RCL Cements Limited,
4. SCL Cements Limited,
5. OCL China Ltd,
6. OCL Global Limited,
7. Alstom Industries Limited,
8. Bangaru Kamakshiamman Agro Farms Private Limited,
9. Chandrasekara Agro Farms Private Limited,
10. Cosmos Cements Limited,
11. D.I. Properties Limited,
12. Dalmia Bharat Refractories Limited (formerly known as Sri Dhandauthapani Mines & Minerals Limited),
13. Dalmia DSP Limited,
14. Dalmia Minerals & Properties Limited,
15. Dalmia OCL Limited (formerly known as Ascension Comercio Private Limited) (w.e.f. October 7, 2019),
16. Geetee Estates Limited,
17. Golden Hills Resort Private Limited,
18. Hemshila Properties Limited,
19. Hopco Industries Limited,
20. Ishita Properties Limited,
21. JayeVijay Agro Farms Private Limited,
22. Shri Rangam Properties Limited,
23. Sri Madhusudana Mines & Properties Limited,
24. Sri Shanmugha Mines & Minerals Limited,
25. Sri Subramanya Mines & Minerals Limited,
26. Sri Swaminatha Mines & Minerals Limited,
27. Sri Trivikrama Mines & Properties Limited,
28. Sutnga Mines Private Limited,
29. Rajputana Properties Private Limited,
30. DPVL Ventures LLP (formerly known as TVS Shriram Growth Fund 1B LLP) (w.e.f. April 14, 2020),
31. Murli Industries Limited (w.e.f. September 10, 2020),
32. Ascension Mercantile Private Limited (w.e.f. March 23, 2021),
33. Ascension Multiventures Private Limited (w.e.f. March 23, 2021)

Other related parties:

(i) Joint ventures of DCBL

1. Khappa Coal Company Private Limited,
2. Radhikapur (West) Coal Mining Private Limited

(ii) Key management personnel (KMP)

1. Mr. Puneet Yadu Dalmia - Managing Director & CEO,
2. Mr. Gautam Dalmia- Managing Director,
3. Mr. Dharmender Tuteja - Chief Financial Officer (w.e.f. March 23, 2021),
4. Mr. Jayesh Doshi - Whole time Director & CFO (upto October 31, 2020),
5. Dr. Sanjeev Gemawat – Executive Director (Legal) and Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 32 - RELATED PARTY DISCLOSURES (CONTD.)

(iii) Directors

1. Mr. Jai Hari Dalmia - Non- Executive Director,
2. Mr. Yadu Hari Dalmia - Non- Executive Director,
3. Mr. Niddodi Subrao Rajan - Non- Executive Director (w.e.f. August 30, 2019),
4. Mr. Pradeep Kumar Khaitan - Independent Director,
5. Mr. Virendra Singh Jain - Independent Director,
6. Mrs. Sudha Pillai - Independent Director,
7. Mr. Nagrajan Gopalaswamy - Independent Director (upto September 25, 2019),
8. Mr. Dharmendar Nath Davar - Non- Executive Director (upto August 30, 2019)

Related parties with whom transactions have taken place during the year:

(iv) Trust relating to retiral benefit plan

1. Dalmia Cement Provident Fund
2. Dalmia Cement Bharat Executive Superannuation Fund

(v) Relatives of key management personnel/directors

1. Mrs. Bela Dalmia
2. Mrs. Kavita Dalmia
3. Mrs. Anupama Dalmia
4. Ms. Sukeshi Dalmia
5. Ms. Vaidehi Dalmia
6. Ms. Sumana Dalmia
7. Mrs. Chandana Jayesh Doshi (upto October 31, 2020)

(vi) Enterprises controlled/ jointly controlled by key management personnel/ directors

1. Alirox Abrasives Limited,
2. Antordaya Commercial and Holdings Private Limited,
3. Arjuna Brokers & Minerals Limited,
4. Keshav Power Limited,
5. Dalmia Bharat Foundation,
6. Dalmia Bharat Sugar and Industries Limited,
7. Dalmia Refractories Limited,
8. Dalmia Seven Refractories Limited,
9. Kanika Investment Limited,
10. Shree Nirman Limited,
11. Shri Chamundeswari Minerals Limited,
12. Rama Investment Company Private Limited,
13. Sita Investment Company Limited,
14. Himgiri Commercial Limited,
15. Himshikhar Investment Limited,
16. Valley Agro Industries Limited,
17. MAJ Textiles Private Limited,
18. Khaitan & Co. LLP,
19. Khaitan & Co.,
20. Vishnu Charitable Trust

(vii) Other related parties

1. Shri Jai Hari Dalmia C/o J. H. Dalmia (HUF) *,
2. Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF),
3. Shri Gautam Dalmia C/o Gautam Dalmia (HUF) **,
4. Kavita Dalmia Parivar Trust,
5. Shri Brahma Creation Trust,
6. J.H. Dalmia Trust,
7. Ku. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust

* dissolved on November 28, 2019

** dissolved on July 19, 2019

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 32 - RELATED PARTY DISCLOSURES (CONTD.)

B). The following transactions were carried out with the related parties in the ordinary course of business:

																				(Amount in ₹)	
Name of related party	Nature of related party	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Sale of goods and services	Sale of assets	Dividend received	Interest income		Dividend paid	Director's sitting fees	Director's commission	Remuneration paid*	Professional fee	Rent received	CSR	Recovery on account of MAT credit entitlement	Payable on account of MAT Credit entitlement	Contribution to post employment benefit plan	Loans received back	Loans given
Dalmia Cement (Bharat) Limited	Subsidiary	-	0	0	128	0	-	-		-	-	-	-	-	-	-	6	-	-	-	-
		-	(0)	(0)	(143)	-	(77)	-		-	-	-	-	-	-	-	-	(9)	-	-	-
Dalmia Power Limited	Subsidiary	-	-	-	-	-	-	30		-	-	-	-	-	-	-	-	-	-	158	343
		-	-	-	-	-	-	(26)		-	-	-	-	-	-	-	-	-	-	(7)	(3)
Alstom Industries Limited	Step down subsidiary	-	-	-	1	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Calcom Cement India Limited	Step down subsidiary	-	-	-	3	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(3)	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Dalmia DSP Limited	Step down subsidiary	-	-	-	0	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Murli Industries Limited	Step down subsidiary	-	-	-	4	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Bharat Sugar and Industries Limited	KMP/ directors controlled	0	-	-	11	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		(1)	-	-	(11)	-	(5)	-		(1)	-	-	-	-	-	-	-	-	-	-	-
Dalmia Refractories Limited	KMP/ directors controlled	-	-	-	1	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-		(0)	-	-	-	-	-	-	-	-	-	-	-
Dalmia Seven Refractories Limited	KMP/ directors controlled	-	-	-	0	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Bharat Foundation	KMP/ directors controlled	-	-	-	0	-	-	-		-	-	-	-	-	-	1	-	-	-	-	-
		-	-	-	(0)	-	-	-		-	-	-	-	-	(1)	-	-	-	-	-	-
Antordaya Commercial and Holdings Private Limited	KMP/ directors controlled	-	-	-	0	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Khaitan & Co. LLP	KMP/ directors controlled	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	-	-	-	(0)	-	-	-	-	-	-	-
Khaitan & Co.	KMP/ directors controlled	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	-	-	-	(1)	-	-	-	-	-	-	-
Alirox Abrasives Limited	KMP/ directors controlled	-	-	-	0	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-		(0)	-	-	-	-	-	-	-	-	-	-	-
Shri Chamundeswari Minerals Limited	KMP/ directors controlled	-	-	-	0	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Shree Nirman Limited	KMP/ directors controlled	-	-	-	0	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Kanika Investment Limited	KMP/ directors controlled	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	-	-	-	-	(0)	-	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 32 - RELATED PARTY DISCLOSURES (CONTD.)

(Amount in ₹)																					
Name of related party	Nature of related party	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Sale of goods and services	Sale of assets	Dividend received	Interest income		Dividend paid	Director's sitting fees	Director's commission	Remuneration paid*	Professional fee	Rent received	CSR	Recovery on account of MAT credit entitlement	Payable on account of MAT Credit entitlement	Contribution to post employment benefit plan	Loans received back	Loans given
Arjuna Brokers & Minerals Limited	KMP/ directors controlled	-	-	-	0	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Keshav Power Limited	KMP/ directors controlled	-	-	-	0	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-		(0)	-	-	-	-	-	-	-	-	-	-	-
Vishnu Charitable Trust	KMP/ directors controlled	-	-	-	0	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
Rama Investment Company Private Limited	KMP/ directors controlled	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		(32)	-	-	-	-	-	-	-	-	-	-	-
Sita Investment Company Limited	KMP/ directors controlled	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		(6)	-	-	-	-	-	-	-	-	-	-	-
Others	KMP/ directors controlled	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		(1)	-	-	-	-	-	-	-	-	-	-	-
Dalmia Cement Provident Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	7	-	-
		-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	(6)	-	-
Dalmia Cement Bharat Executive Superannuation Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	0	-	-
		-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	(0)	-	-
Mr. Jai Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	-		-	0	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		(0)	(0)	-	-	-	-	-	-	-	-	-	-
Mr. Yadu Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	-		-	0	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	(0)	-	-	-	-	-	-	-	-	-	-
Mr. Puneet Yadu Dalmia	KMP	-	-	-	-	-	-	-		-	-	-	20	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	-	-	(20)	-	-	-	-	-	-	-	-
Mr. Gautam Dalmia	KMP	-	-	-	-	-	-	-		-	-	-	15	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		(0)	-	-	(15)	-	-	-	-	-	-	-	-
Mr Jayesh Doshi	KMP	-	-	-	-	-	-	-		-	-	-	3	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		(0)	-	-	(4)	-	-	-	-	-	-	-	-
Dr. Sanjeev Gemawat	KMP	-	-	-	-	-	-	-		-	-	-	2	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	-	-	(2)	-	-	-	-	-	-	-	-
Mr. Dharmendar Nath Davar	Non- Executive Director	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	(0)	-	-	-	-	-		-	(0)	-	-	-	-	-	-	-	-	-	-
Mr. Niddodi Subrao Rajan	Non- Executive Director	-	-	-	-	-	-	-		-	0	0	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		(0)	(0)	(0)	-	-	-	-	-	-	-	-	-
Mr. Pradeep Kumar Khaitan	Director	-	-	-	-	-	-	-		-	0	0	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	(0)	(0)	-	-	-	-	-	-	-	-	-
Mr. Nagrajan Gopaldaswamy	Director	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	(0)	-	-	-	-	-	-	-	-	-	-
Mr. Virendra Singh Jain	Director	-	-	-	-	-	-	-		-	0	0	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	(0)	(0)	-	-	-	-	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 32 - RELATED PARTY DISCLOSURES (CONTD.)

(Amount in ₹)

Name of related party	Nature of related party	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Sale of goods and services	Sale of assets	Dividend received	Interest income		Dividend paid	Director's sitting fees	Director's commission	Remuneration paid*	Professional fee	Rent received	CSR	Recovery on account of MAT credit entitlement	Payable on account of MAT Credit entitlement	Contribution to post employment benefit plan	Loans received back	Loans given	
Mrs. Sudha Pillai	Director	-	-	-	-	-	-	-		-	0	0	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		-	(0)	(0)	-	-	-	-	-	-	-	-	-	-
Others	Relatives of KMP/ directors	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		(0)	-	-	-	-	-	-	-	-	-	-	-	-
Others	Other related parties	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-		(2)	-	-	-	-	-	-	-	-	-	-	-	-

All figures in () represent amount for the year ended March 31, 2020

* KMP are covered under the Company's Gratuity Scheme along with other employees of the Company. The gratuity and leave liability is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity and leave liability for KMP cannot be ascertained separately, except for the amount actually paid.

C). Balance outstanding at year end:

(Amount in ₹)

Name of related party	Nature of related party	Trade payables		Loans receivable	Interest receivable	Trade receivables	Directors' commission payable	Directors' sitting fee payable	Other current liabilities statutory dues	Remuneration payable
Dalmia Cement (Bharat) Limited	Subsidiary	-		-	-	10	-	-	-	-
		-		-	-	(15)	-	-	-	-
Dalmia Power Limited	Subsidiary	-		458	28	-	-	-	-	-
		-		(273)	(25)	-	-	-	-	-
Alstom Industries Limited	Step down subsidiary	-		-	-	0	-	-	-	-
		-		-	-	(0)	-	-	-	-
Calcom Cement India Limited	Step down subsidiary	-		-	-	0	-	-	-	-
		-		-	-	(1)	-	-	-	-
Dalmia DSP Limited	Step down subsidiary	-		-	-	0	-	-	-	-
		-		-	-	(0)	-	-	-	-
Murli Industries Limited	Step down subsidiary	-		-	-	1	-	-	-	-
		-		-	-	-	-	-	-	-
Dalmia Bharat Sugar and Industries Limited	KMP/ directors controlled	-	0	-	-	1	-	-	-	-
		-	(0)	-	-	(1)	-	-	-	-
Dalmia Refractories Limited	KMP/ directors controlled	-	-	-	-	0	-	-	-	-
		-	-	-	-	(0)	-	-	-	-
Dalmia Seven Refractories Limited	KMP/ directors controlled	-	-	-	-	0	-	-	-	-
		-	-	-	-	(0)	-	-	-	-
Dalmia Bharat Foundation	KMP/ directors controlled	-	-	-	-	0	-	-	-	-
		-	-	-	-	(0)	-	-	-	-
Shree Nirman Limited	KMP/ directors controlled	-	-	-	-	0	-	-	-	-
		-	(0)	-	-	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 32 - RELATED PARTY DISCLOSURES (CONTD.)

(Amount in ₹)										
Name of related party	Nature of related party	Trade payables		Loans receivable	Interest receivable	Trade receivables	Directors' commission payable	Directors' sitting fee payable	Other current liabilities statutory dues	Remuneration payable
Vishnu Charitable Trust	KMP/ directors controlled	-	-	-	-	0	-	-	-	-
		-	-	-	-	-	-	-	-	-
Antordaya Commercial and Holdings Private Limited	KMP/ directors controlled	-	-	-	-	0	-	-	-	-
		-	-	-	-	(0)	-	-	-	-
Khaitan & Co.	KMP/ directors controlled	-	-	-	-	-	-	-	-	-
		(1)	-	-	-	-	-	-	-	-
Shri Chamundeswari Minerals Limited	KMP/ directors controlled	-	-	-	-	0	-	-	-	-
		-	-	-	-	(0)	-	-	-	-
Dalmia Cement Provident Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	0	-
		-	-	-	-	-	-	-	(0)	-
Dalmia Cement Bharat Executive Superannuation Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	0	-
		-	-	-	-	-	-	-	(0)	-
Mr. Puneet Yadu Dalmia	KMP	-	-	-	-	-	-	-	-	1
		-	-	-	-	-	-	-	-	-
Mr. Gautam Dalmia	KMP	-	-	-	-	-	-	-	-	1
		-	-	-	-	-	-	-	-	(1)
Mr. Jai Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	(0)	-	-
Mr. Yadu Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	(0)	-	-
Mrs. Sudha Pillai	Director	-	-	-	-	-	0	-	-	-
		-	-	-	-	-	(0)	(0)	-	-
Mr. Pradeep Kumar Khaitan	Director	-	-	-	-	-	0	-	-	-
		-	-	-	-	-	(0)	(0)	-	-
Mr. Virendra Singh Jain	Director	-	-	-	-	-	0	-	-	-
		-	-	-	-	-	(0)	(0)	-	-
Mr. Niddodi Subrao Rajan	Non- Executive Director	-	-	-	-	-	0	-	-	-
		-	-	-	-	-	(0)	-	-	-
Total		0		458	28	13	1	-	0	2
		(1)		(273)	(25)	(17)	(1)	(0)	(0)	(2)

All figures in () represent balance outstanding as at March 31, 2020

Investment with related parties are disclosed in note 5.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 32 - RELATED PARTY DISCLOSURES (CONTD.)

D). Transactions with key management personnel

Compensation of key management personnel of the Company:

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
Short-term employee benefits	36	37
Post employment benefits	4	4
Share-based payment transactions	-	0
Total compensation paid to key management personnel *	40	41

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel.

* Remuneration to the key managerial personnel does not include provision made for gratuity and leave benefits as they are determined on actuarial basis for the Company as a whole.

E). Directors' interests in the Employees stock option Scheme

Share options held by certain Directors under the employees stock option scheme to purchase equity shares have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price ₹	(Amount in ₹)	
			March 31, 2021 Number Outstanding *	March 31, 2020 Number Outstanding *
January 29, 2015	January 29, 2021	108.62	-	36,000
February 03, 2016	February 03, 2022	191.77	-	16,500
			-	52,500

* Refer note 28

F). The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

NOTE 33 - FAIR VALUES

Below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Notes	(Amount in ₹)			
		Carrying value		Fair value	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets					
Financial assets carried at amortised cost					
Security deposits	9(v)	7	7	7	7
Loans to employees	6(ii) & 9(v)	2	1	2	1
Loans to a related party	9(v)	458	273	458	273
Loans to others	9(v)	30	30	30	30
Financial assets carried at fair value through profit or loss					
Investment in tax free bonds	6(i)	0	0	0	0
Investment in others	6(i)	1	2	1	2
Investment in equity shares	6(i) & 9(i)	0	0	0	0
Investments in corporate bonds	9(i)	-	254	-	254
Investment in mutual funds	9(i)	54	-	54	-
Financial liabilities					
Financial liabilities carried at amortised cost					
Borrowings	14	198	-	198	-

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 33 - FAIR VALUES (CONTD.)

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values :

- Long-term fixed-rate and variable-rate receivables/ deposit are evaluated by the Company based on parameters such as interest rates, risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair value of unquoted instruments and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair value of investment in equity shares and corporate bonds are based on quoted market price at the reporting date. Fair value of investment in mutual funds/ other venture capital fund are based on market observable inputs i.e. Net Asset Value at the reporting date.
- The fair values of the Company's interest-bearing borrowings are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non performance risk as at March 31, 2021 was assessed to be insignificant.

NOTE 34 - FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:

Particulars	Total	(Amount in ₹)		
		Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed (note 33)				
Security deposits	7	-	-	7
Loans to employees	2	-	-	2
Loans to a related party	458	-	-	458
Loans to others	30	-	-	30
Liabilities for which fair values are disclosed (note33)				
Borrowings	198	-	198	-
Assets measured at fair value				
Investment in tax free bonds	0	0	-	-
Investment in others	1	-	1	-
Investment in mutual funds	54	-	54	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2021.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 34 - FAIR VALUE HIERARCHY (CONTD.)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which fair values are disclosed (note 33)				
Security deposits	7	-	-	7
Loans to employees	1	-	-	1
Loans to a related party	273	-	-	273
Loans to others	30	-	-	30
Assets measured at fair value				
Investment in tax free bonds	0	0	-	-
Investment in others	2	-	2	-
Investment in equity shares	0	0	-	-
Investments in corporate bonds	254	254	-	-
Investment in equity shares	0	0	-	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2020.

NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables and lease liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments (debt and equity), trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include deposits, debt and equity investments, trade receivables and trade payables.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There is no outstanding forward contract and unhedged foreign currency exposure at year end.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

Outstanding balances of trade receivable comprises primarily recoverable from group companies against provision of management services. The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

Compensation of key management personnel of the Company:

Ageing	(Amount in ₹)		
	Up to 180 Days	More than 180 Days	Total
As at March 31, 2021			
Gross carrying amount (A)	13	0	13
Expected credit losses (B)	-	-	-
Net carrying amount (A-B)	13	0	13
As at March 31, 2020			
Gross carrying amount (A)	17	0	17
Expected credit losses (B)	-	-	-
Net carrying amount (A-B)	17	0	17

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and lease contracts.

The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

Ageing	(Amount in ₹)				
	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 years	Total
As at March 31, 2021					
Lease liabilities	3	4	1	-	8
Borrowings	198	-	-	-	198
Trade payables	3	-	-	-	3
Other financials liabilities	9	-	-	-	9
As at March 31, 2020					
Lease liabilities	6	11	5	1	23
Trade payables	5	-	-	-	5
Other financials liabilities	9	-	-	-	9

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 36 - CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The Company includes within net debt, borrowings, less cash and cash equivalents, other bank balances, current investments and interest accrued on current investments.

The primary objective of the Company's capital management is to maximise the shareholder value. The Company is not subject to any externally imposed capital requirements.

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
Current borrowings	198	-
Less : Cash and cash equivalents (refer note 9(iii))	(6)	(113)
Less : Bank balances other than cash and cash equivalents (refer note 9(iv))	(5)	(17)
Less : Current investments (refer note 9(i))	(54)	(254)
Less : Interest receivable on current investments (refer note 9(vi))	-	(8)
Net debt	134	(392)
Total capital	7,266	7,642
Capital and net debt	7,400	7,250
Gearing Ratio	1.81%	N/A

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

NOTE 37 - DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	0
- Principal amount due to micro and small enterprises	-	-
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied upon by the auditors.

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 38 - DETAILS OF LOANS AND ADVANCES IN NATURE OF LOANS TO SUBSIDIARIES, PARTIES IN WHICH DIRECTORS ARE INTERESTED AND INVESTMENTS BY THE LOANEE IN THE SHARES OF THE COMPANY AS REQUIRED BY REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:-

Particulars	March 31, 2021		March 31, 2020	
	Outstanding amount as at end of financial year	Maximum amount outstanding during financial year	Outstanding amount as at end of financial year	Maximum Amount outstanding during financial year
Loans to Subsidiary Company				
Dalmia Power Limited	458	494	273	278

Note: Investment in subsidiaries are disclosed in note 5.

NOTE 39 - THE COMPANY HAS GIVEN LOANS TO VARIOUS COMPANIES. LOANS/ ADVANCES OUTSTANDING AS AT YEAR END IS GIVEN IN BELOW MENTIONED TABLE ALONG WITH PURPOSE OF THE LOAN/ ADVANCES AS REQUIRED U/S 186(4) OF THE COMPANIES ACT, 2013:

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
Loans given for general corporate purpose		
Dalmia Power Limited (8.50% p.a. - 9.00% p.a.)	458	273
Rewas Ports Limited (10.00% p.a.)	30	30

The above loans are unsecured.

Particulars of Guarantee Given:

Sl No.	Particulars	Purpose	(Amount in ₹)			
			Guarantee given during the financial year		Outstanding amount as at	
			2020-21	2019-20	March 31, 2021	March 31, 2020
1	Guarantees given	Business Purpose	6	21	16	21

Particulars of Investments Made

	Investments made during the financial year		Outstanding amount as at	
	2020-21	2019-20	March 31, 2021	March 31, 2020
Corporate Bonds	-	213	-	254

The details of investment of the Company are given in note 9(i).

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 40 - DISCLOSURE PURSUANT TO IND AS 27 - SEPARATE FINANCIAL STATEMENTS

Investments in the following subsidiary companies are accounted for at cost.

(Amount in ₹)

Name of subsidiary company	Country of incorporation	% of ownership held as at	
		March 31, 2021	March 31, 2020
Dalmia Cement (Bharat) Limited	India	100.00%	100.00%
Dalmia Power Limited	India	100.00%	100.00%

NOTE 41 - SEGMENT INFORMATION

The Company is primarily engaged in providing management services to the group companies in India. There are no separate reportable segments (business and/ or geographical) in accordance with the requirements of Ind AS 108 'Operating segment' and hence no additional disclosures are provided in the financial statements.

Revenue from major customers:

Revenue from major customers with % of total revenue are as below:

(Amount in ₹)

	Year ended March 31, 2021		Year ended March 31, 2020	
	Revenue (₹)	Revenue %	Revenue (₹)	Revenue %
Dalmia Cement (Bharat) Limited	128	87%	143	95%

NOTE 42

Post removal of technical difficulties for uploading the e-forms with respect to transfer of unpaid/unclaimed dividend for the financial year 2011-12, declared by erstwhile Dalmia Bharat Limited and erstwhile OCL India Limited, the said unpaid/unclaimed dividend had been transferred to the Investor Education and Protection Fund (IEPF) and as on March 31, 2021, no amount is pending for transfer to the IEPF.

NOTE 43

During the year ended March 31, 2021, Serious Fraud Investigation Office (SFIO) has sought certain information/ documents from the Company with regard to an investigation based on complaints filed by an associate of Bawri Group (other shareholder of Calcom Cement India Limited, a subsidiary of Dalmia Cement (Bharat) Limited (DCBL)), who are into litigation with DCBL. The Company has since provided the requisite information/ documents to SFIO. The Company presently believes that this does not have any material impact on the financial statements.

NOTE 44

The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial statements. The Company believes that pandemic is unlikely to impact on the recoverability of carrying value of its assets as at March 31, 2021. The Company is taking all necessary measures to secure the health and safety of its employees, workers and their families.

NOTE 45

Previous year figures have been re-grouped/ rearranged wherever necessary to conform to the current year's classification.

As per our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

Amit Goel
Partner
Membership No.: 500607

Place : New Delhi
Date : April 30, 2021

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Puneet Yadu Dalmia
Managing Director & CEO
DIN: 00022633

Dharmender Tuteja
Chief Financial Officer

Gautam Dalmia
Managing Director
DIN: 00009758

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669



FINANCIAL STATEMENT (Consolidated)

INDEPENDENT AUDITORS' REPORT

To the Members of Dalmia Bharat Limited Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **Dalmia Bharat Limited** ("the Company" or "Holding Company") and its subsidiaries including step down subsidiaries (the Company and its subsidiaries including step down subsidiaries together referred to as "the Group") and its joint venture company, which comprise the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries including step down subsidiaries and information provided by the management for its joint venture company referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended, (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture company as at March 31, 2021, their consolidated profit, consolidated total comprehensive income, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group and its joint venture company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

EMPHASIS OF MATTER

We draw attention to :

- Note 4(b)(ii) to the accompanying consolidated financial statements for the year ended March 31, 2021 which describes that the Group had recognised goodwill arisen on giving impact of such Schemes from the appointed date, which is being amortised over a period of 10 years in accordance with the provisions of respective schemes from the respective appointed date, approved by the Hon'ble National Company Law Tribunal, Chennai Bench. As a result of above amortisation, profit before tax for the year ended March 31, 2021 is lower by Rs. 203 crore.
- Note 35(B) to the accompanying consolidated financial statements in respect of dispute between one of the Company's subsidiary namely Dalmia Cement (Bharat) Limited (DCBL) and Bawri Group (BG), minority shareholder of a step down subsidiary. During the year, Arbitral Tribunal has passed the Award according to which DCBL has to pay Rs. 30 crore along with interest and cost of arbitration amounting to Rs. 16 crore to BG. The Award has further rejected DCBL's claim of refund of Rs. 59 crore in respect of investment in optionally redeemable convertible debentures and awarded to transfer 0.01% equity in Saroj Sunrise Private Limited (a BG Group company) against it. Based on the legal opinion, DCBL has challenged the above arbitral award before the Delhi High Court. Management is of the view that no adjustments are required towards the interest, charges and impairment of investment in these consolidated financial statements.
- Note 9(i)(1) to the accompanying consolidated financial statements, the Company's subsidiary namely DCBL, in the financial year ended March 31, 2019, certain mutual fund units ("Securities") appearing as current investments, valued at Rs. 390 crore as on March 31, 2021 (value as on March 31, 2019 Rs. 344 crore) were illegally and fraudulently transferred by one of the Depository Participants ("DPs"), from demat accounts of DCBL's erstwhile subsidiaries namely OCL India Limited and Dalmia Cement East Limited (which were merged with DCBL). Pursuant to the complaint lodged by the DCBL, Economic Offences Wing, Delhi ("EOW") seized the Securities and have also filed charge sheet against DP, its Managing Director, Clearing Agent and its business head for committing various offences under Indian Penal Code and further, criminal court has already taken cognizance of the matter. The matter of release of seized securities reached Supreme Court. During the year, these Securities have been credited in DCBL's

account pursuant to the Order of Hon'ble Supreme Court upon furnishing bank guarantee of Rs. 344 crore to the Trial Court. The Group is fully confident that there is no loss to DCBL and hence, no provision is required in these consolidated financial statements.

Our opinion is not modified in respect of above matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment and in the judgment of the component auditors, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters identified by us and the component auditors (as stated in their respective audit reports) are referred in Annexure I attached herewith to this report.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITY OF THE MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its joint venture company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture company are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the

Group and its joint venture company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint venture company are responsible for assessing the ability of the Group and of its joint venture company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint venture company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture company are also responsible for overseeing the financial reporting process of the Group and of its joint venture company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing

our opinion on whether the Company and its subsidiary companies including step down subsidiaries and joint venture company which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

- We did not audit the financial statements/financial information of twenty-two (22) subsidiaries/step down subsidiaries whose financial statements/financial information reflect total assets of Rs. 20,225 crore as at March 31, 2021; total revenue of Rs. 10,558 crore, total profit after tax of Rs. 799 crore, total comprehensive income of Rs. 932 crore and net cash outflow amounting to Rs. 68 crore for the year ended March 31, 2021, as considered in these consolidated financial statements. These financial statements and other financial information of these subsidiaries / step down subsidiaries have been audited by other auditors whose audit reports for the year ended March 31, 2021 have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries/step down subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries/step down subsidiaries, is based solely on the report of the other auditors.
- The consolidated financial statements also include the Group's share of profit including other comprehensive income of Rs. 0 crore for the year ended March 31, 2021 in respect of a joint venture company, whose financial statements have been considered on the basis of the management certified accounts in these consolidated financial statements. Our report on the consolidated financial statements, to the extent it concerns this joint venture company, for the year ended March 31, 2021 is based solely on the management certified financial statements. This joint venture company is not considered material to the Group.

Our opinion on the consolidated financial statements above and our report on the Other Legal and Regulatory Requirement below, is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors and information provided in relation to management certified financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the considerations of the reports of the other auditors on separate financial statements of the subsidiaries including step down subsidiaries and management certified financial statements for its joint venture company as referred to in the Other Matters paragraph above we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of

the aforesaid consolidated financial statements;

- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
- On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies/step down subsidiaries and management certified financial statements and its joint venture company incorporated in India, none of the directors of the Group and its joint venture company is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- With respect to the adequacy of the internal financial

controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Group and its joint venture Company incorporated in India.

