PEOPLE • PLANET • PERFORMANCE

INTEGRATED ANNUAL REPORT | **2019 - 20**

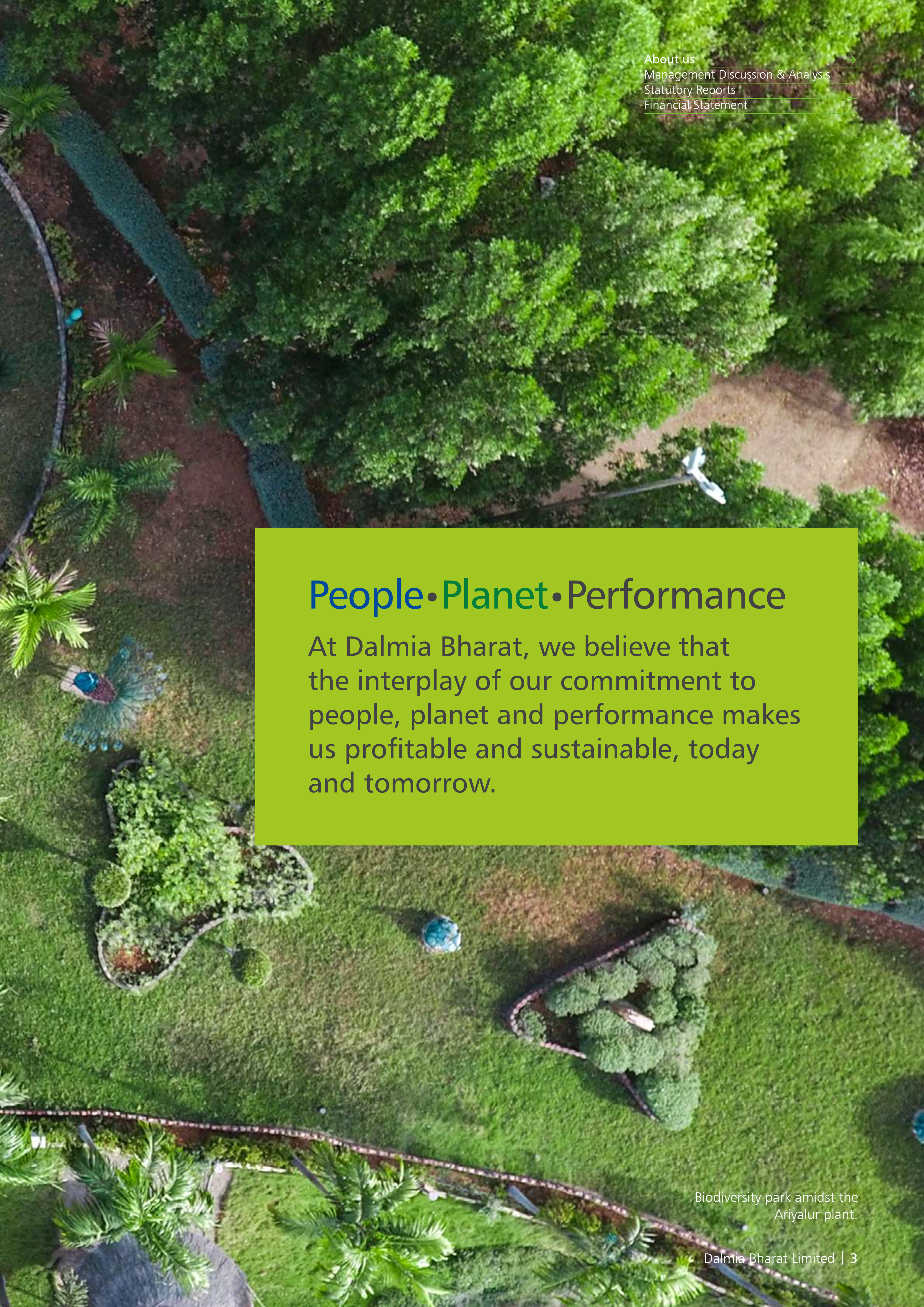
Forward-looking statement

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, joint venture companies and associate companies.

Contents



People • Planet • Performance

At Dalmia Bharat, we believe that the interplay of our commitment to people, planet and performance makes us profitable and sustainable, today and tomorrow.

Biodiversity park amidst the Ariyalur plant.

How the commitment to People•Planet•Performance works at Dalmia Bharat

People

At Dalmia Bharat, we have enriched our People through an over-arching ambition to rank among the best cement companies in the world. This future-facing aspiration has been complemented by capabilities, delegation, professionalised workplace, respect for human dignity, commitment to values and fair treatment.

Planet

At Dalmia Bharat, we see our role as a Planet protector, reinforced through progressive investments in clean manufacturing technologies, increased use of environmentally-responsible materials, enhanced material recycling and reuse, restoring the earth through greening as well as a commitment to use renewable energy wherever possible.

Performance

At Dalmia Bharat, we believe that superior profitability and performance provide the precious lubricants that make it possible to re-invest periodically in growing the business with the objective to build scale, economies and margins.

Dalmia Bharat

Among India's leading cement manufacturers

Our values

We are deeply Indian; born and blossomed here for three generations. Our values are Integrity, Humility, Commitment, Trust & Respect.

- Trust and respect
- Commitment
- Humility
- Integrity

Our DNA

Six behaviors that bind us as one organisation. It defines the Personality and the way of working shared among our employees. Our DNA is to be Committed, Open, Bold, Fast, Collaborative and Trusted.

- Committed
- Open
- Bold
- Fast
- Collaborative
- Trusted

Who we are

Dalmia Bharat embarked on its journey in 1939, spearheaded by the entrepreneurial vision of Jaidayal Dalmia. It enjoys a rich legacy of eight decades in the cement industry. It has emerged as one of the most respected cement manufacturers in India, contributing to nation-building through adequate capacity creation, consistently high quality standards and value-added products. The result is that we are a leader in the super-speciality cement segment and India's largest producer of slag cement. Globally, we have the lowest carbon footprint in the cement world.

What we do

Dalmia Bharat possesses India's fifth-largest installed cement manufacturing capacity of 26.5 million tonnes per annum (MTPA). This capacity is spread across 13 state-of-the-art manufacturing plants in nine States. The result is that Dalmia Bharat contributes ~5% of the entire country's cement capacity, making it an important player in the progress of the world's second most populous country.

Product portfolio

Dalmia Bharat possesses a diversified portfolio of value-added brands including the prominent Dalmia Cement, Dalmia DSP, Konark Cement and a range of speciality products including SRPC, Dalmia Magic and Infragreen in addition to speciality cements used in oil wells, air strips and railway sleepers.

Listing

Dalmia Bharat is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) with a market capitalisation of ₹9,467 Cr. as on 31st March, 2020.

Sustainability

Sustainability has been our prime focus over the past few years, which has helped us emerge as the greenest manufacturer, with the lowest carbon footprint in the global cement world (as per CDP report 2018).

What we achieved in FY20

Superior integrated value with a deeper commitment to performance, growth, sustainability and brand respect.

26.5
Capacity (in MTPA)

13
Cement plants

9,467
Market capitalisation as on 31st March 2020 (in ₹ Cr.)

9,674
Revenue from Operations (in ₹ Cr.)

2,106
EBITDA (in ₹ Cr.)

19.29
Sales volume [in million tonnes (MT)]

6,386
Regular talents

1,05,000
Aggregate person training of regular talents

32,444
Dealers and sub-dealers

9,10,000
Number of people impacted through CSR engagements

35%
Reduction in cement CO_2 intensity since 1990

195
Captive power generation capacity (Including solar and waste heat recovery) (MW)

Clean energy producer - solar plant, Kapilas, Odisha

Dalmia Bharat
An inspiring growth journey

Our approach

- Accelerating growth
- Pioneering initiatives
- Holistic growth focus
- Growth from regional to national
- Continuously strengthening Balance Sheet
- Creating world-class team of professionals
- Deepening commitment to sustainability
- Overarching commitment to become a carbon-negative cement company by 2040
- Growth directed at broad-based stakeholder value-creation
- Commitment to transform from an organisation into an institution

Our achievements

- India's fifth-largest cement manufacturer (by installed capacity)
- Growing consistently and faster than the industry average
- Leadership in India's super-specialty cement segment
- India's largest slag cement producer (low carbon footprint cement)
- Contributing ~5% of India's cement capacity

Dalmia Bharat
Milestones

Achieving milestones on the strength of our people

1930-80

- Entered India's cement industry by commissioning first manufacturing facility in Dalmiapuram (Tamil Nadu) with an installed capacity of 1.2 million tonnes per annum
- Launched specialised cement variants for the construction of airstrips and railway sleepers

1981-2000

- Introduced a vertical roller mill for limestone grinding for the first time in India (1981)
- Commissioned a captive power plant using heavy fuel oil (1983)
- Became the first Indian player to manufacture oil well cement (1986)
- Became the first company to commission the modern pre-calciner dry process in kiln (1987)

2001-10

- Established greenfield projects in Ariyalur and Kadapa
- Scaled manufacturing capacity to 9 million tonnes per annum
- Commissioned captive power plants in Dalmiapuram and Ariyalur
- Established a standalone CSR wing called Dalmia Bharat Foundation to undertake responsible corporate citizenship initiatives

2011-15

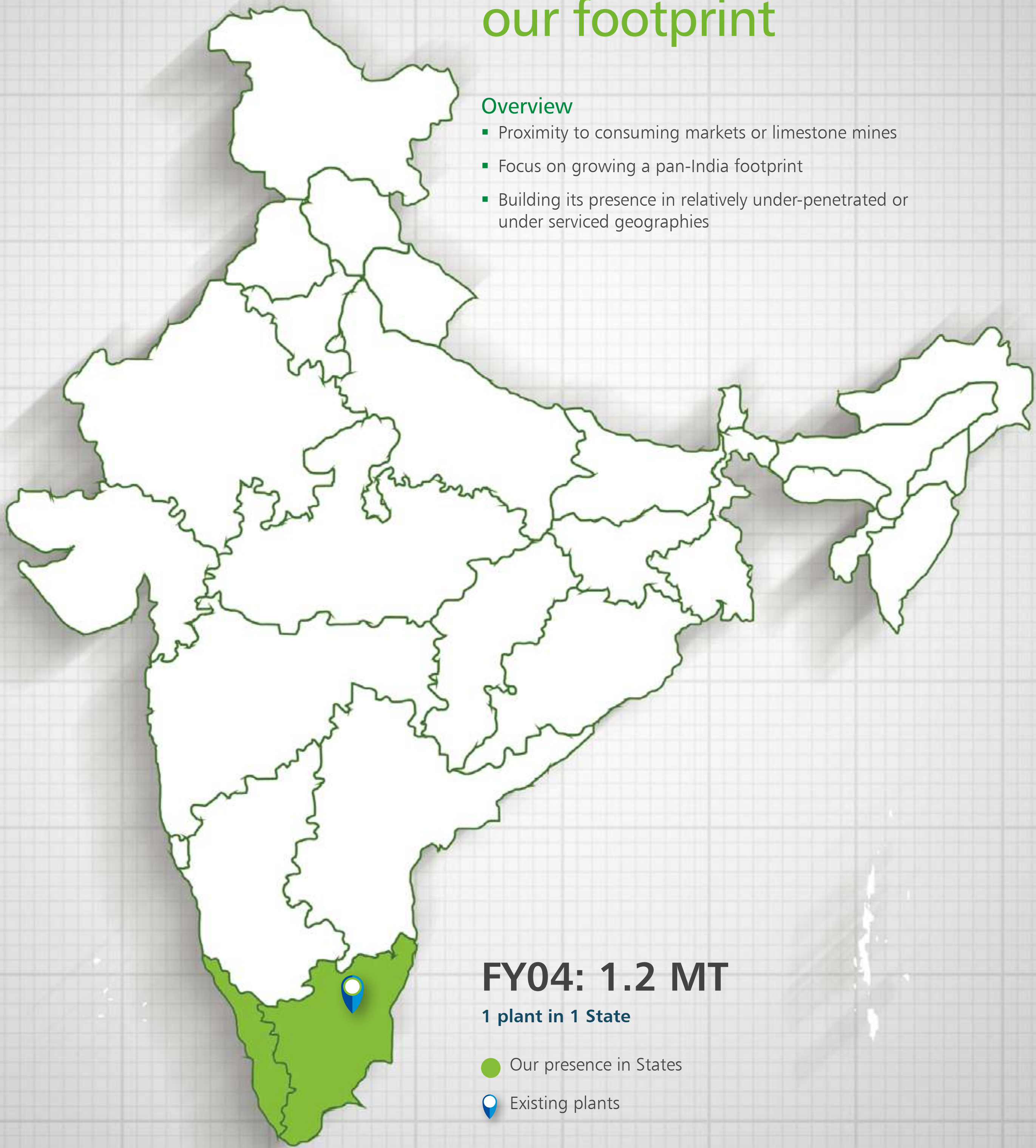
- Expanded operations through inorganic means (Calcom and Adhunik in North-Eastern India and Bokaro in Eastern India)
- Published maiden sustainability report
- Became a Cement Sustainability Initiative member
- Became a WASH Pledge signatory
- Became first in India to join World Bank Group's Carbon Pricing Leadership Coalition (CPLC) to support market-based carbon pricing

2016-20

- Completed the acquisition of OCL Limited in Eastern India and also acquired Kalyanpur Cement Limited, which is now renamed as Dalmia DSP Limited
- Completed corporate restructuring to become a single listed entity, reducing the number of subsidiaries from 6 to 2
- Launched Craft Béton
- Scaled the manufacturing capacity to 26.5 million tonnes per annum
- Became the first globally to commit to EP100 and RE100 campaigns
- Published our first Integrated Report, a first in the cement industry in India
- First Indian cement company to obtain an assurance on the alignment of our corporate social responsibility activities with ISO 26000.
- Ranked #1 in the global cement sector by CDP on business readiness for a low-carbon economy transition
- In a first-of-its-kind heavy industry initiative, Dalmia Bharat announced to become carbon-negative by 2040
- Signed a Memorandum of Understanding with Carbon Clean Solutions Limited (CCSL), UK, to progress on Carbon Capture and Utilisation (CCU)
- Invited by the UN-Secretary-General to share climate actions and commitments at the UN General Assembly's Climate Action Summit
- Became one of the first members of UN Leadership Group on Heavy-Industry transition, led by the Government of India and Government of Sweden, to reach the ambitious net zero target by the mid-century
- Became a member company of Alliance for CEO Climate Leaders

Dalmia Bharat
Consistently growing our footprint

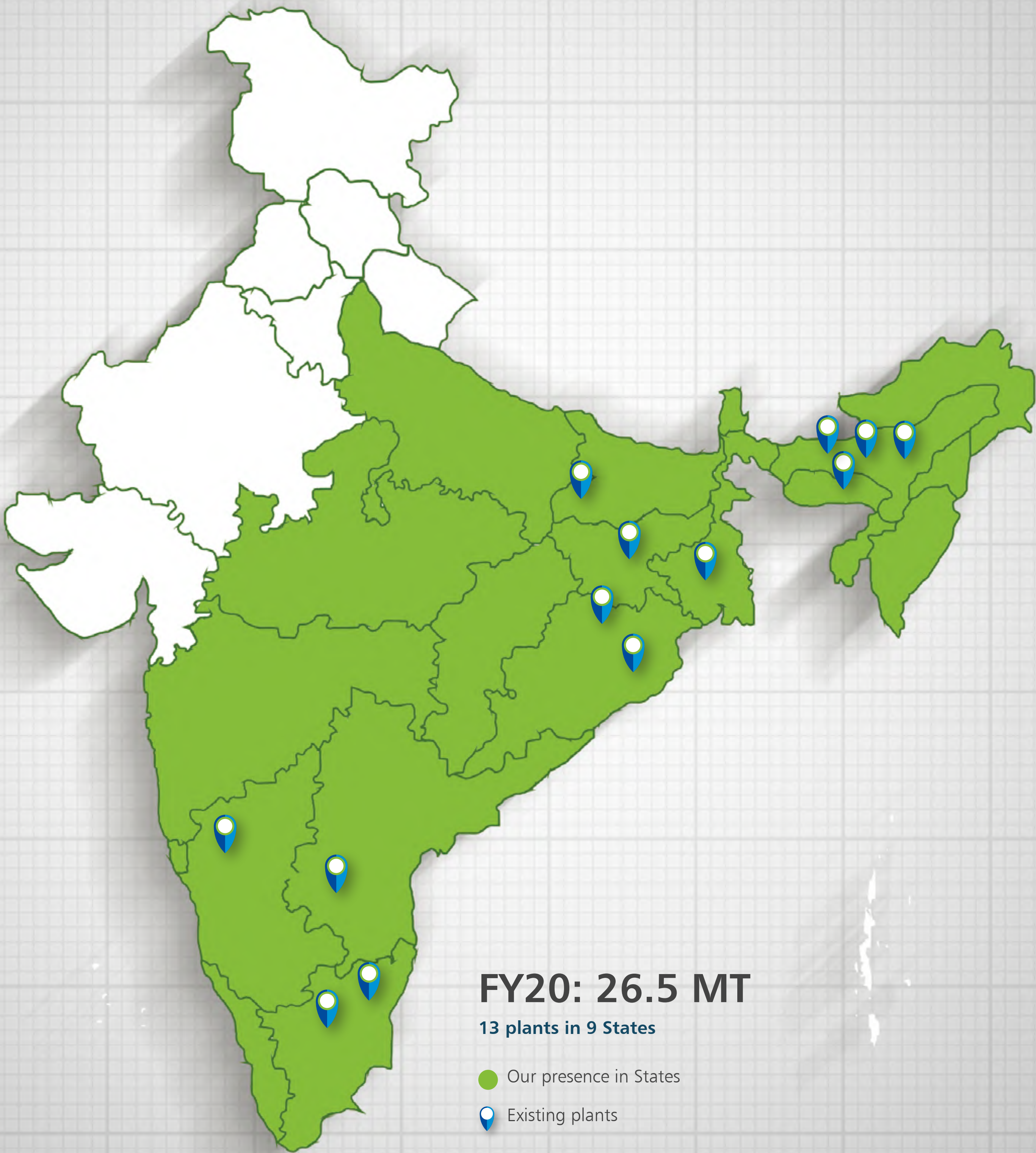
Overview
- Proximity to consuming markets or limestone mines
- Focus on growing a pan-India footprint
- Building its presence in relatively under-penetrated or under serviced geographies