- In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company to their directors in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act;
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us;
 - The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group and its joint venture company - Refer Note 35 to the consolidated financial statements;
 - The Group and its joint venture company did not have any material foreseeable losses on long term contracts including derivative contracts; and
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies including step down subsidiaries and joint venture company incorporated in India.

For S.S. Kothari Mehta & Company
Chartered Accountants
ICAI Firm registration number: 000756N

AMIT GOEL
Partner
Membership No: - 500607

Place: New Delhi
Date: April 30, 2021
UDIN: 21500607AAAFFD5224

ANNEXURE – 1 OF THE AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 DATED APRIL 30, 2021

S. No.	Component	Key audit matters	How our audit addressed the key audit matters
1.	Dalmia Cement (Bharat) Limited ("DCBL") (Subsidiary Company)	<p>Revenue recognition as per Ind AS 115</p> <p>The accounting policies for revenue recognition are set out in Note 1B(iii)(f) to the consolidated financial statements.</p> <p>The terms of sales arrangements, including the timing of transfer of control, the nature of discount and rebates arrangements and delivery specifications, create complexity and judgment in determining sales revenues and accordingly, it was determined to be a key audit matter.</p>	<p>As reported by the auditors of DCBL, following procedures are performed by them:</p> <ul style="list-style-type: none"> Considered the appropriateness of DCBL's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. Assessed the design and tested the operating effectiveness of internal controls related to sales and related rebates and discounts; Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. In respect of the samples selected, tested that the revenue has been recognized as per the sales agreements; Assessed the relevant disclosures made in its separate standalone financial statements.
		<p>Additions to property, plant & equipment</p> <p>During the year, DCBL has capitalized (including CWIP) property, plant and equipment amounting to Rs. 1,341 crore related to construction of Clinker Manufacturing Plant at Rajgangpur and Rs. 244 crore related to construction of Cement Grinding plant at Bengal Cement Works and added the capacity. Management of DCBL evaluates the costs incurred and applies judgment to identify costs that are eligible for capitalization and consequent allocation to specific class of property, plant and equipment.</p> <p>Judgment is also involved in determining when the plant is ready for use as intended by the management and qualifies for capitalization. We identified the capitalization (including CWIP) of costs incurred for construction of Clinker plant at Rajgangpur and Bengal Cement Works as key audit matter due to the significance of the capital expenditure, risk of inappropriate timing of capitalization and risk that the elements of costs are inappropriately capitalised or classified in accordance with the relevant standard.</p>	<p>As reported by the auditors of DCBL, following Audit procedures included and were not limited to the following:-</p> <ul style="list-style-type: none"> Assessed the appropriateness of the accounting policy for property, plant and equipment as per the relevant accounting standard; Performing walk-through of the capitalization process and testing the design and operating effectiveness of the controls in the process. Assessing the nature of the additions made to property, plant and equipment and capital work in-progress on a test check basis to test that they meet the recognition criteria as set out in Ind AS 16, including any such costs incurred during the trial run. Assessing that the borrowing cost capitalised is in accordance with the accounting policy of DCBL. Reviewing the project completion certificate provided by the management to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard.
2.	DCBL		

S. No.	Component	Key audit matters	How our audit addressed the key audit matters
3.	DCBL	<p>Impairment assessment of carrying value of goodwill</p> <p>(a) DCBL is carrying goodwill Rs.763 crore (net of amortization) arisen on giving impact of Scheme of arrangement and amalgamations relating to slump exchange of undertaking of Dalmia Bharat Limited on going concern basis;</p> <p>(b) DCBL is also carrying goodwill arisen on Amalgamation of erstwhile subsidiary Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited. As per the Scheme of Arrangement, excess of cost of investment made over the net assets taken in transferor companies aggregating to Rs. 21 crore has been recorded as goodwill.</p> <p>For performing the impairment testing, the Company has used discounted cash flows method to determine the recoverable amount, these discounted cash flow calculations use five-year projection those are based on annual forecasts and present trends.</p> <p>As required under Ind AS 36 goodwill arising on such Schemes of Arrangement and Amalgamation is required to be tested for impairment on annual basis.</p> <p>The estimated recoverable amount of the goodwill is calculated as the higher of the value -in-use or fair value less costs to dispose, which involve significant estimates, assumptions and judgements on future growth rates, discount rates etc.</p>	<ul style="list-style-type: none"> DCBL Auditors have evaluated that the assumptions used by the management are in line with the present trend and information available. DCBL Auditors have obtained and read the valuation report used by the management for determining the fair value of the cash generating unit. DCBL Auditors have assessed the valuation methodology used by the valuer and its professional competence and expertise. Made inquiries with management to understand drivers of the cash flow forecasts like discount rates, capitalization rates, expected growth rates and terminal growth rates used. Performed a sensitivity analysis on certain assumptions like discount rates and capitalization rates. DCBL Auditors have assessed the disclosures included in its separate standalone financial statements. (refer note 4(b)(i) of consolidated financial statements).
		<p>Trade Receivables and Advances given</p> <p>DCBL has trade receivables and advances given. DCBL has taken necessary steps including legal action, whenever applicable, for the recovery of these balances.</p> <p>There are balances with slow recovery rate for which expected credit loss assessment has been done which involve judgement as to the recoverability and discounting of those receivables.</p>	<ul style="list-style-type: none"> DCBL Auditors have evaluated the various correspondence made with the parties and other follow up actions taken by the Company, including but not limited to legal process, meetings, notices etc. DCBL Auditors read and evaluated the legal advice/ opinions obtained by the Company in respect of recoverability of amounts, whenever applicable. DCBL Auditors have evaluated the underlying documents against which these amounts are paid/ accrued as per eligibility criteria.
4.	DCBL		

S. No.	Component	Key audit matters	How our audit addressed the key audit matters
		Based on the past experience of realization and steps taken by the DCBL, it is confident of the recovery of these balances in due course. Considering the amount involved of such receivables, this matter has been considered significant for audit.	<ul style="list-style-type: none"> Made inquiries with management to understand assumptions of the expected loss assessment like time period and recoverability assessment. DCBL Auditors have obtained the representation from the management. DCBL Auditors have assessed the adequacy of the disclosures included in its separate standalone financial statements.
5.	DCBL and Calcom Cement India Limited along with its subsidiaries ("CCIL") (step down subsidiaries of DCBL)	<p>Subsidies/Incentives receivables from Government</p> <p>DCBL and CCIL have subsidies receivables against various schemes of the state / central government. These Companies have recognized such subsidies receivables as per the various provisions of the schemes.</p> <p>The amount of such subsidies are re-verified at the various levels by the government authorities and funds are released according to the availability of the overall funds for disposal with these authorities.</p> <p>Therefore, the above process requires a period of time for which management uses assumptions in respect of discount rate and estimated time for receipt of funds from government as specified in their respective separate standalone financial statement (refer note 6(iii) and 9(vi) if the consolidated financial statements).</p> <p>DCBL has accounted such incentives/ subsidies receivables at fair value based on the expected period of realization using adjusted incremental borrowings rate.</p> <p>Such expected period has been estimated considering the past trend of the realization.</p> <p>Considering, the nature and amount of receivables and estimating the expected time period of realization of receivables, which requires application of significant judgement to record them at fair value, we consider this as a significant key audit matter from the perspective of our audit.</p>	<ul style="list-style-type: none"> DCBL and CCIL Auditors assessed that the subsidies / incentives are recognized by the Company and checked the compliance with the eligibility criteria. DCBL and CCIL Auditors have evaluated the process of estimation of time period of realization by the management. DCBL and CCIL Auditors have tested the documentation on sample basis regarding the procedural delays in realizing the said incentives / subsidies. DCBL and CCIL Auditors have assessed the methodology applied by the Company to comply with the requirements of Ind AS- 20 and Ind AS- 39. DCBL and CCIL Auditors have evaluated the design and tested the operating effectiveness of controls around the measurement of the said incentives / subsidies. We have tested arithmetical accuracy by performing recalculation procedure of the said incentives / subsidies where applicable. DCBL and CCIL Auditors have assessed the adequacy of the disclosures included in their respective separate standalone financial statements (refer note 6(iii) and 9(vi) of the consolidated financial statements)
6.	DCBL	<p>Litigations Matters & Contingent liabilities</p> <p>DCBL is subject to claims and litigations. Major risks identified by the Company in that area relate to claims against the company and taxation matters. The amounts of claims and litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment.</p>	<ul style="list-style-type: none"> Assessing the procedures implemented by the company to identify and gather the risks it is exposed to. Discussion with the management on the development in these litigations during the year ended March 31, 2021.

S. No.	Component	Key audit matters	How our audit addressed the key audit matters
		DCBL is subject to claims and litigations. Major risks identified by the Company in that area relate to claims against the company and taxation matters. The amounts of claims and litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment.	<ul style="list-style-type: none"> Obtaining an understanding of the risk analysis performed by the company, with the relating supporting documentation and studying written statements from internal / external legal experts, when applicable. Verification that the accounting and / or disclosures as the case may be in the standalone financial statements is in accordance with the assessment of legal counsel/management. Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.
7.	Murli Industries Limited (subsidiary of DCBL MIL)	<p>Accounting Treatment for the effect of Resolution Plan</p> <p>Refer note 59 to the consolidated financial statements for the details regarding the resolution plan implemented in the Company in pursuant to a Corporate Insolvency Resolution Process concluded during the year under Insolvency and Bankruptcy Code, 2016.</p> <p>Prior to approval of the Resolution Plan by National Company Law Tribunal ("NCLT") dated July 22, 2019 and confirmed by National Company Law Appellate Tribunal ("NCLAT") vide its order dated January 24, 2020, MIL had outstanding credit facilities from several institution and had outstanding operational creditors.</p> <p>Owing to the size of over-due facilities, multiplicity of contractual arrangement and large number of operational creditors, determination of the carrying amount of related liabilities at the date of approval of the Resolution Plan was a complex exercise.</p> <p>Further, comprehending the provision of the Resolution Plan and determining the appropriateness of the accounting treatment thereof, more particularly the accounting treatment of de-recognition of liabilities, required significant judgement and estimates, including estimates, including consideration of the accounting principles to be applied for the presentation of difference between carrying amount of novated debt and consideration paid therefor.</p> <p>Accounting for the effect of the resolution plan is considered by us to be a matter of most significance due to its importance to intended user's understanding of the financial statements as a whole and materiality thereof.</p>	<p>Resolution plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the financial statements.</p> <ul style="list-style-type: none"> Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents on a test check basis. Verified the underlying documents supporting the receipt and payment of funds as per Resolution Plan. Tested the implementation of provisions of the Resolution Plan in computation of balance of liabilities owed to financial and operational creditors. Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS. Tested the related disclosures made in notes to the financial statements in respect of the implementation of the resolution plan.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DALMIA BHARAT LIMITED DATED APRIL 30, 2021 ON ITS CONSOLIDATED FINANCIAL STATEMENTS

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

Our reporting on the internal financial control with reference to consolidated financial statements is not applicable in respect of two step down subsidiaries incorporated outside India.

In conjunction with our audit of the consolidated financial statements of **Dalmia Bharat Limited** as of and for the year ended March 31, 2021, we have audited the Internal Financial Controls over Financial Reporting of **Dalmia Bharat Limited** (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries/ step down subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture company all incorporated in India, for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiaries/step down subsidiaries and its joint venture company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries/ step down subsidiaries and its joint venture company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective companies policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Group and its joint venture company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and, both issued by the Institute of ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in term of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting with reference to these consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Group and its joint venture incorporated in India have maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Group and its joint venture considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi
Date: April 30, 2021
UDIN: 21500607AAAAFD5224

OTHER MATTERS

- Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to twenty two subsidiaries/step down subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.
- Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal controls over financial reporting does not cover in so far as it relates to one joint venture company, which is company, incorporated in India, as the financial statements of this joint venture company is management certified. This joint venture company is not considered material to the Group.

Our audit report on the adequacy and operating effectiveness of the internal financial controls over financial reporting is not modified in respect of above matters.

For S.S. Kothari Mehta & Company
Chartered Accountants
ICAI Firm registration number: 000756N

Amit Goel
Partner
Membership No: - 500607

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	9,922	8,419
Capital work-in-progress	3	938	1,702
Investment properties	4(a)	1	0
Goodwill	4(b)	1,011	1,218
Other intangible assets	4(c)	2,607	2,750
Right-of-use assets	33(a)	197	168
Intangible assets under development		75	38
Biological assets other than bearer plants	4(d)	0	0
Investments	5	96	93
Financial assets			
(i) Investments	6(i)	25	25
(ii) Loans	6(ii)	69	71
(iii) Other financial assets	6(iii)	91	132
Income tax assets (net)		64	72
Other non-current assets	7	231	254
		15,327	14,942
Current assets			
Inventories	8	924	974
Financial assets			
(i) Investments	9(i)	3,293	2,698
(ii) Trade receivables	9(ii)	688	664
(iii) Cash and cash equivalents	9(iii)	258	266
(iv) Bank balances other than (iii) above	9(iv)	53	137
(v) Loans	9(v)	92	71
(vi) Other financial assets	9(vi)	618	705
Other current assets	10	408	419
Assets held for sale	11	149	2
		6,483	5,936
Total assets		21,810	20,878
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	37	39
Other equity	13	12,589	10,522
Equity attributable to Owners of the Parent Company		12,626	10,561
Non-controlling interest		37	25
Total equity		12,663	10,586
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14(i)	2,089	3,505
(ii) Lease liabilities	33(a)	102	59
(iii) Trade payables	14(ii)	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		-	3
(iv) Other financial liabilities	14(iii)	5	3
Provisions	15	171	140
Government grants	16	105	122
Deferred tax liabilities (net)	17	1,634	1,277
Other non current liabilities	18	85	94
		4,191	5,203
Current Liabilities			
Financial liabilities			
(i) Borrowings	19(i)	838	1,246
(ii) Lease liabilities	33(a)	31	40
(iii) Trade payables	19(ii)	-	-
- total outstanding dues of micro enterprises and small enterprises		20	13
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,031	816
(iv) Other financial liabilities	19(iii)	2,098	2,264
Provisions	20	116	64
Government grants	16	19	18
Current tax liabilities (net)		48	77
Other current liabilities	21	755	551
		4,956	5,089
Total liabilities		9,147	10,292
Total Equity and Liabilities		21,810	20,878
Significant accounting policies	1B		

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For S.S. Kothari Mehta & CompanyChartered Accountants
Firm Registration No. 000756N**Amit Goel**Partner
Membership No.: 500607

Place : New Delhi

Date : April 30, 2021

For and on behalf of the Board of Directors of Dalmia Bharat Limited**Puneet Yadu Dalmia**
Managing Director & CEO
DIN: 00022633**Dharmender Tuteja**
Chief Financial Officer**Gautam Dalmia**
Managing Director
DIN: 00009758**Dr. Sanjeev Gemawat**
Company Secretary
Membership No. F 3669**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	22	10,522	9,674
Other income	23	182	217
Total Income		10,704	9,891
Expenses			
Cost of raw materials consumed	24	1,671	1,654
Purchases of stock in trade		41	67
Changes in inventories of finished goods, work-in-progress and stock in trade	25	68	25
Employees benefits expense	26	713	675
Finance costs:			
- Interest Cost	27(a)	314	361
- Other borrowing costs (including exchange differences on borrowings (net))	27(b)	(11)	54
Foreign currency fluctuation (net)		(8)	23
Depreciation and Amortisation Expense	2(viii)	1,262	1,528
Power and fuel (refer note 44)		1,672	1,738
Freight charges:			
- on finished goods		1,836	1,681
- on internal clinker transfer		251	214
Other expenses	28	1,487	1,514
Total expenses		9,296	9,534
Profit before tax		1,408	357
Tax expense (refer note 17)			
Current tax		22	114
Deferred tax charge/ (credit)		374	(16)
Tax adjustments for earlier years		(231)	21
Total tax expense		165	119
Profit after tax for the year before share in profit of joint ventures		1,243	238
Add: Share in profit of joint ventures		0	0
Profit for the year (A)		1,243	238
Profit for the year attributable to:			
Non-controlling interest		12	14
Owners of the Parent Company		1,231	224
Other comprehensive income (OCI)			
(i) Items that will not be reclassified to profit or loss			
- Re-measurement (loss) on defined benefit plans		(4)	(8)
- Change in fair value of financial instruments through other comprehensive income		1,227	(214)
- Income tax relating to items that will not be reclassified to profit or loss		(128)	4
(ii) Items that will be reclassified to profit or loss			
- Exchange difference on translation of foreign operations		0	7
- Income tax relating to item that will be reclassified to profit or loss		-	-
Other comprehensive income/ (loss) for the year (B)		1,095	(211)
Other comprehensive income/ (loss) for the year attributable to:			
Non-controlling interest		0	(0)
Owners of the Parent Company		1,095	(211)
Total comprehensive income for the year (A+B)		2,338	27
Total comprehensive income for the year attributable to:-			
Non-controlling interest		12	14
Owners of the Parent Company		2,326	13
Earnings per share			
[Nominal value of Rupees 2 (Rupees 2) each]			
Basic (In Rupees)		65.65	11.61
Diluted (In Rupees)		65.55	11.58
Significant accounting policies	1B		

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For S.S. Kothari Mehta & CompanyChartered Accountants
Firm Registration No. 000756N**Amit Goel**Partner
Membership No.: 500607

Place : New Delhi

Date : April 30, 2021

For and on behalf of the Board of Directors of Dalmia Bharat Limited**Puneet Yadu Dalmia**
Managing Director & CEO
DIN: 00022633**Dharmender Tuteja**
Chief Financial Officer**Gautam Dalmia**
Managing Director
DIN: 00009758**Dr. Sanjeev Gemawat**
Company Secretary
Membership No. F 3669

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

a. Equity share capital:

Equity shares of ₹ 2 each issued, subscribed and fully paid	No. of Shares	Amount in ₹
As at April 1, 2019	19,29,58,553	39
Change in equity share capital	-	-
As at March 31, 2020	19,29,58,553	39
Changes in equity share capital:		
Shares bought back and extinguished during the year (note 12(a))	(61,66,540)	(1)
Shares issued on exercise of employee stock options (note 32)	3,25,500	0
As at March 31, 2021	18,71,17,513	37

b. Other equity:

(Amount in ₹)

Particulars	Attributable to Owners of the Parent Company				Attributable to Owners of the Parent Company						Attributable to non controlling interest	Total other equity
	Reserve and Surplus				Debt redemption reserve	Retained earnings	Employee stock option outstanding	Other Comprehensive Income		Total other equity attributable to owners of the parent company		
	Securities premium	Capital reserve	General reserve	Capital redemption reserve				Exchange difference on translation of foreign operations	Equity instruments through OCI			
As at April 1, 2019	7,699	277	3	-	250	1,844	14	2	511	10,600	11	10,611
Profit for the year	-	-	-	-	-	224	-	-	-	224	14	238
Other comprehensive income (net of tax)	-	-	-	-	-	(6)	-	-	-	(6)	(0)	(6)
Re-measurement (loss) on defined benefit plan	-	-	-	-	-	-	-	-	(213)	(213)	-	(213)
Change in fair value of financial instruments through OCI	-	-	-	-	-	-	-	7	-	7	0	7
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	218	-	7	(213)	12	14	26
Exercise of employee stock options	7	-	-	-	-	-	(7)	-	-	-	-	-
Employee stock option expense (refer note 32)	-	-	-	-	-	-	4	-	-	4	-	4
Transfer to retained earnings on sale of equity instruments through OCI	-	-	-	-	-	7	-	-	(7)	-	-	-
Transferred to general reserve	-	-	1	-	-	(1)	-	-	-	-	-	-
Transfer to debt redemption reserve	-	-	-	-	(195)	195	-	-	-	-	-	-
Reserve released during the year	-	-	-	(0)	-	-	-	-	-	-	-	-
Share issue expenses	(1)	-	-	-	-	-	-	-	-	-	-	-
Dividends paid (including dividend distribution tax) (refer note 13)	-	-	-	-	-	(93)	-	-	-	(93)	-	(93)
As at March 31, 2020	7,705	277	4	(0)	55	2,170	11	9	291	10,522	25	10,547
As at April 1, 2020	7,705	277	4	(0)	55	2,170	11	9	291	10,522	25	10,547
Profit for the year	-	-	-	-	-	1,231	-	-	-	1,231	12	1,243
Other comprehensive income (net of tax)	-	-	-	-	-	(3)	-	-	-	(3)	(0)	(3)
Re-measurement (loss) on defined benefit plan	-	-	-	-	-	-	-	-	1,098	1,098	-	1,098
Change in fair value of financial instruments through OCI	-	-	-	-	-	-	-	0	-	-	0	0
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	1,228	-	0	1,098	2,326	12	2,338
Premium on issue of employee stock options	5	-	-	-	-	-	-	-	-	5	-	5
Exercise of employee stock options	7	-	-	-	-	-	(7)	-	-	-	-	-
Employee stock option expense (refer note 32)	-	-	-	-	-	-	2	-	-	2	-	2
Transfer to retained earnings on sale of equity instruments through OCI	-	-	-	-	-	149	-	-	(149)	-	-	-
Transferred to general reserve	-	-	0	-	-	(0)	-	-	-	-	-	-
Acquisition of a subsidiary (refer note 59)	-	141	-	-	-	-	-	-	-	141	-	141
Transfer to debt redemption reserve	-	-	-	-	(36)	36	-	-	-	-	-	-
Reserve released during the year	-	(0)	-	-	-	-	-	-	-	(0)	-	(0)
Amount paid upon buyback of equity shares (refer note 12(a))	(328)	-	-	-	-	-	-	-	-	(328)	-	(328)
Tax on buyback of equity shares (refer note 12(a))	(76)	-	-	-	-	-	-	-	-	(76)	-	(76)
Transaction costs for buyback of equity shares (refer note 12(a))	(3)	-	-	-	-	-	-	-	-	(3)	-	(3)
Amount transferred to capital redemption reserve upon buyback (refer note 12(a))	-	-	-	1	-	(1)	-	-	-	-	-	-
Amount transferred from retained earnings upon redemption of preference shares	-	-	-	0	-	(0)	-	-	-	-	-	-
As at March 31, 2021	7,310	418	4	1	19	3,582	6	9	1,240	12,589	37	12,626

The accompanying notes form an integral part of these consolidated financial statements.

For description of the purposes of each reserve within equity, refer note 13 of these consolidated financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company

Chartered Accountants

Firm Registration No. 000756N

Amit Goel

Partner

Membership No.: 500607

Place : New Delhi

Date : April 30, 2021

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Puneet Yadu Dalmia
Managing Director & CEO
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Dharmender Tuteja
Chief Financial Officer

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)			
	Notes	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from operating activities			
Profit before tax		1,408	357
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation	2(viii)	1,262	1,528
Impairment allowance (net)		11	20
Bad debts/ advances written off (net)	28	4	2
Reversal of impairment in value of investment of joint venture	23	(4)	-
Liabilities no longer required written back	23	(0)	(26)
Expenses on employees stock options scheme	26	1	2
Dividend (income)	23	(15)	(13)
Exchange difference (net)		(23)	73
Interest expense (including other borrowing costs)		319	364
Interest income		(116)	(110)
Gain on termination of leases	23	(2)	-
(Gain) on change of fair value of investments measured at FVTPL	23	(14)	(2)
(Profit) on sale of investments (net)	23	(26)	(57)
(Profit) on disposal of property, plant and equipment (net)	23	(4)	(1)
Share in profit of limited liability partnership investment (post tax)	23	-	(7)
Share of profit of a joint venture		0	0
Operating profit before working capital changes		2,801	2,130
Working capital adjustments:			
Decrease in inventories		50	59
(Increase)/ decrease in trade receivables		(28)	127
Decrease in financial and other assets		140	156
Increase/ (decrease) in trade and other payables		548	(7)
Increase/ (decrease) in provisions and government grants		42	(59)
Cash generated from operations		3,553	2,406
Income tax refund/ (paid) (net)		43	(66)
Net cash flow from operating activities		3,596	2,340
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangibles		(1,046)	(1,350)
Proceeds from sale of property, plant and equipment		8	5
(Purchase) of non current investments		-	(2)
Proceeds from sale of current investments (net)		672	(542)
Loans given to a body corporate		(26)	-
Loans repaid by a body corporate		3	-
Acquisition of subsidiaries	59	(69)	-
Loan given in relation to business acquisition		(35)	-
Fixed deposits matured (having original maturity of more than three months)		94	47
Share in profit of limited liability partnership investment (post tax)	23	-	7
Interest received		108	62
Dividend received	23	15	13
Net cash flow (used) in investing activities		(276)	(1,760)
C. Cash flow from financing activities			
Payment on buyback of equity shares		(329)	-
Tax on buyback of equity shares		(76)	-
Transaction costs for buyback of equity shares		(0)	(3)
Proceeds from issue of shares on exercise of stock options		5	-
Proceeds from long term borrowings		1,277	1,071
(Repayment) of long term borrowings		(3,106)	(1,366)
Availment of short term foreign currency loan		193	564
(Repayment) of short term foreign currency loan		(477)	(498)
(Repayment) of borrowings pursuant to acquisition of a subsidiary *		(294)	-
Proceeds/ (repayment) of other short term borrowings (net)		(118)	241
Interest paid		(396)	(467)
Payment of principal portion of lease liabilities		(45)	(43)
Dividends paid (including dividend distribution tax)	13	-	(93)
Net cash flow (used in) financing activities		(3,366)	(594)
Net (decrease) in cash and cash equivalents (A+B+C)		(46)	(14)
Cash and cash equivalents at the beginning of the year		266	280
Add: Cash and cash equivalents on acquisition of a subsidiary	59	35	-
Add: Effect of exchange rate fluctuation		(0)	0
Cash and cash equivalents at the end of the year	9(iii)	255	266

* includes ₹ 17 towards non current borrowings.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

Notes:

(a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) 'Statement of Cash Flow'.

(b) Changes in liabilities arising from financing activities:

(Amount in ₹)							
Particulars	As at April 1, 2020	Cash flows	Fair value changes	Foreign exchange Movement	Acquisition of subsidiary	Others	As at March 31, 2021
Non current borrowings (including current maturities of non current borrowings)	4,704	(1,846)	16	(3)	17	(2)	2,886
Current borrowings (refer note 19(i))	1,246	(679)	-	(7)	279	-	838
Particulars	As at April 1, 2019	Cash flows	Fair value changes	Foreign exchange movement		Others	As at March 31, 2020
Non current borrowings (including current maturities of non current borrowings)	4,970	(295)	(18)	58		(11)	4,704
Current borrowings (refer note 19(i))	908	307	-	31		-	1,246

For lease liabilities, refer note 33(a).

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For S.S. Kothari Mehta & CompanyChartered Accountants
Firm Registration No. 000756N**Amit Goel**Partner
Membership No.: 500607**Place :** New Delhi
Date : April 30, 2021**For and on behalf of the Board of Directors of Dalmia Bharat Limited****Puneet Yadu Dalmia**
Managing Director & CEO
DIN: 00022633**Gautam Dalmia**
Managing Director
DIN: 00009758**Dharmender Tuteja**
Chief Financial Officer**Dr. Sanjeev Gemawat**
Company Secretary
Membership No. F 3669

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 1 (CONTD.)

A. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of Dalmia Bharat Limited ('the Company' or 'Parent Company'), its subsidiaries (collectively, the Group) and joint ventures for the year ended March 31, 2021.

The Parent Company is a public company domiciled in India was incorporated on July 12, 2013 in the name of Odisha Cement Limited under the Companies Act, 1956 and as per the Scheme of Arrangement and Amalgamation approved by the NCLT, Chennai, the name of the Company was changed from Odisha Cement Limited to Dalmia Bharat Limited vide fresh certificate of incorporation dated April 15, 2019. Its equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office of the Company is located at Dalmiapuram Distt Tiruchirappalli, Tamil Nadu- 621651.

The Group is principally engaged in the business of manufacturing and selling of cement and its related products and refractory products. Information on the Group's structure is provided in note 52.

The financial statements for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the Board of Directors on April 30, 2021.

B. SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments [refer accounting policy 1B(iii)(u)];
- Certain financial assets and liabilities measured at fair value [refer accounting policy regarding financial instruments];
- Defined benefit plans - plan assets measured at fair value [refer accounting policy 1B(iii)(r)];
- Share based payments [refer accounting policy 1B(iii)(s)]; and

The consolidated financial statements are presented in Indian Rupee (₹) and all the values are rounded off to the nearest Crore, except number of shares, face value of share, earning per share or wherever otherwise indicated. Wherever the amount represented ₹ '0' (zero) construes value less than Rupees fifty lakhs.

(ii) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and joint ventures as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 1 (CONTD.)

the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation Procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

(iii) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Business Combinations and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group had elected to apply Ind AS accounting for business combinations prospectively from the date of transition to Ind AS i.e. April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward to Ind AS financial statements on the transition date. Business combination post April 1, 2015 had been accounted for as per the provisions of the Scheme of Arrangement and Amalgamation approved by Hon'ble National Company Law Tribunal (NCLT) including the accounting for amortising the value of resulting goodwill.

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 1 (CONTD.)

held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

b. Investment in Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss outside operating profit.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit and loss.

Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in statement of profit and loss.

c. Current Versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

d. Foreign Currencies

The Group's consolidated financial statements are presented in Indian Rupees, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss. Exchange differences on foreign currency borrowings, settlement gain/ loss and fair value gain/ loss on derivative contracts relating to borrowings are accounted for and disclosed under 'finance cost' in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in profit or loss are also recognised in profit or loss).

In accordance with Ind AS 101 'First-time adoption of Indian Accounting Standards', the Group had continued the policy of capitalisation of exchange differences arising from translation of long-term foreign currency monetary items in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016. Accordingly, exchange differences arising on long-term foreign currency monetary items related to acquisition of a depreciable asset are capitalised/ de-capitalised and depreciated over the remaining useful life of the asset.

Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupee at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss.

e. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Property, plant and equipment (note 2)
- Intangible assets (note 4(b) and 4(c))
- Disclosures for valuation methods, significant estimates and assumptions (note 30)
- Financial instruments (including those carried at amortised cost) (note 38)
- Comparison of carrying value and fair value of financial instruments (note 38)
- Quantitative disclosures of fair value measurement hierarchy (note 39)

f. Revenue Recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and net of discounts, price concessions, volume rebates and any taxes collected on behalf of the government such as goods and service tax, etc. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Sale of goods (including sale of scrap included under other operating revenue)

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which is generally on dispatch/ delivery of the goods. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

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In determining the transaction price, the Group considers the effects of variable consideration, non-cash incentives and consideration payable to the customer (if any). No element of financing is deemed present as the sales are made with credit terms largely ranging between 0 to 90 days.

Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Where the sale of goods provide customers with discounts, volume rebates etc., such discounts, volume rebates etc. give rise to variable consideration.

The Group follows the 'most expected value' method in estimating the amount of variable consideration. The Group estimates the variable consideration based on an analysis of accumulated historical experience. A liability (included in "Other financial liabilities") is recognised for expected discounts, volume rebates etc. payable to customers in relation to sales made until the end of the reporting period.

Non-Cash Incentives

The Group provides non-cash incentives at fair value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. A contract liability for the non-cash incentive is recognised at the time of sale.

Revenue from Services

Revenue from marketing services is recognised over the period of time i.e. as per the terms of the contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. In case, the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered and if it is probable that expenses were not recoverable, revenue is not recognised.

Revenue from management services are recognised at the point in time i.e. as and when services are rendered.

Interest Income

For all debt instruments/ subsidies measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument/ subsidies or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "Other income" in the statement of profit and loss.

Dividends

Dividend income is recognised when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

Share in profit of limited liability partnership (LLP)

The Group's share in profits from LLP, where one of the subsidiary of the Group was a partner, was recognised as income as and when the right to receive its profit share was established by the Group in accordance with the terms of contract between the subsidiary company and the partnership entity.

Export Incentives

Export entitlements in the form of Merchandise Export from India Scheme (MEIS) and Duty Drawback are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Income arising from export incentives are included under 'Other operating revenue'.

Insurance Claim

Insurance and other claims are accounted for to the extent the Group is reasonably certain of their ultimate collection.

g. Government Grants and Subsidies

Government grants and subsidies are recognised where there is reasonable assurance that the grant/ subsidy will be received and all attached conditions will be complied with. When the grant/ subsidy relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

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NOTE 1 (CONTD.)

Where the grant/ subsidy relates to an asset, it is recognised as deferred income and credited to the statement of profit and loss on a systematic basis over the useful life of the related asset. The Group has chosen to present grants related to an asset to be deducted in reporting the depreciation and amortisation expense.

When loans or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Income from such benefit is recognised on a systematic basis over the period of the loan during which the Group recognises interest expense corresponding to such loan. Income arising from below-market rate of interest loans/ interest free loans, are included under 'Other income'.

Government grant and subsidy that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, are recognised in statement of profit and loss of the period in which it becomes receivable. Government grants and subsidies are recognised in statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants/ subsidy are intended to compensate. The Group has chosen to present grants related to income to be deducted in reporting the related expense. Income from subsidies in the nature of operations are included under 'Revenue from operations'.

If the grant received is to compensate the import cost of assets, and is subject to an export obligation as prescribed in the EPCG scheme, than the recognition of the grant would be linked to fulfilment of the associated export obligations. At the year end, the portion of grant for which the export obligation has not been met is retained in deferred revenue under 'Government grants'.

h. Income Taxes

Tax expense comprise current tax and deferred tax.

Current Income Tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted

in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and includes any adjustment to tax payable in respect of previous years.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint venture, deferred tax assets are recognised only to the extent that it is probable

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NOTE 1 (CONTD.)

that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situations, where one or more entities in the Group are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credit can be utilised. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when it is highly probable that future economic

benefit associated with it will flow to the concerned company. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

i. Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet. Assets once classified as held for sale are not depreciated or amortised.

j. Property, Plant and Equipment

The Group had measured property, plant and equipment (PPE) except leasehold land, vehicle, furniture and fixtures, office equipment and mines development at fair value as on transition date i.e. April 1, 2015 which has become its deemed cost. In respect of vehicle, furniture and fixtures, office equipment and mines development, the Group had applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at April 1, 2015.

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price, including import duties and non-refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent expenditure related to an item of PPE is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions

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NOTE 1 (CONTD.)

(note 30) and provisions (note 42) for further information about the recorded decommissioning provision.

Items of stores and spares that meet the definition of PPE are capitalised at cost. Otherwise, such items are classified as inventories.

Capital Work-in-Progress (CWIP)

Capital work in progress are stated at cost net of impairment loss, if any. Assets in the course of construction are capitalised in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of the asset, including the expenditure incurred on trial runs (net of trial run receipts), are capitalised up to the date asset is ready for its intended use.

Expenses incurred relating to project during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under 'Capital work in progress' or 'Intangible assets under development', as the case may be.

Depreciation Charge

Depreciation on property, plant and equipment is provided on a straight-line basis, except for assets of manufacturing facilities situated at North East region wherein depreciation is provided on a written down value method with effect from July 1, 2019, based on the respective estimate of useful lives as given below. Estimated useful lives of assets are determined based on technical parameters/assessments.

The management believes that useful lives currently used, which are as prescribed under Schedule II of the Companies Act, 2013, fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these lives in certain cases are different from lives prescribed under Schedule II.

Type of Asset	Useful Life (in years)
Buildings	
Factory buildings	30 years
Non-factory buildings *	30 to 60 years
Roads	3 to 10 years
Plant and equipments	
Continuous process plant	25 years
Other plant and equipment *	4 to 20 years
Plant and equipment related to captive power plant *	25 years
Mines related assets *	4 to 8 years
Certain Diesel Generator Sets and workshop appliances *	5 years
Furniture and fixtures	10 years

Type of Asset	Useful Life (in years)
Office Equipment	
End user devices such as computers	3 Years
Servers and networks	6 years
Vehicles	
Motor cycles, scooters and other mopeds	10 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	8 years
Assets of step down subsidiary namely OCL China Limited:	
House and Building	20 years
Machinery and mechanic equipment	10 years
Means of Transportation	4 years
Electronic equipment	3 years

* The Group, based on technical assessment made by technical expert and management estimate, depreciates these items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Freehold land bearing mineral reserves and Mines development cost are amortised over their estimated commercial life based on the unit of production method. Freehold non-mining land is not depreciated.

Capitalised spares are depreciated over their own estimated useful life or the remaining estimated useful life of the related asset, whichever is lower.

On an item of property, plant and equipment discarded during the year, accelerated depreciation is provided upto the date on which such item of property, plant and equipment is discarded.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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NOTE 1 (CONTD.)

k. Investment Properties

The Group had elected to continue with the carrying value for all of its investment properties as recognised in its Indian GAAP financial statements as deemed cost at the transition date.

Investment property comprises freehold land and buildings that are held for capital appreciation and recognised at cost, less impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in notes. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

l. Goodwill and Other Intangible Assets

(i) Goodwill as per Scheme of Arrangement and Amalgamation (Scheme) approved by NCLTs

a) Goodwill arose on amalgamation of Group's erstwhile subsidiary namely Adwetha Cement Holdings Limited (ACHL) with Dalmia Cement (Bharat) Limited (DCBL), subsidiary of the Group, had been recognised in accordance with Scheme approved by NCLT. Said goodwill is initially measured, being the excess of cost of investment in ACHL cancelled over net identifiable assets acquired and liability assumed. Said goodwill is fully amortised in accordance with Scheme over a period of 4 years.

b) Goodwill arose on amalgamation of Group's erstwhile step down subsidiary namely Adhunik Cement Limited (ACL) with DCBL had been recognised in accordance with Scheme approved by NCLT. Said goodwill is initially measured, being the excess of cost of investment in ACL cancelled over net identifiable assets (including fair value of mining rights) acquired and liability assumed.

The subsequent measurement is at deemed cost less any accumulated impairment losses. The said goodwill is not amortised and is tested for impairment annually.

c) Goodwill and goodwill having underlying intangible assets, acquired pursuant to transfer of Undertakings of Odisha Cement

Limited (ODCL) (renamed to Dalmia Bharat Limited) to DCBL by way of slump exchange had been recognised in accordance with Scheme approved by NCLT. Said goodwill and goodwill having underlying intangible assets is being amortised in accordance with approved scheme over a period of 5 years and 10 years respectively.

(ii) Mining rights

a) DCBL has carried out fair valuation of mining rights of the mines of ACL (amalgamated with DCBL from appointed date January 1, 2015 in accordance with Scheme approved by NCLT). Said mining rights are amortised over their estimated commercial life based on the unit of production method.

b) Mining rights acquired pursuant to transfer of Undertakings of ODCL to DCBL by way of slump exchange has been recognised at fair value in accordance with Scheme approved by NCLT. Said mining rights are amortised over their estimated commercial life based on the unit of production method.

Net carrying value of above mentioned mining rights as on transition date to Ind AS i.e. April 1, 2015 has been considered as deemed cost.

c) Mining rights include amounts paid for securing mining rights and are amortised over their estimated commercial life based on the unit of production method.

(iii) Brands and Raw materials procurement rights (other than limestone)

Brands and Raw materials procurement rights acquired pursuant to transfer of Undertakings of ODCL to DCBL by way of slump exchange have been recognised at fair value in accordance with Scheme approved by NCLT. Said intangible assets have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation is provided on a straight-line basis, based on the respective estimate of useful lives as given below:

Type of Intangible Asset	Useful Life (in years)
Brands	20 and 27 years
Raw Materials procurement rights (other than limestone)	3.25 and 26.50 years

Net carrying value of brands and raw materials procurement rights as on transition date to Ind AS i.e. April 1, 2015 have been considered as deemed cost.

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NOTE 1 (CONTD.)

(iv) Other Intangible Assets

The Group has measured intangible assets at carrying value as recognised in the financial statements as on transition date i.e. April 1, 2015 which has become its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The useful life of computer software and intellectual property rights is estimated as 3 years to 6 years (except in case of OCL China Limited, step down subsidiary of the Group, in which useful life is estimated as 10 years) and 3 years, respectively and accordingly amortised on a straight line basis over its useful life.

Research and Development Expenditure

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate technical and commercial feasibility of making the asset available for use or sale.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit.

m. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest (calculated using the effective interest rate method), hedge related cost incurred in connection with foreign currency borrowings and other costs that an entity incurred in connection with the borrowing of funds.

Expenses incurred on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premium payable on early redemption of debt securities, in lieu of future finance costs, is written off as borrowing costs as and when paid.

n. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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Right-of-use Assets	Lease Term (in years)
Leasehold Land	10 to 99 years
Buildings	1 to 90 years
Vehicles	1 to 5 years
Other Equipments	1 to 2 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

o. Inventories

Inventories are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packing materials, fuels and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis, except in case of Limestone inventories included in Raw materials and Coal inventories (in one of the unit) included in Stores and spares inventories, where cost is determined on annual weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

p. Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable

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amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

q. Provisions and Contingent Liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mines Reclamation Liability

The Group records a provision for mines reclamation cost until the closure of mine. Mines reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows, with a corresponding amount being capitalised at the start of each project. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the mine reclamation liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as 'Finance cost'. The estimated future costs of mine reclamation are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are capitalised in property, plant and equipment and are depreciated over the estimated commercial life of the related asset based on the unit of production method.

Enterprise Social Commitment

Enterprise social commitment is the amount to be spent on social and economic development of the surrounding area over a period of time where any new project is set up. Such obligation arises out of conditions mentioned in the Environment Clearance Certificate given by the Government for new projects and are generally defined as a percentage of total project cost. The present value of such future cash flows discounted at appropriate and applicable discount rates are capitalised in property, plant and equipment against the obligation created. Actual cash flows that happen over the period are adjusted

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against the obligation. The obligation is increased over a period of time and the differential is recognised in the statement of profit and loss as 'Finance cost'.

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

r. Retirement and Other Employee Benefits

Retirement benefits in the form of contribution to Statutory Provident Fund, Pension Fund, Superannuation Fund and National Pension Scheme are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates three defined benefit plans for its employees, viz., gratuity, provident fund and post-retirement medical benefits. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
 - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
 - Net interest expense or income

Current service cost is recognised within employee benefits expenses. Net interest expense or income is recognised with finance costs.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Re-measurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

s. Share-Based Payments

Certain employees (Senior Executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-Settled Transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

Cost is recognised, together with a corresponding increase in Employee stock options outstanding in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for

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equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

t. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial

asset. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the statement of profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, loans and other receivables.

Financial assets at FVTOCI (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

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- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss.

The Group has not designated any financial asset (debt instruments) as at FVTOCI.

Financial assets designated at fair value through OCI (equity instruments)

On initial recognition of an equity instrument that is not held for trading, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading are classified as at FVTPL.

Subsequently, these financial assets are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Gains and losses on these financial assets are never recycled from other comprehensive income to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Dividends on these investments are recognised as 'other income' in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investment included under current financial assets, and unquoted investment in compulsorily convertible preference shares included under non-current financial assets under this category.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election

is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated investment in listed equity instrument, mutual funds, bonds and derivative instruments as at FVTPL.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and bank balance.
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk of customer has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Group considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'Other expenses' in the statement of profit and loss.

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial Instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 14(i).

De-Recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

u. Derivative Financial Instruments

Initial Recognition and Subsequent Measurement

The Group uses derivative financial instruments, such as foreign exchange option contract, foreign exchange forward contract and interest rate swap contract, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

v. Segment Reporting

Identification of Segments

Operating Segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segments and to assess their performance in accordance with Ind AS 108, Operating Segments.

Inter-Segment Transfers

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of Common Costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated Items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment Accounting Policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

w. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of Parent Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of Parent Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

x. Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

y. Cash Dividend

The Group recognises a liability to pay dividend to equity holders of the Parent Company when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity. Interim dividends are recognised as a liability on the date of declaration by the Parent Company's Board of directors.

C. STANDARDS NOTIFIED BUT NOT YET EFFECTIVE

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Group's financial statements.

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NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Mines development	Total
Deemed Cost * / Cost									
As at April 1, 2019	1,108	82	1,295	8,918	26	27	58	56	11,570
Additions	60	-	21	257	2	4	13	10	367
Disposals/ adjustments	3	-	2	77	1	3	4	-	90
Exchange difference **	-	-	1	3	-	(0)	0	-	4
Reclassified on account of adoption of Ind AS 116 (refer note 33(a))	-	(82)	-	-	-	-	(2)	(3)	(87)
As at March 31, 2020	1,165	-	1,315	9,101	27	28	65	63	11,764
Additions	78	-	90	1,830	2	1	13	8	2,022
Acquisition through business combination (refer note 59(a))	21	-	16	352	-	0	-	-	389
Disposals/ adjustments	1	-	3	98	0	2	2	-	106
Reclassification	-	-	(8)	8	-	-	-	-	-
Exchange difference **	-	-	1	1	0	0	0	-	2
As at March 31, 2021	1,263	-	1,411	11,194	29	27	76	71	14,071
Depreciation									
As at April 1, 2019	24	15	260	2,102	10	12	31	30	2,484
Charge for the year	10	-	90	840	3	4	10	1	958
Disposals/ Adjustments	-	-	1	77	0	(1)	3	-	80
Exchange difference **	-	-	(0)	(0)	-	(0)	(0)	-	0
Reclassified on account of adoption of Ind AS 116 (refer note 33(a))	-	(15)	-	-	-	-	(2)	(0)	(17)
As at March 31, 2020	34	-	349	2,865	13	17	36	31	3,345
Charge for the year	9	-	80	794	3	3	11	1	901
Disposals	-	-	2	94	0	1	1	-	98
Reclassification	-	-	(2)	2	-	-	-	-	-
Exchange difference **	-	-	0	1	0	0	0	-	1
As at March 31, 2021	43	-	425	3,568	16	19	46	32	4,149
Net block									
As at March 31, 2021	1,220	-	986	7,626	13	8	30	39	9,922
As at March 31, 2020	1,131	-	966	6,236	14	11	29	32	8,419

* Refer note 1(B)(iii)(j).

** includes foreign currency translation of foreign operations.

Notes:

- The Group has pledged certain assets against borrowings which has been disclosed in note 14(i).
- Buildings having gross block of ₹ 47 (March 31, 2020 : ₹ 47) are pending to be registered in the name of Parent Company. Freehold land having gross block of ₹ 11 (March 31, 2020: ₹ 13) is pending to be registered in the name of subsidiary company.
- Refer to note 34(A) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- In terms of Schemes of Arrangement and Amalgamation, the title deeds of certain portion of immovable properties of erstwhile step down subsidiaries namely Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited (transferred through amalgamation) and Undertakings of Odisha Cement Limited (transferred through slump sale) are in the process of being transferred in the name of Dalmia Cement (Bharat) Limited (DCBL), a subsidiary of the Group.
- During the year ended March 31, 2021, interest capitalised is ₹ 156 (March 31, 2020: ₹ Nil).
- Disposals from (i) Plant and equipment having gross block of ₹ 19 (March 31, 2020: ₹ 5) and accumulated depreciation of ₹ 19 (March 31, 2020: ₹ 4) and (ii) Vehicles having gross block of ₹ 0 (March 31, 2020: ₹ Nil) and accumulated depreciation of ₹ 0 (March 31, 2020: ₹ Nil) are transferred to 'Assets classified as held for sale'.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 2 - PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(vii) Land of ₹ 0 (March 31, 2020: ₹ 0) held by a step down subsidiary company and included above, is in dispute and the matter is sub-judice.

(viii) Reconciliation of depreciation and amortisation expense:

(Amount in ₹)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation and amortisation expense on:		
Property, plant and equipment (PPE)	901	958
Investment properties	0	-
Goodwill	203	402
Other intangible assets	149	132
Right-of-use assets	53	51
As per PPE, Investment properties, Goodwill, Other intangible assets and Right-of-use assets Schedule	1,306	1,543
Less:		
Cost allocated to capital work-in-progress (refer note 43)	(32)	(3)
Adjustment against recoupment from deferred capital subsidy (refer note 16(ii))	(12)	(12)
As per statement of profit and loss	1,262	1,528

NOTE 3 - CAPITAL WORK-IN-PROGRESS (CWIP)

(Amount in ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Movement of capital work in progress		
Opening balance	1,702	501
Additions during the year	1,127	1,441
Acquisition through business combination (refer note 59(a))	11	-
Capitalised during the year	(1,900)	(237)
Disposal during the year	(0)	-
Transfer to assets held for sale	-	(0)
Impairment during the year	(2)	-
Other adjustments	-	(3)
Closing balance	938	1,702

Notes:

- Capital work in progress mainly comprises plant and equipment under construction of ₹ 317 (March 31, 2020: ₹ 1,437) for new cement plants in Odisha along with new grinding capacity in eastern part of India.
- Section 10A(2)(b) of the Mines and Minerals (Development and Regulation) Act, 1957 has been amended with effect from March 28, 2021 which states that the right to obtain a prospecting licence followed by a mining lease or a mining lease, as the case may be, shall lapse on the date of commencement of the Mines and Minerals (Development and Regulation) Amendment Act, 2021. It further states that wherever the rights have lapsed, the expenditure incurred towards reconnaissance or prospecting operation in such manner as may be prescribed by the Central Government shall be reimbursed. However, the rules for such reimbursement has not yet been notified.

The Group has spent ₹ 18 in connection with certain mines located in different parts of the country. The Group has already filed writ petitions and is of the view that as Grant Order/ Letter of Intent has been granted by the State, the recent amendment to Section 10A(2)(b) may not apply. However, the Group also has a right to challenge the amendments made in the Act in 2021.

- Details of expenses capitalised and carried forward as a part of capital work in progress are disclosed in note 43.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 4 - A) INVESTMENT PROPERTIES, B) GOODWILL, C) OTHER INTANGIBLE ASSETS D) BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

Particulars	4(a). Investment properties			4(b). Goodwill			4(c). Other intangible assets						4(d). Biological assets other than bearer plants \$\$
	Freehold Land	Buildings	Total	Goodwill on consolidation @@	Goodwill **	Total	Brands \$	Mining rights^	Raw materials procurement rights #	Computer software	Other intellectual property rights	Total	
Deemed Cost * / Cost													
As at April 1, 2019	0	-	0	231	3,087	3,318	1,973	1,164	279	14	-	3,430	0
Additions	-	-	-	0	-	0	-	8	-	7	0	15	-
Disposals	-	-	-	-	-	-	-	-	-	0	-	0	-
Adjustment	-	-	-	-	-	-	-	(2)	-	2	-	-	-
As at March 31, 2020	0	-	0	231	3,087	3,318	1,973	1,170	279	23	0	3,445	0
Additions	-	-	-	-	-	-	-	-	-	6	-	6	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification	-	1	1	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	0	1	1	231	3,087	3,318	1,973	1,170	279	29	0	3,451	0
Amortisation and impairment													
As at March 31, 2019	-	-	-	-	1,698	1,698	304	174	72	13	-	563	-
Charge for the year	-	-	-	-	402	402	77	43	9	3	0	132	-
Disposals	-	-	-	-	-	-	-	-	-	0	-	0	-
Adjustment	-	-	-	-	-	-	-	1	-	(1)	-	-	-
As at March 31, 2020	-	-	-	-	2,100	2,100	381	218	81	15	0	695	-
Charge for the year	-	0	0	-	203	203	76	58	9	6	0	149	-
Impairment (refer note below)	-	-	-	4	-	4	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	0	0	4	2,303	2,307	457	276	90	21	0	844	-
Net block													
As at March 31, 2021	0	1	1	227	784	1,011	1,516	894	189	8	0	2,607	0
As at March 31, 2020	0	-	0	231	987	1,218	1,592	952	198	8	0	2,750	0

* Refer note 1(B)(iii)(k) & 1(B)(iii)(l).

Notes:

4 (a). Investment properties

- The Group's investment properties consist of freehold land and buildings for capital appreciation. The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- Buildings include ₹ 1 being cost of share in a company entitling the right of use and occupancy.
- There is no material expenses incurred for the maintenance of investment properties nor income derived out of the same.
- Freehold land are mortgaged against the secured borrowings of the Group as disclosed in note no. 14(i).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 4 - A) INVESTMENT PROPERTIES, B) GOODWILL, C) OTHER INTANGIBLE ASSETS D) BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS (CONTD.)

(v) Fair value of the Group's Investment properties are as follows:

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Freehold land	3	3
Buildings	7	-
	10	3

The fair valuation of investment properties are determined based on an annual evaluation performed by an accredited external independent valuer.

4 (b). Goodwill

@@ Goodwill on consolidation

₹ 4 (March 31, 2020: ₹ Nil) represent impairment of goodwill recognised on acquisition of step down subsidiary namely Golden Hills Resort Private Limited. The impairment loss has been recognised in statement of profit and loss in note 28 to the financial statements.

** Goodwill acquired pursuant to Scheme of Arrangement and Amalgamation:

(i) Impairment testing of goodwill

The carrying amount of goodwill of ₹ 784 (March 31, 2020: ₹ 987) acquired pursuant to Scheme of Arrangement and Amalgamation has been allocated to Cement Cash Generating Unit (CGU) for impairment testing.

The Group performs annual impairment test for carrying value of goodwill. The Group considers the relationship between its market capitalisation based on other comparable companies and its book value, among other factors, when reviewing for indicators of impairment.

The recoverable amount has been considered based on the fair value less cost of disposal or value in use, whichever is higher as required to be assessed under Ind-AS 36.

The recoverable amount of the Cement Business Unit (CGU) has been determined based on a value in use calculation using cash flow projections from financial projections approved by senior management of the Group, which are part of overall business plan covering a five-year period. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 16.86% (March 31, 2020: 16.35%) and cash flows beyond the five-year period are extrapolated using a 4.00% (March 31, 2020: 4.00%) growth rate which is consistent with the industry forecasts. As a result of the analysis, management did not identify any impairment for this CGU and accordingly, there is no impairment for goodwill amount.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Key assumptions used for value in use calculations

The calculation of value in use for the CGU is most sensitive to the following assumptions:

EBITDA margins

EBITDA margins are estimated based on the trend of actual EBITDA of cement segment for past 1 year preceding the beginning of the budget period.

Discount rate

Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 4 - A) INVESTMENT PROPERTIES, B) GOODWILL, C) OTHER INTANGIBLE ASSETS D) BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS (CONTD.)

Growth rates used to extrapolate cash flows beyond the forecast period

The Group has considered growth rate of 4% to extrapolate cash flows beyond the forecast period which is in line with the industry forecasts.

Sensitivity to changes in assumptions

The implications of the key assumptions for the recoverable amount are discussed below:

Growth rate assumptions - A reduction to 0% in the long-term growth rate would result in value in use being lower than carrying amount of the assets.

Discount rates - A rise in pre-tax discount rate to 25.70% would result in value in use being lower than the carrying amount of the assets.

EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA by 33.00% would result in value in use being lower than carrying amount of the assets.

(ii) Amortisation of recognised goodwill

The Group amortise goodwill acquired on account of (i) amalgamation in accordance with requirement of Accounting Standard (AS)- 14 "Accounting for Amalgamations" and (ii) slump exchange of the assets and liabilities forming part of Undertakings of Odisha Cement Limited (ODCL) (renamed to Dalmia Bharat Limited) on a going concern basis based on allocation report prepared in accordance with AS- 10, over a period of 4 to 10 years from the appointed date, as referred to in various Scheme of Arrangement and Amalgamation sanctioned by Hon'ble National Company Law Tribunal(s).

As a result of amortisation, profit before tax for the year ended March 31, 2021 is lower by ₹ 203 (March 31, 2020 : ₹ 402).

4 (c). Other intangible assets

\$ Brands:

Pursuant to Scheme of Arrangement and Amalgamation, Group had recorded value of 'Brands' acquired from ODCL based on the fair valuation carried out by independent valuer, as at the appointed date January 1, 2015 at an aggregate value of ₹ 1,991.

^ Mining rights include:

- Pursuant to Scheme of Arrangement, Group had carried out fair valuation of mining rights of the mines at ACL (amalgamated with DCBL from appointed date January 1, 2015). A sum of ₹ 194 was assigned to these mining rights.
- Pursuant to Scheme of Arrangement and Amalgamation, mining rights of the mines forming part of Undertakings of ODCL transfer to DCBL by way of slump exchange from appointed date January 1, 2015. A sum of ₹ 969 was assigned to these mining rights.

Raw materials procurement rights:

Pursuant to Scheme of Arrangement and Amalgamation, Group had recorded value of 'Raw materials procurement rights' from ODCL based on the fair valuation carried out by independent valuer as at the appointed date January 1, 2015 at an aggregate value of ₹ 284.

4 (d). Biological assets other than bearer plants

\$\$ Biological assets other than bearer plants represent livestock. The livestock comprises of milch cattles and the produce is utilised for welfare of the employees. It is measured at cost as the fair value cannot be measured reliably.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 5 - INVESTMENTS

(Amount in ₹)

	As at March 31, 2021	As at March 31, 2020
A. Equity shares		
(i) Investment in joint ventures accounted as per equity method (unquoted)		
73,48,000 (March 31, 2020: 73,48,000) Shares of ₹10/- each fully paid up in Radhikapur (West) Coal Mining Private Limited (refer note (a) below)	8	7
Less : Impairment in the value of investment	-	(3)
	8	4
18,36,500 (March 31, 2020: 18,36,500) Shares of ₹10/- each fully paid up in Khappa Coal Company Private Limited (refer note (b) below)	2	2
Less : Impairment in the value of investment	(2)	(2)
	-	-
(ii) Others (quoted)		
1,48,29,764 (March 31, 2020: 1,48,29,764) Shares of ₹ 2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited	29	29
(iii) Others (unquoted)		
36,000 (March 31, 2020: 36,000) Shares of ₹10/- each fully paid up in G.S.Homes & Hotels Private Limited	1	1
Less: Re-classified to Investment properties	(1)	-
	-	1
B. Debentures or bonds (unquoted)		
5,900 (March 31, 2020: 5,900) zero coupon optionally redeemable convertible debentures of ₹ 1,00,000/- each in Saroj Sunrise Private Limited (refer note (c) below)	59	59
12 (March 31, 2020: 12) 8% non convertible secured debentures of ₹ 100/- each fully paid up in Indian Chamber of Commerce	0	0
2 (March 31, 2020: 2) 8% non convertible secured debentures of ₹ 25/- each partly paid up in Indian Chamber of Commerce	0	0
C. Others (unquoted)		
50 (March 31, 2020: 50) units of ₹100/- each fully paid up in Co-operative Society	0	0
Property Rights in Holiday Resort	0	0
	96	93
Aggregate book value of quoted investments	29	29
Aggregate market value of quoted investments	277	72
Aggregate amount of unquoted investments	67	64
Aggregate amount of impairment in value of investments	2	5

Notes:

- In respect of license granted for captive mining block at Radhikapur mines, a joint venture company viz. Radhikapur (West) Coal Mining Private Limited was incorporated on March 29, 2010 in which Dalmia Cement (Bharat) Limited ('DCBL'), a subsidiary of the Group, interest jointly with OCL Iron & Steel Limited (OISL) is 14.70%. DCBL had invested ₹ 7 in equity shares of its joint venture which includes ₹ 4 being proportionate value of shares to be transferred to OISL after the receipt of approval from the Ministry of Coal, Government of India and other Joint Venture Partners. Consequent upon decision of the Hon'ble Supreme Court of India cancelling the allocation of Coal block, vide Order dated September 24, 2014, as a matter of prudence, a provision of ₹ 3 was made in earlier years in the financial statements. Considering the improved financial condition and necessary process initiated by joint venture company during the year for reduction of share capital for refunding the amount invested by its Joint Venture Partners, the provision for impairment is no longer required and hence, reversed during the year (refer note 23).
- DCBL in joint venture with Sun Flag Iron & Steel Limited, was allocated Khappa & Extension Coal Block (KECB) by the Ministry of Coal, Government of India vide their letter dated May 29, 2009 for development of coal mine and use of coal for captive mining. DCBL had invested ₹ 2 in equity shares of Khappa Coal Company Private Limited and given advance against share application money of ₹ 4. Consequent upon decision of Hon'ble Supreme Court of India for cancellation of coal block vide order dated September 24, 2014, Group in earlier years had provided for its exposure in its joint venture viz. Khappa Coal Company Private Limited aggregating to ₹ 6 (March 31, 2020: ₹ 6).
- DCBL invested an amount of ₹ 59 in Optionally Redeemable Convertible Debentures ('OCDs') of Saroj Sunrise Private Limited (SSPL). The investment in zero coupon OCDs are in the nature of equity investment. The OCDs are non-interest bearing and are secured by the pledge of equity shares of Calcom Cement India Limited (Calcom), step down subsidiary of the Group, held by SSPL. If certain conditions as stipulated in the Shareholders Agreement for performance by Bawri Group (BG), other shareholder of Calcom, are met, these OCDs are convertible into equity shares constituting 0.01% shareholding of SSPL, else DCBL has an option either to get the debentures redeemed for an aggregate amount of ₹ 59 or convert into equity shares constituting 99.99% shareholding of SSPL (also, refer note 35(B)).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 6 - FINANCIAL ASSETS

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(i) Non-current investments		
A. Investment measured at fair value through profit or loss		
(i) Equity shares		
Quoted		
250 (March 31, 2020: 250) Shares of ₹ 10/- each fully paid up in Haryana Financial Corporation	0	0
Unquoted		
10,000 (March 31, 2020: Nil) Shares of ₹ 25/- each fully paid up in Shikshak Sahakari Bank Limited (refer note 59(a))	0	-
200 (March 31, 2020: Nil) Shares of ₹ 10/- each fully paid up in Vimla Infrastructure (India) Private Limited (refer note 59(a))	0	-
(ii) Tax free bonds (quoted)		
2,472 (March 31, 2020 : 2,472) 8.30% NHA1 tax free bonds	0	0
(iii) Units of debt based schemes of various mutual funds (unquoted)	0	0
(iv) Others (unquoted)		
1,188 (March 31, 2020: 1,188) Units of ₹ 27,430/- (March 31, 2020: ₹ 27,930/-) each fully paid up in Urban Infrastructure Opportunities Fund	1	2
	1	2
B. Investments measured at fair value through OCI		
Preference shares (unquoted)		
62,621 (March 31, 2020: 62,621) Series A1 Compulsorily Convertible Participative Preference Shares of ₹100/- each fully paid up in Freight Commerce Solutions Private Limited	21	21
7,231 (March 31, 2020: 7,231) Series A2 Compulsorily Convertible Participative Preference Shares of ₹100/- each fully paid up in Freight Commerce Solutions Private Limited (refer note below)	3	2
	24	23
	25	25
Aggregate book value of quoted investments	0	0
Aggregate market value of quoted investments	0	0
Aggregate book value of unquoted investments	25	25
Aggregate amount of impairment in value of investments	-	-

Notes:

During the previous year, Group had further invested ₹ 2 by acquiring 7,231 Series A2 compulsorily convertible participative preference shares (CCPS) of ₹ 100/- each in Freight Commerce Solutions Private Limited. These CCPS carry non-cumulative dividend equal to zero point zero zero one percent (0.001%) per annum of the face value and are in the nature of equity. Investment in CCPS have been carried at fair value through other comprehensive income as per Ind AS 109.