FY04: 1.2 MT
1 plant in 1 State

Our presence in States

Existing plants



FY20: 26.5 MT

13 plants in 9 States

Our presence in States

Existing plants

Dalmia Bharat
Manufacturing products for every need

Overview

Dalmia Bharat manufactures a diversified product portfolio

Represents a convenient one-stop solution

Reinforces brand recall through cutting-edge research and marketing initiatives

Invests proactively in long-term research

Addresses relatively under-met consumer needs

Aims to continuously enhance its product attributes and standards

Possesses a wide portfolio of super-premium and 'green' cement varieties

Used increasingly in building critical national infrastructure

Our brand portfolio

Dalmia Cement's availability spans 22 States in East, North East and Southern India, with a selective presence in Uttar Pradesh and Maharashtra.

Dalmia Bharat is a category leader in super-speciality cements used for oil well, railway sleepers and air strips. We work with engineers and technocrats to develop a wide variety of customised cement manufactured for specific engineering and construction needs.

We offer a range of cement variants through our portfolio of three marquee consumer cement brands: Dalmia Cement, Dalmia DSP and Konark Cement; our institutional brands comprise Dalmia InfraPro, Dalmia Infragreen and Dalmia InstaPro.

These brands are available in variants as per local demand and resource availability in selected markets: Portland Pozzolona Cement (PPC), Portland Slag Cement (PSC), Portland Composite Cement (PCC) and Ordinary Portland Cement (OPC).

Dalmia Cement

Dalmia Cement has been one of India's best recognised cement brands for over 80 years, leading through breakthrough innovation and best-in-class technology. Keeping our values of innovation, co-creation and sustainability in mind, all Dalmia Cement products have been designed to last a lifetime.

Available in PSC, PPC and OPC 43 & 53.

Dalmia DSP Cement

Dalmia DSP Cement is a specialised, best-in-class offering for high strength concrete applications – such as foundations, columns and slabs. The product is a culmination of Dalmia's strong R&D efforts, combined with over 80 years of experience in serving customers with unique solutions.

Available in PSC and PPC.

Konark Cement

A trusted brand with a heritage of reliable performance, Konark Cement prides itself in giving the consumer a consistent quality, which helps build long lasting homes. Crafted using state-of-the-art technology, it has been shaping the foundation of happiness for more than 65 years.

Available in PSC and PCC.

Dalmia Infra Pro

Dalmia Infra Pro is a specialised offering focusing on the B2B market. It offers cement variants, which perfectly match institutional customer needs. It not only caters to domestic customers but is also exported to SAARC and Middle East markets.

Available in OPC 53 & 43, PPC, PSC, PCC and a range of speciality cements.

Dalmia Infragreen

Dalmia Infragreen is an innovative blended cement that not only outperforms any blended cement but also OPC cement on all performance parameters. This cement consumes 25% less water and is engineered for concrete to be made with 15-20% lower cement content, making it ideal for heavy-duty infrastructure construction.

Product Portfolio

Portland Slag Cement

- Ideal in general civil engineering construction
- Useful in marine structures in coastal locations
- Promises construction durability; protects from harsh environments
- Resistant to chlorides and sulphates

Portland Pozzolana Cement

- Premium product used in residential construction
- Marked by higher impermeability
- Prevents corrosion in steel bars used in construction

Dalmia OPC 43 & 53 Grade

- These OPC cement grades use advanced CVRM technology
- Denser concrete output
- Ideal for high strength and pre-stressed concrete applications

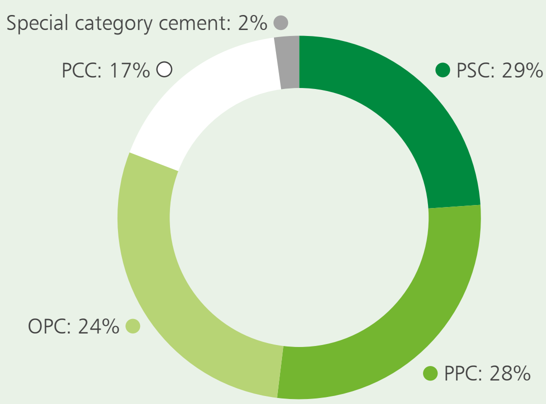
Portland Composite Cement

- Manufactured by blending ground clinker with slag and fly ash
- Reduced clinker factor for enhanced sustainability
- Improved properties owing to pozzolanic and hydraulic reaction of fly ash and slag

Speciality Cements

Dalmia Bharat has been a pioneer in specialty cement products in India. We were the first to develop cement products for use in the construction of air strips, concrete railway sleepers and oil wells, among others. We possess a wide portfolio of speciality cements including Sulphate Resisting Portland Cement, Railway Sleeper Cement, Oil Well Cement and special cements for air strips and nuclear power plants construction.

Dalmia Bharat's product mix, FY20



Dalmia Bharat
Respected • Recognised • Awarded

Overview

Respected for extending beyond prevailing benchmarks | Recognised for consistent outperformance | Respected for holistic value-creation | Respected for entrepreneurial dynamism

Awards

November 2019
BCW and KCW units have won the CII Excellence Energy Efficient Unit Award.

November 2019
The Dalmia Bharat Group HR team was accredited with the Healthy Workplace Award by Arogya World Trust.

December 2019
BCW wins 1st runnner up trophy at CII National Energy Efficiency Circle Award.

December 2019
Mr. Puneet Dalmia was awarded the Lakshmipat Singhania - IIM, Lucknow National Leadership Award in the Business Category.

December 2019
Ariyalur Unit won Best Electrical Energy Performance consecutively for two years, awarded by NCCBM.

December 2019
Dalmiapuram Unit won Best Environmental Excellence in Limestone Mines for two consecutive years, awarded by NCCBM.

December 2019
Kadapa Unit won Best Improvement In Thermal Energy Performance, awarded by NCCBM.

January 2020
The Rajgangpur unit received the CII 5 Start EHS Award.

January 2020
The Umrangso, Lanka and Jagi Road unit received the 5S Award from ABK AOTS DOSOKAI, namely Platinum Award Sustenance Level I.

March 2020
Rajgangpur Unit won the Government's Mission Energy Foundation Award.

March 2020
The Dalmia Bharat Group was accredited with the Corporate Governance Excellence Award.

March 2020
The Group received the FICCI CSR award for environmental sustainability.

March 2020
KCW unit has the distinction of becoming the 'First Grinding Unit in the Country' to achieve CII 'GreenCo Platinum' rating.


Mr. Puneet Dalmia receiving NLA award

Mr Singhi receiving FICCI CSR Award


Mr. Batria and Mr. Chakravarty receiving Platinum Sustenance Award


Dr. Sanjeev Gemawat receiving Corporate Governance Award

Dalmia Bharat
Benchmarking performance

Electricity consumption

Electricity consumption per tonne of cement, global average

102
kWh/tonne of cement (Source: GCCA, GNR)

Electricity consumption per tonne of cement, India average

72
kWh/tonne of cement (Source GCCA, GNR)

Electricity consumption per tonne of cement for Dalmia Bharat

69.3
kWh/tonne of cement

Water consumption

0.186
M^3/tonne of Cement (including captive power plant and colony water consumption)

Share of space

5
% Dalmia Bharat's share of India's total cement manufacturing capacity

Sales growth

3
% Dalmia Bharat's volume growth, FY20

Profitability

1,072
₹, EBITDA per tonne for Dalmia Bharat, FY20

Carbon footprint

900
Global average, carbon footprint (in kg/tonne of cement)
(Source: 'Mission Possible' Report by ETC)

575
India average of carbon footprint in kg/tonne of cementitious product
(Source: GNR data)

536
Carbon footprint by Dalmia Bharat in FY20 (in kg/tonne of cementitious product)

Clean fuel

12
% Proportion of alternative fuel in the fuel mix, global average
(Source: GNR)

3
% Proportion of alternative fuel in the fuel mix, India average
(Source: GNR)

6
% Proportion of alternative fuel in the fuel mix for Dalmia Bharat, FY20

Carbon footprint in cement sector - One of the lowest at Dalmia

(in kg/tonne of cementitious material)

900
Global average

536
Dalmia Cement (FY20)

330
Dalmia Cement eastern operations (FY20)

Lake restoration at Kadapa Plant

Dalmia Bharat
Extending beyond the conventional Annual Report

Delivering an Integrated Report to stakeholders

Introduction

This Integrated Report is Dalmia Bharat's primary report to stakeholders. This report reviews Dalmia Bharat's strategies, business model, risks and opportunities, operational and governance performance. This report covers the financial year ended 31st March, 2020.

Boundary and scope

The Annual Report of Dalmia Bharat comprises business operations disclosed through the six capitals as enunciated by the International Integrated Reporting Council (IIRC). In assessing the issues that materially impact value-creation, we have extended beyond the conventional financial reporting boundary. 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, Medinipur, Bokaro, Meghalaya, Umrangso, Lanka, Guwahati and Banjari) and from our mines and plants (cement, clinkerisation and captive power).

For the computation of carbon emissions, we utilised emission factors provided by Intergovernmental Panel on Climate Change and Central Electricity Authority (Ministry of Power, Government of India). The CO_2 and Energy Protocol Version 3.1 was used to calculate and report the energy, fuel and CO_2 emission-related indicators with an operations control approach.

Frameworks

Our constant endeavour is to present information in an unbiased, comparable, accurate, reliable and comprehensive manner. The Report follows the International Integrated Reporting Framework as developed by IIRC (www.integratedreporting.org), United Nations Global Compact reporting guidelines and GRI Reporting Guidelines. It should be read in conjunction with the financial statements, included herein and the notes thereto.

Dalmia Bharat
Brings six capitals together to enhance stakeholder value in a holistic and sustainable manner

Overview

Holistic approach preferred over volatile growth

Deepening conviction that holistic value catalyses business sustainability

Strategy of proactive and judicious investment across Capitals

Each Capital's health overseen by a business head

Capital health reported periodically to Board of Directors

Key Performance Area appraisals based on enhanced Capital value

Commitment to convert Capital performance into numerical metrics

	Inputs
Financial Capital	▪ Net-debt to EBITDA ratio at 1.34 ▪ Average cost of debt at 8.1% ▪ ₹409 Cr. incentive received from the Government
Natural Capital	▪ Electricity consumption at 1,328 GWh ▪ Freshwater consumption at 2.1 million cubic meter ▪ Fuel consumption at 54 Peta Joule
Human Capital	▪ Regular talents at 6,386 ▪ Total training hours for regular talent at 1,05,000 hours ▪ Focused on holistic wellness
Intellectual Capital	▪ Modern R&D labs and robotic labs ▪ Knowledge partnerships ▪ Invested ₹5 Cr. in R&D ▪ 2 patents filed ▪ 6 mobile applications developed ▪ Various software applications developed in-house
Manufactured Capital	▪ Complement of seven integrated cement plants ▪ One split clinkerisation plant ▪ 5 split grinding units ▪ 8 captive power plants ▪ Only company with at least one plant in each of the four key eastern states of West Bengal, Bihar, Jharkhand and Odisha
Social and Relationship Capital	▪ Community welfare ▪ Forging enduring relationships ▪ Engaging better with stakeholders ▪ Building investor confidence ▪ Channelised ₹10 Cr. towards CSR

Value-creation activities

- Strengthening the Balance Sheet
- Optimised capital allocation

- Enhanced energy efficiency
- Optimised water consumption
- Increased waste utilisation
- Reduced fossil fuel consumption
- Reduced GHG emissions

- Strengthened employee engagement
- Enhanced knowledge and skill renewal
- Enhanced workforce diversity
- Incentivised star performers
- Focused on personal employee development

- Strengthened the R&D wing
- Organised workshops with knowledge partners
- Strengthened digital momentum

- Undertook capacity debottlenecking
- Optimised efficiency and capacity utilisation
- Invested in superior manufacturing technologies
- Increased fossil-free captive power generation

- First Indian cement company to obtain an assurance on the alignment of our corporate social responsibility activities with ISO 26000.
- Enhanced customer satisfaction
- Increased transparency with stakeholders
- Strengthened engagement with customers and other stakeholders
- Contributed to community development
- Excellent Social Return on Investments for all CSR interventions

This is the Integrated Value we generated, FY20

Overview

- Commitment to measure inputs and outcomes
- Driven by challenging target setting
- Focus on enhancing value in every Capital

Customers

6,795	32,444	9,674	2
Institutional customers	Dealers and sub-dealers	₹ Cr. revenue from operations	% increase in revenues

People

675*	6,386
₹ Cr., payment for Employee Benefit expenses (₹802 Cr. including expenses capitalised and in other heads)	Number of employees

Resources and environment

9.2	6	28.7	>5
Megawatts of WHRS installed	% of fuel mix comprising alternative fuel	% of alternative raw material consumption	Times (x) of water positive (based on recharge potential of annual water consumption)

Financial

2,300+	238
₹ Cr., cash flows from Operating Activities	₹ Cr., Net profit

Investors

9,467	100
₹ Cr., market capitalisation as on 31st March, 2020	% investor grievances resolved

Community

9,10,000	10
Community lives touched	₹ Cr., Expenses for CSR programmes

The 4 big outcomes of our Integrated Value-Creation Process

- Dalmia Bharat is one of the lowest carbon footprint cement producers in the world
- Dalmia Bharat developed a unique niche in the cement sector on holistic shareholder value creation
- Dalmia Bharat is among the most profitable Indian cement manufacturers (EBITDA per tonne)
- Dalmia Bharat is among the most digitalised Indian cement manufacturers

Dalmia Bharat
The two words that describe us are 'progressive' and 'fast-paced'

First

First cement group to commit to become carbon-negative by 2040

First cement company to be a signatory to EP100 and RE100

First company to commission the modern pre-calciner dry process in its kiln in 1987

First Indian company to be globally ranked No. 1 by CDP on business readiness for a low carbon economy transition

First and only cement company to be a part of UN Leadership Group on heavy industry net zero transition, led by Govt. of India and Govt. of Sweden

First Indian cement company to obtain an assurance on the alignment of our corporate social responsibility activities with ISO 26000

First company to develop high-strength Railway Sleeper Cement, fast setting Air-Strip Cement and low-sulphur Oil Well Cement

First (and only) company to produce Oil Well Cement in North-East India

Only supplier to the Kudankulam nuclear power plant in Southern India

Plant at Ariyalur was the first in India to engage in a trail burn study for co-processing tannery ETP sludge in the presence of CPCB officials

First in India's cement industry to acquire a financially-stressed cement company through IBC proceedings.- Kalyanpur Cement Limited, now renamed Dalmia DSP Limited

Largest

Among the largest cement groups in India

Largest cement brand in Eastern India, the fastest growing (percentage terms) cement consuming zone in the country

Largest pre-heater capacity in the world at the Rajgangpur unit (line 3)

Largest producer of Portland Slag Cement in India

Largest producer of Oil Well Cement in India

Longest

Use of Dalmia Bharat's cement in the building of the 640 metre Zuari River Bridge (second-largest cable bridge in India)

Use of Dalmia Bharat's cement in the construction of Dhola–Sadiya Bridge (longest in India)

Dalmia DSP line 1 project has the longest kiln of 81 metres for 5 metre diameter

Fastest

Among the fastest growing Indian cement companies in the last 15 years

Among the quickest track records in India's cement industry of turning loss making plants or companies around following acquisition

Our products have one of the fastest turnaround times at manufacturing sites in the cement industry in the country

We produce cement grades with one of the fastest curing times in the industry

Highest

Among the highest profitability levels (EBITDA/tonne) among peer cement companies in India

Among the highest realisations per bag among branded cement players in India

Lowest

The lowest carbon footprint cement producer group globally

Among the lowest break-even points in India's cement sector on account of a declining variable cost of production

Among the lowest power consumption per tonne of cement produced

Among the lowest consumers of water in the Indian cement industry per tonne of production

Ariyalur Plant

Our memberships

Dalmia Bharat

The integrated value we generate is derived from our engagement with some world-class entities and respected institutions

Voicing our concerns

Dalmia Bharat and policy advocacy

- Industry Associations work with the Government on policy issues. They interface with thought leaders and provide a responsive interface between the industry and Government on important policy changes. The issues/concerns affecting our business operations/ profitability are raised effectively through these industry associations
- Representations of various issues faced by our organisation are taken up with the Government through Industry Associations

Sponsoring/ advertisements / events participation

Sponsorship provides us with the opportunity to enhance our brand visibility (at events where companies across the country participate, including Government officials) by promoting our logo, organisational profile and the use of corporate videos. It provides an opportunity to our senior leadership to share views and ideas with the target audience as key speakers.