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(ii) Loans		
(Unsecured considered good, unless otherwise stated)		
Security deposits		
- Unsecured, considered good	58	57
- Unsecured, considered doubtful	1	3
	59	60
Less: Impairment allowance (allowance for doubtful advances)	(1)	(3)
	58	57
Loans to employees	11	14
	69	71

No loans or advances are due by directors or other officers of the Parent Company or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 6 - FINANCIAL ASSETS (CONTD.)

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(iii) Other financial assets (Unsecured considered good, unless otherwise stated)		
Subsidies/ Incentives receivable		
- Unsecured, considered good	82	110
- Unsecured, considered doubtful	0	0
	82	110
Less: Impairment allowance (allowance for doubtful receivable)	(0)	(0)
	82	110
Deposit with banks having remaining maturity of more than twelve months *	9	16
Advance against share application money	4	4
Less: Impairment allowance (allowance for doubtful advances)	(4)	(4)
	-	-
Interest receivable	0	1
Derivative instruments at fair value through profit or loss		
Foreign currency option contracts	-	5
	91	132
Break up of financial assets carried at amortised cost		
Security deposits	58	57
Loans to employees	11	14
Subsidies/ Incentives receivable	82	110
Deposit with banks having remaining maturity of more than twelve months	9	16
Interest receivable	0	1
Total financial assets carried at amortised cost	160	198
Break up of financial assets carried at fair value through statement of profit and loss		
Investment in equity shares	0	0
Investment in tax free bonds	0	0
Investment in others	1	2
Foreign currency option contracts	-	5
	1	7
Break up of financial assets carried at fair value through OCI		
Investment in compulsorily convertible participative preference shares	24	23
	24	23

* includes ₹ 7 (March 31, 2020 : ₹ 15), deposits kept with banks against bank guarantees given / are pledged with various authorities as margin money.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 7 - OTHER NON CURRENT ASSETS (UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED)

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Capital Advances		
- Secured, considered good *	37	16
- Unsecured, considered good	137	177
- Unsecured, considered doubtful	2	2
	176	195
Less: Impairment allowance (allowance for doubtful advances)	(2)	(2)
	174	193
Advances other than capital advances		
Prepayments	7	15
Deposit and balances with government departments and other authorities		
- Unsecured, considered good	50	46
- Unsecured, considered doubtful	-	1
	50	47
Less: Impairment allowance (allowance for doubtful advances)	-	(1)
	50	46
Other advances		
- Unsecured, considered doubtful	0	0
Less: Impairment allowance (allowance for doubtful advances)	(0)	(0)
	-	-
	231	254

* secured against bank guarantees held.

NOTE 8 - INVENTORIES (AT LOWER OF COST OR NET REALISABLE VALUE)

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Raw materials		
On hand	194	175
In transit	14	7
Work-in-progress	96	113
Finished goods		
On hand	107	190
In transit	21	-
Stock in trade	20	2
Packing materials		
On hand	44	35
In transit	1	-
Fuel		
On hand	253	270
In transit	26	31
Stores and spares		
On hand	145	150
In transit	3	1
	924	974

The Group has provided for write down to the value of stores and spares (net of reversal) in the statement of profit and loss of ₹ 3 (March 31, 2020: ₹ 6).

Inventories are hypothecated against the secured borrowings of the Group as disclosed in note 19(i).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 9 - FINANCIAL ASSETS

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(i) Current investments		
A. Investment measured at fair value through profit and loss		
(a) Equity shares (quoted)		
Nil (March 31, 2020: 4,366) Shares of ₹ 10/- each fully paid up in Poddar Pigments Limited	-	0
(b) Corporate bonds (quoted)	273	958
(c) Units of debt based schemes of various mutual funds (unquoted) (refer note (1) below) *	1,021	888
(d) Alternative investment fund (unquoted)	5	10
(e) Certificate of deposits (quoted)	-	74
B. Investment measured at fair value through other comprehensive income		
(a) Equity shares (quoted)		
5,99,06,556 (March 31, 2020 : 3,03,28,630) shares of ₹ 1/- each in Indian Energy Exchange Limited **	1,994	384
(b) Investment in others (unquoted)		
Investment in Limited Liability Partnership (LLP)		
DPVL Ventures LLP (refer note (2) below)	-	384
	3,293	2,698
* Mutual fund units amounting to ₹ 103 has been liened with the bank against the issuance of bank guarantee.		
** includes equity shares acquired through business combination during the year and outstanding as at March 31, 2021 (refer note 59(b)).		
Aggregate book value of quoted investments	2,267	1,416
Aggregate market value of quoted investments	2,267	1,416
Aggregate book value of unquoted investments	1,026	1,282
Aggregate amount of impairment in value of investments	-	-

Notes:

1. During the financial year ended March 31, 2019, certain mutual fund units ("Securities") appearing as current investments, valued at Rs. 390 as on March 31, 2021 (March 31, 2020: Rs. 374) (value as on March 31, 2019: Rs. 344), were illegally, dishonestly and fraudulently transferred by Depository Participant ("DP") in collusion with Clearing Agent, from demat accounts of Parent Company's erstwhile step down subsidiaries namely OCL India Limited and Dalmia Cement East Limited (which were merged with DCBL).

Pursuant to the complaint lodged by DCBL, Economic Offences Wing, Delhi ("EOW") seized the Securities and have also filed charge sheet against DP, its Managing Director, Clearing Agent and its business head for committing various offences under Indian Penal Code and further, criminal court has already taken cognizance of the matter.

The matter of release of seized Securities reached Supreme Court and based on the order of Hon'ble Supreme Court, the Securities were released to DCBL upon furnishing bank guarantee of ₹ 344 to the Trial Court.

The Group is fully confident that there is no loss to DCBL and hence, no provision is considered necessary in these financial statements.

2. During the year ended March 31, 2021, Dalmia Power Limited, subsidiary of the Group, has acquired the controlling stake in DPVL Ventures LLP (DPVL Ventures) (formerly known as TVS Shriram Growth Fund 1B LLP) from its other Co-Partner. As a result, DPVL Ventures has become step-down subsidiary of the Group w.e.f. April 14, 2020 and financial statements of DPVL Ventures are consolidated w.e.f. April 14, 2020. Till April 13, 2020, the Group was holding 100 % interest in DPVL Ventures.

3. During the earlier years, the Group had invested Rs. 10 in 9.50% Yes Bank Perpetual Bond, whose value had become Nil in March 2020 due to Yes Bank Ltd. Reconstruction Scheme, 2020 dated March 6, 2020. On account of reconstruction scheme, the Group had also fair valued the same at Nil value in the financial statements for the year ended March 31, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 9 - FINANCIAL ASSETS (CONTD.)

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(ii) Trade receivables		
Trade receivables	655	654
Receivables from related parties (refer note 37)	33	10
	688	664
Break-up for security details :		
Trade receivables		
Secured, considered good (refer note (a) below)	275	192
Unsecured, considered good	413	472
Unsecured, credit impaired	68	71
	756	735
Less: Impairment allowance (allowance for doubtful receivables):	(68)	(71)
	(68)	(71)
	688	664

Notes:

- (a) Secured by way of security deposits collected from customers or bank guarantees or letter of credit held against them.
- (b) No trade or other receivable are due from directors or other officers of the Parent Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days credit period.
- (c) Trade receivables are hypothecated against the secured borrowings of the Group as disclosed in note 19(i).
- (d) For information on financial risk management objectives and policies, refer note 40.

(iii) Cash and cash equivalents		
Balances with banks :		
- On current accounts *	173	100
- On cash credit	14	7
- On deposit accounts with original maturity of less than three months **/ ***	68	157
Cash on hand	0	0
Cheques on hand	3	2
	258	266

At March 31, 2021, the Group had available ₹ 585 (March 31, 2020: ₹ 466) of undrawn committed borrowing facilities.

* Balances with current accounts include ₹ Nil (March 31, 2020: ₹ 0) lying in current account with a nationalised bank, to be operated jointly by the authorised signatories of one of the unit of DCBL and OCL Iron and Steel Limited in respect of coal block operations.

** Includes ₹ 1 (March 31, 2020 : ₹ 0), deposits kept with banks against bank guarantee given/ are pledged with various authorities for margin money.

*** The Parent Company can utilise ₹ Nil (March 31, 2020: ₹ 113) only towards buy back of equity shares.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balances with banks :		
- On current accounts	173	100
- On cash credit	14	7
- On deposit accounts with original maturity of less than three months	68	157
Cash on hand	0	0
Cheques on hand	3	2
	258	266
Less: Book overdraft (refer note 19(iii))	(3)	-
	255	266

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 9 - FINANCIAL ASSETS (CONTD.)

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(iv) Bank balances other than (iii) above		
Unpaid dividend accounts	5	4
Deposits with remaining maturity of less than 12 months */ **	48	133
Other bank balances ***	0	-
	53	137

Short-term deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates ranging from 2.90% p.a. to 7.00% p.a. (March 31, 2020 : 3.50% p.a. - 8.41% p.a.).

* Includes ₹ 7 (March 31, 2020: ₹ 20), deposits kept with banks against bank guarantee given / are pledged with various authorities.

** includes ₹ 1 (March 31, 2020: Nil) relating to unclaimed amount with respect to redeemed preference shares.

*** Amount deposited with separate bank account towards cancelled equity shares of a step down subsidiary company acquired as per approved Resolution Plan (refer note 59(a)).

(v) Loans		
(Unsecured considered good, unless otherwise stated)		
Security deposits		
- Unsecured, considered good	26	29
- Unsecured, considered doubtful	3	-
	29	29
Less: Impairment allowance (allowance for doubtful advances)	(3)	-
	26	29
Loans to a related party (refer note 37)	23	-
Loans and advances to employees		
- Unsecured, considered good	10	9
- Unsecured, considered doubtful	0	0
	10	9
Less: Impairment allowance (allowance for doubtful advances)	(0)	(0)
	10	9
Loans to others	33	33
	92	71
(vi) Other financial assets		
(Unsecured considered good, unless otherwise stated)		
Subsidies receivable		
- Unsecured, considered good	580	597
- Unsecured, considered doubtful	2	0
	582	597
- Less: Impairment allowance (allowance for doubtful receivable)	(2)	(0)
	580	597
Interest receivable		
- Unsecured, considered good */**	22	47
- Unsecured, considered doubtful	0	0
	22	47
- Less: Impairment allowance (allowance for doubtful receivable)	(0)	(0)
	22	47
Other financial assets		
- Unsecured, considered good	13	11
- Unsecured, considered doubtful	0	0
	13	11
- Less: Impairment allowance (allowance for doubtful receivable)	(0)	(0)
	13	11
Derivative instruments at fair value through profit or loss		
Foreign currency forward / option contracts ***	3	50
	618	705

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 9 - FINANCIAL ASSETS (CONTD.)

* includes ₹ 12 (March 31, 2020: ₹ 40) on corporate bonds and certificate of deposits classified in current investments in note 9(i) above.

** includes ₹ 1 (March 31, 2020: ₹ Nil) from a related party (refer note 37).

*** Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign currency option contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for payments of funds borrowed.

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Break up of financial assets carried at amortised cost		
Trade receivables	688	664
Cash and cash equivalents	258	266
Other bank balances	53	137
Security deposits	26	29
Loans to employees	10	9
Loans to related parties	23	-
Loans and advances to others	33	33
Subsidies receivable	580	597
Interest receivable	22	47
Other financial assets	13	11
	1,706	1,793
Break up of financial assets carried at fair value through statement of profit or loss		
Investment in equity shares	-	0
Investment in corporate bonds	273	958
Investment in mutual funds	1,021	888
Investment in certificate of deposits	-	74
Investment in alternative investment fund	5	10
Foreign currency forward / option contracts	3	50
	1,302	1,980
Break up of financial assets carried at fair value through other comprehensive income		
Investment in equity shares	1,994	384
Investment in limited liability partnership	-	384
	1,994	768

NOTE 10 - OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD, UNLESS OTHERWISE STATED)

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Advances other than capital advances		
Advances to suppliers		
- Secured (refer note below)	25	25
- Unsecured, considered good	156	145
- Unsecured, considered doubtful	13	8
	194	178
Less: Impairment allowance (allowance for doubtful advances)	(13)	(8)
	181	170
Prepayments	27	24
Deposits and balances with government departments and other authorities		
- Unsecured, considered good	196	225
- Unsecured, considered doubtful	1	1
	197	226
Less: Impairment allowance (allowance for doubtful advances)	(1)	(1)
	196	225
Other receivables	4	0
	408	419

Notes: Secured by way of a first ranking exclusive charge over the Hypothecated Property as prescribed in Deed of Hypothecation dated March 17, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 11 - ASSETS HELD FOR SALE

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Disposal groups classified as held for sale (refer note (i) below & note 59(a))	147	-
Assets classified as held for sale (refer note (ii) below)	2	2
	149	2

Notes:

(i) During the year, DCBL has completed the acquisition of Murli Industries Limited (MIL) pursuant to the Resolution Plan approved by National Company Law Tribunal, Mumbai Bench under the Insolvency and Bankruptcy Code, 2016. As a result of this transaction, DCBL acquired property, plant and equipment of Paper and Solvent Extraction undertakings of MIL (together referred to as "disposal groups") being classified as held for sale, as these are considered non core business to the Group and management is committed to sell these disposal groups, active efforts have been initiated to locate a buyer. The disposal groups have been stated at fair value less cost to sell (being lower of their carrying amount). There is no liabilities associated with disposal groups held for sale as at March 31, 2021.

Assets of disposal groups held for sale:		
Land	49	-
Factory buildings	27	-
Plant and equipment	71	-
Vehicles	0	-
	147	-

(ii) Certain property, plant and equipment classified as held for sale during the reporting period were measured at lower of its carrying amount and fair value less costs to sell at the time of reclassification, resulting in recognition of a write down of ₹ 0 (March 31, 2020: ₹ 0) as depreciation expense in the statement of profit and loss. The fair value of the plant and equipment was determined using the market comparison approach.

NOTE 12 - SHARE CAPITAL

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Authorised :		
1,59,55,00,000 (March 31, 2020: 1,59,55,00,000) Equity Shares of ₹ 2/- each	319	319
1,00,000 (March 31, 2020: 1,00,000) Preference Shares of ₹ 100/- each	1	1
5,00,00,000 (March 31, 2020: 5,00,00,000) Preference Shares of ₹ 10/- each	50	50
	370	370
Issued, subscribed and fully paid up :		
18,71,17,513 (March 31, 2020: 19,29,58,553) Equity Shares of ₹ 2/- each	37	39
	37	39

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	March 31, 2021		March 31, 2020	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	19,29,58,553	39	192,958,553	39
Changes in equity share capital:				
Shares bought back and extinguished during the year *	(61,66,540)	(1)	-	-
Shares issued on exercise of employee stock options (refer note 32)	3,25,500	0	-	-
At the end of the year	18,71,17,513	37	192,958,553	39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 12 - SHARE CAPITAL (CONTD.)

* The Board of Directors in its meeting held on March 21, 2020, approved buyback of Parent Company's fully paid-up equity shares of face value of Rupees 2 each from its shareholders/ beneficial owners excluding promoters, promoter group and persons who are in control of the Parent Company, via "open market" route through the stock exchanges, for a total amount not exceeding ₹ 500 ("Maximum Buyback Size") [excluding any applicable taxes, fees and transaction charges], and at a price not exceeding Rupees 700 per equity share ("Maximum Buyback Price").

During the year, the Parent Company has completed the buyback of 61,66,540 equity shares. This has resulted in total cash outflow of ₹ 408 (including ₹ 3 towards transaction costs for buyback and ₹ 76 towards tax on buyback). In line with requirement of the Companies Act, 2013, an amount of ₹ 407 has been utilised from securities premium. Further, capital redemption reserve of ₹ 1 (representing the nominal value of the shares bought back) has been created as an appropriation from retained earnings. Consequent to extinguishment of shares so bought back, the paid-up equity share capital of the Parent Company has reduced by ₹ 1 (refer note 13).

b. Terms/ rights attached to equity shares

The Parent Company has only one class of equity shares having a face value of Rupees 2 per share. Each equity shareholder is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by the Board of Directors.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of shares issued for consideration other than cash:

	As at	As at
	March 31, 2021	March 31, 2020
	No. of shares	No. of shares
Equity shares of Rupees 2 each fully paid up issued during the year 2018-19 to the shareholders of erstwhile Dalmia Bharat Limited and OCL India Limited pursuant to Scheme of Arrangement and Amalgamation	19,27,27,553	19,27,27,553

d. Details of shareholders holding more than 5% shares in the Parent Company :

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% Holding	No. of shares	% Holding
Rama Investment Company Private Limited	7,98,46,410	42.67%	7,98,46,410	41.38%
Sita Investment Company Limited	1,38,88,260	7.42%	1,38,88,260	7.20%

As per records of the Parent Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e. Shares reserved for issue under options

Information related to DBL ESOP 2018, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 32.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 13 - OTHER EQUITY

(Amount in ₹)

	As at	As at
	March 31, 2021	March 31, 2020
Securities premium		
Opening balance as per last financial statements	7,705	7,699
Less: Amount paid upon buyback of equity shares (refer note 12(a))	(328)	(1)
Less: Tax on buyback of equity shares (refer note 12(a))	(76)	-
Less: Transaction costs for buyback of equity shares (refer note 12(a))	(3)	-
Add: Premium on issue of employee stock options	5	-
Add: Amount transferred on exercise of stock options	7	7
Closing balance	7,310	7,705
Capital reserve		
Opening balance as per last financial statements	277	277
Add: Acquisition of a subsidiary (refer note 59)	141	-
Less: released during the year	(0)	(0)
Closing balance	418	277
General reserve		
Opening balance as per last financial statements	4	3
Add: Transfer from surplus balance in statement of profit and loss	0	1
Closing balance	4	4
Capital redemption reserve		
Opening balance as per last financial statements	-	-
Add: Amount transferred from retained earnings upon buyback (refer note 12(a))	1	-
Add: Amount transferred from retained earnings upon redemption of preference shares	0	-
Closing balance	1	-
Debenture redemption reserve		
Opening balance as per last financial statements	55	250
Less: Released during the year	36	195
Closing balance	19	55
Retained earnings		
Opening balance as per last financial statements	2,170	1,844
Add: Profit for the year	1,231	224
Add: Amount released from debenture redemption reserve	36	195
Items of OCI recognised directly in retained earnings		
Less: Re-measurement (loss) on defined benefit plan (net of tax)	(3)	(6)
Add: Transfer to retained earnings on sale of equity instruments through OCI	149	7
Less: Appropriations		
Transfer to general reserve	0	1
Amount transferred to capital redemption reserve upon buyback (refer note 12(a))	1	-
Amount transferred to capital redemption reserve upon redemption of preference shares	0	-
Dividends paid	-	77
Tax on dividends	-	16
Total appropriations	1	94
Closing balance	3,582	2,170
Employee stock options outstanding		
Opening balance as per last financial statements	11	14
Add: Employee stock option expense	2	4
Less: Transfer to securities premium on exercise of stock options	(7)	(7)
Closing balance	6	11

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All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 13 - OTHER EQUITY (CONTD.)

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Exchange differences on translating the financial statements of a foreign operations		
Opening balance as per last financial statements	9	2
Additions during the year	0	7
Closing balance	9	9
Other comprehensive income, net of tax		
Opening balance as per last financial statements	291	511
Add: Changes during the year	1,098	(213)
Less: Transfer to retained earnings on sale of equity instruments through OCI	(149)	(7)
Closing balance	1,240	291
Total Other Equity	12,589	10,522
Dividend distribution made and proposed		
Cash dividends on equity shares paid :		
Final dividend for the year ended on March 31, 2020: Rupees Nil per share (March 31, 2019: Rupees 2.00 per share)	-	39
Dividend distribution tax (DDT) on final dividend	-	8
Interim dividend for the year ended on March 31, 2021: Rupees Nil per share (March 31, 2020: Rupees 2.00 per share) *	-	39
DDT on interim dividend	-	8
	-	93
Proposed dividend on equity shares:		
Final cash dividend for the year ended on March 31, 2021: Rupees 1.33 per share (March 31, 2020: Rupees Nil per share)	26	-
	26	-

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and is not recognised as a liability as at March 31, 2021.

* On February 6, 2020, the Board of Directors of the Parent Company declared an interim dividend of ₹ 39 for the financial year 2019-20, which was paid during the year 2019-20.

Description of nature and purpose of each reserve

- (a) **Securities premium** - The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.
- (b) **Capital reserve** - Capital reserve mainly includes reserve created pursuant to Scheme(s) of Arrangement and Amalgamation and acquisition of subsidiaries.
- (c) **general reserve** - The Group has transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (d) **Capital redemption reserve** - Represents the nominal value of equity share capital bought back pursuant to Section 69 of the Companies Act, 2013 and nominal value of preference share capital redeemed during the year.
- (e) **Debenture redemption reserve (DRR)** - The Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Group to create DRR out of profits available for payment of dividend. DRR is required to be created for an amount which is equal to 10% of the value of debentures issued by a subsidiary of the Group.
- (f) **Retained earnings** - Retained earnings are the profits that the Group has earned till date, less any transfers to debenture redemption reserve, dividends or other distributions paid to shareholders.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 13 - OTHER EQUITY (CONTD.)

- (g) **Employee stock options outstanding** - The employee stock options outstanding is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.
- (h) **Exchange differences on translating the financial statements of a foreign operations** - are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.
- (i) **Equity instruments through Other Comprehensive income** - The Group has elected to recognise changes in the fair value of investments in equity instruments in other comprehensive income. These changes are accumulated within the 'Equity instruments through Other Comprehensive Income' within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

NOTE 14 - FINANCIAL LIABILITIES

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(i) Borrowings		
Secured		
A. Redeemable non-convertible debentures (refer sub note 1 below)	244	718
Less: Shown in current maturities of long term borrowings	(228)	(474)
	16	244
B. Term loans:		
i. From banks (refer sub note 2 below)		
a. Foreign currency loan	78	578
b. Indian rupee loan	1,976	2,820
Less: Shown in current maturities of long term borrowings	(325)	(613)
	1,729	2,785
ii. From others (refer sub note 3 below)	105	207
Less: Shown in current maturities of long term borrowings	-	(107)
	105	100
C. Deferred payment liabilities (refer sub note 4 below)	40	19
Less: Shown in current maturities of long term borrowings	(1)	(1)
	39	18
Total (I)	1,889	3,147
Unsecured		
D. Foreign currency loans from banks (refer sub note 5 below)	441	358
Less: Shown in current maturities of long term borrowings	(241)	-
	200	358
E. Redeemable preference shares (refer sub note 6 below)	-	1
Less: Shown in current maturities of long term borrowings	-	(1)
	-	-
F. Loan from others (refer sub note 7 below)	2	2
Less: Shown in current maturities of long term borrowings	(2)	(2)
	-	-
Total (II)	200	358
Total non current borrowings (I+II)	2,089	3,505
Current maturities of long term borrowings - Secured	554	1,196
Current maturities of long term borrowings - Unsecured	243	3
Total current maturities of long term borrowings disclosed in note 19(iii)	797	1,199

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 14 - FINANCIAL LIABILITIES (CONTD.)

1) Debentures referred to in A above to the extent of:

- i) 9.91% Series C ₹ Nil (March 31, 2020: ₹ 182) were secured by first pari-passu charge on movable and immovable property, plant and equipment (both present and future) of cement units of Dalmia Cement (Bharat) Limited (DCBL) situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack and Jajpur) and OCL Bengal Cement Works (Midnapore, West Bengal) and redeemable in January 2021. The debentures are fully repaid during the year.
- ii) 8.65% ₹ Nil (March 31, 2020: ₹ 85) were secured by first pari-passu charge over specified movable and immovable property, plant and equipment of Dalmiapuram, Kadapa and Ariyalur units of DCBL and redeemable in October 2020. The debentures are fully repaid during the year.
- iii) 8.70% ₹ 20 (March 31, 2020: ₹ 20) are secured by first pari-passu charge over specified movable and immovable property, plant and equipment of Dalmiapuram unit of DCBL and redeemable in October 2021.
- iv) 9.90% ₹ 200 (March 31, 2020: ₹ 399) are secured by way of first pari-passu charge on all movable and immovable property, plant and equipment (both present and future) of cement units of DCBL situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack & Jajpur) and OCL Bengal Cement Works (Midnapore, West Bengal) and redeemable in three yearly instalments commencing from March 30, 2020.
- v) ₹ 24 (March 31, 2020: ₹ 32) are secured by creating mortgage on land at Chimur, Distt. Chandrapur, Maharashtra in favour of Debenture Trustees namely IDBI Trusteeship Services Ltd., Mumbai besides mortgage on all other immovable properties of Dalmia DSP Limited (Dalmia DSP), a step-down subsidiary of the Group, acquired under Insolvency and Bankruptcy Code, 2016 (IBC). As per approved Resolution Plan, the holders of NCD shall be paid an amount of ₹ 80 towards full and final settlement of all dues including any default interest or any other charges. 50% of the settlement amount was paid within 30 days from the effective date (i.e. July 10, 2018) and balance is payable in five equal annual installments starting from July 10, 2019.

2) Term loans from banks referred to in B (i) above to the extent of :

- i) ₹ Nil (March 31, 2020: ₹ 376) were secured by first pari-passu charge including mortgage on immovable and movable fixed assets of cement units of DCBL at Kadapa and Ariyalur (excluding Vertical Roller Mills at Kadapa and Ariyalur), at 1 year MCLR plus 0.30% p.a. The loan is fully repaid during the year.
- ii) ₹ Nil (March 31, 2020: ₹ 462) were secured by first pari-passu charge on entire property, plant and equipment (movable and immovable) of cement unit of DCBL located at Belgaum, Karnataka both present & future (except specific equipment financed by ECA) at 1 year MCLR plus 0.30% p.a. The loan is fully repaid during the year.
- iii) ₹ Nil (March 31, 2020: ₹ 338) were secured by way of first pari-passu charge over movable and immovable property, plant and equipment pertaining to cement units of DCBL at Kadapa and Ariyalur (excluding Vertical Roller Mills at Kadapa and Ariyalur) at 3 months MCLR plus 0.20% p.a. The loan is fully repaid during the year.
- iv) ₹ 274 (March 31, 2020: ₹ 288) carrying interest rate at repo rate plus 2.20% p.a. (present 6.20% p.a) are secured by way of first pari-passu charge on property, plant and equipment (movable & immovable) of the cement plant of DCBL located at Belgaum, Karnataka both present and future (except specific equipment financed by ECA lenders). It is repayable in unequal quarterly instalments starting from March 2017 till December 2031.
- v) ₹ 183 (March 31, 2020: ₹ 192) carrying interest rate at repo rate plus 2.20 % p.a. (present 6.20% p.a) are secured by way of first pari-passu charge on property, plant and equipment (movable & immovable) of the cement plant of DCBL located at Belgaum, Karnataka both present and future (except specific equipment financed by ECA lenders). It is repayable in unequal quarterly instalments starting from March 2017 till December 2031.
- vi) ₹ Nil (March 31, 2020: ₹ 455) carried interest at 6 months EURIBOR plus 2.50% p.a. were secured by way of first pari-passu charge on hypothecation over and movable fixed assets of power plant assets of DCBL located at Dalmiapuram, Ariyalur and Belgaum. The loan was availed in foreign currency and is repayable after 36 months from date of first disbursement i.e. May 31, 2017. The loan is fully repaid during the year.
- vii) ₹ 14 (March 31, 2020: ₹ 24) carrying interest at 6 months LIBOR plus 2.05% p.a (present 2.31% p.a) are secured by way of exclusive charge on Roller Press acquired through this loan for projects at Belgaum unit of DCBL. The loan was availed in foreign currency and is repayable in 16 half yearly instalments of USD 637,110 each starting from October 2014 till May 2022.
- viii) ₹ Nil (March 31, 2020: ₹ 113) carried interest at 1 year MCLR plus 0.30% p.a were secured by mortgage and first charge on all the movable and immovable fixed assets (both property, plant and equipment and intangible assets) of the cement unit of DCBL located at Meghalaya (both present and future) and second charge on all other assets of the unit. All the above charges rank pari- passu inter-se amongst various lenders. The loan is fully repaid during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 14 - FINANCIAL LIABILITIES (CONTD.)

- ix) ₹ 232 (March 31, 2020: ₹ 249) carrying interest at repo rate plus 2.20% p.a (present 6.20% p.a) are secured by first - pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets of the cement units of DCBL situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack), OCL Bengal Cement Works (Midnapore, West Bengal) (both present and future). The loan is repayable in 48 structured quarterly instalments commencing from March 2019.
- x) ₹ 64 (March 31, 2020: ₹ 98) carrying interest rate at 6 months LIBOR plus 1.94% p.a. are secured by first - pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets of the cement units of DCBL situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack and Jajpur), OCL Bengal Cement Works (Midnapore, West Bengal) (both present and future). The loan is repayable in 8 half yearly instalment of USD 2,142,857.10 each starting from December 15, 2019 and one instalment on USD 2,285,714.80 on December 15, 2022.
- xi) ₹ 196 (March 31, 2020: ₹ 210) carrying interest at repo rate plus 2.20% p.a. (present 6.20% p.a.) are secured by first pari - passu charge on all movable and immovable fixed assets (both present and future) of the cement unit of DCBL located at Jharkhand Cement Works, Bokaro. The loan is repayable in unequal 54 structured quarterly instalments of commencing from November 2016.
- xii) ₹ Nil (March 31, 2020: ₹ 594) carried interest at 1 year MCLR plus 0.75% were secured by first pari-passu charge on movable and immovable property, plant and equipment (both present and future) of cement units of DCBL situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack & Jajpur), OCL Bengal Cement Works (Midnapore, West Bengal) and Village Chak Sarupan (Vaishali, Bihar). The loan is fully repaid during the year.
- xiii) ₹ 381 (March 31, 2020: ₹ Nil) are secured by first pari-passu charge by way of mortgage on immovable properties and first charge by way of hypothecation on movable fixed assets including mining rights, of cement unit of DCBL located at Belgaum, Karnataka, both present & future (except specific equipment financed by ECA) at repo rate plus 2.20% p.a. (presently 6.20% p.a.). The loan is repayable in 38 structured quarterly instalments commencing from December 31, 2020.
- xiv) ₹ 210 (March 31, 2020: ₹ Nil) are secured by first pari-passu charge by way of mortgage on immovable properties (including mining land) and first charge by way of hypothecation on movable fixed assets, of cement units of DCBL located at Ariyalur and Kadapa, both present & future at repo rate plus 2.20% p.a. (presently 6.20% p.a.). The loan is repayable in 38 structured quarterly instalments commencing from December 31, 2020.
- xv) ₹ 350 (March 31, 2020: ₹ Nil) carrying interest at repo rate plus 0.60% p.a. (presently 4.60% p.a.) is secured by first pari-passu charge on all the land (including mining land) and immovable fixed assets pertaining to cement assets of DCBL located at Ariyalur and Kadapa, both present and future. The loan is repayable in 5 unequal structured quarterly instalments commencing from December 2021.
- xvi) ₹ 150 (March 31, 2020: ₹ Nil) carrying interest at repo rate plus 0.60% p.a. (presently 4.60% p.a.) is secured by first pari-passu charge on all the land (including mining land) and immovable fixed assets pertaining to cement assets of DCBL located at Ariyalur and Kadapa, both present and future. The loan is repayable in 5 unequal structured quarterly instalments commencing from December 2021.

3) Term loans from others referred to in B (ii) above to the extent of:

- i) Term loan in form of government grant of ₹ 56 (March 31, 2020: ₹ 163) carrying interest @ 0.10% p.a., are secured by way of first pari-passu charge on movable and immovable properties of cement unit of DCBL at Dalmiapuram and is repayable in five unequal instalments starting from April 2019 till April 2023. The aforesaid loan was existing at the date of transition to Ind AS i.e. April 1, 2015 and thus carried at historical cost by applying the exemption of Ind AS 101.
- ii) Term loan in form of government grant of ₹ 49 (March 31, 2020: ₹ 44) carrying interest @ 0.10% p.a. are secured by way of second pari-passu charge on movable and immovable properties of cement units of DCBL located at Dalmiapuram and Ariyalur. Repayment schedule is yet to be finalised. Loan was received post transition to Ind AS and accounted at fair value with a difference being recognised as government grant (refer note 16(iii)).

4) Deferred payment liabilities referred to in C above to the extent of:

- i) ₹ 16 (March 31, 2020: ₹ 9) interest free loan from Government of Karnataka in relation to Industrial Policy of the state towards VAT incentive for the period March 28, 2015 to June 30, 2017 on sale of goods produced from Belagavi plant of DCBL and sold within the state of Karnataka. The loan is secured by way of a bank guarantee issued by DCBL and is repayable in single instalment after a period of 12 years from the date of disbursement of each instalment. Loan received post transition to Ind AS are recognised at fair value with a difference between the gross proceeds and fair value of the loan being recognised as government grant (refer note 16(iii)).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 14 - FINANCIAL LIABILITIES (CONTD.)

ii) ₹ 22 (March 31, 2020: ₹ 7) interest free loan from Government of Karnataka in relation to Industrial Policy of the state towards SGST incentive for the period July 2017 to March 2020 on sale of goods produced from Belagavi plant of DCBL and sold within the state of Karnataka. The loan is secured by way of a bank guarantee issued by DCBL and is repayable in single instalment after a period of 12 years from the date of disbursement of each instalment. Loan received post transition to Ind AS are recognised at fair value with a difference between the gross proceeds and fair value of the loan being recognised as government grant (refer note 16(iii)).

iii) ₹ 2 (March 31, 2020: ₹ 3) interest free central excise loan from Government of India disbursed through IFCI Limited is secured by creating mortgage on immovable properties of Dalmia DSP. As per approved Resolution Plan, an amount equal to 50% of total loan shall be paid within 30 days from the effective date (i.e. July 10, 2018) and balance 50% is payable in five equal annual installments starting from July 10, 2019.

5) Foreign currency loans referred to in D above to the extent of:

i) ₹ 154 (March 31, 2020: ₹ 158) carrying interest at 3 months LIBOR plus 2.40% p.a. and is repayable at the end of 15 months from the date of disbursement i.e. February 24, 2020.

ii) ₹ 199 (March 31, 2020: ₹ 200) carrying interest at 6 months EURIBOR plus 2.50% p.a. and is repayable at the end of 3 years from date of disbursement i.e. March 15, 2020.

iii) ₹ 88 (March 31, 2020: ₹ Nil) carrying interest at 3 months LIBOR plus 2.85% p.a. and is repayable at the end of 15 months from the date of disbursement i.e. April 3, 2020.

6) Redeemable Preference Shares referred to in E above to the extent of:

0% redeemable preference shares of ₹10 each, issued by step-down subsidiaries of the Group at a premium of ₹ 10/- per share. The holder of redeemable preference shares were not entitled for preferred dividend. All 0% redeemable preference shares were redeemable on the redemption date, being 12.5 years from the date of their allotment i.e. November 2020. The shares have been redeemed during the year.

7) Loan from others referred to in F above of ₹ 2 (March 31, 2020: ₹ 2) availed by one of the step down subsidiary of the Group, is interest free loan and repayable as per terms of approved Resolution Plan.

(Amount in ₹)

	As at March 31, 2021	As at March 31, 2020
(ii) Trade payables		
Total outstanding dues of micro and small enterprises (refer note 36)	-	-
Total outstanding dues of creditors other than micro and small enterprises	-	3
	-	3
For maturity profile of trade payables, refer note 40.		
(iii) Other financial liabilities		
Interest rate swap contract	-	2
Liability for capital expenditure	5	1
Other payable *	0	-
	5	3
* Amount payable towards cancelled equity shares of a step down subsidiary acquired as per approved Resolution Plan (refer note 59(a)).		
Break up of financial liabilities carried at amortised cost		
Borrowings	2,089	3,505
Non-current lease liabilities (refer note 33(a))	102	59
Trade payables	-	3
Liability for capital expenditure	5	1
Other payable	0	-
	2,196	3,568
Breakup of financial liabilities carried at fair value through profit and loss		
Interest rate swap contract	-	2
	-	2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 15 - PROVISIONS

(Amount in ₹)

	As at March 31, 2021	As at March 31, 2020
For mines reclamation liability (refer note 42)	61	53
For gratuity (refer note 31)	97	83
For post retirement medical benefit (refer note 31)	7	-
For contingencies (refer note 42)	3	4
For enterprise social commitment (refer note 42)	3	-
	171	140

NOTE 16 - GOVERNMENT GRANTS

(Amount in ₹)

	As at March 31, 2021	As at March 31, 2020
(i) Deferred capital investment subsidy (refer sub note (a) below)		
At the beginning of the year	57	69
Released to the statement of profit and loss (refer note 2(viii))	(12)	(12)
Adjustment on account of short approval of subsidy claim	-	(0)
At the end of the year	45	57
(ii) Deferred export promotion capital goods (refer sub note (b) below)		
At the beginning of the year	-	1
Accrual during the year	4	-
Released to the statement of profit and loss	-	(1)
At the end of the year	4	-
(iii) Deferred government grant (refer sub note (c) below)		
At the beginning of the year	83	59
Accrual during the year	13	30
Adjustment during the year *	(12)	-
Released to the statement of profit and loss	(9)	(6)
At the end of the year	75	83
Total (i+ii+iii)	124	140
Non current	105	122
Current	19	18

* As per letter dated December 29, 2020 from Directorate of Industries and Commerce, the terms of repayment of government loan in one of the unit of the DCBL has been revised to single instalment instead of twelve instalments, after a period of 12 years from the date of disbursement of each instalment. The revision in aforesaid repayment schedule has been adjusted prospectively in deferred government grant with a corresponding change in deferred payment liabilities classified in borrowings under note 14(i) above.

Notes:

- (a) The Group in the earlier years received grant towards capital investment as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs. The grant is recognised in statement of profit and loss on a systematic basis over the useful life of the assets.
- (b) The Group has received grant to compensate the import cost of assets, and is subject to an export obligation as prescribed in the EPCG scheme. The recognition of such grant is linked to fulfilment of the associated export obligations. At the year end, the portion of grant for which the export obligation has not been met is retained in deferred revenue under "Government grants".
- (c) The benefit of a government loan at below current market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with Ind AS 109. The benefit of the below market rate of interest/ interest free loans is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 (at fair value) and the proceeds received. Government grant is recognised in the statement of profit and loss on a systematic basis over the period of the loan during which the entity recognises as interest expense, the related costs for which the grants are intended to compensate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 17 - INCOME TAXES

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
(i) The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:		
Profit or loss section:		
Current income tax :		
Current income tax charge	22	114
Adjustment of tax relating to earlier years	(76)	(1)
Deferred tax :		
Relation to origination of temporary differences	435	76
Recognition of previously unrecognised deferred tax assets (net) #	(60)	-
MAT credit entitlement	(2)	(92)
Adjustment of tax relating to earlier years		
- Remeasurement of deferred tax on account of new tax regime (net) *	(217)	-
- MAT credit entitlement	75	-
- Others	(12)	22
Income tax expense reported in the statement of profit or loss	165	119
OCI section:		
Current income tax :		
Gain on sale of equity investments measured at FVTOCI	(5)	-
Deferred tax :		
Net loss on re-measurement of defined benefit plan	1	2
Unrealised (gain)/ loss on FVTOCI equity instruments	(124)	2
Income tax (expense)/ credit charged to OCI	(128)	4

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:		
Accounting profit before tax	1,408	357
Applicable tax rate	25.00%-34.944%	25.00%-34.944%
Computed Tax Expense	377	115
Adjustment of tax relating to earlier years:		
- Remeasurement of deferred tax on account of new tax regime (net) *	(217)	-
- Others	(13)	21
Recognition of previously unrecognised deferred tax assets (net) #	(60)	-
Temporary difference reversing within tax holiday period	41	(63)
Elimination of allowances for loan to subsidiaries on consolidation	(37)	-
Income exempt from tax	(13)	(5)
Utilisation of unrecognised carried forward losses	(4)	-
Unrecognised tax assets on losses of current year	7	24
Amortisation of goodwill in books considered as not deductible in provision for tax	-	25
Other non-deductible expenses for tax purposes	7	8
Income of capital nature	-	(4)
Recognition of deferred tax credit on account of application of indexation benefit on 'Land'	-	(3)
Change in deferred tax balances due to change in income tax rates	-	(2)
Realisation of brought forward long term capital loss not recognised in the books due to prudence	-	-
Others	77	4
Income Tax Reported in Statement of Profit and Loss	165	119

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 17 - INCOME TAXES (CONTD.)

The Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies with an option to opt for lower tax rates effective April 1, 2019, subject to certain conditions. The Parent Company and some of its step down subsidiaries have chosen not to opt for lower tax rate and continue with the erstwhile tax rate.

* The Parent Company's subsidiary namely DCBL has, during the year, adopted the option of reduced tax rate with effect from financial year 2019-20. Consequently, net deferred tax credit of ₹ 217 has been recognised in profit or loss during the year ended March 31, 2021 on account of expensing of MAT credit balance of ₹ 248 and offset by tax credit on account of re-measurement of net deferred tax liabilities of ₹ 465 as at April 1, 2020.

Further, the Parent Company's step down subsidiary namely Dalmia DSP Limited has recognised past unrecognised deferred tax assets (net) at a new lower tax rate, which is based on the future profitability and also profits earned during the current year, thereby resulting into recognition of net deferred tax credit of ₹ 59 (net of deferred tax charge of ₹ 1 for current year) during the year ended March 31, 2021.

(iii) Deferred tax:

	Balance sheet		Statement of Profit or Loss	
	As at March 31, 2021	As at March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Deferred tax relates to the following:				
Deferred tax liabilities				
Property, plant and equipment (including goodwill and other intangible assets)	1,984	2,386	(402)	(329)
Revaluation of FVTOCI investments to fair value	126	2	-	-
Others	56	90	(34)	84
Total deferred tax liabilities	2,166	2,478	(436)	(245)
Deferred Tax Assets				
Expenditure debited in statement of profit and loss but allowable for tax purposes in subsequent years	45	44		12
Carry forward of tax losses/ unabsorbed depreciation	240	745	505	309
Impairment allowance (for doubtful debts and advances)	14	17	3	(17)
Others	180	7	(172)	39
Total deferred tax assets	479	813	335	343
Deferred tax expense/ (income)			(101)	98
Deferred tax liabilities (net)	1,687	1,665		
MAT credit entitlement	53	388		
Deferred tax liabilities (net)	1,634	1,277		
Reconciliation of deferred tax liabilities (net):				
Opening balance as at April 1	1,277	1,279		
Tax expense during the year recognised in profit or loss	(101)	98		
Tax expense during the year recognised in OCI	123	(4)		
Reversal/ (recognition) of MAT credit entitlement	335	(96)		
Closing balance as at March 31	1,634	1,277		

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group has unabsorbed depreciation and business losses, that are available for offsetting against future taxable profits of the company in which the unabsorbed depreciation or business losses arisen.

The management at the end of each reporting period, assesses Group's ability to recognise deferred tax assets on tax losses and unabsorbed depreciation carried forward, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are based. The management based on the future profitability projections, is confident that there would be sufficient taxable profits in the future which will enable the Group to utilise the above MAT credit entitlement and carried forward tax losses and unabsorbed depreciation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 17 - INCOME TAXES (CONTD.)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	(Amount in ₹)	
	As at March 31, 2021	
	Gross amount	Tax effect
Unused tax losses	2,249	566
Other temporary differences	(100)	(25)
Total	2,149	541

NOTE 18 - OTHER NON CURRENT LIABILITIES

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Statutory Dues *	85	94
	85	94

* Above dues are payable as per the terms of approved Resolution Plan in respect of step down subsidiaries of the Group.

NOTE 19 - FINANCIAL LIABILITIES

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(i) Borrowings		
Secured		
(a) Cash credit from banks	16	10
(b) Working capital loan from banks	-	176
(c) Foreign currency loan from banks:		
- Buyer's credit	74	360
- Packing credit foreign currency	-	7
Total (A)	90	553
Unsecured		
(d) Commercial papers	695	644
(e) Foreign currency loan from a bank - Buyer's credit	30	28
(f) Loan from a bank	2	-
(g) From a related party (refer note 37)	5	5
(h) From others	16	16
Total (B)	748	693
Total short term borrowings (A+B)	838	1,246

- Cash credit from banks referred to in (a) above are secured by hypothecation of inventories and trade receivables by way of first pari passu charge with all other banks in the consortium and carrying interest rate in the range of 7.45% p.a. (March 31, 2020: 7.60% p.a. to 8.37% p.a.).
- Working capital loan from banks referred to in (b) above were secured by way of first pari passu charge over all current assets of the Company and carried interest rate in the range of 7.60% p.a. to 8.30% p.a.
- Foreign currency loans from banks referred to in (c) above to the extent of:**
 - ₹ 74 (March 31, 2020: ₹ 360) are secured by consortium bankers on the security of hypothecation of inventories and trade receivables in their favour ranking pari- pasu on inter se basis repayable in less than one year and carry interest rate at 6 months/ 12 months EURIBOR/LIBOR plus 1.00 % p.a. to 1.90% p.a. (presently 1.48% p.a. to 1.90% p.a.) (March 31, 2020: 1.09% p.a. to 2.55% p.a.).
 - ₹ Nil (March 31, 2020: ₹ 7) were secured by hypothecation of inventories and trade receivables of DCBL by way of first pari passu charge with all other banks in the consortium repayable in less than one year. These packing credit foreign currency loans carried interest rate of 2.00% p.a. to 2.84% p.a.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 19 - FINANCIAL LIABILITIES (CONTD.)

- Commercial papers referred to in (d) above are payable in three months and carry interest rate in the range of 3.60% p.a. to 3.99% p.a. (March 31, 2020: 5.65% p.a. to 5.90% p.a.).
- Buyer's credit from a bank referred to in (e) above is repayable in less than one year and carry interest rate at 12 months LIBOR plus 0.37% p.a. (presently 0.87% p.a.) (March 31, 2020: 2.35% p.a.).
- Loan from a bank referred to in (f) above relating to Murli Industries Limited, a step down subsidiary of the Group, is repayable as per the approved Resolution Plan.
- Loan from a related party referred to in (g) above carry interest rate of 5.50% p.a. (March 31, 2020: 9.00% p.a.) and is repayable in November 2021 with renewal option.
- Loan from others referred to in (h) above to the extent of:**
 - ₹ 7 (March 31, 2020: ₹ 7) from bodies corporate are repayable on demand and carry interest @ 18% p.a.
 - ₹ 9 (March 31, 2020: ₹ 9) payable by Dalmia DSP Limited, a step down subsidiary of the Group, to unsecured financial creditors towards full and final settlement of their claims as per Resolution Plan approved by NCLT. The amount shall be paid within 30 days from the effective date subject to grant of incentive from State Government of Bihar as specified in the Resolution Plan.

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
(ii) Trade Payables		
Total outstanding dues of micro and small enterprises (refer note 36)	20	13
Total outstanding dues of creditors other than micro and small enterprises *	1,031	816
	1,051	829
* Trade payables include due to related parties ₹ 19 (March 31, 2020: ₹ 5) (refer note 37)		
For maturity profile of trade payables and other financial liabilities, refer note 40.		
(iii) Other Financial Liabilities		
Current maturities of long term borrowings (refer note 14(i))	797	1,199
Interest accrued but not due on borrowings (includes payable to a related party ₹ 0 (March 31, 2020: ₹ 1) (refer note 37))	13	24
Interest accrued and due on borrowings	18	16
Security deposits received	591	497
Rebate to customers	347	267
Liability for capital expenditure		
- Acceptances	46	-
- Other than acceptances (including dues of micro enterprises and small enterprises of ₹ 10 (March 31, 2020: ₹ 1) (refer note 36) *	166	140
Accrued employee liabilities (including payable to related parties ₹ 3 (March 31, 2020: ₹ 3) (refer note 37))	59	65
Foreign currency option contracts/ Interest rate swap contract	2	-
Directors' commission payable (refer note 37)	2	2
Unclaimed/ unpaid dividend **	5	4
Unclaimed redeemed preference shares **	1	-
Purchase consideration payable ***	30	30
Book overdraft	3	-
Other interest payable	14	16
Other liabilities	4	4
	2,098	2,264

* Includes ₹ 3 (March 31, 2020: ₹ Nil) payable to a related party.

** There is no amount required to be credited to Investor Education and Protection Fund by the Parent Company (refer note 51).

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NOTE 19 - FINANCIAL LIABILITIES (CONTD.)

*** Purchase consideration payable include:

A sum of ₹ 30 was payable to Bawri Group (BG), other shareholder of Calcom, upon fulfilment of certain project conditions as part of Shareholder's Agreement. In the event, project conditions are not fulfilled, BG was obligated to refund ₹ 32 out of tranche 1 payment made by DCBL to BG. As the project conditions were not fulfilled, the liability to pay ₹ 30 has been disputed by DCBL and claim of refund of ₹ 32 has been made (also refer note 35(B)).

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Financial Liabilities Carried at Amortised Cost		
Borrowings	838	1,246
Lease Liabilities	31	40
Trade Payables	1,051	829
Current maturities of long term borrowings	797	1,199
Interest accrued but not due on borrowings	13	24
Interest accrued and due on borrowings	18	16
Security deposits received	591	497
Rebate to customers	347	267
Liability for capital expenditure	212	140
Accrued employee liabilities	59	65
Directors' commission payable	2	2
Unclaimed dividend	5	4
Unclaimed redeemed preference shares	1	-
Purchase consideration payable	30	30
Book overdraft	3	-
Other interest payable	14	16
Other Liabilities	4	4
	4,016	4,379
Financial liabilities carried at fair value through profit and loss		
Foreign currency option contracts/ Interest rate swap contract	2	-
	2	-

NOTE 20 - PROVISIONS

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
For gratuity (refer note 31)	38	31
For leave encashment	31	29
For post retirement medical benefit (refer note 31)	1	-
For mines reclamation liability (refer note 42)	3	3
For enterprise social commitment (refer note 42)	35	-
For export promotion capital goods (refer note 42)	1	1
For provision for contingencies (refer note 42)	7	-
For other employee benefits	0	0
	116	64

NOTE 21 - OTHER CURRENT LIABILITIES

	(Amount in ₹)	
	As at March 31, 2021	As at March 31, 2020
Liability towards dealer incentive *	100	133
Advances from customers	199	153
Other liabilities		
- Statutory dues (refer note 37)	396	221
- Others	60	44
	755	551

* Liability towards dealer incentive relates to in-kind discount granted to the customers as part of sales transaction and has been estimated with reference to the relative standalone selling price of the products for which they could be redeemed.

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NOTE 22 - REVENUE FROM OPERATIONS

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers		
- Sale of products	10,369	9,492
- Sale of services	27	23
Total sale of products and services	10,396	9,515
Subsidies on sale of finished goods	88	121
Other operating revenue		
- Scrap sale	19	16
- Others	19	22
	10,522	9,674

Notes:

a. Revenue from contracts with customers recognised in statement of profit or loss disaggregated based on nature of product or services

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products		
- Cement and its related products	9,960	8,884
- Refractories	408	513
- Power	1	2
- Others *	-	93
Total sale of products	10,369	9,492
Sale of services		
Management service charges	16	14
Marketing services	11	9
Total sale of services	27	23
Total revenue from contracts with customers	10,396	9,515
* represent sale of investment considered as stock-in-trade under inventories.		

Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Revenue as per contract price	11,715	10,683
Less: Discounts and incentives	1,319	1,168
Revenue from contracts with customers	10,396	9,515

Set out below is the revenue from contracts with customers and reconciliation to profit and loss account

Total revenue from contracts with customers	10,396	9,515
Add: Items not included in disaggregated revenue:		
Subsidies on sale of finished goods	88	121
Other operating revenues	38	38
Revenue as per the statement of profit and loss	10,522	9,674

b. Contract balance

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

	As at March 31, 2021	As at March 31, 2020
Contract Assets:		
Trade receivables (refer note 9(ii))	688	664
Contract Liabilities:		
Advances from customers (refer note 21)	199	153

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FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 23 - OTHER INCOME

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Dividend income		
- from non-current investments	-	5
- from current investments	15	8
Interest Income	83	54
Interest income from other financial assets at amortised cost	22	47
Unwinding of interest income on financial instruments	11	9
Gains/ (losses) on financial instruments measured at fair value through profit or loss (net):		
- Profit on sale of investments (net)	26	57
- On change of fair value of investments measured at FVTPL	14	2
Profit on disposal of property, plant and equipment (net)	4	1
Reversal of impairment in value of investment of joint venture	4	-
Liabilities no longer required written back	0	26
Share in profit of limited liability partnership investment (post tax)	-	7
Miscellaneous receipts	3	1
	182	217

NOTE 24 - COST OF RAW MATERIALS CONSUMED

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock	182	232
Add: Purchases	1,697	1,604
	1,879	1,836
Less: Closing stock	(208)	(182)
Cost of raw materials consumed (refer note 44)	1,671	1,654

NOTE 25 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Finished goods		
- Closing stock	128	190
- Opening stock	190	147
	62	(43)
Work-in-progress		
- Closing stock	96	113
- Opening stock	113	82
	17	(31)
Stock in trade		
- Closing stock	20	2
- Opening stock	2	92
	(18)	90
Decrease in inventories	61	16
Add: Trial run production transferred to capital work-in-progress (refer note 43)	7	9
Net decrease in inventories	68	25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 26 - EMPLOYEES BENEFITS EXPENSE

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	622	591
Contribution to provident fund and other funds	37	38
Gratuity expense (refer note 31)	13	10
Post retirement medical benefit (refer note 31)	8	-
Expenses on employees stock options scheme (refer note 32)	1	2
Workmen and staff welfare expenses	32	34
	713	675

NOTE 27 - FINANCE COSTS

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest cost:		
On Borrowings - At Amortised Cost		
- On term loans and debentures	279	357
- On short term borrowings (net of subsidy of ₹ Nil (March 31, 2020: ₹ 0))	48	45
Others		
- On deposits from dealers and others	26	24
- On lease liabilities (refer note 33(a))	11	10
- On unwinding of discount on provision and other liabilities	11	8
- On net interest on defined benefit obligations	16	9
- On others (including interest on income tax of ₹ 1 (March 31, 2020: ₹ (1)) *	17	(9)
	408	444
Less: Capitalisation of interest cost (refer note 43)	(94)	(83)
Total (I)	314	361
* net of reversal of interest liability of ₹ Nil (March 31, 2020: ₹ 12) provided in earlier years.		
(b) Other borrowing costs		
- Other finance cost	4	3
- Exchange differences on foreign currency borrowings (net) */**	(15)	51
Total (II)	(11)	54
Total finance costs (I + II)	303	415

* include settlement gain/ loss and fair value gain/ loss on derivative contracts relating to borrowings.

** Till March 31, 2020, other borrowing costs included foreign currency fluctuations arising from foreign currency borrowings to the extent they were regarded as an adjustment to interest cost as per Ind AS 23 and remaining foreign currency fluctuation loss/ (gain) was included in "Foreign currency fluctuation (net)". However for appropriate classification and also suggested by 'Guidance Note on Division II- Ind AS Schedule III' issued by the ICAI, the entire foreign exchange differences relating to foreign currency borrowings to the extent not capitalised have been presented under the head "Finance costs".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 28 - OTHER EXPENSES

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Packing expenses	404	344
Consumption of stores and spare parts	43	49
Repairs and maintenance :		
- Plant and machinery (refer note 44)	183	233
- Buildings	12	12
- Others	26	25
Rent	15	20
Rates and taxes	16	4
Insurance (net of subsidy ₹ 0 (March 31, 2020: ₹ 1))	15	8
Depot expenses	186	134
Professional charges	98	84
Advertisement and sales promotion	110	198
Travelling and conveyance	22	54
Bad debts/ advances written off (net)	4	2
Impairment allowance for doubtful receivables and advances (net of reversal of ₹ 0 (March 31, 2020: ₹ 6))	5	20
Impairment of goodwill on consolidation and CWIP	6	-
Corporate social responsibility expense (refer note (a) below)	6	10
Directors' sitting fees (refer note 37)	1	1
Miscellaneous expenses (refer note (b) below & note 44) *	335	316
	1,487	1,514

* Also, refer note 44.

Notes:

(a) Disclosure in respect of Corporate social responsibility expenses:		
(i) Gross amount required to be spent during the year	6	5
(ii) Amount spent during the year *:		
- Construction/acquisition of any asset	-	-
- On purposes other than above	8	10
(iii) Details of excess amount spent of Corporate social responsibility		
Opening balance	-	-
Amount required to be spent during the year	6	-
Amount spent during the year	8	-
Closing balance	2	-
* includes ₹ 6 (March 31, 2020: ₹ 6) paid to a related party (refer note 37).		
(b) Remuneration paid to statutory auditors (including remuneration for subsidiary companies)		
As an auditor		
i) Statutory audit fee	2	2
ii) Tax audit fees	0	0
iii) Limited review fee	1	1
In other capacity	0	0
i) Certification fee	-	0
ii) Taxation matters	0	0
Reimbursement of expenses		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 29 - EARNINGS PER SHARE

	(Amount in ₹)	
	Year ended March 31, 2021	Year ended March 31, 2020
Basic EPS		
Net profit for calculation of basic EPS (₹)	1,231	224
Weighted average number of equity shares in calculating Basic EPS	187,520,749	192,958,553
Basic earnings per share (In Rupees)	65.65	11.61
Diluted EPS		
Net profit for calculation of diluted EPS (₹)	1,231	224
Weighted average number of Equity shares for basic EPS	187,520,749	192,958,553
Effect of dilution:		
Share options	273,228	357,651
Weighted average number of equity shares for diluted EPS	187,793,977	193,316,204
Diluted earnings per share (In Rupees)	65.55	11.58

NOTE 30 - DISCLOSURE OF SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

(ii) Litigations and contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. A provision is recognised when the Group has a present obligation as a result of past events and it is probable that the Group will be required to settle that obligation.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of specific applicable law, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Company's financial position or profitability. Details of such provision are disclosed in note 35.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 30 - DISCLOSURE OF SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred. Estimating fair value for equity-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, risk free rate, expected dividend yield, market price and exercise price and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be disclosed at the carrying amount at end of each reporting period up to the date of settlement. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 32. Change in assumptions for estimating fair value of share-based payment transactions is expected to have insignificant impact on income statement.