Networking Opportunities Nationally/Abroad

- Participation in National Policy Committees & Task Forces
- CEO's networking sessions in different regions
- Participation in award ceremonies that enhance our recognition
- Nominations of Dalmia Bharat representatives in various sectorial committees as Chair/Co-Chair/Members

UNGC

Alliance for CEO Climate Leadership

Dalmiapuram Plant

Dalmia Bharat
Energised by various initiatives across levels and locations

Future Today

Focus on solutions to customers around the pillars of Innovation, Co-creation and Sustainability.

Mission Unleash

Focus on three transformation areas: doubling sales volume across East and South India in three years, optimising procurement spends, enhancing the use of 'green' fuel to become carbon-negative by 2040 and capability-building, tech-enablement and communication.

Lakshya

15-month intensive leadership programme to promote high-impact leaders; a 'finishing school' for top performers intended to build a leadership pipeline.

Shikhar

Programme to accelerate the career development of technical talents in the cement plants across locations; intended to create a pool of leaders.

Nalanda

Institution (Nalanda, Dalmia School of Leadership, Learning, and Change) developed to inculcate a culture of learning and to change transformation covering a range of subjects.

Carbon Negative Roadmap 2040

Commitment to become carbon negative by 2040; identified the key levers with interim five-year targets to reach the carbon negative goal by 2040.

Dalmia Technical Training Institute

Imparts skills to Dalmia Bharat's employees at the plant-level through in-house specialists, external veterans and domain experts.

Dalmia Bharat

Addressing SDGs through business operations

As a responsible business entity, we are addressing 12 Sustainable Development Goals through the right policies and business operations

Four focus areas

Energy efficiency and the use of clean energy

7 Affordable and clean energy — 7.3

Ensure access to affordable, reliable, sustainable, modern energy for all.

9 Industry, innovation and infrastructure — 9.4, 9.5

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

11 Sustainable cities and communities — 11.2, 11.6

Make cities and human settlements inclusive, safe, resilient and sustainable.

12 Responsible consumption and production — 12.2

Ensure sustainable consumption and production patterns.

13 Climate action — 13.1, 13.2, 13.A

Take urgent action to combat climate change and its impacts.

People and communities

3 Good health and well-being — 3.6

Ensure healthy lives and promote the well-being of all.

4 Quality education — 4.4

Ensure inclusive and equitable quality education and promote life-long learning opportunities for all.

5 Gender equality — 5.5

Achieve gender-equality and empower women.

8 Decent work and economic growth — 8.5

Promote sustained and inclusive economic growth, productive employment and decent work for all.

10 Reduced inequalities — 10.4

Reduce inequality within and among the countries.

11 Sustainable cities and communities — 11.2, 11.6

Make cities and human settlements inclusive, safe, resilient and sustainable.

Circular Economy

4 Quality education	8 Decent work and economic growth	9 Industry, innovation and infrastructure	11 Sustainable cities and communities	12 Responsible consumption and production
4.4	8.5	9.4 9.5	11.6	12.2 12.4 12.5
Ensure inclusive and equitable quality education and promote life-long learning opportunities for all.	Promote sustained and inclusive economic growth, productive employment and decent work for all.	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.	Make cities and human settlements inclusive, safe, resilient and sustainable.	Ensure sustainable consumption and production patterns.

Natural Resource Management

6 Clean water and sanitation	12 Responsible consumption and production	15 Life on Land
6.4 6.5	12.2	15.2
Ensure availability and sustainable management of water and sanitation for all.	Ensure sustainable consumption and production patterns.	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainable manage forests, combat desertification, and halt and reverse land degradation and halt bio-diversioty loss.

Kadapa Plant

Dalmia Bharat | Defending the Planet

Overview

Treading lightly on the earth | Moderating its carbon footprint | Generating more from less

Superior water management

At Dalmia Bharat, we put a priority on efficient water management. We have invested in equipment, practices and safeguards to moderate water consumption. Our broad-based water access, turned all manufacturing units into zero waste water discharge, reused treated water and invested in technologies to conserve water at the design stage itself.

Water consumption

(in cubic metres per tonne of cement)

Increased use of alternative fuel resource (AFR)

Dalmia Bharat deepened its positioning as an 'industrial waste disposer' by re-purposing waste through the use of alternative fuels (plastic, wood, tannery ETP sludge, waste paper, carbon black, fibre reinforced polymer, footwear, spent wash, GEPIL solid waste mix, refuse-derived fuel, GEPIL dry waste mix liquid, palm bunch, chocolate wrappers and as alternative raw materials (fly ash, BF slag, red mud, etc.).

AFR conversion

(in %)

Declining power consumption

Dalmia Bharat focused on increasing energy efficiency through increasing the share of captive power consumption on the one hand and declining power consumption per unit of the end product. Our prudent investment in cutting-edge technologies helped moderate electricity consumption across manufacturing locations. We invested 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.

Specific power consumption

(in KWh per tonne of cementetious material)

Declining carbon footprint

Dalmia Bharat emerged as a global benchmark in carbon footprint moderation. The Group-level carbon footprint of 536 kilograms of carbon dioxide per tonne of cement product in FY20 compared favourably with about 546 kilograms of carbon dioxide per tonne of cement product in FY19. Our Eastern India operations regularly achieved one of the lowest carbon footprints across all its plants.

Carbon footprint of Dalmia Bharat

(on CO_2 per tonne of cement produced)

High safety standard

Dalmia Bharat invested in the safe and responsible manufacture of products. We are committed to zero harm, ensuring that every individual returns home safely from the workplace every single day.

Dalmia Bharat
The big story is where we are headed

Overview

Dalmia Bharat has extended to the enunciation of forward-looking environment targets

Multi-year investment roadmap to achieve targets

All present-day achievements compared with global benchmarks

Ongoing annual environment performance measurement against long-term targets

Transparent dashboard of environment compliance and achievement

Vision to play the role of a responsible sectorial statesman

Carbon footprint

900
Global average of carbon footprint (in kg/tonne of cement)

536
Carbon footprint by Dalmia Bharat (Net CO_2 emissions in kg/tonne of cement)

(30)
Targeted carbon footprint by Dalmia Bharat in 2040 (in kg/tonne of cement)

EP100

2.07
Energy productivity in FY20 (Million INR/TJ)

3.2
Energy productivity target by 2030 (Million INR/TJ)

RE100

11.55
Including the large hydro component of the grid

100
Targeted proportion of fossil-free electricity use by 2035 (in %)

Vegetation site at Rajgangpur

Water positive

>5
Water positivity in FY20 (in times)

20
Targeted water positivity by 2025 (in times)

Clinker factor

63
Clinker/Cementitious factor (in %)

Alternative fuel

6
% Proportion of alternative fuel in the fuel mix, FY20 (% TSR)

100
% Targeted proportion of alternative fuel and sustainable biomass (% TSR)

The Managing Directors' overview

Overview

At Dalmia Bharat we have been committed to the tenet of "People. Planet. Performance" and an interplay of the three forms an integral part of our decision making. As the COVID-19 pandemic engulfed the globe at the end of financial year 2020, the commitment of our Group towards the three Ps gained an ever more significance.

The pandemic came as a double-blow to a global economy that was anyway subdued, marked by weaker consumer sentiment and spending. Following the enforcement of lockdowns and decline in cross-border movements of cargo and people, the global economy weakened further and it would be reasonable to believe that the current calendar and financial years could be marked by a de-growth for the global economy in general and most countries in particular.

As a concerned corporate citizen, we have been particularly sensitive to the need for the safety and well-being of its people and other stakeholders. Immediately after the government had announced a complete national lockdown, we temporarily suspended our various plant operations, created rapid action teams within each critical business vertical and we increased our stakeholder outreach.

Our Group's past investments and focus on technology made the transition to working from home seamlessly possible; the Group productively utilised the lockdown as an opportunity to mentor talents and trade partners, engaged with their families in wellness & value-building activities and we revisited our existing policies and procedures. The commitment and motivation of our people coupled with the foresight and agility of our leadership team strengthened our relative competitiveness within the Indian cement industry at a time of economic weakness.

Our strong business fundamentals, technology orientation, process-oriented behaviour, talented workforce and strong stakeholder network helped it emerge stronger, reflected in its strongest performance in the following quarter. This improvement was also facilitated by a strengthening Balance Sheet whereby we maintained our focus on periodically moderating our gross debt and improving our working capital cycle.

The Economic Growth & the Sustainability Quotient

India is aiming to emerge as a US$ 5 trillion economy by 2025.

This indicates that India is likely to add nearly 70% of its existing GDP in just five years. There is a possibility that with the exception of China and US, no other economy will grow at this scale.

This prospect places a premium on our ability to not just grow economically but do so at a disproportionately lower impact on ecological balance.

India is amongst the few nations who have below 2 degree compatible NDCs (Nationally Determined Contributions) under the Paris Climate Agreement. The country has committed to reduce the emission intensity of GDP in the range of 33-35% by 2030 in comparison to 2005 baseline.

India's cement industry has a large role to play in the sustainability of heavy-industry sector. As India grows, there will be a larger investment in infrastructure, which, in turn, will generate a larger consumption of cement. This reality makes it imperative to manufacture more cement with optimum utilisation of resources and energy.

At Dalmia Bharat, we have committed to doing so by laying down a long-term direction, medium-term objectives and short-term term targets. We are humbled that our sustainability initiatives were globally appreciated; more recently the UN Secretary General acknowledged our company for its sustainability initiatives.

We are only cement company that declared its commitment to become carbon-negative by 2040.

This commitment is requiring us to question every convention we held dear.

At Dalmia Bharat, every decision is passed through the screen of 'Will it be good for the earth?' before we ask 'Will it be good for the Group?'

The result is the coming together of new priorities, investments and practices that are increasing the 'green' quotient in the cement that we manufacture. Within the overall objective of becoming carbon negative by 2040, we signed for EP100 & RE 100 as per which we intend to double our energy productivity and use 100% renewable energy by 2030. We are working extensively in increasing the use of alternative fuel in our overall fuel mix, while increasing the proportion of blended cement in the sales mix.

We intend to build on what we have achieved till now. We were ranked #1 in the global cement sector on business readiness for low carbon economy transition. We moderated our emissions and made commitments in line with the Paris Climate Agreement and 1.5 degree scenario.

What makes our commitment credible is that it is not just a wish list. The Group has drawn out medium-term targets for a programmed improvement in its carbon footprint, energy productivity, fossil-free electricity generation, non-clinker proportion in cement, water utilisation and alternative fuel consumption. In turn, these improvements have been and will continue to be backed by timely capital expenditure and technology investments to keep the Group ahead of the curve.

We believe that the complement of resource conservation, superior waste utilisation and a 'green' perspective will not only make us more sustainable but also make us more profitable.

More than that, we believe that a stronger image of environment responsibility will do something more for us: it will enhance our respect in the world as a statesman and thought leader, enhancing our sustainability.

Stakeholder value

In addition to our consistent focus on environment-focused sustainability, we believe we are attractively placed to enhance value for each of our shareholders.

As a Group we have prioritised the importance of prudent capital allocation. We are set to commission an incremental cement manufacturing capacity at a cost lower than the prevailing benchmark; this was funded completely through internal accruals.

Even as the external market place reality has been volatile, our costs have been declining. Our moderated cost structure will empower the Group to remain viable across market cycles.

Our teams have continued to focus on product improvement. We are working extensively to increase the premium share in our product mix, not merely to enhance realisations from a given sales throughput but sell faster than competition irrespective of the prevailing market conditions. Our digital initiatives are empowering us to expand market reach and market share without materially increasing corresponding costs.

We believe that during these turbulent times, our existing model is attractively placed to protect or enhance the solvency of the business while maintaining profitability. Our controls have been further strengthened and the review mechanism is more robust. While there is no cue to suggest when consumer sentiment will normalise and the economy will return to complete health, we are optimistic that we have a right-sized business architecture to capitalise with speed and sustainability.

Sincerely,

Gautam Dalmia and Puneet Dalmia

Managing Director(s),
Dalmia Bharat Limited

Performance Review, FY20

Overview

At the outset, we convey thanks to our people for creating a positive impact and earning the trust of our stakeholders. Our talents and their families, customers, communities, suppliers, investors, analysts, knowledge partners and any other individual or firm that is influencing or being affected by the organization is proud partner in our sustainable business performance.
I would like to assure you all that Dalmia Bharat will keep challenging itself to create an overall positive impact on people and planet through our business performance.

A firm creates overall positive impact by addressing the aspects associated with people and the planet. At Dalmia Bharat, we focused on this from the very beginning to create a happy, healthy and productive workplace. We went into COVID-19 scenario pretty well aware that this is not a short term disruption. Throughout this difficult period, our first priority has always been to ensure that our talents, their families and other stakeholders are safe and energised. This helped us to effectively tackle the scenario and keep our people safe from COVID-19 pandemic.

Reducing carbon footprint, efficient use of energy and natural resources, active removal of waste, restoration of the nature, providing happy and safe workplace and taking care of the local communities are key levers for us to create better planet. I am happy to inform you that actions taken by Dalmia Bharat in year under review has further accelerated our commitment on these points.

At Dalmia Bharat, we performed better than the Indian cement industry during the last financial year. This relative outperformance was the result of a consistent commitment to reconciling the interests of our People, Plant and Performance. We believe that a responsible investment in the three makes it possible to remove imbalances that could enhance outcomes in the short-term but compromise our ability to deliver in a sustainable way across the long-term. This is in line with our commitment to future generations and a cleaner world, leading to the creation of a carbon-free cement sector.

During the year under review, there was an increasing consensus on the need for urgent action to address the challenge of climate change through a phased reduction in greenhouse gas emissions to a net zero position by the mid-century. We underlined our commitment to this overarching priority by emerging as the first global company in the heavy-industry sector to commit to becoming carbon-negative by 2040, which will, in turn, has translated into annual targets related to sustainability and reduction in carbon footprint.

As a strategy-focused Group, we have always leaned on healthy networks and focused on solutions. It helped us remain positive, secure and in a state of strategic preparedness to address the demands of the day and the future. Any increase in our production capacity will take into account the interplay of all our six Capitals, creating a foundation of business sustainability.

Impact of COVID-19 pandemic

The financial year FY20 was the most challenging year experienced in the recent past. The global slowdown of 2019 was aggravated by the outbreak of the COVID-19 pandemic, the effects of which became visible from January 2020 and deepened as the months passed.

During the last week of FY20, a nation-wide lockdown was imposed by the central government, to arrest the spread of the COVID-19 pandemic, which adversely affected the recovery of the Indian economy in FY21, moderating demand, supply chain efficiency, discretionary spend and capital expenditure.

Our operational performance

Dalmia Bharat is committed to the twin strategic principles of ‘Building a strong and sustainable business foundation’ and ‘Growth for tomorrow’. I am pleased to report that our company did not just address the challenges of the day but also strengthened its business in a sustainable forward-looking way during the year under review. Dalmia Bharat reported a credible performance during the year under review. Even as the cement sector reported volume de-growth in a challenging FY20, our company’s sales volume grew by 3%.

Revenues increased 2% to ₹9,674 Cr., EBITDA increased 8% to ₹2,106 Cr., EBITDA margin was 21.8% compared to 20.5% in the previous year. Our company’s fiscal discipline reflected in a decline in finance costs from ₹542 Cr. in FY19 to ₹438 Cr. in FY20.

I am pleased to communicate that our company finished the year with a stronger Balance Sheet despite market challenges. Our Net Debt/EBITDA declined from 1.6 in FY19 to 1.34 in FY20.

Stronger sustainability

I am pleased to communicate that our operational performance during the year under review has created more positive impact on the environment. In FY20, Dalmia Bharat further added to water positive status and remained more than 5x water-positive. In addition, we committed to become 20 times water positive by 2025. The use of alternative fuels and alternative raw materials has further increased in the reporting year. It resulted in better optimisation of clinker factor and switching of fossil fuels in cement kiln with disposable wastes from other industries.

We are progressing on deep decarbonisation and circular economy principles with our business philosophy of ‘Clean and Green is Profitable and Sustainable’. Going forward, the use of industrial waste materials as a fuel or as a raw material would remain our key priority area.

As Dalmia Bharat has committed to RE100, fossil free electricity use is an important business strategy for us. We are addressing this electricity decarbonisation challenge with a co-benefit approach of reducing the cost of power and decoupling the GHG emissions associated with it. Both Waste Heat Recovery based power generation and Solar/Wind based electricity are the technology levers we are progressing with in this transition.

During the year under review, our company also signed MoU with Carbon Clean Solutions, UK to set up the world’s largest carbon capturing and utilisation demonstration plant. Due to various initiatives being taken towards sustainability and climate change, we were the only cement company invited by the UN Secretary-General to share its climate actions and commitments before national leaders at Climate Action Summit during UN General Assembly in September 2019. We are a member of UN Leadership Group on Heavy-Industry Transition which is led by the governments of India and Sweden.

Our company believes that our sustainability journey can be catalysed through effective partnerships and engagements. Digitalisation, Health and Safety, Alternative Fuels, Alternative Raw Materials, Renewable Energy, Waste Heat Recovery (WHR) power generation, use of Sustainable Biomass, Resource and Energy Efficiency, Water Harvesting, and progress on Carbon Capture and Utilisation (CCU) are the key levers of our sustainable business performance of today and tomorrow.

As we make progress across these areas, our engagement deepened with communities and global stakeholders. As a responsible corporate citizen, Dalmia Bharat supports 10 principles of United Nations Global Compact (UNGC) and have prioritised Sustainable Development Goals (SDGs) with their relevant indicators for performance monitoring within our business operations and the social interventions. This reinforced our position as a cement company committed to the cause of long-term sustainability. It would be pertinent to indicate that Dalmia Bharat Foundation, our social responsibility arm, is engaged in structured community interventions, helping fulfil a number of Sustainable Development Goals in the areas of our influence.

I would like to thank the Dalmia Bharat team for its commitment during these challenging times. I look forward to their sustained outperformance, reinforcing our aspiration to emerge as a global cement lighthouse.

Mahendra Singhi,

Managing Director and CEO,
Dalmia Cement (Bharat) Limited

क्षणशः कणशश्चैव विद्यामर्थं च चिन्तयेत् ।
क्षणत्यागे कुतो विद्या कणत्यागे कुतो धनम् ।।

(Kshanashah kanakashchaiva vidyaamartham cha chintayet.
Kshanatyaage kuto vidyaa kanatyaage kuto dhanam)

Knowledge should be gained through continuous effort. Money should be earned by utilising every resource. If you waste time, how can you acquire knowledge? If you waste resources, how can you accumulate wealth?

Our commitment to sustainability has accelerated in the last three years

Operational

- Dalmia Bharat sales volume grew at a CAGR of 8% over the last three years, outperforming the cement industry that grew at a CAGR of 6% during the same period
- Our premium DSP brand accounted for 13% of trade sales in FY20 compared to 6% in FY17, strengthening realisations
- Our composite cement PCC (comprising slag and fly ash) was 1% of our sales volume in FY18 and 17% of our sales volume in FY20, helping reduce costs

Financial

- Our Net Debt/EBITDA declined from 2.8 in FY17 to 1.34 in FY20
- Our brownfield expansion would be commissioned at less than US$ 60 per tonne; our acquisition of Kalyanpur Cement at US$ 40 per tonne was way lower than the industry average

Sustainability

- We became >5x water-positive in FY20
- We were the only cement company in the world to join UN Leadership Group on industry transition launched at Climate Action Summit in the UN General Assembly of 2019
- We were the first company globally to join RE100 and EP100
- We signed an MoU with Carbon Clean Solutions UK to set up the world's largest carbon capturing and utilisation plant
- We became the first heavy-industry sector company in the world to commit to become a carbon-negative cement group by 2040

Dalmia Bharat
Engaged in enhancing value for every single stakeholder

Size of our stakeholder eco-system

10,00,000
Number of Dalmia Bharat's stakeholders approx

32,444
Dealers and sub-dealers

6,386
Number of Dalmia Bharat's employees

40,850
Number of Dalmia Bharat's shareholders

14
Number of Dalmia Bharat's bankers

9,10,000
Number of community lives touched

Dalmia Bharat Addressing stakeholder needs with a structured engagement process

Overview

Strategic clarity of the unmet needs of respective stakeholders

Focus on delivering beyond expectations

Focus on process integrity and consistency

Periodic engagement with stakeholders

Stakeholder

Customers

Talents

Suppliers

Communities

Investors

Governmental and regulatory bodies

Concerns	Communication channels
▪ Timely delivery ▪ Quality ▪ Pricing ▪ After-sales service ▪ Product-related queries	▪ Customer feedback ▪ Customer satisfaction surveys ▪ Phone calls, e-mails, and meetings ▪ Signed contracts ▪ Exhibitions and events ▪ Digital and social media connect ▪ Brochures and catalogues
▪ Work-life balance ▪ Training and skill development ▪ Career growth ▪ Job satisfaction ▪ Occupational health and safety ▪ Job security ▪ Transparent communication	▪ E-mail ▪ Intranet portals ▪ Talent satisfaction surveys ▪ Training programmes ▪ Performance appraisal reviews ▪ Grievance Redressal Mechanisms ▪ Publications and Newsletters
▪ Timely payment ▪ Continuity of orders ▪ Transparency ▪ Engagement	▪ E-mails and meetings ▪ Vendor assessments and reviews ▪ Signed contracts ▪ Vendor meets
▪ Local employment ▪ Environmental pollution control ▪ Infrastructure development ▪ Training and livelihood programme ▪ Participation in social services	▪ Training workshops ▪ Regular meetings ▪ Need assessments and reviews ▪ Surveys ▪ CSR reports
▪ Sustainable growth and returns ▪ Risk management ▪ Corporate governance ▪ Market share ▪ Operational performance	▪ Board meetings ▪ Annual reports and investor presentations ▪ Websites ▪ Investor meetings ▪ Participation in conferences
▪ Taxes and royalties ▪ Compliance with laws and regulations ▪ Employment generation ▪ Pollution control ▪ Local economic growth	▪ Annual reports ▪ Communications with regulatory bodies ▪ Formal dialogues ▪ Sustainability reports

Dalmia Bharat
Our materiality aspects

Stakeholder engagement	Risk management	Identify opportunities

Identifying material issues

Dalmia Bharat conducted its first materiality assessment in FY14. Since then, the material aspects have been periodically reviewed with the objective of maintaining relevance with the evolving environment and altering stakeholder expectations.

In FY20, Dalmia Bharat identified the following material issues, of which 11 aspects were finalised.

Greenhouse gas emissions	Alternative fuel usage
Code of conduct and business ethics	Community development
Employee diversity and inclusion	Employment and labour practices
Land acquisition for mines and new projects	Raw material sourcing
Risk management	Branding and reputation
Climate change and global warming	Corporate governance
Customer relationship management	Economic performance
Effluent and waste management	Energy efficiency
Governance and regulatory compliance	Grievance mechanism
Human rights	Occupational health and safety
Product innovation	Public policy and advocacy
Supply chain management	Training and development
Transportation and logistics	Water conservation

Finalised material aspects

Material aspects finalised

- Water conservation
- Community development
- Occupational health and safety
- Air emission
- Governance and Regulatory compliance
- Raw material
- Alternative fuel
- Energy efficiency
- Branding and reputation
- Product innovation
- Transportation and logistics

Dalmia Bharat
Risk management

Overview

Over the years, the cement industry has been marked by challenges and increasing compliance requirements. Against this backdrop, the role of responsible risk management has gained traction and internal audit has become an important function.

Internal audit assesses and reports the effectiveness of governance, risk management and internal control, providing assurance and helping Dalmia Bharat achieve strategic, operational, financial, and compliance objectives. The internal audit team headed by the Group IA Head performs assessments and provides the management and the Board with an informed and unbiased critique of governance processes, risk management and internal control environment. Based on these findings, the internal audit function recommends changes to improve processes and monitors their implementation.

Dalmia Bharat has focused on identifying potential risks and moderating their impact through responsible mitigation. In FY20, we continued to strengthen its system to promptly identify risks, assess materiality and take measures to minimise their likelihood or related losses.

Dalmia Bharat's corporate audit team undertakes regular exercises to ascertain the sanctity of processes, ensuring implementation of remedial measures wherever necessary. All reporting entities are audited by the corporate audit team, except for Calcom Cement India Ltd (audited by PwC).

The observations and recommendations are presented to the Audit Committee, which directs the Enterprise Risk Management Team (under the leadership of the Managing Director and the Chief Executive Officer), to devise mitigation measures.

Objective

- Understand and manage uncertainties better
- Safeguard Dalmia Bharat's value and stakeholder interest
- Strengthen governance, practices and compliance with laws and regulations
- Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk

Risk management structure

Risk identification	Risk assessment	Mitigation	Monitoring
Dalmia Bharat focuses on identifying risks before they transform into threats	Dalmia Bharat analyses risks and identifies impacts on the business	Dalmia Bharat devises strategies to mitigate risks	Dalmia Bharat supervises risk mitigation initiatives to minimise recurrence

The process

Based on Risk Assessment, the business processes are categorised as Tier-I and Tier-II, leveraging on which the scope of the annual audit is created (in consultation with external and internal stakeholders). The scope is then sent to the Audit Committee for approval; this scope is then broken in quarters, reviewed by the audit team, and discussed at various management levels before an executive summary is presented to the Board.

The Board comprises of two subcommittees for the purpose - Risk Management Committee and Audit Committee. The process of risk management system is complemented by the outsourced audit of selective functions (SAP – IT ERP system and IT General Controls) and deployment of a large independent internal audit team, which ensures the timely identification of audit findings.

A summary of the identified risks are then presented to the Board sub-committees, which is then deliberated in the Risk and Audit Committee meetings.

Major risks in FY20

External

Risks	Potential consequences	External stimulus and our strategic response	Severity of impact	Probability of occurrence
Economy risk Dalmia Bharat's performance could be adversely affected in the event of an economic slowdown.	▪ Regulatory uncertainty ▪ Disruption in cash flows ▪ Increased costs	▪ India's economy slowed to 4.2% in FY20; Dalmia Bharat sustained its topline at ₹9,674 Cr. ▪ Against the backdrop of a global slowdown, India reported positive GDP growth ▪ The shift in economic focus from China opened opportunities for the manufacturing sector in India	Medium	Low
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	Medium	Low

Internal

Risks	Potential consequences	External stimulus and our strategic response	Severity of impact	Probability of occurrence
Financial risk Inadequate capital allocation can lead to inadequate growth	▪ Unaccounted losses ▪ Weaker Balance Sheet ▪ Lower margins	▪ We run our business with adequate liquidity ▪ Our competent cash management following the pandemic outbreak indicates its strength in capital allocation	Low	Low
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	Low	Low
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	Low	Low

Management Discussion and Analysis

Global economic review

The global economy grew 2.9% in 2019 compared to 3.6% in 2018, as the result of an increase in trade disputes globally and slowdown of the manufacturing sector, coupled with a global financial crisis and Brexit. Global trade also grew a mere 0.9% in 2019 due to trade tensions and slower economic growth.

Global economic growth over five years

	World output	Advanced economies	Developing and emerging
2015	3.5	2.3	4.3
2016	3.4	1.7	4.6
2017	3.9	2.5	4.8
2018	3.6	2.2	4.5
2019	2.9	1.7	3.7

(Source: IMF)

Indian economic review

The Indian economy slowed to 4.2% in FY20, compared to 6.1% in FY19. In FY20, GDP growth slowed, which contributed to an increase in fiscal deficit mainly on account of lower aggregate demand, lower fiscal revenue, lower economic activity and higher fiscal expenditure on account of the measures to address the economic slowdown.

India emerged as the fifth-largest world economy in 2019. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. The country climbed 79 positions in five years and was among the top 10 performers for the third year running.

The nominal exchange rate (the Indian rupee or INR vis-à-vis the US dollar) exhibited sizable two-way movements during October-December 2019. The INR came under intensified and sustained depreciation pressures beginning mid-January, reflecting a generalised weakening of emerging market currencies amidst flights to safety. Accordingly, the baseline assumes an average of ₹75 per US dollar.

The nominal per capita net national income was estimated to be ₹1,34,226 in FY20, up 6.1% from ₹1,26,521 in FY19. Retail inflation climbed to a six-year high of 7.59% in January, breaching the RBI's upper band of 6% while settling at 5.91% in March 2020.

Growth in nominal rural wages, both for agricultural and non-agricultural labourers, remained subdued averaging around 3.4% and 3.3%, respectively during FY20 so far (until January 2020), reflecting a continued slowdown in the construction sector.

The outbreak of COVID-19 and the subsequent lockdown enforced in the country are expected to moderate demand. Intensification of social distancing is expected to lead to supply side as well as demand side shocks. Supply chain disruptions could hurt domestic production in sectors which are dependent on imported inputs such as pharmaceuticals, autos, chemicals, power, etc.

Growth of India's GDP in FY20

	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, RBI, Franklin Templeton, PIB)

Key government initiatives

National infrastructure pipeline

To achieve a GDP of US$ 5 trillion by 2025, the government announced National Infrastructure Policy with an investment plan worth ₹102 trillion in five years. It laid down the vision of the government in terms of job creation: about 50 million people are expected to leave farming from 2012 to 2030, the transition being underway.

Corporate tax relief

With a view to make the domestic companies more competitive and attract foreign companies to set up manufacturing in India, the government reduced corporate tax rate to 22% from 30%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%.

Indian cement industry overview

India is the second largest producer of cement in the world following China, with an annual installed capacity which is pegged at 545 million tonnes per annum (MTPA), accounting for 8% of the global production of cement.

The major share of cement production comes from South India, which contributes ~35% of the total production followed by North India which account for 20%, East 18%, West 14% and Central 13%. The Indian cement industry is also one of the biggest employment generators, generating 20,000 downstream jobs for every million tonnes of cement produced.

The demand drivers of cement in India are primarily the housing and real estate sectors (65%), public infrastructure (20%) and industrial development (15%). The increasing spend by the Government on infrastructure and housing is driving cement demand in India. The per capita consumption of cement in India is a mere ~225 kgs compared to a global average of 575 kgs, indicating headroom for the cement industry. It would be pertinent to note that a number of Indian cement companies are among the world's 'greenest' cement manufacturers and at par with Japan in energy consumption and the adoption of environment friendly practices.

The cement production in India was pegged at 334 million tonnes for FY20, clocking a 1% decline over the previous fiscal. An increased government focus on real estate growth (Smart Cities and Housing for All) coupled with better roads and highways are expected to catalyse the demand for cement. Construction under PMAY-Urban and PMAY-Gramin are expected to generate 80-85 million tonnes of cement demand over the next 18-24 months.

There was a hike in prices of cement in January 2020, following which the average prices in the northern, western and central region were pegged at ₹340-345 per bag, while in eastern India was pegged at ₹320-330 per bag.