(ii) Income taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

To determine the future taxable profits, reference is made to the latest available profit forecasts. The Group is having unabsorbed depreciation, business losses and MAT credit that may be used to offset taxable income.

MAT credit entitlement is recognised to the extent it is probable that taxable profit will be available against which the MAT credit can be utilised. Significant management judgement is required to determine the amount of MAT credit that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 17.

Change in estimate

Deferred tax credit for the previous year included ₹ 2 on account of change in assumptions pertaining to 'Land' as per the provisions of Ind-AS 12 'Income Taxes'.

(iii) Defined benefit plans

The cost of the defined benefit gratuity plan, post-retirement medical benefits and other defined benefit plan and the present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2012-14. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about the defined benefit plans are given in note 31.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 30 - DISCLOSURE OF SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 38 and 39 for further disclosures.

(v) Provision for mines reclamation

The Group has recognised a provision for mines reclamation based on its best estimates. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected future inflation rates, discount rate, expected cost of reclamation of mines, expected balance of reserves available in mines and the expected life of mines. The Group calculates the provision using the Discounted Cash Flow (DCF) based on discount rate of 6.76% p.a. and the expected timing of those costs. Details of such provision are disclosed in note 42.

Change in estimate

During the year, Group has reviewed the assumptions used in determining the fair value of Provisions, and accordingly revised the estimate for provision for mines reclamation resulting in increase in provision by ₹ 3 (March 31, 2020: ₹ 8).

(vi) Provision for enterprise social commitment

The Group has recognised a provision for enterprise social commitment based on its best estimates. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected discount rate, expected cost of social commitment. The Group calculates the provision using the Discounted Cash Flow (DCF) based on discount rate of 5.39% p.a. to 5.71% p.a.. Details of such provision are disclosed in note 42.

(vii) Revenue from contracts with customers – Non-cash incentives given to customers

The Group estimates the fair value of non-cash incentives awarded by applying market rate offered by vendors to the Group. The assumption for determining fair value of non-cash incentives is based on the market rate of such schemes. As at March 31, 2021, the estimated liability towards non-cash incentive is ₹ 100 (March 31, 2020: ₹ 133). Change in assumptions for estimating fair value of non-cash incentives does not have any significant impact on income statement.

(viii) Property, plant and equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Change in estimates

- "During the previous year, the Group completed the re-valuation of the pattern of economic benefits derived from property, plant and equipment ('PPE') of the manufacturing facilities situated at North East region of the Group. Based on such evaluation, management decided to change the method of providing depreciation on its PPE from straight line method to written down value method w.e.f. July 1, 2019.
- During the previous year, the residual value of PPE was reviewed and re-assessed by the Group so that the revised residual value properly reflect the values which the Group expects to realise on completion of useful life of the respective assets.

Consequent to (a) and (b) above, depreciation charge and deferred tax credit due to higher reversal of depreciation during tax holiday period for the year ended March 31, 2020 was higher by ₹ 220 and ₹ 56, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 30 - DISCLOSURE OF SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTD.)

(ix) Impairment of property, plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived based on remaining useful life of the respective assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

There are no impairment losses recognised for the years ended March 31, 2021 and March 31, 2020.

(x) Subsidies receivable

The Group is entitled to various subsidies from Government in the form of government grant and recognize amount receivable and it is reasonably certain that the ultimate collection will be made from government as subsidy receivable when the Group is entitled to receive it to match them with expenses incurred for which they are intended to compensate. The Group records subsidy receivable by discounting it to its present value. The Group uses assumptions in respect of discount rate and estimated time for receipt of funds from government. The Group reviews its assumptions periodically, including at each financial year end.

(xi) Impairment of financial assets

The impairment provisions for financial assets disclosed in note 6 & 9 are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTE 31 - GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

(a) Gratuity

The Group has a defined benefit gratuity plan. The gratuity is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded through Gratuity Fund Trust with an insurance company in the form of a qualifying insurance policy, except in case of employees of certain cement units of DCBL and other step down subsidiaries of the Group. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Group makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

(b) Provident fund ('PF')

The Group contributes provident fund liability of certain eligible employees of Parent Company and DCBL to "Dalmia Cement Provident Fund", and in case of employees and workers of one of the step down subsidiary of the Group to (i) Board of Trustees Provident Fund for the Employees of Kalyanpur Cements Limited and (ii) Board of Trustees Provident Fund for the Supervisory Staffs of Kalyanpur Lime & Cement Works Limited. As per the applicable accounting standard, provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuarial Society of India for measurement of provident fund liabilities and a provision has been recognised in respect of future anticipated shortfall with regard to interest rate obligation as at the balance sheet date.

(c) Post-retirement medical benefits plan ('PRMB')

The Group provides post-retirement medical benefits to its certain retired employees. The plan is not funded by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 31 - GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS (CONTD.)

The following tables summarize the components of defined benefit costs recognised in the statement of profit and loss and amounts recognised in the balance sheet for the above mentioned plans.

Statement of Profit and Loss

Components of defined benefit costs

Particulars	Gratuity		PF		PRMB	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Service Cost	14	11	19	17	8	-
Less: Allocated to CWIP during the year (refer note 43)	(1)	-	(2)	(2)	-	-
Amount recognised in statement of profit and loss (i)	13	10	17	15	8	-
Net interest cost	8	7	8	5	-	-
Less: Allocated to CWIP during the year	(0)	-	(0)	-	-	-
Amount recognised in statement of profit and loss (ii)	8	6	8	5	-	-
Net benefit expense ((i) + (ii))	21	16	25	20	8	-

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2021

	Gratuity			PF			PRMB		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2020 (1)	153	40	113	344	317	27	-	-	-
Service cost (2)									
- Current service cost	14	-	14	19	-	19	-	-	-
- Past service cost	-	-	-	-	-	-	8	-	8
Net interest expense/ (income) (3)	10	2	8	35	27	8	-	-	-
Sub-total included in profit or loss (2+3)=(4)	24	2	22	54	27	27	8	-	8
Re-measurements									
Return on plan assets (excluding amounts included in net interest expense) (5)	-	(1)	1	-	5	(5)	-	-	-
(Gain)/loss from changes in demographic assumptions (6)	-	-	-	-	-	-	-	-	-
(Gain)/loss from changes in financial assumptions (7)	2	-	2	-	-	-	-	-	-
Experience (gains)/losses (8)	1	-	1	6	-	6	-	-	-
Sub-total (5+6+7+8)=(9)	3	(1)	4	6	5	1	-	-	-
Expense/ (income) included in OCI out of (9) above	3	(1)	4	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 31 - GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS (CONTD.)

(Amount in ₹)

	Gratuity			PF			PRMB		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
Contributions by employer (10)	-	-	-	-	25	(25)	-	-	-
Contribution by plan participation/ employees (11)	-	-	-	41	41	-	-	-	-
Settlements/ (Transfer in) (12)	-	-	-	8	13	(5)	-	-	-
Acquisition/ other adjustments (13)	0	0	0	-	-	-	-	-	-
Benefits paid (14)	(17)	(13)	(4)	(43)	(45)	2	-	-	-
Sub-total (10+11+12+13+14)=(15)	(17)	(13)	(4)	6	34	(28)	-	-	-
March 31, 2021 (1+4+9+15)	163	28	135	410	383	27	8	-	8

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2020

(Amount in ₹)

	Gratuity			PF		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2019 (1)	137	42	95	254	225	29
Service cost (2)	11	-	11	17	-	17
Net interest expense/ (income) (3)	10	3	7	25	20	5
Sub-total included in profit or loss (2+3)=(4)	21	3	18	42	20	22
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	(0)	0	-	4	(4)
(Gain)/loss from changes in demographic assumptions (6)	0	-	0	-	-	-
(Gain)/loss from changes in financial assumptions (7)	6	-	6	-	-	-
Experience (gains)/losses (8)	2	-	2	3	-	3
Sub-total (5+6+7+8)=(9)	8	(0)	8	3	4	(1)
Expense/ (income) included in OCI out of (9) above	8	(0)	8	-	-	-
Contributions by employer (10)	-	-	-	-	17	(17)
Contribution by plan participation/ employees (11)	-	-	-	37	37	-
Settlements/ (Transfer in) (12)	-	-	-	28	34	(6)
Acquisition adjustments (13)	(2)	(1)	(1)	-	-	-
Benefits paid (14)	(11)	(4)	(7)	(20)	(20)	-
Sub-total (10+11+12+13+14)=(15)	(13)	(5)	(8)	45	68	(23)
March 31, 2020 (1+4+9+15)	153	40	113	344	317	27

The Group expects to contribute ₹ 118 (March 31, 2020: ₹ 97) and ₹ 21 (March 31, 2020: ₹ 18) to gratuity and PF respectively in 2021-22.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 31 - GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS (CONTD.)

The major categories of plan assets of the fair value of the total plan assets of Gratuity and PF are as follows:-

(Amount in ₹)

Particulars	Gratuity		PF	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investment pattern in plan assets:				
Insurance Company products	13	18	-	-
Central Government securities	1	1	38	33
State Government securities	11	16	141	112
Special Deposit scheme	2	2	17	18
Corporate bonds	1	2	156	128
Cash and cash equivalents	0	0	3	8
Equity shares of listed companies	-	-	22	15
Other investment	1	1	6	3
Total	29	40	383	317

The principal assumptions used in determining gratuity and PF for the Group are shown below:

(Amount in ₹)

Particulars	Gratuity		PF		PRMB	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate (%)	6..15	6.40	6..15	6.40	6.60	-
Future salary increase (%)	6.00 to 7.00	6.00 to 7.00	-	-	-	-
Guaranteed interest rate (%)	-	-	8.50	8.50	-	-
Medical cost inflation rate (%)	-	-	-	-	5.00	-
Mortality Table	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	"90% (of LIC 96-98 mod ult.)"	-

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 is as shown below:

Gratuity Plan:

(Amount in ₹)

Assumption	Discount rate				Future salary increases			
	1% Decrease		1% Increase		1% Decrease		1% Increase	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Impact on defined benefit obligation	7	6	(8)	(7)	(8)	(7)	7	6

Provident Fund:

(Amount in ₹)

Assumption	Discount rate				Interest Rate Guarantee			
	1% Decrease		1% Increase		1% Decrease		1% Increase	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Impact on defined benefit obligation	7	6	(3)	(2)	(14)	(6)	14	13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 31 - GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS (CONTD.)

PRMB:

(Amount in ₹)

Assumption	Discount rate				Medical Cost Inflation Rate			
	1% Decrease		1% Increase		1% Decrease		1% Increase	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Impact on defined benefit obligation	1	-	(1)	-	(1)	-	1	-

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

(Amount in ₹)

Particulars	Gratuity		PRMB	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Within the next 12 months	54	52	1	-
Between 2 and 5 years	72	64	2	-
Between 5 and 10 years	58	50	3	-
Beyond 10 years	40	45	9	-
Total expected payments	224	211	15	-

The weighted average duration (based on discounted cash flows) of the defined benefit plan obligation for gratuity at the end of the reporting period is 4 -14 years (March 31, 2020: 3 -14 years) and for PRMB is 9 to 11 years.

Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:-

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. The plan asset investments is in insurance company products and in government securities. The investments are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

Asset liability matching risk

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due.

Liquidity Risk

The Group actively monitors how the duration and the expected yield of investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods.

Contribution to Defined Contribution Plans:

(Amount in ₹)

Particulars	2020-21	2019-20
Provident fund/ Pension fund	18	20
Superannuation fund	1	1
National Pension Scheme	2	3

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FOR THE YEAR ENDED MARCH 31, 2021

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NOTE 32 - SHARE - BASED PAYMENTS

Employee Stock Option Scheme 2018 - DBL ESOP 2018 was adopted by the Board of Directors pursuant to the Scheme of Arrangement and Amalgamation approved by the Hon'ble NCLT, Chennai vide its Order dated April 20, 2018. Under the DBL ESOP 2018, the Parent Company granted 2 (two) new stock options ('New Options') to the eligible employees of Group, including employees of subsidiary company, in lieu of every existing 1 (one) stock option held by them under erstwhile DBEL ESOP Scheme 2011 (whether vested or unvested).

Options granted under DBL ESOP 2018 would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and Remuneration Committee of the Parent Company has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment and certain performance parameters stipulated by the Nomination and Remuneration Committee. Hence the options would vest with passage of time on meeting the performance parameters.

The fair value of the stock options is estimated at the grant date using the Black- Scholes option pricing model, taking into account the terms and conditions upon which the stock options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

Options have been granted with vesting period of 5 years in case of Grant 1, 2 & 3; and 4 years in case of Grant 4 on the basis of graded vesting and are exercisable for a period of 3 years once vested. There are no cash settlement alternatives. The Parent Company does not have a past practice of cash settlement for these stock options. Options granted under the DBL ESOP 2018 will carry no dividend or voting rights. On exercise, each option is convertible into one equity share.

The expense recognised for employee services received during the year is shown in the following table:

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
Expense arising from equity-settled share-based payment transactions *	1	4
Total expense arising from share-based payment transactions	1	4

* includes ₹ 1 (March 31, 2020: ₹ 2) allocated to capital work-in-progress (refer note 43).

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	March 31, 2021		March 31, 2020	
	Numbers	WAEP	Numbers	WAEP
Outstanding at the beginning of the year	6,39,000	173.03	9,39,000	168.39
Granted during the year	55,800	2.00	-	-
Exercised during the year	(3,25,500) ^	173.37	(3,00,000) */^^	158.51
Expired/ lapsed during the year	(52,500) **	(134.75)	-	-
Outstanding at the end of the year	3,16,800	158.34	6,39,000	173.03
Exercisable at the end of the year	-	-	-	-

* Shares exercised during the previous year, were issued through DB Trust.

** Unvested options expired on resignation of employee.

^ The weighted average share price at the date of exercise of these options was Rupees 1,219.30/-

^^ The weighted average share price at the date of exercise of these options was Rupees 511.10/-

The weighted average remaining contractual life for the share options outstanding as at March 31, 2021 was 4.10 years (March 31, 2020: 4.27 years).

The weighted average fair value of options granted during the year was Rupees 849.84/- (March 31, 2020: Rupees Nil).

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FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 32 - SHARE - BASED PAYMENTS (CONTD.)

The following table list the inputs to the models used for the plan for the year ended March 31, 2021 and March 31, 2020:

	(Amount in ₹)			
	Grant 1	Grant 2	Grant 3	Grant 4
Weighted average fair values at the measurement date	23.45	180.23	239.65	849.84
Dividend yield (%)	1.42	0.40	0.21	0.23
Expected volatility (%) *	42.76	48.58	46.92	43.11
Risk-free interest rate (%)	8.16	7.71	7.54	4.83
Average expected life of options (years)	4.50	4.53	4.51	4.20
Weighted average share price (Rupees per share)	105.95	502.05	713.80	859.83
Date of grant	May 18, 2012	January 29, 2015	February 03, 2016	November 05, 2020
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model	Black Scholes Model
Exercise price	52.75	108.62	191.77	2.00

* The expected volatility was determined based on historical volatility data.

NOTE 33 - LEASES

a) Group as a lessee

The Group has lease contracts for various land, buildings (godowns, office and residential premises), vehicles and other equipment used in its operations. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of godowns and other equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	(Amount in ₹)				
	Land *	Buidlings	Vehicles	Other equipment *	Total
Cost					
As at April 1, 2019 *	79	75	23	2	179
Additions	3	32	11	-	46
Disposals	(0)	(6)	(2)	(0)	(8)
Exchange difference **	0	-	-	-	0
As at March 31, 2020	82	101	32	2	217
Additions	4	95	13	-	112
Disposals	-	(39)	(6)	-	(45)
Exchange difference **	0	-	-	-	0
As at March 31, 2021	86	157	39	2	284
Accumulated depreciation					
As at April 1, 2019	-	-	-	-	-
Charge for the year	4	37	9	1	51
Disposals	(0)	(2)	(0)	-	(2)
Exchange difference **	0	-	(0)	-	(0)
As at March 31, 2020	4	35	9	1	49
Charge for the year	4	36	12	1	53
Disposals	-	(12)	(3)	-	(15)
Exchange difference **	(0)	-	-	-	(0)
As at March 31, 2021	8	59	18	2	87
Net block					
As at March 31, 2021	78	98	21	0	197
As at March 31, 2020	78	66	23	1	168

* included ₹ 71 reclassified on account of adoption of Ind AS 116.

** includes foreign currency translation of foreign operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 33 - LEASES (CONTD.)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	(Amount in ₹)	
Particulars	2020-21	2019-20
As at April 1	99	110
Additions	107	40
Deletions	(29)	(8)
Accretion of interest	11	10
Payments	(56)	(53)
As at March 31	132	99
Current	31	40
Non-current	102	59

The maturity analysis of lease liabilities are disclosed in note 40.

The effective interest rate for lease liabilities is 8% to 10% (March 31, 2020: 10%) with maturity between 2021-2109.

The following are the amounts recognised during the year:

	(Amount in ₹)	
Particulars	2020-21	2019-20
Year ended March 31		
Depreciation expense of right-of-use assets	53	51
Interest expense on lease liabilities	11	10
Expense relating to short-term leases	18	22
Total	82	83

Amounts recognised in statement of cash flows:

	(Amount in ₹)	
Particulars	2020-21	2019-20
Year ended March 31		
Total cash outflow for leases	56	53

b) Group as a lessor

The Group had purchased wagons under "own your wagon scheme" of Railways and leased it to Railways on rent, the wagons were recognised as assets and carried in the books at written down value. It qualifies to be recognised as finance lease arrangement where Railways is the lessee.

Future minimum lease receivables (MLR) and its present value under finance leases are as follows:

Particulars	March 31, 2021		March 31, 2020	
	Future Gross MLR	Present value of MLR	Future Gross MLR	Present value of MLR
Within one year	-	-	-	-
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
Unguaranteed residual values	1	1	1	1
Total minimum lease payments	1	1	1	1
Less: amounts representing finance income	-	-	-	-
Present value of minimum lease payments	1	1	1	1

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FOR THE YEAR ENDED MARCH 31, 2021

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NOTE 34 - CAPITAL AND OTHER COMMITMENTS

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
A) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	618	529
B) Other commitments:		
i) Commitment towards forestry department as per the Forest (Conservation) Act, 1980	-	0
ii) Contractual and other payments, which does not have any bearing on the results for the current and previous year	11	31

NOTE 35 - CONTINGENT LIABILITIES / LITIGATIONS IN RESPECT OF :

A) Not provided for:

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
i) Claims against the Group not acknowledged as debts	230	282
ii) Demands raised/ show cause notices issued by following authorities in dispute (including cases which have been remanded back for re-assessment):		
- Excise and Service tax	58	51
- Customs	18	18
- Sales tax/ Entry tax/ Purchase tax/ Market fee	150	130
- Income tax matters	50	50

iii) Income tax department had carried out search operation in the office premises of erstwhile step-down subsidiary Adhunik Cement Limited (now a unit of DCBL) on March 11, 2016 (concluded on May 03, 2016), consequent to which assessment orders under Section 153(A)/143(3) of the Income Tax Act, 1961 have been passed on December 30, 2018 from AY 2011-12 to 2017-18 and there is no additional income tax liability. However, unabsorbed depreciation has been reduced on account of addition of ₹ 42 made in AY 2011-12 and against the same, an appeal was filed before the appellate authority.

The Group has not adjusted the above amounts while computing income tax/ deferred tax since the Group has been legally opined that above addition may not be tenable.

Based on favourable decisions in similar cases, legal opinion taken by the Group, discussions with the solicitors etc., the Group believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

B) The Parent Company's subsidiary namely Dalmia Cement (Bharat) Limited (DCBL) and Bawri Group (BG) entered into several agreements in the year 2012 wherein DCBL acquired 76% stakes in one of its subsidiary company namely Calcom Cement India Limited (Calcom). Under the agreements, BG had to complete certain conditions as stipulated in the Shareholders' Agreement. As BG failed to complete the said conditions, DCBL issued a notice to BG requiring them to transfer their remaining shareholding as provided in the Shareholders' Agreement. BG issued a notice demanding ₹ 30 from DCBL which as per the Shareholders' Agreement was payable only on completion of the said conditions. The disputes were referred to Arbitral Tribunal and the Tribunal has passed the Award. The Award includes inter alia payment of ₹ 30 to BG along with interest; and rejection of DCBL's claim of transfer of remaining shares of BG in Calcom. The Tribunal has also rejected DCBL's claim for refund of ₹ 32; and redemption of debentures worth ₹ 59 and awarded that in lieu of the debentures worth ₹ 59, BG shall transfer 0.01% equity in Saroj Sunrise Private Limited (a BG Group company) in favour of DCBL. The Tribunal has also awarded a cost of ₹ 16 in favour of BG.

The Group has been legally advised that the Award is patently illegal and against the public policy of India and ought to be set aside and has challenged the Award before the Delhi High Court. Accordingly, no adjustments have been made in this regard, to these financial statements.

During the pendency of arbitration proceedings, without prejudice to its rights, DCBL has also exercised its right of Call Option to acquire the remaining shareholding of BG in Calcom in terms of the Shareholders' Agreement.

C) Based on newspaper reports regarding rat hole mining in Meghalaya, NGT had taken suo moto cognizance of the matter and initiated proceedings NGT had constituted a Committee to look into the matter. The Committee in its Fifth report arbitrary observations with regard to various companies regarding gap in coal used and clinker produced, and basis that, estimated the amount of royalty contribution to Meghalaya Environment Protection and Restoration fund (MEPRF) and GST/VAT payable by these companies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 35 - CONTINGENT LIABILITIES / LITIGATIONS IN RESPECT OF : (CONTD.)

Based on the amounts mentioned in the Committee's fifth Report, the Department of Mineral Resources, Meghalaya has demanded ₹ 50 towards payment of royalty and ₹ 36 towards Meghalaya Environment Protection and Restoration Fund (MEPRF) for the years 2014-15 to 2018-19. Further, the said report also mentioned the amount of ₹ 30 towards GST / VAT for which the Superintendent (Anti-Evasion) CGST and Senior Intelligence Officer, DGGI have also issued summons seeking information/ documents pertaining to payment of royalty and GST. DCBL is in the process of challenging the Fifth report and demand before the Hon'ble Supreme Court.

Based on the legal opinion and the internal legal assessment of the matter. The Group believes that it has a good contestable case. Hence, no provision is considered necessary in these financial statements.

D) CBI has filed a charge sheet against DCBL & its employees under Section 120(b) read with Section 420 of Indian Penal Code before Special Judge, CBI Cases, Hyderabad, wherein CBI has alleged that DCBL had invested in the shares of Bharathi Cement Corporation Private Limited for the benefit of one of the accused as a quid pro quo for grant of prospecting license over certain limestone bearing land in the State of Andhra Pradesh and the shares of Bharathi Cement Corporation Private Limited were sold by DCBL at a profit.

Pursuant to above, charge sheet has been filed before Special Judge, CBI Cases, Hyderabad, on which cognizance has been taken. The case is still at the preliminary stage. These proceedings were challenged by one of the accused before High Court and the same is pending till date. In the opinion of the Group, no adverse impact is expected to devolve on the management on conclusion of such proceedings.

E) Guarantees

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
(i) Guarantees * given to a bank on behalf of others of ₹ 16 (March 31, 2020: ₹ 21) – Loan outstanding	6	9
(ii) Corporate guarantee given to a bank for issuance of bank guarantee towards grant of mining lease	12	12

* These are covered by first pari pasu charge created in favour of the Parent Company's bank by way of hypothecation of current assets and receivables.

NOTE 36 - DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprises	30	14
- Interest due on above	0	0
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0	0
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	0	0

The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and the same has been relied upon by the auditors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 37 - RELATED PARTY DISCLOSURES

A). List of related parties and nature of relationship:

(i) Joint Ventures

1. Radhikapur (West) Coal Mining Private Limited
2. Khappa Coal Company Private Limited

(ii) Key Management Personnel

1. Mr. Puneet Yadu Dalmia - Managing Director & CEO,
2. Mr. Gautam Dalmia - Managing Director,
3. Mr. Dharmender Tuteja - Chief Financial Officer (w.e.f. March 23, 2021),
4. Mr. Jayesh Doshi - Whole time Director & CFO (upto October 31, 2020),
5. Dr. Sanjeev Gemawat – Executive Director (Legal) and Company Secretary.

(iii) Directors

1. Mr. Jai Hari Dalmia - Non- Executive Director,
2. Mr. Yadu Hari Dalmia - Non- Executive Director,
3. Mr. Niddodi Subrao Rajan - Non- Executive Director (w.e.f. August 30, 2019),
4. Mr. Pradeep Kumar Khaitan - Independent Director,
5. Mr. Virendra Singh Jain - Independent Director,
6. Mrs. Sudha Pillai - Independent Director,
7. Mr. Nagrajan Gopaldaswamy - Independent Director (upto September 25, 2019),
8. Mr. Dharmendar Nath Davar - Non- Executive Director (upto August 30, 2019).

Related parties with whom transactions have taken place during the year:

(iv) Trust relating to retiral benefit plan

1. Dalmia Cement Provident Fund
2. Dalmia Cement Bharat Executive Superannuation Fund
3. Orissa Cement Executives Superannuation Fund
4. Board of Trustees Provident Fund for the Employees of Kalyanpur Cements Limited
5. Board of Trustees Provident Fund for the Supervisory Staffs of Kalyanpur Lime & Cement Works Limited

(v) Relatives of key management personnel/ directors

1. Mrs. Bela Dalmia
2. Mrs. Kavita Dalmia
3. Mrs. Anupama Dalmia
4. Ms. Sukeshi Dalmia
5. Ms. Vaidehi Dalmia
6. Ms. Sumana Dalmia
7. Mrs. Chandana Jayesh Doshi (upto October 31, 2020)

(vi) Enterprises controlled/ jointly controlled by the key management personnel/ directors

1. Alirox Abrasives Limited,
2. Antordaya Commercial and Holdings Private Limited,
3. Arjuna Brokers & Minerals Limited,
4. Keshav Power Limited,
5. Dalmia Bharat Foundation,
6. Dalmia Bharat Sugar and Industries Limited,
7. Dalmia Refractories Limited,
8. Dalmia Seven Refractories Limited,
9. Kanika Investment Limited,
10. Shree Nirman Limited,
11. Shri Chamundeswari Minerals Limited,
12. Rama Investment Company Private Limited,
13. Sita Investment Company Limited,
14. Himgiri Commercial Limited,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 37 - RELATED PARTY DISCLOSURES (CONTD.)

15. Himshikhar Investment Limited,
16. Valley Agro Industries Limited,
17. MAJ Textiles Private Limited,
18. Khaitan & Co. LLP,
19. Khaitan & Co.,
20. Khaitan & Co. AOR,
21. Valley Agro Industries Limited,
22. GSB Refractories India Private Limited,
23. Dalmia GSB Refractories GmbH.

(vii) Other related parties

1. Shri Jai Hari Dalmia C/o J. H. Dalmia (HUF) *
2. Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF),
3. Shri Gautam Dalmia C/o Gautam Dalmia (HUF) **,
4. Kavita Dalmia Parivar Trust
5. Shri Brahma Creation Trust
6. J.H. Dalmia Trust
7. Ku. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust

* dissolved on November 28, 2019.

** dissolved on July 19, 2019.

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All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 37 - RELATED PARTY DISCLOSURES (CONTD.)

B). The following transactions were carried out with the related parties in the ordinary course of business:

(Amount in ₹)

Name of related party	Nature of related party	Dividend paid	Dividend received	Interest paid	Interest received	Loans and advances given	Loans and advances received back	Remuneration Paid *	Directors sitting fees	Directors commission	Professional fees	Sale of goods and services	Sale of Assets	Subscription to equity share capital	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Reversal of impairment in value of investment	Rent Received	Contribution to post employment benefit plan	CSR
Radhikapur (West) Coal Mining Private Limited	Joint venture	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-
		-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Bharat Sugar and Industries Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	15	0	-	2	-	0	-	-	-	-
		(1)	(5)	-	-	-	-	-	-	-	-	(13)	-	-	(12)	-	(0)	-	-	-	-
Dalmia Refractories Limited	KMP/ directors controlled	-	-	-	2	26	3	-	-	-	-	16	-	-	35	-	0	-	-	-	-
		(0)	-	-	-	-	-	-	-	-	-	(24)	-	-	(45)	-	(0)	-	-	-	-
Dalmia Seven Refractories Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	10	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GSB Refractories India Private Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	2	-	-	2	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia GSB Refractories GmbH	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Valley Agro Industries Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Antordaya Commercial and Holdings Private Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0	-	0	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Alirox Abrasives Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Shri Chamundeswari Minerals Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Keshav Power Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Vishnu Charitable Trust	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Dalmia Bharat Foundation	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	1	-	-	-	-	-	6
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	(6)
Shri Nirman Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Kanika Investment Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)	-	-
Arjuna Brokers & Minerals Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Rama Investment Company Private Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(32)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 37 - RELATED PARTY DISCLOSURES (CONTD.)

(Amount in ₹)																					
Name of related party	Nature of related party	Dividend paid	Dividend received	Interest paid	Interest received	Loans and advances given	Loans and advances received back	Remuneration Paid *	Directors sitting fees	Directors commission	Professional fees	Sale of goods and services	Sale of Assets	Subscription to equity share capital	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Reversal of impairment in value of investment	Rent Received	Contribution to post employment benefit plan	CSR
Sita Investment Company Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Khaitan & Co. LLP	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	(3)	-	-	-	-	-	-	-	-	-	-
Khaitan & Co.	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	(1)	-	-	-	-	-	-	-	-	-	-
Khaitan & Co. AOR	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Cement Provident Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16)	-
Dalmia Cement Bharat Executive Superannuation Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-
Orissa Cement Executives Superannuation Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-
Board of Trustees Provident Fund for the Employees of Kalyanpur Cements Limited	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-
Board of Trustees Provident Fund for the Supervisory Staffs of Kalyanpur Lime & Cement Works Limited	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)	-
Mr. Puneet Yadu Dalmia	KMP	-	-	-	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	(20)	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Gautam Dalmia	KMP	-	-	-	-	-	-	15	0	-	-	-	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	(15)	(0)	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Dharmender Tuteja	KMP	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Jayesh Doshi	KMP	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Sanjeev Gemawat	KMP	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Jai Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	6	0	-	-	-	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	(7)	(0)	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 37 - RELATED PARTY DISCLOSURES (CONTD.)