The year under review was marked by the spread of the COVID-19 virus, giving rise to a global pandemic, which, in turn, forced countries to close their borders and enforce a lockdown. India was no different and the impact of lockdown was evident in the last week of FY20. The lockdown severity impacted the cement industry in India, moderating cement production in FY20 and capacity utilisation from 70% in FY19 to 61% in FY20.

(Source: Equity master, Economic Times, IBEF, Business Today, Business Standard, Hindu Business Line)

Demand drivers

Demographic

Urbanisation
40% of India's population is estimated to reside in urban India by 2030 compared to 34% in 2019, creating an additional demand for 25 million affordable housing units, which could, in turn, strengthen cement demand in the country.

Growing nuclear families
Contrary to popular perception, nuclear families in rural areas jumped 29% versus 9% in urban households. The increased prevalence of nuclear family units is expected to add about 6-7 million households per year, strengthening cement demand.

Per capita consumption
The per capita consumption of cement in India is pegged at ~225 kgs compared to a global average of 575 kgs, indicating room for sustainable growth.

Financial

Increasing incomes
The per-capita national income at current prices during FY20 was estimated at ₹1,34,226, growing by 6.1% over FY19, driving consumption.

Low mortgage liabilities
There has been a dearth of mortgage finance for self-employed individuals or people in the informal sector, resulting in a penetration rate of only 10% compared to mortgage penetration in advanced economies like China, Japan and USA of 26%, 38% and 50% respectively. This indicates headroom for growth.

Improved borrower affordability
With home buyers receiving tax incentives on home loans for principal and interest payment, affordability has improved. Further, the tax incentives on home loans for principal and interest repayment and the subsidy under CLSS for economically weaker sections has enhanced affordability for low income groups, middle income groups and first-time buyers, indirectly strengthening cement demand.

Sectorial demand drivers

Housing shortage
The Ministry of Housing and Urban Affairs estimated an affordable housing shortfall of approximately 10 million units, attracting government priority through corresponding policies. (Source: Knight Frank)

Home improvement
In 2011, 41% households were living in less than one-room homes and only 53% households were in a good condition, implying a need for home improvement and extension, catalysing cement demand. (Source: https://indiancompanies.in)

Hotel growth
The hotel industry in India is projected to grow to ₹1,210.9 billion by 2023, expanding at a CAGR of ~13% between 2018 and 2023 on the back of high arrival rate of foreign tourists and business delegates. (Source: Businesswire)

Office space growth
According to a Knight Frank India report, the country's office leasing volume rose by 27% y-o-y to an all-time high of 60.6 million square feet in 2019 on the back of a surge in leasing activity by information technology companies. (Source: Knight Frank)

Rural roads
The Government has allocated ~₹80,000 Cr. for upgradation of 1.25 lakh km of rural roads between FY20 and FY25 under the phase-III of the Pradhan Mantri Gram Sadak Yojana, of which ₹53,000 Cr. would be provided by the Central government. (Source: Business Today)

Highways
On the back of increased Government focus on highways, the country's highway length increased from 91,287 km in April 2014 to ~1,32,500 km in December 2019, catalysing cement demand. (Source: PIB)

Airports
To support an increase in the number of aircraft to 1,200 by FY24, the Government intends to increase the number of airports in the country by 100. (Source: Economic Times)

Ports
The cargo traffic in the country has increased at a CAGR of 2.73% between FY18 and FY19, driving the need of more and more ports across the country. Hence, today a coastline of >7,500 kms is serviced by 13 major and 200 minor ports across the country, in turn, driving the cement sector in India. (Source: IEBF)

Railways
The Indian Railways boasts of a strong railway network of >67,000 route kilometres in 2019 compared to 63,028 in 2000, the incremental growth of which is consistently driving cement consumption in the country. (Source: Indian Railways)

Metro Railway
India has robust network of 721 km of operational metro projects, with an additional 795 km under construction (Source: Urban transport news)

Policy catalysts

Pradhan Mantri Awas Yojana (PMAY-Urban)
Under this initiative the Government aims to build 1.6 Cr. houses by 2022, of which ~1.05 Cr. houses have been sanctioned till date and 33.4 lakh houses have been completed.

Pradhan Mantri Awas Yojana (PMAY-Gramin)
In the second phase of PMAY-Gramin, the Government has assured to provide 1.95 Cr. houses to eligible beneficiaries between FY20 and FY22, marked by amenities such as LPG, electricity and toilets.

Bharatmala Pariyojana
The Government of India had approved Bharatmala Pariyojana Phase-I back in October, 2017 with an aggregate length of about 34,800 km at an estimated outlay of ₹5,35,000 Cr. A total of 255 road projects with an aggregate length of about 10,699 km had been approved till October 2019 at an outlay of ₹2,64,916 Cr.

Sagarmala Pariyojana
Under Sagarmala, more than 574 projects with an estimated outlay of ₹6.01 lakh Cr. were identified for implementation between 2015 and 2035 across port modernisation and new port development, port connectivity enhancement, port-linked industrialisation and coastal community development. Till September, 2019, 121 projects with a cost of ₹30,228 Cr. had been completed and 201 projects were under implementation.

UDAN scheme
The Government planned to develop a number of additional airports by 2021. Further, the Government has also allocated an amount of ₹480 Cr. under the scheme for fiscal year FY21, compared to ₹441 Cr. in FY19.

(Source: ICTAS, Hindu Business Line, Businesswire, CRISIL, Economic Times, PMAY, Business Standard, MoSPI, Marketwatch, PIB, Financial Express)

Global refractory market

The global refractory market was estimated at US$ 30 billion in 2018. The sector is classified into clay-based and non-clay based products. In 2018, the clay-based segment accounted for ~US$ 16 billion and the non-clay-based for another US$ 14 billion in revenues. Strong product demand from the aerospace, electrical, automotive, glass and cement industries are expected to drive the global refractory market. The sector is also gaining traction due to its ability to withstand extreme temperatures. Being heat-resistant than most metals, they are used for lining hot surfaces found inside industrial processes.
(Source: Businesswire)

Indian refractory market

Refractories are products used for high temperature insulation and erosion/corrosion, made mainly from non-metallic minerals. They are processed and made heat-resistant to the corrosive and erosive action of hot gases, liquids and solids at high temperatures in various types of kilns and furnaces. These refractories find downstream applications in iron and steel, cement, glass, non-ferrous metals, petro-chemicals, fertiliser, chemicals, ceramics and even thermal power stations and incinerator sectors.

The size of the Indian refractory industry is estimated at nearly ₹9,000 Cr. India is the second-largest steel producer and the largest producer of sponge iron globally. India's steel production witnessed an upward trend from 15 million tonnes (MT) in 1990 to 111 MT in 2019 on the back of investments in infrastructure, construction, and automobile sectors. The steel industry is one of the essential downstream sectors of the refractory industry, expected to drive the demand for refractories.
(Source: Economic Times, Financial Express)

Company overview

Embarking on its journey in 1939, Dalmia Bharat has emerged as one of the biggest and fastest growing players in India's cement industry. On the back of superior brand recall, Dalmia Bharat carved out a capacity share of 5% of the country's total cement capacity. This market share was facilitated by the 13 cement plants across 9 states with an aggregated manufacturing capacity of 26.5 million tonnes per annum (MTPA). Dalmia Bharat not only emerged as the largest producer of slag cement in the country but also the largest producer of specialty cement.

Dalmia Bharat embarked on its refractory journey in 1954 through Orissa Cement Limited, commissioning its first refractory plant. Dalmia Bharat has since emerged as a strong player in the refractory business and accounts for a 11% share of India's total refractory output.

Dalmia Bharat possesses a widespread dealer network of more than 30,000 dealers and retail points, which has helped Dalmia Bharat not just carve out a robust pan-Indian presence but also a global presence across more than 12 countries.

Human resources

Dalmia Bharat believes that its competitive advantage lies within its people. Dalmia Bharat's people bring to the stage a multi-Sectorial experience, technological expertise and domain knowledge. Dalmia Bharat's HR culture is rooted in its ability to subvert age-old norms in a bid to enhance competitiveness. Dalmia Bharat always takes decisions in alignment with the professional and personal goals of employees, achieving an ideal work-life balance to enhance pride for association. Dalmia Bharat re-skilled and assigned new roles to its existing talents during the year under review, enhancing productivity. As on 31st March 2020, the number of people employed directly were 6,386 while more than 1 lakh people were employed through contracts.

Mobile connect

Dalmia Bharat has been increasingly focusing on automation and mobility and cloud solutions, strengthening supply chain management. The different initiatives undertaken to forge stronger ties with talents, partners, dealers and customers, were as follows:

Suvidha App

This app was designed specifically to empower dealers and improve transparency throughout the transaction lifecycle. With the help of this app, dealers can place orders at the tap of their fingers and track the status of these orders. They also get 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 Dalmia Bharat to track delivery times and status, when there are multiple deliveries across several points, ensuring secure delivery by generating OTPs.

Smart-D App

This app not only enables the sales team to place orders on behalf of customers, track customer performance with regard to sales, collections, but also satisfaction indices and secondary sales information, thereby acting as a one-stop solution to assess customers' needs.

TBPS App

The Transporter Billing & Payment system (TBPS) enables the Transporter partners to digitally submit their freight bill, crunching the Invoice2Pay cycle by over 60%.

Linked to Vahak Mitra, it enables the transporter to scan the shipment bar code and auto-generate the freight bill, submitting the same digitally for payment.

Analytics

Dalmia Bharat integrates data from multiple applications through process automation and business analytics. Dalmia Bharat's robust analytical architecture channelises micro-details of the business through text messages, e-mails and website updates.

Plant Logistics Management App

Dalmia Bharat has developed an in-house software app to track and control the entire logistical value chain starting from the plant's yard gate-in to yard gate-out, ensuring a better utilisation of resources with a lower turnaround time.

Company outlook

Riding the increasing focus of the government on affordable housing and infrastructure creation, the cement industry is expected to record reasonable growth once the impact of the pandemic recedes. Dalmia Bharat is positioned to take advantage of these tailwinds on the back of the following initiatives:

- Undertaking ~7.8 MT of brownfield capacity expansion in East India.
- Collaborated with roadside eateries within 60 km of plant sites and using them as dispatch centres, bringing down the average turnaround time.
- Achieve a 100% renewable energy utilisation by 2030
- Strengthening the logistics of Dalmia Bharat on the back of superior technology and digitisation

Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of Dalmia Bharat and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

Cautionary statement

This statement made in this section describes Dalmia Bharat's objectives, projections, expectations and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward–looking statements are based on certain assumptions and expectations of future events. Dalmia Bharat cannot guarantee that these assumptions and expectations are accurate or will be realised by Dalmia Bharat. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of Dalmia Bharat. Dalmia Bharat assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

launch of Mission Unleash, New Delhi

Financial Capital

Overview

Dalmia Bharat is committed to create superior stakeholder value through the efficient management of financial capital. This capability has been derived from disciplined financial management comprising judicious allocation, technology-led quality investments, wide geographic footprint, branding and strong terms of trade. Dalmia Bharat reported a 22% CAGR in revenues in the five years leading to FY20, translating into superior economies, margins and surpluses. Dalmia Bharat has consistently outperformed the country's cement industry and possesses adequate medium-term liquidity.

Our financial excellence has also been derived from cost austerity, reflected in relatively low fixed and variable costs of cement manufacture derived from investments in technology, increased use of alternative fuels, long tenure borrowing of debt, negotiation of debt prepayments without penalties and access to funds at lower than market costs.

Dalmia Bharat avails direct as well as indirect tax incentives available within the Legislative framework and Industrial Promotion Policies. The Group is in the process of evaluating the option of a lower income tax rate regime effective from 1st April, 2019 subject to certain conditions and will take this call in due course.

We focused on operating profitability parameters, reflected in our commitment to generate one of the highest benchmarks related to EBITDA per tonne of cement.

Objectives

Short-term

- Enhancing EBITDA per tonne over peers
- Reducing capital cost of staying in business

Medium-term

- Building world-class manufacturing plants at competitive costs
- Quick and sustainable turn-around of acquired companies by integrating and synergising these with existing operations
- Maximising Return of Capital Employed

Long-term

- Create sustainable value for all stakeholders

Strengths

- Strong Balance Sheet with low gearing and financial risks
- Mix of short-term, medium-term and long-term funds to minimise the costs of funds of lower-duration financing on one hand and adhering to asset-liability profile matching on the other
- Consistently high operating profitability
- Mix of rupee and foreign currency borrowings to moderate financing costs and minimise an undue exposure to foreign currency loans (through hedging)
- Low cost of capital and longer loan duration, enhancing cash flows
- Strong liquidity; Dalmia Bharat did not avail the moratorium permitted by the Finance Minister following the pandemic outbreak

Challenges and responses

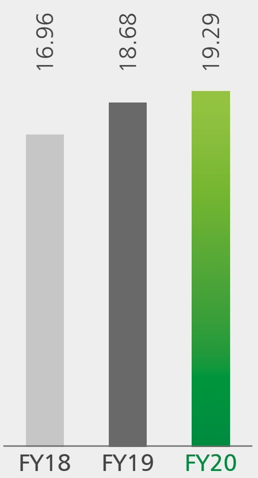
- The year FY20 was marked by a global pandemic in the last quarter, which caused nation-wide lockdown, interrupting Dalmia Bharat's operations
- Dalmia Bharat possesses adequate liquidity, which provided a first-mover advantage
- The rupee weakened towards the end of the year
- Dalmia Bharat's hedging strategy helped mitigate the impact of foreign exchange fluctuations

Highlights, FY20

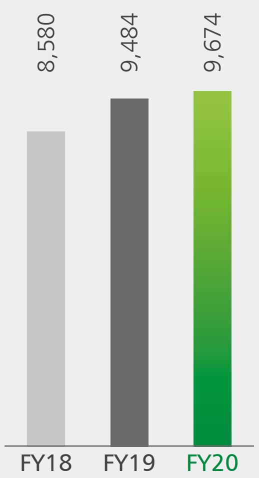
- The finance team is accountable for day-to-day accounting, cash flow management, investor relations, fund raising (debt and equity), additional funds mobilisation, tax planning, product development, mergers and acquisitions
- The finance team invested in checks and balances to minimise impact while maximising inclusive growth
- Dalmia Bharat continued to invest in its business with a short payback, strengthening long-term profitability
- Dalmia Bharat's sales volume growth by 3% outperformed sectorial de-growth

Key financial indicators

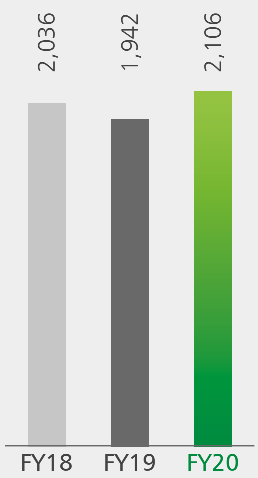
Particulars	FY19	FY20	Increase
Sales volume (MT)	18.7	19.3	3%
Revenue from Operations (₹ Cr.)	9,484	9,674	2%
EBITDA (₹ Cr.)	1,942	2,106	8%
Cement EBITDA (₹ /MT)	1,009	1,072	6%
EBITDA margin	20.5%	21.8%	130 bps



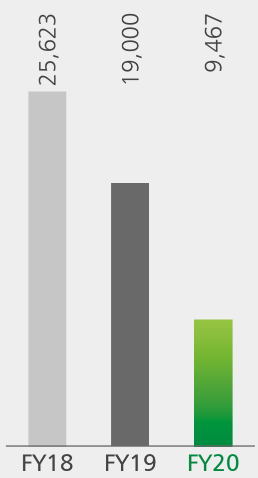
Sales volume
(in MT)



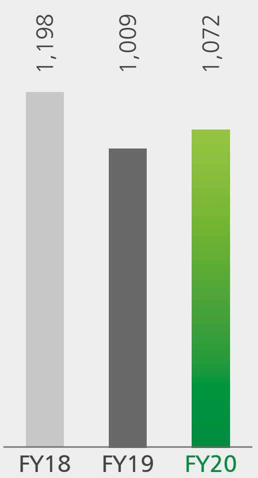
Revenue from Operations (₹ Cr.)



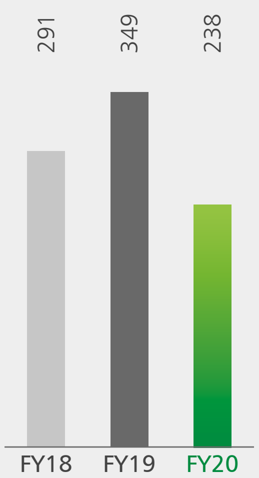
EBITDA
(₹ Cr.)



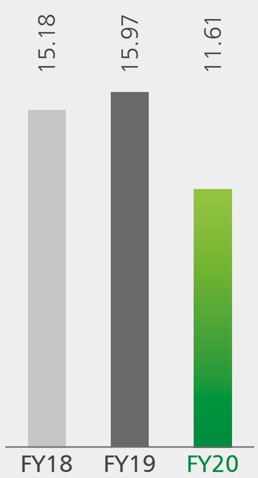
Market capitalisation (31st March) (₹ Cr.)



Cement EBITDA/tonne
(₹)

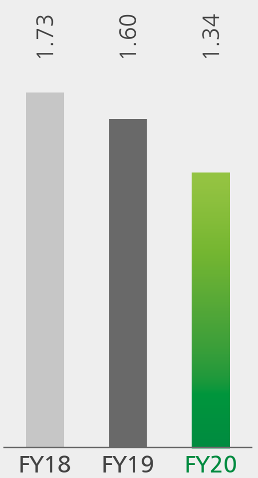


Profit after tax
(₹ Cr.)

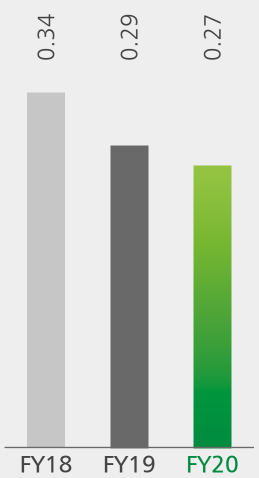


Basic Earnings Per Share (₹)

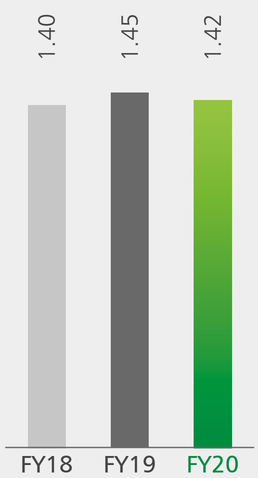
Cost of debt
(%)



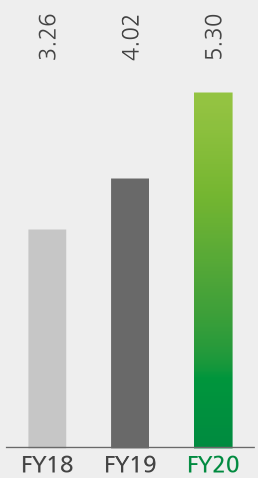
Net debt-EBITDA ratio
(x)



Net debt-equity ratio
(x)



Debt service coverage ratio (x)



Interest coverage ratio
(x)

De-risking the business

Internal audit

Dalmia Bharat's audit team (ISO 9001:2015-certified department) is responsible for undertaking periodic audits of processes (except Calcom Cement India Limited, which is audited by PwC). During the reporting period, the team in collaboration with the functional departments contributed ₹63 Cr.-plus through process improvement opportunities involving an amount of ₹309 Cr.

The audit team members led by the Group Audit Head facilitates seamless coverage and timely closure of findings. Business processes are categorised as Tier-I and II, monitored at regular pre-determined intervals. The system is complemented by an outsourced audit of select functions (SAP – IT ERP system and IT general controls).

Legal

The legal department helps in project risk management through a series of services (litigation, compliance, licenses, approvals, policy management, documentation and day-to-day advisory). Dalmia Bharat reviews processes periodically; weekly joint meetings are done to review regulatory changes and implications; daily reports, based on media news, are circulated; fortnightly updates on changes in laws or notifications are obtained from gazetted officers to enhance subject matter understanding. Teams are exposed to training workshops. Legal processes and documentations have been standardised and formalised across sites.

Dalmia Bharat engaged in the following representations to the government:

Use of Composite Cement in Reinforced Concrete Construction

The case was taken up with the Promotion of Industry and Internal Trade for inclusion of Composite Cement in RCC, highlighting the benefits of Ground Granulated Blast Furnace Slag (GGBS) and fly ash in composite cement as well as suitability for construction work in RCC and underground construction. Going by the Reduce, Reuse and Recycle principle, Composite Cement reuses and recycles fly ash and Ground Blast Furnace Slag, leading to sustainable growth and mineral resource saving. Unregulated on-site mixing, defying the BIS control mechanism, leads to poor infrastructure quality for which Dalmia Bharat advocated, regulated and controlled mixing through a computerised batching process coupled with audit trails.

Fly ash

Dalmia Bharat represented to Niti Aayog concerns related to fly ash being exported by traders, leading to lower supplies for domestic cement manufacturing units. The matter was taken up with Ministry of Environment, Forest and Climate Change to address the anomaly in the prices of fly ash. The Ministry constituted a committee to examine the most judicious utilisation of fly ash and recommended its preference for end users like the country's domestic cement industry over traders.

Open areas reserved for PSUs

We pushed for a level playing field with respect to mineral concessions for public sector units and private sector companies through the New Mineral Policy 2019 (NMP-2019), which emphasises transparency and fair play in reserving areas for State agencies. The NMP-2019 provides a thrust for the extraction of mineral resources. The Policy states that conservation of minerals shall be construed not in a restrictive sense of abstinence from consumption or preservation for future use.

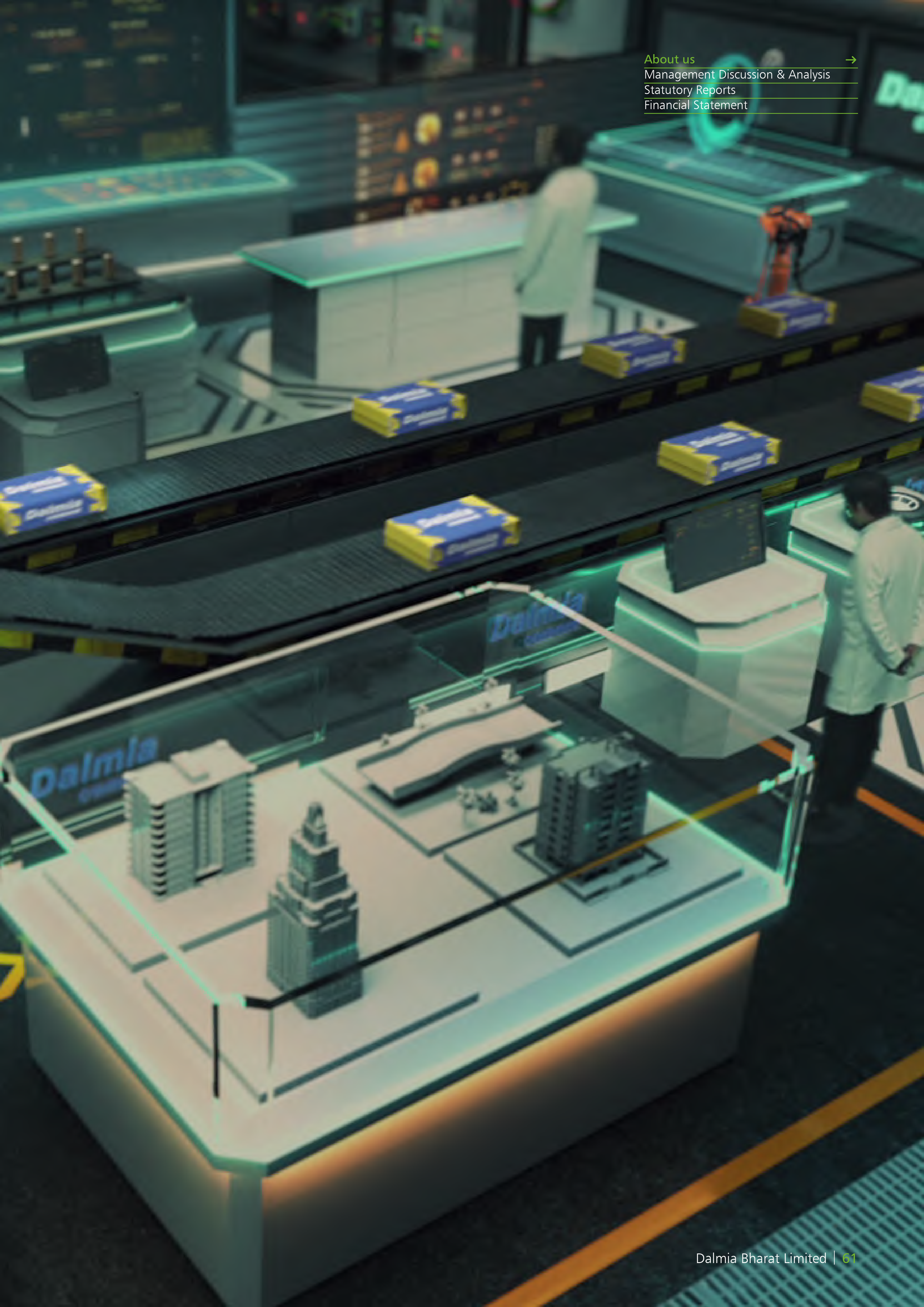
Permission to use Pet Coke in cement manufacturing

Through the industry's representative body Cement Manufacturers' Association, Dalmia Bharat represented to the Ministry of Environment, Forest and Climate Change to permit the regulated import of Pet Coke for use in the cement industry on account of its superiority to coal.

Inclusion of cement in Merchandise Exports from India Scheme (MEIS)

Dalmia Bharat engaged with industry associations like FICCI to represent to the Department of Industrial Policy and Promotion to extend benefits of the Merchandise Exports from India Scheme to cement.

The legal team engaged in public advocacy (individually and through FICCI, CII and CMA, among others) to influence policy. Neither Dalmia Bharat nor its material subsidiaries received any show cause/legal notices from Central or State Pollution Control Board. It has not been significantly fined or non-monetary sanctions for non-compliances with laws or regulations. No complaints were received by Dalmia Bharat and/or at the Group-level relating to child labour, forced labour, involuntary labour or sexual harassment in the last financial year.


Dalmia

Stakeholder complaints

	Received	Closed	%
Complaints received through the ethics helpline	55	50	91
Investor complaints	332	332	100
Show-causes / legal notices received from CPCB/SPCB	6	6	100
Number of complaints			
Child labour	Nil	Nil	Nil
Forced labour	Nil	Nil	Nil
Involuntary labour	Nil	Nil	Nil
Sexual harassment	Nil	Nil	Nil
Customer complaints	1,345	1,334	99

FY20 disclosures

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 labeling. All emissions and waste generated were within the limits defined by the Pollution Control Board.

Public advocacy

Dalmia Bharat believes that collaboration can help in meaningful nation building. It makes periodic suggestions and recommendations to the Central Government Ministries and Niti Aayog on aspects including (but not limited to) Ease of Doing Business, Make in India, Regulatory changes, business clearances/approvals, rationalisation of taxation/levies among others.

Governance and administration

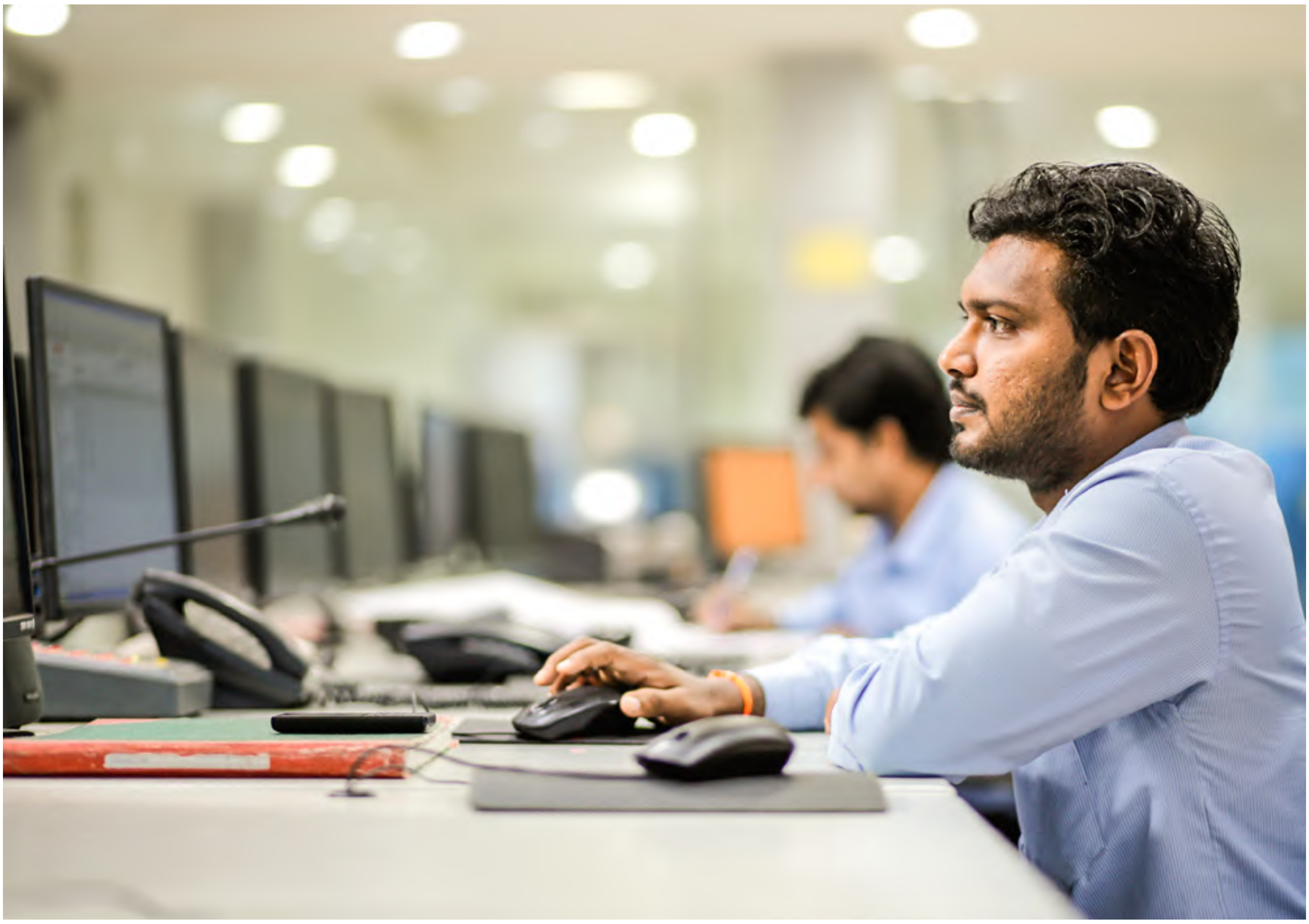
Governance at Dalmia Bharat extends beyond regulatory compliance. The management has deepened an enterprise-wide culture of good governance aimed at ensuring that decisions are taken in a fair and transparent manner within an ethical framework that promotes the responsible consideration of all stakeholders, while also holding decision-makers appropriately accountable. In line with the philosophy that good governance is an evolving discipline, governance structures, practices and processes are actively monitored and periodically revised to reflect best practices.

The Board is accountable to shareholders and other stakeholders and is ultimately responsible for the implementation of sound corporate governance practices. The Board of Directors is committed to ensuring that Dalmia Bharat adheres to high standards of corporate governance in the conduct of its business.

Leveraging economic reforms

Resolution of stressed assets through IBC proceedings

The Group was the first in India's cement industry to acquire the financially-stressed cement company (Kalyanpur Cement Limited renamed as Dalmia DSP Limited) through IBC proceedings and set to turn this around in FY21. The other initiative was to acquire Murli Industries Ltd (MIL) that is on the verge of a completion of pre-acquisition compliances and to make MIL its subsidiary in FY21. These acquisitions have helped the Group expand its capacity and geographic footprint faster at a competitive cost.



This Integrated Report is Dalmia Bharat's primary report to stakeholders. This report reviews Dalmia Bharat's strategies, business model, risks and opportunities, operational and governance performance. This report covers the financial year ended 31st March, 2020.

Reduction in income tax rates

In Budget 2020, the Government announced an option to Indian corporates to move to a lower tax regime after surrendering benefits from deductions/exemptions. Dalmia Bharat will make a considered choice before filing income tax returns for FY20. The Group will also evaluate the option of setting up companies in a lower tax rate regime (17% effective tax) for new manufacturing units in the foreseeable future.

Stimulus package

The Government announced the opportunity to avail a moratorium as a relaxation allowed in the stimulus package in terms of deferred dates of payment of taxes without incurring any interest liability. Dalmia Bharat leveraged its superior liquidity and selected to not avail this offer and paid taxes till 30th June at a 9% interest rate. Similarly, Dalmia Bharat leveraged technology and conducted meetings of Boards and Committees of Directors via video conferences, thus reducing costs.