(Amount in ₹)																						
Name of related party	Nature of related party	Dividend paid	Dividend received	Interest paid	Interest received	Loans and advances given	Loans and advances received back	Remuneration Paid *	Directors sitting fees	Directors commission		Professional fees	Sale of goods and services	Sale of Assets	Subscription to equity share capital	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Reversal of impairment in value of investment	Rent Received	Contribution to post employment benefit plan	CSR
Mr. Yadu Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	10	0	-		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	(10)	(0)	-		-	-	-	-	-	-	-	-	-	-	-
Mr. Dharmendar Nath Davar	Non- Executive Director	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	-		-	-	-	-	-	(0)	-	-	-	-	-
Mr. Niddodi Subrao Rajan	Non- Executive Director	-	-	-	-	-	-	-	0	0		3	-	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	-	(0)	(0)		(2)	-	-	-	-	-	-	-	-	-	-
Mr. Pradeep Kumar Khaitan	Director	-	-	-	-	-	-	-	0	0		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	(0)		-	-	-	-	-	-	-	-	-	-	-
Mr. Nagrajan Gopaldaswamy	Director	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	(0)		-	-	-	-	-	-	-	-	-	-	-
Mr. Virendra Singh Jain	Director	-	-	-	-	-	-	-	0	0		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	(0)		-	-	-	-	-	-	-	-	-	-	-
Mrs. Sudha Pillai	Director	-	-	-	-	-	-	-	0	0		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	(0)		-	-	-	-	-	-	-	-	-	-	-
Others	Relatives of KMP/ directors	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-
Others	Other related parties	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-
		(2)	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-

All figures in () represent amount for the year ended March 31, 2020.

* KMP are covered under the Group Gratuity Scheme along with other employees of the Group. The gratuity and leave liability is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity and leave liability for KMP cannot be ascertained separately, except for the amount actually paid.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 37 - RELATED PARTY DISCLOSURES (CONTD.)**C) Balance outstanding at year end:**

		(Amount in ₹)										
Name of Related Party	Nature of Related Party	Interest Receivable	Interest Payable	Short-Term Borrowings	Loans Receivable	Directors' Commission Payable	Directors' Sitting Fee Payable	Remuneration Payable	Other Current Liabilities	Liability for Capital Expenditure	Trade Payables	Trade Receivables
Radhikapur (West) Coal Mining Private Limited	Joint venture	-	0	5	-	-	-	-	-	-	-	-
Dalmia Bharat Sugar and Industries Limited	KMP/ directors controlled	-	(1)	(5)	-	-	-	-	-	-	0	2
Dalmia Refractories Limited	KMP/ directors controlled	1	-	-	23	-	-	-	-	3	16	25
Dalmia Seven Refractories Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	1	0
GSB Refractories India Private Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	1	2
Dalmia GSB Refractories GmbH	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	4
Dalmia Bharat Foundation	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0
Shree Nirman Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0
Shri Chamundeswari Minerals Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	(0)	0
Antordaya Commercial and Holdings Private Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	(0)
Vishnu Charitable Trust	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0
Khaitan & Co. LLP	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0
Khaitan & Co.	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	(2)	(0)
Khaitan & Co. AOR	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	(1)	(0)
Dalmia Cement Provident Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	2	-	-	-
Dalmia Cement Bharat Executive Superannuation Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	(1)	-	-	-
Orissa Cement Executives Superannuation Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	0	-	-	-
Board of Trustees Provident Fund for the Employees of Kalyanpur Cements Limited	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	(0)	-	-	-
Board of Trustees Provident Fund for the Supervisory Staffs of Kalyanpur Lime & Cement Works Limited	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	3	-	-	-
Mr. Puneet Yadu Dalmia	KMP	-	-	-	-	-	-	1	(4)	-	-	-
Mr. Gautam Dalmia	KMP	-	-	-	-	-	-	1	0	-	-	-
Mr. Jai Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	(1)	-	-	-	-
Mr. Yadu Hari Dalmia	Non- Executive Director	-	-	-	-	-	(0)	0	-	-	-	-
Mr. Dharmendar Nath Davar	Non- Executive Director	-	-	-	-	-	-	(1)	-	-	-	-
Mr. Niddodi Subrao Rajan	Non- Executive Director	-	-	-	-	0	-	-	-	-	0	-
Mr. Nagrajan Gopalaswamy	Director	-	-	-	-	(0)	-	-	-	-	(1)	-
Mrs. Sudha Pillai	Director	-	-	-	-	0	-	-	-	-	-	-
Mr. Pradeep Kumar Khaitan	Director	-	-	-	-	(0)	(0)	-	-	-	-	-
Mr. Virendra Singh Jain	Director	-	-	-	-	(0)	(0)	-	-	-	-	-
Total		1	0	5	23	(0)	(0)	3	5	3	19	33
			(1)	(5)			(0)	(3)	(7)		(5)	(10)

All figures in () represent balance outstanding as at March 31, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 37 - RELATED PARTY DISCLOSURES (CONTD.)**C) Balance outstanding at year end:**

		(Amount in ₹)										
Name of Related Party	Nature of Related Party	Interest Receivable	Interest Payable	Short-Term Borrowings	Loans Receivable	Directors' Commission Payable	Directors' Sitting Fee Payable	Remuneration Payable	Other Current Liabilities	Liability for Capital Expenditure	Trade Payables	Trade Receivables
Radhikapur (West) Coal Mining Private Limited	Joint venture	-	0	5	-	-	-	-	-	-	-	-
Dalmia Bharat Sugar and Industries Limited	KMP/ directors controlled	-	(1)	(5)	-	-	-	-	-	-	0	2
Dalmia Refractories Limited	KMP/ directors controlled	1	-	-	23	-	-	-	-	3	16	25
Dalmia Seven Refractories Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	1	0
GSB Refractories India Private Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	1	2
Dalmia GSB Refractories GmbH	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	4
Dalmia Bharat Foundation	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0
Shree Nirman Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0
Shri Chamundeswari Minerals Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	(0)	0
Antordaya Commercial and Holdings Private Limited	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	(0)
Vishnu Charitable Trust	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0
Khaitan & Co. LLP	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	-	0
Khaitan & Co.	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	(2)	(0)
Khaitan & Co. AOR	KMP/ directors controlled	-	-	-	-	-	-	-	-	-	(1)	(0)
Dalmia Cement Provident Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	2	-	-	-
Dalmia Cement Bharat Executive Superannuation Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	(1)	-	-	-
Orissa Cement Executives Superannuation Fund	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	0	-	-	-
Board of Trustees Provident Fund for the Employees of Kalyanpur Cements Limited	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	(0)	-	-	-
Board of Trustees Provident Fund for the Supervisory Staffs of Kalyanpur Lime & Cement Works Limited	Trust relating to retiral benefit plan	-	-	-	-	-	-	-	3	-	-	-
Mr. Puneet Yadu Dalmia	KMP	-	-	-	-	-	-	1	(4)	-	-	-
Mr. Gautam Dalmia	KMP	-	-	-	-	-	-	1	0	-	-	-
Mr. Jai Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	(1)	-	-	-	-
Mr. Yadu Hari Dalmia	Non- Executive Director	-	-	-	-	-	(0)	0	-	-	-	-
Mr. Dharmendar Nath Davar	Non- Executive Director	-	-	-	-	-	-	(1)	-	-	-	-
Mr. Niddodi Subrao Rajan	Non- Executive Director	-	-	-	-	0	-	-	-	-	0	-
Mr. Nagrajan Gopalaswamy	Director	-	-	-	-	(0)	-	-	-	-	(1)	-
Mrs. Sudha Pillai	Director	-	-	-	-	0	-	-	-	-	-	-
Mr. Pradeep Kumar Khaitan	Director	-	-	-	-	(0)	(0)	-	-	-	-	-
Mr. Virendra Singh Jain	Director	-	-	-	-	(0)	(0)	-	-	-	-	-
Total		1	0	5	23	(0)	(0)	3	5	3	19	33
			(1)	(5)			(0)	(3)	(7)		(5)	(10)

All figures in () represent balance outstanding as at March 31, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 37 - RELATED PARTY DISCLOSURES (CONTD.)

D) Transactions with key management personnel

Compensation of key management personnel (including directors) of the Parent Company:-

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
Short-term employee benefits	50	52
Post-employment benefits	6	6
Share-based payment transactions	-	0
Total compensation paid to key management personnel *	56	58

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel.

* Remuneration to the key managerial personnel does not include provision made for gratuity and leave benefits as they are determined on actuarial basis for the Group as a whole.

E) Directors' interests in the Employees Stock Option Scheme

Share options held by certain Directors under the employees stock option scheme to purchase equity shares have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price ₹	(Amount in ₹)	
			March 31, 2021 Number outstanding*	March 31, 2020 Number outstanding*
January 29, 2015	January 29, 2021	108.62	-	36,000
February 03, 2016	February 03, 2022	191.77	-	16,500
Total				52,500

* Refer note 32.

F) The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

NOTE 38 - FAIR VALUES

Below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Notes	Carrying Value		Fair Value	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets					
Financial assets carried at amortised cost					
Loans to employees	6(ii) & 9(v)	21	23	21	23
Loans to related parties	9(v)	23	-	23	-
Loans to others	9(v)	33	33	33	33
Security deposits	6(ii) & 9(v)	84	86	84	86
Subsidies/ Incentives receivable	6(iii) & 9(vi)	662	707	662	707
Deposit with banks having remaining maturity of more than twelve months	6(iii)	9	16	9	16
Financial assets carried at fair value through profit or loss					
Foreign currency forward / option contracts	6(iii) & 9(vi)	3	55	3	55
Investment in equity shares (quoted)	6(i)	0	0	0	0
Investment in equity shares (unquoted)	6(i)	0	0	0	0
Investment in mutual funds	6(i) & 9(i)	1,021	888	1,021	888
Investment in certificate of deposits	9(i)	-	74	-	-
Investment in alternative investment fund	9(i)	5	10	5	10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 38 - FAIR VALUES (CONTD.)

(Amount in ₹)

Particulars	Notes	Carrying Value		Fair Value	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investment in tax free bonds	6(i)	0	0	0	0
Investment in others	6(i)	1	2	1	2
Investment in corporate bonds	9(i)	273	958	273	958
Financial assets carried at fair value through OCI					
Investment in equity shares (quoted)	9(i)	1,994	384	1,994	384
Investment in limited liability partnership	9(i)	-	384	-	384
Investment in compulsorily participative convertible preference shares	6(i)	24	23	24	23
Financial liabilities					
Financial liabilities carried at amortised cost					
Borrowings (including current maturity of long term borrowings)	14(i), 19(i) & 19(iii)	3,724	5,950	3,724	5,950
Security deposits received	19(iii)	591	497	591	497
Other non current financial liabilities	14(iii)	5	1	5	1
Financial liabilities carried at fair value through profit or loss					
Foreign currency option contracts/ Interest rate swap contract	14(iii) & 19(iii)	2	2	2	2

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other current financial assets (except derivative financial instruments), trade payables and other current financial liabilities (except derivative financial liabilities) approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values :

- Long-term fixed-rate and variable-rate receivables/ deposit are evaluated by the Group based on parameters such as interest rates, risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The fair value of investment in equity shares, corporate bonds and certificate of deposits are based on quoted market price at the reporting date. Fair value of investment in mutual funds, alternative investment fund and venture capital fund are based on market observable inputs i.e. Net Asset Value at the reporting date.
- The fair value of Group's unquoted investment in limited liability partnership (LLP) was determined using the latest available financial statements of that LLP.
- The fair values of the derivative financial instruments are determined using valuation techniques, which employs the use of market observable inputs. The derivatives are entered into with the banks / counterparties with investment grade credit ratings.
- The fair values of the Group's interest-bearing borrowings are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 38 - FAIR VALUES (CONTD.)

Description of significant unobservable inputs to valuation (Level 3):

(a) Discount rate are determined using prevailing bank lending rate

(b) The fair values of financial assets and liabilities are determined using the discounted cash flow analysis

Reconciliation of fair value measurement of financial assets categorised at level 3:

Particulars	Investment in compulsorily convertible preference shares (At FVTOCI)	(Amount in ₹)
As at April 1, 2019		14
Re-measurement recognised in OCI		7
Purchases		2
Sales		-
As at March 31, 2020		23
Re-measurement recognised in OCI		1
Purchases		-
Sales		-
As at March 31, 2021		24

NOTE 39 - FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:

Particulars	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	(Amount in ₹)
Assets for which fair values are disclosed (note 38)					
Loans to employees	21	-	-	21	
Loans to related parties	23	-	-	23	
Loans to others	33	-	-	33	
Security deposits	84	-	-	84	
Subsidies/ Incentives receivable	662	-	-	662	
Deposit with banks having remaining maturity of more than twelve months	9	-	9	-	
Liabilities for which fair values are disclosed (note 38)					
Borrowings (including current maturity of long term borrowings)	3,724	-	3,724	-	
Security deposits received	591	-	-	591	
Other non current financial liabilities	5	-	-	5	

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FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 39 - FAIR VALUE HIERARCHY (CONTD.)

Particulars	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	(Amount in ₹)
Assets measured at fair value					
Foreign currency forward / option contracts	3	-	3	-	
Investment in equity shares (quoted)	1,994	1,994	-	-	
Investment in equity shares (unquoted)	0	-	-	0	
Investment in mutual funds	1,021	-	1,021	-	
Investment in alternative investment fund	5	-	5	-	
Investment in tax free bonds	0	0	-	-	
Investment in others	1	-	1	-	
Investment in corporate bonds	273	273	-	-	
Investment in compulsorily participative convertible preference shares	24	-	-	24	
Liabilities measured at fair value					
Foreign currency option contracts/ Interest rate swap contract	2	-	2	-	

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2021.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	(Amount in ₹)
Assets for which fair values are disclosed (note 38)					
Loans to employees	23	-	-	23	
Loans to others	33	-	-	33	
Security deposits	86	-	-	86	
Subsidies/ Incentives receivable	707	-	-	707	
Deposit with banks having remaining maturity of more than twelve months	16	-	16	-	
Liabilities for which fair values are disclosed (note 38)					
Borrowings (including current maturity of long term borrowings)	5,950	-	5,950	-	
Security deposits received	497	-	-	497	
Other non current financial liabilities	1	-	-	1	
Assets measured at fair value					
Foreign currency forward / option contracts	55	-	55	-	
Investment in equity shares (quoted)	384	384	-	-	
Investment in mutual funds	888	-	888	-	
Investment in certificate of deposits	74	74	-	-	
Investment in alternative investment fund	10	-	10	-	
Investment in tax free bonds	0	0	-	-	
Investment in others	2	-	2	-	
Investment in corporate bonds	958	958	-	-	
Investment in limited liability partnership	384	-	384	-	
Investment in compulsorily participative convertible preference shares	23	-	-	23	
Liabilities measured at fair value					
Foreign currency option contracts/ Interest rate swap contract	2	-	2	-	

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 40 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations. The Group also enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and also ensure that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes will be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

I Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include investments and deposits, trade receivables, trade payables, loans and borrowings and derivative financial instruments.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations and provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount in ₹)		
Particulars	Increase/ decrease in basis points	Effect on profit before tax
March 31, 2021		
₹	+ 50 BPS	(10)
₹	- 50 BPS	10
USD	+ 50 BPS	(2)
USD	- 50 BPS	2
EURO	+ 50 BPS	(1)
EURO	- 50 BPS	(1)
March 31, 2020		
₹	+ 50 BPS	(13)
₹	- 50 BPS	13
USD	+ 50 BPS	(2)
USD	- 50 BPS	2
EURO	+ 50 BPS	(2)
EURO	- 50 BPS	2

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FOR THE YEAR ENDED MARCH 31, 2021

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NOTE 40 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities and the same are hedged in line with established risk management policies of the Group including use of foreign exchange forward contracts, options and interest rate swaps.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

(Amount in ₹)			
Particulars	Change in foreign currency rate	Effect on profit before tax March 31, 2021	Effect on profit before tax March 31, 2020
USD	+5%	(20)	(33)
	-5%	17	27
EURO and Others	+5%	(11)	(34)
	-5%	11	13

Commodity Price Risk

Commodity price risk for the Group is mainly related to fluctuations in coal and pet coke prices linked to various external factors, which can affect the production cost of the Group. Since the Energy costs is one of the primary costs drivers, any fluctuation in fuel prices can lead to drop in operating margin. To manage this risk, the Group take steps to optimize the fuel mix and to pursue longer term and fixed contracts, where considered necessary. Additionally, processes and policies related to such risks are reviewed and controlled by senior management and fuel requirement are monitored by the central procurement team.

II. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each quarter end on an individual basis. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 9(ii). The Group has no significant concentration of credit risk with any counter party.

(Amount in ₹)			
Ageing	Upto 180 days	More than 180 days	Total
As at March 31, 2021			
Gross carrying amount (A)	630	126	756
Expected credit losses (B)	-	68	68
Net carrying amount (A-B)	630	58	688
As at March 31, 2020			
Gross carrying amount (A)	606	129	735
Expected credit losses (B)	-	71	71
Net carrying amount (A-B)	606	58	664

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NOTE 40 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Movement in the allowance for doubtful trade receivables:

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
Opening balance	71	52
Amount provided for during the year (net)	0	24
Amount written off during the year:	(3)	(5)
Closing balance	68	71

Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Group.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts of each class of financial assets

III. Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's treasury department monitors liquidity on an ongoing basis through rolling cash flow forecasts. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, debentures and cash credit facilities. Approximately 44% of the Group's debt will mature in less than one year at March 31, 2021 (March 31, 2020: 35%) based on the carrying value of borrowings reflected in the financial statements.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to below.

The table below summarises the maturity profile of the Group's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

Ageing	(Amount in ₹)				
	Less than 1 Year	1 to 5 years	More than 5 years	Total	Carrying value
As at March 31, 2021					
Borrowings	1,639	1,279	897	3,815	3,724
Lease liabilities	44	58	377	479	133
Trade payables	1,051	-	-	1,051	1,051
Other financials liabilities	1,301	5	-	1,306	1,306
As at March 31, 2020					
Borrowings	2,064	1,869	2,129	6,062	5,950
Lease liabilities	48	58	180	286	99
Trade payables	829	3	-	832	832
Other financials liabilities	1,065	3	-	1,068	1,068

NOTE 41 - CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments, cash and cash equivalents, other bank balances and interest accrued on current investments. The primary objective of the Group's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

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NOTE 41 - CAPITAL MANAGEMENT (CONTD.)

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
Long term borrowings	2,089	3,505
Short term borrowings	838	1,246
Current maturities of long term borrowings	797	1,199
Less : Cash and cash equivalents	(258)	(266)
Less : Bank balances other than cash and cash equivalents	(53)	(137)
Less : Current investments	(3,293)	(2,698)
Less : Interest accrued on current investments	(15)	(40)
Net debt	105	2,809
Total capital	12,626	10,561
Capital and net debt	12,731	13,370
Gearing ratio	0.82%	21.01%

To maintain or adjust the capital structure, the Group review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

NOTE 42 - MOVEMENT OF PROVISION DURING THE YEAR

Particulars	(Amount in ₹)			
	Mines reclamation	Export promotion Capital goods	Contingencies	Enterprise social commitment
As at April 1, 2019	46	31	39	-
Additions during the year	7	-	2	-
Reversal during the year	-	(30)	(15)	-
Utilised during the year	-	-	(22)	-
Interest on unwinding	3	-	-	-
As at March 31, 2020	56	1	4	-
Additions during the year	5	0	6	40
Utilised during the year	(0)	-	-	(2)
Interest on unwinding	3	-	-	0
As at March 31, 2021	64	1	10	38

Mines reclamation

The Group records a provision for mine reclamation cost until the closure of mine. Mine reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows.

Export promotion capital goods (EPCG)

During the previous year, a step-down subsidiary of the Group based on the favourable decision from Director General of Foreign Trade (DGFT), had filed redemption applications before DGFT showing completion of export obligations and same are under process. Accordingly, provision created in earlier years of ₹ 30 was no longer required and an amount of ₹ 7, ₹ 10 and ₹ 13 was written back and credited in the statement of profit and loss under the head other income, finance costs and other expenses, respectively.

Contingencies

The Group has made provision in respect of probable contingent liabilities. The Group has assessed that the probability of paying this amount is high. During the previous year, Group had written back excess provision of Rs 15 by settling disputed liability with one of its financial creditor and paid the agreed amounts of principal and interest.

Enterprise social commitment

Enterprise social commitment is the amount to be spent on social and economic development of the surrounding area where new project is being setup. This is generally defined as a certain percentage of the total cost of the project. This has been appropriately discounted wherever necessary.

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NOTE 43

During the year, the Group has incurred expenditure related to acquisition/ construction of property, plant and equipment and therefore accounted for the same as pre-operative expenses under capital work-in-progress/ intangible assets under development.

Details of such expenses capitalised and carried forward as part of capital work in progress/ intangible assets under development are given below :

Particulars	(Amount in ₹)	
	March 31, 2021	March 31, 2020
Brought forward from last year	387	147
Expenditure incurred during the year		
Cost of raw materials consumed	120	13
Purchases of stock in trade	12	-
Employees benefits expense		
a) Salaries, wages and bonus	108	84
b) Contribution to provident and other funds	3	2
c) Gratuity expense	1	1
d) Employee stock option scheme	1	2
e) Workmen and staff welfare expenses	3	1
Interest cost *	94	83
Depreciation and amortisation expense	32	3
Power and fuel	88	29
Freight charges	4	3
Other expenses		
a) Consumption of stores and spare parts	6	2
b) Repairs and maintenance - Plant and machinery	4	2
c) Rent	2	1
d) Rates and taxes	2	1
e) Insurance	0	0
f) Professional charges	13	34
g) Travelling and conveyance	3	3
h) Enterprise social commitment (refer note 42)	40	-
i) Miscellaneous expenses	17	22
Total expenditure during the year	553	286
Less : Trial run production transferred from inventory	(7)	(9)
Less : Revenue from operations during trial run	(212)	(35)
Net expenditure	334	242
Less : Capitalised during the year	(474)	(2)
Capitalisation of expenditure (pending for allocation)	247	387
(i) Carried forward as part of Intangible asset under development	58	18
(ii) Carried forward as part of Capital work-in-progress **	189	369

* Interest comprises of:

- ₹ 38 (March 31, 2020: ₹ 4) on specific borrowings taken for new cement plant in Odisha along with new grinding capacity in eastern part of India; and
- ₹ 51 (March 31, 2020: ₹ 77) on general borrowings for (a) new cement plants in Odisha along with new grinding capacity in eastern part of India and (b) other qualifying assets, using the weighted average interest rate applicable during the year which is 6.73% p.a. - 7.57% p.a. (March 31, 2020: 8.46% p.a.)

** includes ₹ 64 (March 31, 2020 : ₹ 313) for new cement plants in Odisha along with new grinding capacity in eastern part of India.

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NOTE 44

The Group has debited direct expenses relating to limestone mining, captive power generation and depot expenses etc. to cost of raw material consumed, power and fuel and other expenses as under:

Particulars	(Amount in ₹)	
	2020-21	2019-20
Cost of raw materials consumed	355	374
Power and fuel	73	82
Other Expenses:		
Repairs and maintenance - Plant and machinery	77	104
Miscellaneous expenses	4	5
Total	509	565

These expenses if reclassified on 'nature of expense' basis will be as follows:

Particulars	(Amount in ₹)	
	2020-21	2019-20
Employee benefit expenses	37	37
Power and fuel	27	27
Other Expenses :		
Consumption of stores & spare parts	144	178
Repairs and maintenance - Plant and machinery	47	59
Repairs and maintenance - Buildings	0	1
Repairs and maintenance – Others	7	7
Rent	1	1
Rates & taxes (including royalty on limestone)	204	218
Insurance	1	0
Professional charges	0	1
Miscellaneous expenses	43	39
Other operating revenue:		
Sundry sales / income	(2)	(3)
Total	509	565

NOTE 45 - DERIVATIVES

Derivatives not designated as hedging instruments

The Group uses foreign currency denominated borrowings and foreign exchange forward contracts (including option contracts - seagull structure) to manage some of its transaction exposures. The foreign exchange forward contracts and foreign exchange option contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to thirty six months.

Foreign currency risk

The Group has entered into foreign exchange forward contracts and foreign exchange option contracts with the intention to reduce the foreign exchange risk on repayment of buyer's credit and foreign currency loan, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Interest rate swap

The swap is being used to hedge the exposure to changes in the interest rate on borrowings. The increase/ decrease in fair value of the interest rate swap has been recognised in finance costs and offset with a similar gain / loss on the bank borrowings.

The foreign exchange forward contract, options and interest rate swap balances vary with the level of expected foreign currency payment and changes in foreign exchange rates.

Particulars	(Amount in ₹)			
	March 31, 2021		March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward /option/ interest rate swap contracts measured at fair value through profit or loss	3	2	55	2

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NOTE 46

The Group reviews trade receivables, advances and subsidies receivables on regular intervals and takes necessary steps (including legal action wherever required) for the recovery of these balances. The Group is confident to realise the value stated good in the financial statements. The Group follows the expected credit loss model in respect of any such situations as stated in note 1B(iii)(t) of the financial statements, it believes that such amount is sufficient to cover for any possible loss.

NOTE 47

The Government of India ('GOI') on December 24, 1997 announced industrial policy for development of industries in North East region with a promise to give 100% exemption on Excise Duty (paid in cash) by way of 'remission' for 10 years from the date of commencement of commercial production. The GOI abruptly modified remission entitlement vide notifications dated March 27, 2008 and June 10, 2008 restricting the remission amount to value addition ('notified rate') and refunds were granted accordingly.

The Group approached Guwahati High Court for sanction of 100% remission on principal of promissory estoppel and the same was allowed by High Court. Supreme Court, based on the SLP(C) filed by the department, stayed the order of High Court ('Interim Order') with a condition to refund 50% of the disputed amount.

Finally, the Supreme Court vide its judgment dated April 22, 2020 held that amending notification is valid and tenable. Accordingly, the Group during the financial year 2019-20, had written off an amount of ₹ 9 which was pending for refund and further, made provision of ₹ 6 being amount already refunded of disputed amount.

Based on Supreme Court order, Group has deposited Rs 2 under protest and challenged before Guwahati High Court, for one of its unit's demand of Rs 4, as special rate based value addition for the year 2015-16 and 2016-17.

NOTE 48

The Group has started commercial production of clinker from its new clinker manufacturing plant of 3 MnTPA at Odisha with effect from October 1, 2020. Out of new cement grinding plants with capacity of 8.1 MnTPA in eastern part of India, capacity of 1.1 MnTPA has been commissioned at Bokaro, Jharkhand and also capacity of 2.25 MnTPA has been commissioned at Bengal Cement Works in West Midnapore, West Bengal during the year. The balance capacity of 4.75 MnTPA will be commissioned in a phased manner.

NOTE 49

(a) The Board of Directors of Parent Company's subsidiary namely DCBL and step-down subsidiaries namely Dalmia DSP Limited (Dalmia DSP), Murlu Industries Limited (MIL), Ascension Mercantile Private Limited (Ascension Mercantile) and Ascension Multiventures Private Limited (Ascension Multiventures), at their respective meetings held on March 23, 2021 have considered and approved the following:

- (i) Scheme of Amalgamation of Dalmia DSP with DCBL under Sections 230 to 232 of the Companies Act, 2013 ('Scheme I'). The proposed appointed date of the said Scheme is closing business hours of March 31, 2020.
- (ii) Composite Scheme of Arrangement and Amalgamation under Sections 230 to 232 of the Companies Act, 2013 for (a) demerger of Paper and Solvent Extraction Undertakings of MIL to Ascension Mercantile and Ascension Multiventures, respectively, followed by (b) amalgamation of MIL with DCBL ('Scheme II'). The proposed appointed date of the said Scheme is closing business hours of March 31, 2020.

Applications have been filed by the respective companies, with the National Company Law Tribunal(s) in March 2021. Pending necessary regulatory approvals and other compliances, no effect of the above mentioned schemes have been considered in these financial statements.

(b) The Board of Directors of Parent Company's subsidiary namely DCBL and step-down subsidiaries namely Dalmia Bharat Refractories Limited (DBRL) (formerly known as Shri Dhandauthapani Mines and Minerals Limited) and Dalmia OCL Limited (Dalmia OCL) (formerly known as Ascension Commercio Private Limited) during the previous year, had approved the following:

- (i) Scheme of Arrangement between DCBL and DBRL under Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ('Scheme 1') for transfer and vesting of refractory undertaking of DCBL to DBRL, by way of slump exchange on a going concern basis. The proposed appointed date of the said Scheme 1 is April 1, 2019.

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NOTE 49 (CONTD.)

- (ii) Scheme of Amalgamation and Arrangement amongst Dalmia Refractories Limited (DRL) and its subsidiary GSB Refractories India Private Limited (GSB India), DBRL and Dalmia OCL under Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ('Scheme 2'). The Scheme is further modified and is approved by the Board of Directors at their respective companies meetings held on April 5, 2021. The modification involved removal of transfer of refractory undertaking from DBRL to Dalmia OCL. Scheme 2 now involves amalgamation of DRL and GSB India with DBRL. The proposed appointed date of the said Scheme 2 is April 1, 2020.

During the year, the shareholders of DCBL and DBRL and the creditors of DCBL have approved Scheme 1 in the National Company Law Tribunal (NCLT) convened meeting and the scheme is pending final approval from the Regional Director and NCLT, Chennai Bench. With regard to Scheme 2, Metropolitan Stock Exchange of India Limited and Calcutta Stock Exchange Limited have given their 'No Objections' to Scheme 2 and the meetings of equity shareholders/ secured and unsecured creditors of DRL and GSB India as directed by the Chennai Bench of the NCLT to be considered for approving the said Scheme.

Pending necessary regulatory approvals and other compliances, no effect of the above mentioned schemes has been considered in these financial statements.