Amnesty schemes

The Government has announced Sabka Vishwas Legacy Dispute Resolution Scheme 2019 to allow settlement of disputes under erstwhile excise and service tax acts and also Vivad se Vishwas Scheme 2020. The Group used this opportunity to settle pending disputes.

Outlook

The global economy was weak in FY20; the outlook remains bleak with most of the economists forecasting negative GDP and industry growth in FY21. Notwithstanding this, Dalmia Bharat is poised to emerge stronger owing to initiatives related to cost reduction, marketing and premiumisation.

Kapilas Plant

Natural Capital

Overview

At Dalmia Bharat, we believe that the subject of economic progress and plant health can never be disconnected; if greater cement consumption affects the environment balance, there will soon come a time when environment imbalance could affect cement consumption. The result is a growing recognition that what the world needs is responsible industrialisation: the process must conform to complete integrity as much as the end product must address consumer needs.

This subject is particularly relevant for India for good reasons. One, the per capita cement consumption in India of 225 kgs is considerably lower than the global per capita consumption of 575 kgs. As the Indian economy grows faster from a shade under US$ 3 trillion to a projected US$ 10 trillion in more than a decade, the country's carbon footprint and contribution to global greenhouses gases could substantially increase.

While this bodes favourably for the consumption of cement, there is another picture that needs to be considered: the greater the consumption of cement the wider the carbon footprint. From a narrow sectorial perspective, the increased off take of cement can potentially strengthen revenues and surpluses; from another perspective the increased consumption of this building product can only increase carbon footprint. The paradox is evident: the more the economy grows, the bigger the environment compromise; the bigger the environment compromise, the less cement that is likely to be consumed.

That is where the role of a forward-looking company like Dalmia Bharat becomes relevant. Based on our aggressive production growth outlook, our carbon footprint should have hypothetically increased. On the contrary, we have outlined a number of initiatives that could moderate our consumption of finite resources even as its cement output increases; besides, Dalmia Bharat has outlined an ambition target to emerge carbon-negative in 20 years from now.

In view of this, the ambitious target of environment responsibility is not incidental at Dalmia Bharat; it is integral to our existence.

Dalmia Bharat's focus on responsible manufacturing means that our operations are aligned around a model through which the environmental influence can be moderated while capacity utilisation increases. Dalmia Bharat's primary pillars of sustainability comprise energy and resource efficiency.

Our approach

The concept of environmental integrity is rooted in Dalmia Bharat's value orientation. Over the years, Dalmia Bharat deepened a culture of co-benefit, wherein profitability and environmental conservation have been reconciled.

Over the decades, Dalmia Bharat has addressed environment challenges (climate change, water availability, deforestation, etc.) through top-down and bottom-up approaches. The proactive top-down approach has helped in the formulation of policies, environmental conservation targets and partnership-driven knowledge sharing. On the other hand, Dalmia Bharat's bottom-up approach has helped implement policies to achieve those targets, cascaded downwards to departments and plants to embark on local initiatives related to awareness generation and resource conservation, energy efficiency, industrial waste consumption and fossil-free electricity consumption.

Dalmia Bharat's credentials

- First global cement company to embark on EP100 and RE100, Carbon Pricing Leadership Coalition (CPLC), Integrated disclosures and setting up a 2040 carbon-negative roadmap
- Largest Portland Slag Cement producer in India (lowest carbon footprint cement variety)
- Lowest global carbon footprint cement producing company
- Regular investments in low-carbon footprint technologies such as waste heat recovery, renewable energy and energy efficiency
- Increasing proportion of environment-friendly blended cement in the product mix to >70%
- Most manufacturing plants ISO14001-certified
- Most integrated plants and grinding units ISO 50001 (EnMS) certified
- Global partnerships and associations to drive medium and long-term commitments

Our objectives

Short-term

- To enhance energy-efficiency
- To progress on the Carbon Capture and Utilisation (CCU) technology
- To bring acquired/ brownfield expansion projects under integrated disclosure practices

Medium-term

- To become 20x water-positive by 2025
- Reduce total specific water consumption to 0.13 m^3/tonne of cement by 2023
- Increase the share of fossil-free electricity generation through the deployment of waste heat recovery projects
- To complete feasibility assessment of Carbon Capture and Utilisation demonstration unit by 2021

Long-term

- Doubling energy productivity by 2030 (EP100)
- Switching to 100% alternative fuels and sustainable biomass by 2035
- Carbon Capture and Utilisation (CCU) by 2040
- Becoming carbon-negative by 2040

Highlights, FY20

Overview

Achieved carbon footprint of 536 kilograms of carbon dioxide per tonne of cementitious product in FY20 compared to a global average of 900 kilograms of carbon dioxide per tonne of cement product

Recognised as a 'Climate Defender' by BBC World for its Climate Defender series in November 2019 (among five Climate Defenders identified across the world by BBC for this programme)

Became one of the first members of prestigious Leadership Group announced by UN for de-carbonisation of hard-to-abate sectors

Operations

Reduced the percentage of clinker and increased the production of blended cement.	Achieved a clinker factor of 63% in FY20.	Achieved an average thermal substitution rate of 6% compared to 4% in FY19
Retained 5x water-positive status; surplus harvested rainwater was utilised for community use.	Optimised higher auxiliary power consumption due to the increased use of cost-effective, low-grade and high-moisture fuel in the Ariyalur, Dalmiapuram and the Rajgangpur captive power plants.	Optimised generation costs by wheeling from captive units to grinding and clinkerisation units. The Rajgangpur captive power plant provided power to the plants at Kapilas whereas the Ariyalur and Belgaum captive power plants catered to the plants at Kadapa; the plants at Umrangso and Lanka were able to procure through the Day Ahead arrangement from the Indian Energy Exchange.

Responsible utilisation

Our environment discipline is encapsulated in the line 'Producing the maximum cement with minimum resources'. We have undertaken initiatives to reduce the percentage of clinker and increase the manufacture of blended cement (percentage of blending material being added per tonne of cement increased). The reduction in clinker factor helped us moderate CO_2 emissions in cement manufacturing.

From waste to AFR

We draw alternative fuel resources from the waste generated by the iron and steel, petroleum, power, pharmaceutical and aluminium industries, reinforcing its commitment to industrial scavenging.

Our clinkerisation plants utilise carbon black, process waste, fibre reinforced polymer waste, footwear waste, spent wash, GEPIL solid waste mix, refuse-derived fuel, GEPIL dry waste mix liquid, palm bunch, CPP DFA and chocolate wrapper as alternative fuels. We achieved a thermal substitution rate (TSR) of 6% in FY20. The Dalmiapuram line 2 continued to lead TSR with >20% on multiple days; the plants at Ariyalur, Belgaum and Umrangso exceeded their monthly targets through innovative fuel optimisation; we resumed the supply of bag filter dust at the Rajgangpur plant and signed two major waste procurement deals in South India.

Enhancing energy efficiency

Dalmia Bharat's newly-commissioned plants have delivered the best energy-efficiency standards in India. Dalmia Bharat commissioned more than 70 major energy efficiency improvement projects across its cement plants entailing a capital cost of nearly ₹960 million with attractive energy-saving potential. The result: Dalmia Bharat's power consumption (kWh/tonne) of cement is one of the lowest in India.

Increasing proportion of AFR

(in %)

Specific power consumption

(in kWh per tonne of cementitious material)

EP100

Dalmia Cement (Bharat) Limited became the first cement company to be a signatory to EP100 and voluntarily committed to doubling energy productivity by 2030.

RE100

Dalmia Cement (Bharat) Limited became the first cement company to join RE100. It has a long-term aim to transition to 100% renewable power consumption by 2030.

Minimising water use

Even though Dalmia Bharat attained water-positive status at the Group-level, its objective is to make each plant water-positive and ensure reduced water stress for local communities and other businesses. Dalmia Bharat has been engaged in measurement and monitoring consumption, conservation, creation of new water resources and promotion of good water practices.

Dalmia Bharat is committed to reduce freshwater consumption in its manufacturing process. We are focused on the consumption of rainwater harvesting and moderated water quality depletion. Dalmia Bharat broad-based water consumption sources (surface water, underground water, municipal networks, rain water and recycled water) to moderate excessive depletion from any source. It resolved to make all manufacturing units zero water discharge; it extensively reused treated water (derived from cement mills, coal mill water sprays, green belt development and dust suppression activities in mines and internal roads). Our Rajgangpur cement plant uses only recycled water in the cement process water consumption. Similarly, other cement plants are increasing the use of recycled water and harvested rainwater in the cement manufacturing process.

In our captive power plants, water conservation is factored from the design stage itself. All captive power plants, except Meghalaya, comprised the installation of air-cooled condensers.

Other initiatives included an automated float valve, provisions to moderate tanks water overflow and preference for air cooling of gas (instead of water cooling).

Our combined rain-water harvesting potential in the manufacturing units, mining area and other community initiatives created a surplus reserve of water, which exceeded the annual water consumption in all cement plants: >5 times water-positive as on 31st March, 2020.

Total water withdrawal m^3 per tonne of cement

**Including cement plant, CPP, Colony and Meghayalaya plant+CPP total water consumption.*

Co-benefit project highlights

Multi-pronged requirements addressed at Kadapa plant

Dalmia Bharat needed to improve coal mill productivity, optimise stable material bed thickness on the table and reduce water consumption during grinding. The operating teams conferred; eventually they opted for the use of high moisture 'green' fuels in the coal grinding to reduce the water spray on table for mill stability; they modified the coal mill water spray nozzle for better water distribution over the table; they increased the speed of the grinding table to 90%, reducing consumption of water. Mill output strengthened 9%, mill table speed strengthened 21% and water spray declined 18%.

Reduction of water consumption in raw grinding at Kadapa plant

Dalmia Bharat needed to improve raw mill productivity, optimise stable mill operations and reduce water consumption during grinding. Dalmia Bharat leveraged its deep technical capability. The use of high moisture industrial waste in raw grinding reduced the water spray on table for mill stability. We reduced dam ring height to reduce water consumption. Continuous operation of the secondary crusher reduced feed size variation to improve mill stability, reducing water spray. The results: Red mud industrial waste was recovered and water spray declined 40%.

Countering climate change

Dalmia Bharat focused on optimal clinker operations, increasing infrastructure efficiency and the use of alternative fuels. Dalmia Bharat emerged as a global benchmark in moderating carbon footprint within the cement sector. The Group reported a carbon footprint of 536 kilograms of carbon dioxide per tonne of cementitious product in FY20; our Eastern India operations reported a carbon footprint of a mere 330 kg of carbon dioxide per tonne of cementitious product for FY20.

Dalmia Bharat captured and monitored emissions data from all its cement plants, captive power plants and mines under Scope-1 and Scope-2 emissions; greenhouse gas emissions associated with purchased clinker were accounted for under indirect emissions based on the Cement CO_2 and Energy Protocol of the Cement Sustainability Initiative. Dalmia Bharat estimated carbon dioxide emissions across nine categories of Scope 3, with annual reports to CDP.

Key initiatives, FY20

Enhanced disposal of various industrial wastes as alternative fuels (industrial process wastes, paint sludge, renewable biomass, pharmaceutical wastes, tyre chips, organic solvents and residues, used oils, among others).

Began trial run production of the state-of-the-art line 3 at the Rajgangpur plant after considering environmental/energy conservation measures.

Received approval for setting up waste heat recovery power plants

Upgraded the air pollution control equipment within specified norms

GHG Emission	Unit	FY'19	FY'20
Scope I Emission	Million tonnes CO_2/year	11.20	11.28
Scope II Emission	Million tonnes CO_2/year	0.51	0.53

Co-benefit project highlights

Green fuel maximisation (High Ash Waste mix from GEPIL) at DPM plant

Dalmia Bharat resolved to maximise the use of High Ash Waste as green fuel. The challenges comprised: the material was not free-flowing through the mesh; the hopper top mesh opening (100x100 mm) was frequently jammed. Dalmia Bharat resolved to address this challenge. A vibrator was fixed in the hopper to improve the flow of High Ash Waste. The hopper top flat mesh was re-positioned with an inclination of 20 degrees to stop the jamming. The outcome: the feeding quantity increased from 11 TPD to 16 TPD, with a resultant increase in TSR from 1 to 1.5 %

Increased capacity of 'green fuel' feeding system at DPM plant

Dalmia Bharat needed to increase the use of 'green' fuel in the plant to 30% TSR. The challenges comprised the following: overflow of material from the feeding conveyor belts and frequent jamming of feeding and discharge chute. Material got stuck with rolling elements that led to the frequent overload tripping of belts. The engineers at Dalmia Bharat focused on the challenge. Dalmia Bharat increased the diameter of the drive pulley of all three conveyor belts from 400mm to 600mm. The result was that the conveyor speed increased from 1 m/s to 1.5 m/s. The material filling height on the conveyor declined; spillage declined. The result was that the running hours of the 'green' fuel belt conveyor improved; feed rate increased. The cleaning cost of spillage material below the conveyor reduced, among other upsides.

Our carbon footprint

900
Kgs, Global cement industry average carbon dioxide per tonne of cementitious product

536
Kgs, Dalmia Bharat's footprint of carbon dioxide per tonne of cementitious product, FY20

330
Kgs, Dalmia Bharat's Eastern India footprint of carbon dioxide per tonne of cementitious product, FY20

Minimising atmospheric emissions

Air emissions

SOx, NOx and dust are the primary air emissions generated from cement plants. All Dalmia Bharat plants were equipped with Continuous Emission Monitoring Systems (CEMS) across process stacks. These CEMS provided emission status in real-time.

Dalmia Bharat also installed Ambient Air Quality Monitoring Systems (AAQMS) in all its plants. The ambient air quality of the plants was monitored regularly as per the National Ambient Air Quality Standards (NAAQMS) which are accredited by external laboratories.

To control fugitive dust emissions, Dalmia Bharat covered storage sheds and conveyer belts in addition to other fugitive emissions control technologies at unloading points, loading operations, transfer operations, raw material movement areas and finished goods movement points.

The control of NOx emissions comprised the following initiatives: optimisation of pyro-processing, control of burning zone temperature, homogenisation of raw material and fuel mix and the use of low NOx calciner tanks.

The control of SOx emissions was achieved through absorption in the material during pyro-processing. The lime shower in the cement making process effectively absorbs SOx emissions and helps in the reduction of gypsum requirement at the blending stage.

The control of particulate matter emissions (dust) was achieved through the covering of conveyer belts at all plants, closed sheds for limestone stacking and other raw material and the use of pollutant emission controls like electrostatic precipitators and bag filters. Further dust control measures adopted comprised the use of silos for raw materials and finished products, concretised hauling roads, use of sweeping machines and crushing ramps with tyre washers and cattle traps.

Land and bio-diversity preservation

Dalmia Bharat's responsible manufacturing initiatives protect vibrant bio-diversity. As a principal commitment, none of Dalmia Bharat's plants have been located in sensitive geographies of high bio-diversity value.

Bokaro plant

#Breathegreen campaign

In the memory of Mr. Jaidayal Dalmia, Dalmia Bharat's founder, we celebrates each 11th December as the 'Day of Giving'. On this day, talents pledge to nurture the planet. This campaign, in association with Give Me Trees Trust, has a vision to adopt tree clusters across Delhi-NCR under the #BreatheGreen campaign.