NOTE 50

The Group is having long term clinker sale agreement with M/s Jaiprakash Associates Limited (JAL) for supply of clinker upto July 2041. Till March 2018, there were irregular and short supply of clinker and from April 1, 2018, there was no supply of clinker. Thereafter, JAL unilaterally and illegally terminated the clinker sale agreement. The Group has challenged the termination in arbitration proceedings and has sought specific performance of the clinker sale agreement. The Group has alternatively sought damages alongwith interest. The Group has also sought liquidated damages and refund of the advance amount paid to JAL.

The Group has not accounted for the aforesaid claim as income in the financial statements as at March 31, 2021.

NOTE 51

Post removal of technical difficulties for uploading the e-forms with respect to transfer of unpaid/unclaimed dividend for the financial year 2011-12, declared by erstwhile Dalmia Bharat Limited and erstwhile OCL India Limited, the said unpaid/unclaimed dividend had been transferred to the Investor Education and Protection Fund (IEPF) and as on March 31, 2021, no amount is pending for transfer to the IEPF.

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NOTE 52 - THE GROUP COMPRISES OF THE FOLLOWING ENTITIES:

Name of the Group Company	Country of Incorporation	(Amount in ₹)	
		% equity interest as at March 31, 2021	% equity interest as at March 31, 2020
A. Subsidiaries			
1. Dalmia Cement (Bharat) Limited	India	100.00%	100.00%
2. Dalmia Power Limited	India	100.00%	100.00%
a) Subsidiaries of Dalmia Power Limited			
1. DPVL Ventures LLP (formerly known as TVS Shriram Growth Fund 1B LLP) (w.e.f. April 14, 2020)	India	100.00%	-
b) Subsidiaries of Dalmia Cement (Bharat) Limited			
1. Bangaru Kamakshi Amman Agro Farms Private Limited	India	100.00%	100.00%
2. Calcom Cement India Limited	India	76.00%	76.00%
3. D.I. Properties Limited	India	100.00%	100.00%
4. Dalmia Minerals & Properties Limited	India	100.00%	100.00%
5. Geetee Estates Limited	India	100.00%	100.00%
6. Golden Hills Resorts Private Limited	India	100.00%	100.00%
7. Hemshila Properties Limited	India	100.00%	100.00%
8. Ishita Properties Limited	India	100.00%	100.00%
9. Rajputana Properties Private Limited	India	100.00%	100.00%
10. Jayevijay Agro Farms Private Limited	India	100.00%	100.00%
11. Shri Rangam Properties Limited	India	100.00%	100.00%
12. Dalmia Bharat Refractories Limited (formerly Known as Sri Dhandauthapani Mines & Minerals Limited)	India	99.99%	99.99%
13. Sri Madhusudana Mines & Properties Limited	India	100.00%	100.00%
14. Sri Shanmugha Mines & Minerals Limited	India	100.00%	100.00%
15. Sri Swaminatha Mines & Minerals Limited	India	100.00%	100.00%
16. Sri Subramanya Mines & Minerals Limited	India	100.00%	100.00%
17. Sri Trivikrama Mines & Properties Limited	India	100.00%	100.00%
18. Alsthom Industries Limited	India	100.00%	99.99%
19. Chandrasekara Agro Farms Private Limited	India	100.00%	100.00%
20. OCL Global Limited	Mauritius	100.00%	100.00%
21. Dalmia DSP Limited	India	100.00%	100.00%
22. Hopco Industries Limited	India	100.00%	100.00%
23. Murli Industries Limited (w.e.f. September 10, 2020)	India	100.00%	-
24. Ascension Mercantile Private Limited (w.e.f. March 23, 2021),	India	100.00%	-
25. Ascension Multiventures Private Limited (w.e.f. March 23, 2021)	India	100.00%	-
c) Step-down subsidiaries of Dalmia Cement (Bharat) Limited			
1. Cosmos Cements Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100.00%	100.00%
2. Sutnga Mines Private Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100.00%	100.00%
3. OCL China Limited (subsidiary of OCL Global Limited)	China	90.00%	90.00%
4. Vinay Cements Limited (subsidiary of Calcom Cement India Limited)	India	97.21%	97.21%
5. RCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100.00%	100.00%
6. SCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100.00%	100.00%
7. Dalmia OCL Limited (subsidiary of Dalmia Bharat Refractories Limited) (w.e.f. October 7, 2019)	India	100.00%	100.00%
B. Joint ventures			
1. Radhikapur (West) Coal Mining Private Limited (JV of Dalmia Cement (Bharat) Limited)	India	14.70%	14.70%
2. Khappa Coal Company Private Limited (JV of Dalmia Cement (Bharat) Limited)	India	36.73%	36.73%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 53 - MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiary company that has material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	March 31, 2021	March 31, 2020
Calcom Cement India Limited	India	76.00%	76.00%

Summarised Consolidated statement of profit and loss of Calcom Cement India Limited for the year ended March 31, 2021 and March 31, 2020:

Particulars	(Amount in ₹)	
	2020-21	2019-20
Revenue	994	886
Profit for the year	52	60
Other comprehensive income/(loss)	(0)	(1)
Total comprehensive income	52	59
Attributable to:		
Non-controlling interest	12	13

Summarised Consolidated balance sheet of Calcom Cement India Limited as at March 31, 2021 and March 31, 2020:

Particulars	(Amount in ₹)	
	2020-21	2019-20
Current assets	434	314
Current liabilities	765	736
Net Current Assets	(331)	(422)
Non-current assets	746	930
Non-current liabilities	235	381
Net Non-Current Assets	511	549
Net Assets	180	127
Attributable to:		
Non-controlling interest	34	22

Summarised consolidated cash flow information of Calcom Cement India Limited as at March 31, 2021 and March 31, 2020:

Particulars	(Amount in ₹)	
	2020-21	2019-20
Operating activities	408	346
Investing activities	(113)	(106)
Financing Activities	(283)	(245)
Net increase/ (decrease) in cash and cash equivalents	12	(5)

NOTE 54 - SUMMARISED FINANCIAL INFORMATION OF INDIVIDUALLY IMMATERIAL JOINT VENTURE

The Group's interest in below mentioned joint venture is accounted for using the equity method in the consolidated financial statements. The summarized financial information below represents amounts shown in the joint venturer's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes:

Radhikapur (West) Coal Mining Private Limited

Particulars	(Amount in ₹)	
	2020-21	2019-20
Profit for the year	2	2
Other Comprehensive Income	-	-
Total Comprehensive Income	2	2
Group's share of profit for the year	0	0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 55 - ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013, "GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS":

(Amount in ₹)

Name of the entity in the Group	Net assets i.e. total assets minus total liabilities *		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of Consolidated Net Assets **	Amount	As % of Consolidated Profit / (loss)	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total Comprehensive Income	Amount
A. Parent								
Dalmia Bharat Limited	37.36%	7,266	2.48%	25	0.12%	1	1.54%	26
B. Subsidiaries								
Indian								
Dalmia Cement (Bharat) Limited	53.55%	10,415	110.24%	1,114	19.86%	132	74.31%	1,246
Dalmia Power Limited	5.34%	1,039	4.46%	45	79.98%	531	34.36%	576
Calcom Cement India Limited	1.39%	270	(23.22%)	(235)	-0.02%	(0)	(14.00%)	(235)
Alstom Industries Limited	0.38%	74	1.00%	10	0.01%	0	0.61%	10
Dalmia DSP Limited	0.29%	56	6.29%	64	0.11%	1	3.84%	64
Murli Industries Limited	0.85%	166	(1.50%)	(15)	0.00%	-	(0.90%)	(15)
DPVL Ventures LLP	1.00%	195	8.78%	89	0.00%	-	5.29%	89
RCL Cements Limited	0.01%	3	(0.16%)	(2)	-0.00%	(0)	(0.09%)	(2)
SCL Cements Limited	-0.31%	(59)	(0.76%)	(8)	0.00%	0	(0.46%)	(8)
Vinay Cements Limited	(1.20%)	(234)	(6.10%)	(62)	-0.00%	(0)	(3.68%)	(62)
Bangaru Kamakshi Amman Agro Frms Private Limited	0.02%	3	(0.08%)	(1)	0.00%	-	(0.05%)	(1)
Chandrasekara Agro Farms Private Limited	0.01%	2	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Cosmos Cements Limited	0.07%	13	(0.05%)	(0)	0.00%	-	(0.03%)	(0)
D.I. Properties Limited	0.01%	2	(0.01%)	(0)	0.00%	-	(0.01%)	(0)
Dalmia Minerals & Properties Limited	0.27%	52	0.00%	0	0.00%	-	0.00%	0
Geetee Estates Limited	0.04%	7	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Golden Hills Resorts Private Limited	-0.00%	(1)	(0.17%)	(2)	0.00%	-	(0.10%)	(2)
Hemshila Properties Limited	0.04%	7	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Ishita Properties Limited	(0.01%)	(1)	0.02%	0	0.00%	-	0.01%	0
Jayevijay Agro Farms Private Limited	0.02%	3	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Rajputana Properties Private Limited	-0.00%	(0)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Shri Rangam Properties Limited	0.05%	11	0.00%	0	0.00%	-	0.00%	0
Dalmia Bharat Refractories Limited	0.01%	1	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Sri Madhusudana Mines & Properties Limited	0.03%	7	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Sri Shanmugha Mines & Minerals Limited	0.05%	9	0.00%	0	0.00%	-	0.00%	0
Sri Subramanya Mines & Minerals Limited	0.03%	6	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Sri Swaminatha Mines & Minerals Limited	0.02%	3	(0.00%)	(0)	0.00%	-	(0.00%)	(0)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 55 - ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013, "GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS" (CONTD):

(Amount in ₹)

Name of the entity in the Group	Net assets i.e. total assets minus total liabilities *		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As % of Consolidated Net Assets **	Amount	As % of Consolidated Profit / (loss)	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total Comprehensive Income	Amount
Sutnga Mines Private Limited	0.01%	2	0.01%	0	0.00%	-	0.01%	0
Hopco Industries Limited	(0.00%)	(0)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Dalmia OCL Limited	0.00%	0	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Ascension Mercantile Private Limited	0.00%	0	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Ascension Multiventures Private Limited	0.00%	0	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
Foreign								
OCL Global Limited	0.55%	106	0.41%	4	(0.29%)	(2)	0.13%	2
OCL China Limited	0.28%	55	(0.28%)	(3)	0.40%	3	(0.01%)	(0)
Non-controlling interests in subsidiaries	(0.19%)	(37)	(1.19%)	(12)	(0.01%)	(0)	(0.72%)	(12)
C. Joint ventures (Investment as per equity method) *								
Indian								
Radhikapur (West) Coal Mining Private Limited	0.00%	0	0.03%	0	-	-	0.02%	0
Khappa Coal Company Private Limited	-	-	-	-	-	-	-	-
Sub-total	100.00%	19,448	100.00%	1,011	100.00%	664	100.00%	1,676
Less: Consolidation eliminations / adjustments ***		(6,822)		220		431		650
Total		12,626		1,231		1,095		2,326

* Amounts given in respect of joint venture are the share of the group in the net assets of the joint venture.

** Percentage has been determined before considering elimination/ adjustments arising out of consolidation.

*** Consolidation eliminations/ adjustments include intercompany eliminations, consolidation adjustments and GAAP differences.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 56 - SEGMENT INFORMATION

Operating Segment

The Chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the nature of products and services and have been identified as per the quantitative criteria specified in the Ind AS. However, the Group's finance costs and income taxes are managed on a Group basis and are not allocated to operating segments.

The Group has identified below segments as per Ind AS 108, 'Operating Segments':

- Cement division which produces various grades of cement and its related products;
- Others include Refractory division, Investment division and Management services.

No operating segments have been aggregated to form the above reportable operating segments.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

(Amount in ₹)

Particulars	Cement		Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue						
External revenue (including other operating revenue)	10,089	9,048	609	793	10,698	9,841
Less: Inter segment revenue	(7)	(8)	(169)	(159)	(176)	(167)
Total Revenue	10,082	9,040	440	634	10,522	9,674
Results						
Segment results	1,510	530	34	38	1,544	568
Less: Finance costs					(303)	(415)
Add: Other unallocable income net of unallocable expenditure					167	204
Profit before tax					1,408	357
Segment assets (a)	17,433	17,184	716	743	18,149	17,927
Unallocable assets:						
Non-current investments					121	118
Current investments					3,240	2,617
Income tax assets					64	72
Current loans					56	33
Interest receivable					22	48
Assets held for sale (refer note 11(i))					147	-
Other unallocable assets					11	63
Total unallocable assets (b)					3,661	2,951
Total assets (a+b)					21,810	20,878
Segment liabilities (a)	3,330	2,600	235	196	3,565	2,796
Unallocable liabilities:						
Long term borrowings					2,089	3,505
Short term borrowings					838	1,247
Current maturities of long term borrowings					797	1,199
Deferred tax liabilities (net)					1,634	1,277
Government grant					123	140
Current tax liabilities					48	77
Purchase consideration payable					30	30
Other unallocable liabilities					60	46
Total unallocable liabilities (b)					5,619	7,521
Total liabilities (a+b)					9,184	10,317

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 56 - SEGMENT INFORMATION (CONTD.)

(Amount in ₹)

Particulars	Cement		Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Other disclosures:						
Depreciation and amortisation	1,239	1,506	23	22	1,262	1,528
Impairment expense	6	-	-	-	6	-
Capital expenditure	1,365	1,620	19	12	1,384	1,632

Information about geographical areas

Sale outside India is below the reportable threshold limit, thus geographical segment information is not given. Further, the Group does not have material amount of property, plant and equipment and other non current operating assets located outside India.

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of Group's revenues during the current and previous year.

NOTE 57 - RESEARCH AND DEVELOPMENT (R&D) EXPENSES

The details of revenue/capital expenditure incurred by R&D centre during the year are as follows:-

(Amount in ₹)

Particulars	2020-21	2019-20
Revenue expenditure charged to statement of profit and loss		
- Salary and other benefits	4	4
- Raw materials & stores	0	0
- Others	1	1
Sub-total	5	5
Capital expenditure shown under fixed assets schedule	-	-
Grand Total	5	5

NOTE 58

The Group is eligible for incentives package provided by the State Government of Bihar in accordance with the approved Resolution Plan in case of step down subsidiary of the Group namely Dalmia DSP Limited. The details are as follows: -

- 80% reimbursement of state goods and service tax (SGST) for a period of 7 years from the date of commencement of operations.
- Interest subvention scheme for an amount of ₹ 25 over three years.
- Exemption from payment of electricity duty for a period of 5 years in respect of electricity consumed by the step down subsidiary.
- Capital subsidy for setting up waste heat based captive power plant up to an amount of ₹ 17 and reimbursement of interest on royalty and electricity dues.

If the above incentive scheme is not granted, then Group shall not make any payments to statutory creditors, unsecured financial creditors, non-priority workmen and employee dues and other operational creditors. As on reporting date, no incentive have been received and recorded by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 59 - ACQUISITION OF SUBSIDIARIES

(a). The Parent Company's subsidiary namely Dalmia Cement (Bharat) Limited (DCBL) has completed the acquisition of Murli Industries Limited (MIL) on September 10, 2020 pursuant to the Resolution Plan approved by National Company Law Tribunal, Mumbai Bench under the Insolvency and Bankruptcy Code, 2016. Accordingly, MIL has become a wholly owned subsidiary of DCBL.

MIL has an integrated cement manufacturing plant with an installed capacity of 3 MnT in Chandrapur District, Maharashtra along with a captive thermal power plant of 50 MW. In addition, MIL also has paper and solvent extraction units in Maharashtra. The acquisition of MIL would help the Group to further consolidate its footprint in Western region.

The fair value of the identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

(Amount in ₹)	
Particulars	Fair value as on acquisition date
Non-Current Assets	
Property, plant and equipment	389
Capital work in progress	11
Investments	0
	400
Current Assets	
Inventories	0
Cash and cash equivalents	35
Other current assets	3
Assets held for sale	147
	185
Total Assets (A)	585
Non-Current Liabilities	
Borrowings	17
Other non current liabilities	24
	41
Current Liabilities	
Borrowings	314
Trade payables	8
Other financial liabilities	12
	334
Total Liabilities (B)	375
Fair value of identifiable net assets (C=A-B)	210
Consideration paid	69
Non-controlling interest	0
Consideration paid including non-controlling interest (D)	69
Capital Reserve (C-D)	141

Notes:

- The consideration paid for the acquisition aggregates ₹ 410 (net of cash and cash equivalents acquired of ₹ 35), which includes consideration of ₹ 69 paid by DCBL to the secured financial creditors for acquiring new equity shares of MIL as per the Resolution Plan.
- From the date of acquisition, MIL contributed ₹ Nil to revenue from operations and net loss of ₹ 1 to the consolidated profit before tax for the year ended March 31, 2021.
- Acquisition-related costs amounting to ₹ 8 crore have been excluded from the consideration transferred and have been recognised as an expense in the consolidated statement of profit and loss within other expenses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 59 - ACQUISITION OF SUBSIDIARIES (CONTD.)

(b). The Parent Company's subsidiary namely Dalmia Power Limited has acquired control in DPVL Ventures LLP (DPVL) (formerly known as TVS Shriram Growth Fund 1B LLP) on April 14, 2020. Accordingly, DPVL has become a subsidiary of Dalmia Power Limited.

The fair value of the identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

(Amount in ₹)	
Particulars	Fair value as on acquisition date
Current assets	
Investment	
- in equity shares (quoted)	430
- in mutual funds	0
Cash and cash equivalents	0
Total assets (A)	430
Current liabilities	
Trade Payables	0
Current tax liabilities	0
Other Current Liabilities	0
	0
Total liabilities (B)	0
Fair value of identifiable net assets (C=A-B)	430
Fair value of investment in DPVL held by DPL (D)	430
Capital reserve (C-D)	0

Note:

- From the date of acquisition, DPVL contributed ₹ Nil to revenue from operations and net loss of ₹ 0 to the consolidated profit before tax for the year ended March 31, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

NOTE 60

The Group has considered the possible effects that may result from COVID-19 In the preparation of these financial statements. The Group believes that pandemic is unlikely to impact on the recoverability of the carrying value of its assets as at March 31, 2021. Based on the current year performance and estimates arrived at using internal and external sources of information, the Group does not expect any material impact on such carrying values. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business. The Group is taking all necessary measures to secure the health and safety of its employees, workers and their families.

NOTE 61

During the year ended March 31, 2021, Competition Commission of India (CCI) has initiated investigation regarding anti-competitive practices by various cement manufacturers. CCI has sought certain information from DCBL, which has been duly provided by DCBL. The Group presently believes that this does not have any material impact on the financial statements.

NOTE 62

During the year ended March 31, 2021, Serious Fraud Investigation Office (SFIO) has sought certain information/ documents from the Parent Company, DCBL and its certain step-down subsidiaries with regard to an investigation based on complaints filed by an associate of Bawri Group, who are into litigation with DCBL (refer note 35(B) to the financial statements). The Parent Company, DCBL and step-down subsidiaries have since provided the requisite information/ documents to SFIO. The Group presently believes that this does not have any material impact on the financial statements.

NOTE 63

Figures of previous year have been re-grouped/ rearranged wherever necessary to conform to current year classification.

As per our report of even date

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

Amit Goel
Partner
Membership No.: 500607

Place : New Delhi
Date : April 30, 2021

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Puneet Yadu Dalmia
Managing Director & CEO
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Dharmender Tuteja
Chief Financial Officer

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

GRI INDEX

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201-3	Defined benefit plan obligations and other retirement plan	Human Capital	88
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205-3	Confirmed incidents of corruption and actions taken	No cases under the Companies Act and SEBI LODR, which covers corruption laws	
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GRI 302	Energy		
302-1	Energy consumption within the organization	Natural Capital	60
302-3	Energy intensity	Natural Capital	60
302-4	Reduction of energy consumption	Natural Capital	60
GRI 303	Water and Effluents		
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303-3	Water recycled and reused	Natural Capital	60
303-4	Water discharge	Natural Capital	60
GRI 304	Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None of our sites are in or adjacent to protected areas of high biodiversity value	
GRI 305	Emissions		
305-1	Direct (Scope 1) GHG emissions	Natural Capital	60
305-2	Energy indirect (Scope 2) GHG emissions	Natural Capital	60
305-3	Other indirect (Scope 3) GHG emissions		
	Scope 3 category	1000 tonnes CO2	Coverage
	Purchased goods and services	66.24	100%
	Capital goods	7.10	100%
	Fuel-and-energy-related activities (not included in Scope 1 or 2)	750.92	100%
	Upstream transportation and distribution	112.75	100%
	Waste generated in operations	Not Applicable, Dalmia Bharat utilizes the waste from other industries and help them dispose their waste either using as raw material or alternative fuels in the cement kiln. We produce very less amount of waste ourselves and emissions from it are negligible. Hence it is not relevant.	100%
	Business travel	Not Applicable, the emissions from business travel have been calculated based on the emission factor of 90 kg CO2/hour/passenger. The estimated scope 3 emissions from this category are negligible as due to pandemic travel is reduced.	100%
	Employee commuting	Not Applicable, most of the employees stay in our colonies provided adjacent to the cement and power plants. The employees who stay outside of the plant premises and commute through company vehicles which are covered under scope 1 emissions category. Under this category only employees representing corporate offices and regional offices have been considered. However, due to pandemic, for larger part of the year there was work-from-home condition. Therefore, the emissions from this category are negligible.	100%

GRI Standard No.	GRI Title	Reference Section	Page No.
	Scope 3 category	1000 tonnes CO2	Coverage
	Upstream leased assets	Not Applicable, Dalmia Bharat sources majority of raw materials from our own captive limestone mine operations. The emissions related to this activity is already covered under scope 1 emissions. Hence, this category is already calculated and covered under scope 1.	100%
	Downstream transportation and distribution	140.81	100%
	Processing of sold products	Not Applicable	0%
	Use of sold products	0	0%
	End of life treatment of sold products	258.57	0%
	Downstream leased assets	Not Applicable, we have no leased assets as all raw materials sourced from limestone mines (upstream) which is covered under scope 1. Thus, this category is not relevant. The scope 3 downstream emissions due to transportation are already covered under downstream transportation category above.	0%
	Franchises	Not Applicable, we do not have franchises. This category is not relevant.	0%
	Investments	Not Applicable, as per the GHG Protocol guidance, this category is not relevant to us.	0%
	Other (upstream)	0	0%
	Other (downstream)	Not Applicable, already covered under downstream transportation and distribution category above. No further relevant downstream scope 3 emission source identified.	0%
	Total	1336.382	100%
305-4	GHG emissions intensity	Natural Capital	60
305-5	Reduction of GHG emissions	Natural Capital	60
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Natural Capital	60
GRI 306	Effluents and Waste		
306-2	Waste by type and disposal method	Natural Capital	60
GRI 400	Social Topics		
103	Management Approach	Human Capital, Social and Relationship Capital	88, 106
GRI 401	Employment		
401-1	New employee hires and employee turnover	Human Capital	88
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital	88
401-3	Parental leave	Human Capital	88
GRI 403	Occupational Health and Safety		
403-1	Occupational health and safety management system	Human Capital	88
403-4	Worker participation, consultation and communication on occupational health and safety	Human Capital	88
403-5	Worker training on occupational health and safety	Human Capital	88
403-9	Work-related injuries	Human Capital	88
403-10	Work-related ill-health	Human Capital	88
GRI 404	Training and Education		
404-1	Average hours of training per year per employee	Human Capital	88
404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital	88
404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital	88
GRI 405	Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Human Capital	88

GRI Standard No.	GRI Title	Reference Section	Page No.
GRI 406	Diversity and Equal Opportunity		
406-1	Incidents of discrimination and corrective actions taken	Human Capital	88
GRI 407	Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital, Social and Relationship Capital	88, 106
GRI 412	Human Rights		
412-1	Employee training on human rights policies or procedures	Human Capital	88
GRI 414	Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	Social and Relationship Capital	106
GRI 417	Marketing and Labelling		
417-2	Incidents of non-compliance concerning product and service information and labelling	None	

MAPPING TO UNGC PRINCIPLES

UNGC Principle	Description	Reference Section	Page No.
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	Human Capital, Labour Rights	103
Principle 2	Businesses should make sure that they are not complicit in human rights abuses	Human Capital, Labour Rights	103
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Human Capital, Labour Rights	103
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour	Human Capital, Labour Rights	103
Principle 5	Businesses should uphold the effective abolition of child labour	Human Capital, Labour Rights	103
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Human Capital	88
Principle 7	Businesses should support a precautionary approach to environmental challenges;	Natural Capital	60
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	Natural Capital	60
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Natural Capital	60
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Financial Capital, Mitigating Business Risks	54

MANAGEMENT SYSTEMS IMPELMENTED AT PLANTS

Certifications	ARY	BCW	BLM	DPM	DDSPL	GCW	JCW	KCW	KDP	LCW	MGH	RGP	USO
ISO 14001	✓	✓	✓	✓		✓		✓	✓	In process	✓	✓	✓
EnMS 50001	✓			✓	To be implemented (New acquisition)		To be implemented	✓	✓			✓	
ISO 9001	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓
ISO 45000/OHSAS 18000	✓	✓	✓	✓		✓		✓	✓	In process	✓	✓	✓

GCCA INDICATORS

Basic Parameters	Unit	FY 2020-21
Clinker production	Million Tonnes/year	12.60
Cement production	Million Tonnes /year	20.70
Cementitious production	Million Tonnes /year	20.70
CO2 emissions		
Total direct CO2 emissions – gross (excluding CPP)	Million tCO2/year	10.34
Total direct CO2 emissions – net	Million tCO2/year	10.20
Specific CO2 emissions – gross	kg/t of cementitious material	499
Specific CO2 emissions – net	kg/t of cementitious material	492
Emissions		
Overall coverage rate	%	100%
Coverage rate continuous measurement	%	100%
PM Emission Absolute	Tonnes /year	122
PM Emission Specific	g/tonne clinker	10
NOx Emission Absolute	Tonnes /year	5,261
NOx Emission Specific	g/tonne clinker	418
SOx Emission Absolute	Tonnes /year	485
SOx Emission Specific	g/tonne clinker	39
Fuels and Raw Material		
Kiln fuels		
Total Energy from fuels used in clinker production	million Tonnes /year	1.54
	TJ	38,999
Alternative fuels		
Energy from alternative fuels	Tonnes /year	1,15,941
	TJ	1,773
Alternative fuel rate (kiln fuels)	%	4.5
Biomass fuels		
Energy from biomass fuels	Tonnes /year	77,303
	TJ/year	1,190
Biomass fuel rate (kiln fuels)	%	3.10
Total non-fossil fuels TSR (Alternative fuels+ Biomass)	%	7.6
Raw materials		
Total raw materials for clinker produced	million Tonnes	17.87
Total alternative raw material for clinker produced (ARM)	million Tonnes	0.54
Total Raw Materials for cement produced	million Tonnes	8.1
Total Alternative Raw Materials for cement produced (ARM)	million Tonnes	7.76
Total Alternative Raw Materials for cement produced (% ARM) as per GCCA guidelines	%	39.41
Total Alternative Raw Materials for cement produced (% ARM) as per CSI guidelines	%	31.93
Specific heat consumption for clinker production	MJ/tonne	3,096
Clinker/cement (equivalent) factor	Number	60.70

Basic Parameters	Unit	FY 2020-21
Water		
Total Water withdrawal	million m3/year	2.93
Water discharge	million m3/year	Zero
Water Consumption (Total Water withdrawal – Water Discharge)	million m3/year	2.93
Amount of Water Consumption per unit of product	Litres / tonne of cementitious material ¹	72
Number of sites	Number	13
Number of sites with a water recycling system	Number	13
Safety		
Number of fatalities, directly employed	Number	Zero
Number of fatalities, contractors, and sub-contractors	Number	3
Number of fatalities, third parties	Number	Zero
Number of lost time injuries (LTI), directly employed	Number	1
Number of lost time injuries (LTI), contractors and sub-contractors	Number	5
LTIFR, directly employed	Number	0.2
LTIFR, contractors and sub-contractors	Number	0.21
LTI severity rate, directly employed	Number	2.75

*t is tonnes

¹ Net water withdrawal excluding CPP and colonies



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Independent Assurance Statement

Ernst & Young Associates LLP (EY) was engaged by Dalmia Bharat Limited (the 'Company') to provide independent assurance on its Integrated Report FY 2020-21 (the 'Report') covering the Company's sustainability performance during the period 1st April 2020 to 31st March 2021.

The Company has compiled the Report on the basis of IIRC framework and is aligned to the other reporting frameworks such as GRI Standards, UN Global Compact and Global Cement and Concrete Association (GCCA). The development of the Report based on the Framework and Standards, its content, and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Assurance standard

Our assurance is in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), and our conclusions are for 'limited' assurance as set out in ISAE 3000.

Scope of assurance and methodology

The scope of our work for this assurance engagement was limited to review of information pertaining to environmental and social performance for the period 1st April 2020 to 31st March 2021 reported in the Integrated Annual Report. We conducted, on a sample basis, review and verification of data collection / calculation methodology and general review of the logic of inclusion/ omission of necessary relevant information/ data and this was limited to:

- Remote verification of data, on a selective test basis, for the following units/ locations (which accounts for 37% of the total production volumes in the reporting period), through consultations with the Site Team and Sustainability team:
 - Ariyalur (Tamil Nadu)
 - Dalmiapuram (Tamil Nadu)
 - Rajgangpur (Orissa)
 - Corporate Office (New Delhi)



- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation processes followed
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development, including Scope 1, 2 and 3 greenhouse gas emissions, so as to be able to make comments on the fairness of sustainability reporting
- Review of the Company's approach towards materiality assessment disclosed in the Report to identify relevant issues

Limitations of our review:

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2020 to 31st March 2021)
- Data and information on economic and financial performance of the Company
- Data, statements and claims already available in the public domain through Annual Report, Corporate Social Responsibility Reports, or other sources available in the public domain
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention provided by the Company
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, was drawn from our Climate Change and Sustainability network, and undertakes similar engagements with various companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

Observations and opportunities for improvement

During the review process, we observed that:

- The Company has demonstrated its commitment on non-financial performance by releasing its Annual Report based on <IR> guidelines. The Company has compiled the Report on the basis of IIRC framework and other reporting frameworks such as GRI Standards, UN Global Compact, Business Responsibility Report and Global Cement and Concrete Association (GCCA).
- The Company has been working on enhancing robustness of data management for non-financial reporting. Going forward, it may further strengthen the data and back-up documentation management systems at the plants and corporate office, specifically pertaining to employee training and headcount of contractual workforce.



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