#Breathegreen campaign

Bird habitats

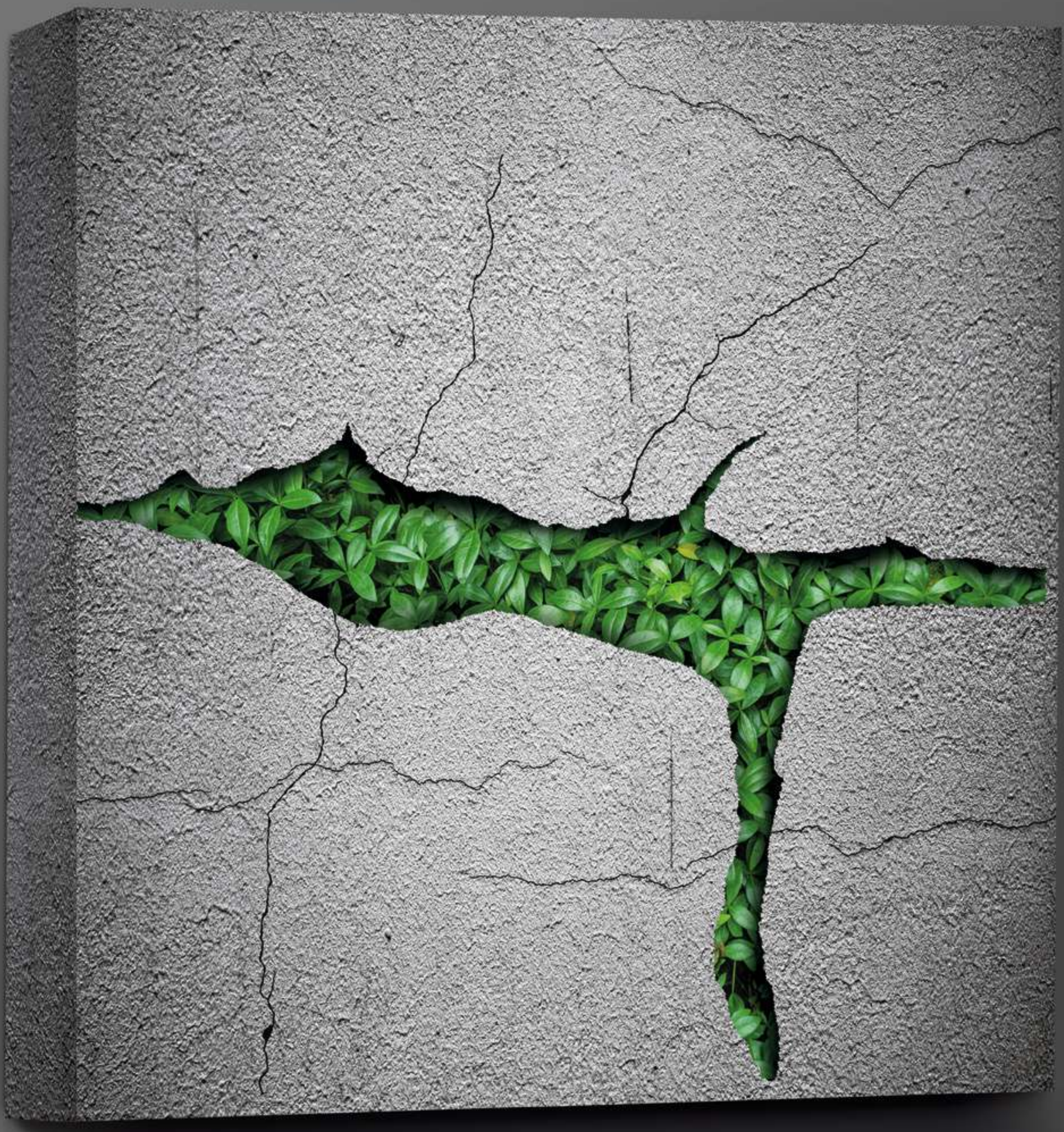
Dalmia Bharat embarked on a unique initiative: creation of bird habitats in Ariyalur, Tamil Nadu. The goal was not only to curate an abode for vibrant bird species but provide lush forested spaces. The projected benefits: economic benefits arising out of a restored area, improved water quality and quantity, increased food and water security, enhanced carbon sink, restoring natural capital to play a key disaster management role and improved health and quality of life of the local community.

Bird habitat at Ariyalur

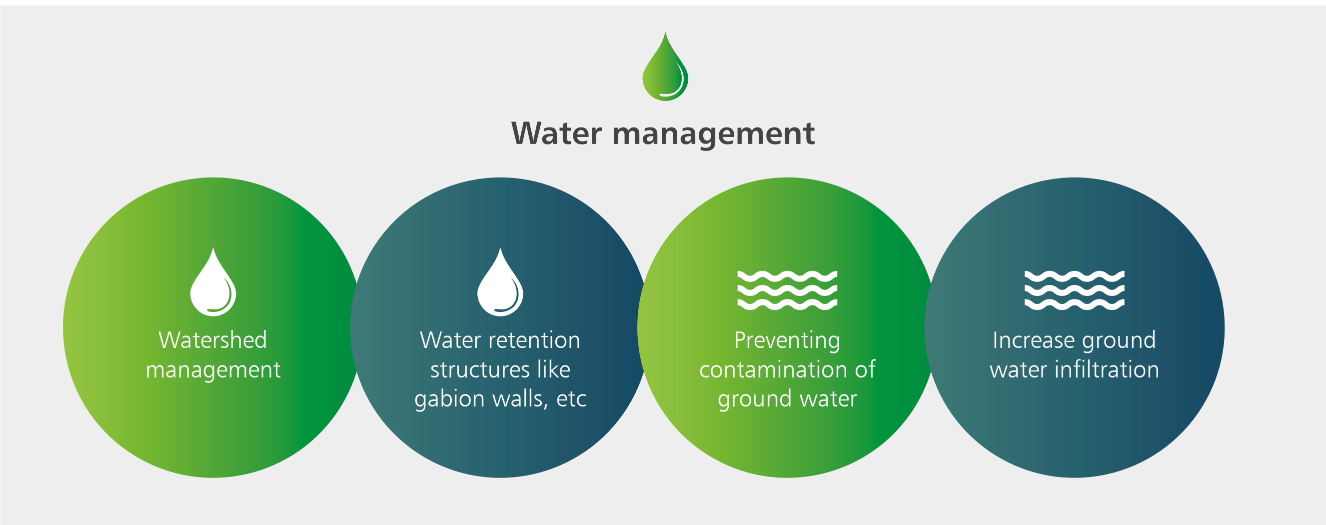
Dalmia cement
FUTURE TODAY

FROM GREY TO GREEN

While the concrete may still appear grey, it will embody a green carbon footprint.



Dalmia Bharat’s holistic conservation



Outlook

The vision of Dalmia Bharat is to be a leader in building materials and evoke pride in stakeholders through customer-centricity, innovation, sustainability and values, which are marked by a business philosophy - 'Clean and Green is profitable and sustainable'. Going forward, we intend to increase the utilisation of alternative fuels to achieve its RE100 and EP100 commitment, emerging as the first heavy-industry sector company globally to have done so.

Dalmia Bharat is a leading voice on zero carbon transition at platforms of significance such as the United Nations. Dalmia Bharat is also a member of a new leadership group for industry transition to drive de-carbonisation in hard-to-decarbonise and energy-intensive sectors. This group is led by India and Sweden with member countries like Argentina, Finland, France, Germany, Ireland, Luxembourg, The Netherlands, South Korea and the UK, as well as other select group of companies from India and abroad. The commitment and leadership of Dalmia Bharat for zero carbon transition has prompted the entire heavy industry sector to relook its processes, technologies and techno-commercial models comprising decarbonisation and net carbon footprint reduction.

Our first priority in achieving the RE100 commitment is to replace fossil fuel-based electricity with zero carbon electricity generation technologies like waste heat recovery power generation systems. This technology recovers heat from cement plant flue gases, which otherwise get released into the atmosphere, generating electricity without any fossil fuel consumption and lower emission. On this front, Dalmia Bharat deployed a 9.2 MW Waste Heat Recovery (WHR) power generation system that generates electricity without fossil fuels. More WHR projects are in pipeline (implementation or proposal stage) for all Integrated/Clinkerisation plants. Dalmia Bharat also deployed 8 MW captive solar power generation projects; another 30 MW combined potential has been identified and is under implementation.


Dalmia
Bharat Limited
Dalmia
Dalmia

Belgaum Plant

Human Capital

Overview

At Dalmia Bharat, the strength of our human capital represents our biggest insurance at a time of uncertainty and change.

Dalmia Bharat's focus on its people is enshrined in its vision - Unleash the potential of everyone we touch – that warrants empowerment, seeking opportunities and accountability.

At Dalmia Bharat, we seek to recruit talents aligned around our values. We support our human capital through modern technologies to enhance efficiency and orientation. We foster a high performance culture where talents possess goal clarity and motivation. We develop talents in a holistic manner, using a combination of education, experience and exposure across behavioral and technical competencies. We appraise talent based on performance and potential; we offer challenging opportunities to outperformers. We communicate regularly to keep talents informed and engaged. We provide a safe environment that promotes physical, emotional and spiritual well-being.

Dalmia Bharat's culture

Persistent drive to excel and innovate using 'next generation' technology	Values of integrity, trust, respect, humility and commitment	Using technology to enhance the experience of talents and double the speed of HR service	Instill the Dalmia culture among talents
Build leaders and change-makers	Promote a culture dependent on transparent communication	A 'challenging, connecting and coaching' approach to nurture talents	Healthy, safe and wholesome working environment

Our objectives

Short-term

- Ensure business continuity
- 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

- Ensure business transition in the 'new normal'
- Integrate Murli Cement
- Catalyse digital transition
- Restructure the organisation keeping in mind the 'new normal'
- Re-skilling talents to help the business deliver in the 'new normal'
- Embed the Dalmia DNA to enhance talent effectiveness

Long-term

- Facilitate a growing, profitable and sustainable business
- Deepen our positioning as a preferred employer
- Promote diversity, especially women in leadership positions
- Build a pipeline of tech-savvy leaders
- Introduce organisation structures to address scale and sustainability
- Increase productivity and organisational profitability

Strengths of Dalmia Bharat's safety management initiatives

- Outlining guidelines and goals in a multi-year roadmap to enable safety measures across manufacturing units
- Periodic monitoring of health, safety and environmental practices
- Best-in-class safety practices which include deploying a line manager responsible for safety, initiatives for driver and contractor safety and the implementation of the DuPont model across plants
- Curation of an 'Incident Management System' that ensures consistent monitoring and detailed, real-time reporting of accidents with proper documentation. Focused monitoring and reporting of unforeseen incidents coupled with documentation
- Investment in a technology-enabled organisation
- Preparing employees for digitisation, enhancing the quality of decision-making
- Enhancing pride in traditional Indian culture and values
- Deepening the culture around six behaviors (Committed, Open, Bold, Fast, Collaborative and Trustworthy), strengthening four business pillars (Profitability, Growth, Sustainability and Reputation)
- Constant learning and development

Challenges

Shortage of tech-savvy employees in manufacturing companies.

Mitigation

Re-skilling employees around technology; attracting tech-savvy prospective employees; using outsourced technology partners to facilitate the transition and setting up of a digital transformation department.

Archaic labor laws which are not in sync and do not create a good progressive business environment.

Mitigation

To address the IR issue, we have submitted a detailed plan on how the laws can be changed. We are partnering with the labour department and have a representation in the council that is reviewing the current labour laws and recommending changes.

Need for enhanced specialisation.

Mitigation

Creation of Dalmia Cement Sales Academy with top performing sales managers as academy coaches

Highlights, FY20

- Sharing of best practices with business partners, suppliers, contractors and vendors with the objective to achieve zero accidents
- Respecting government guidelines in the preventive lockdown announced by the Central and State Government
- Ensuring strict hygiene including wearing masks and proper sanitisation in the manufacturing units and corporate offices post the pandemic outbreak
- Moved to Oracle HR Management system. In Phase 1, Dalmia Bharat launched modules of hiring, leave, attendance and performance management. Phase 2 to focus on learning, talent management and succession planning
- Launched Prarambh programme to develop the next generation of technology-savvy graduate engineer trainees and is now in the process of creating a new Management Trainee program. Dalmia Bharat also launched the DTTI - Dalmia Technical Training Institute for re-skilling and developing staff and workers for the new normal
- Strengthened the performance management system on the back of self-evaluation, mid-year reviews, skip-level validation and normalisation. The mid-year review helps the talent receive objective feedback and course-correction. Dalmia Bharat trained managers, using videos and workshops on how to lead performance conversations

Safety

Being a responsible manufacturer, safety of the shop-floor workers and ensuring zero fatalities is a priority at Dalmia Bharat. The well-being of workers, physical and mental, is a prerogative. Through regular safety audits, detailed SOPs, safety gear and awareness programmes, Dalmia Bharat ensured employee safety.

Created a Safety Committee, headed by senior management, to review safety action plans each month and to monitor health, safety and environment performance of the organisation.

Deployed a line manager responsible for safety in each plant.

Instituted an Incident Management System focused on continuous monitoring and reporting of unforeseen incidents.

Trained the entire workforce in safety and safe working practices.

Quality of life at Dalmia Bharat

Dalmia Bharat believes that the organisation that a talent works for should have the ability to heighten the overall quality of their life. An enhanced quality of life at the workplace will in turn improve the retention rates, motivate the talents to give their best at the workplace and will also increase productivity following a model where the talents voluntarily work towards the betterment of Dalmia Bharat. At Dalmia Bharat, it is our constant endeavour to improve the 'quality of life' for our talents.

Head office, New Delhi

Initiatives to improve quality of life at Dalmia Bharat

- Health and life insurance benefits for all employees
- Worker's Compensation Policy for contractual talents
- Gratuity and Provident Funds for all talents through the Dalmia Cement Provident Fund Trust
- Six months of maternity leave for female talents and five days of paternity leave for male talents
- Benefits provided to contractual talents, which has become a sectorial benchmark
- Competitive compensation and benefits, which includes retirement contributions (Pension Fund, Provident Fund and Superannuation Fund) as well as gratuity and health and life insurance benefits
- Encourage work from home

Human relations guidelines and management

The HR process at Dalmia Bharat comprises a culture of free communication between talents and their seniors. Its performance evaluation mechanism comprises goals aligned with organisational targets. It invested in building holistic wellness programs, transparent communication, resolution of people-related issues and technology-driven tools to accelerate decision-making.

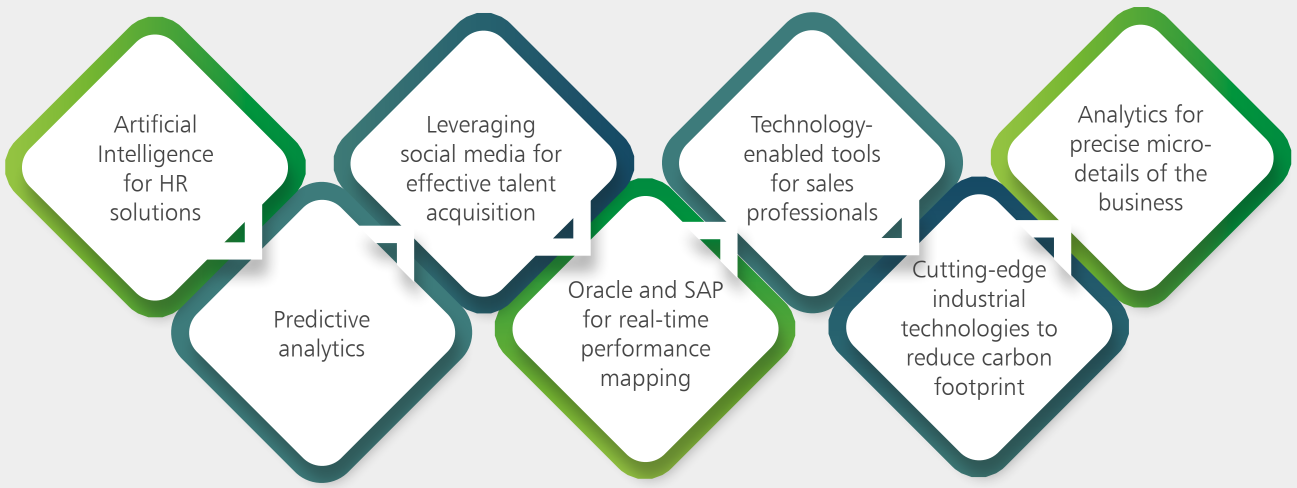
Communication with talents	Digital interventions	Respecting human rights
Dalmia Bharat launched a 'talent interaction forum' which helped all senior executives, including the Managing Director, to co-ordinate, discuss and analyse issues with talents. Teams were awarded for exemplary services. Regular audits by international agencies assessed the working environment. A 360˚ programme encouraged talents to assess managers. Dalmia Bharat launched the Oracle HR Management system (HR4U 2.0) during the year under review to manage the entire human capital life cycle. The system helped Dalmia capture the employee goals, performance, potential, skills and qualifications. This helped Dalmia Bharat measure 'performance versus potential'.	Dalmia Bharat implemented an AI-driven solution platform for HR functions. It made use of an Oracle-based platform linked to SAP to facilitate the reporting of individual performance and needs. The highlight was the use of social media for talent acquisition, reducing costs.	Dalmia Bharat recognises the rights of stakeholders, propagating them through periodic advocacy and stronger systems

Human rights initiatives

- Does not engage any individual below 18 in any unit or office
- No talent was forced to work against his or her will
- All terms and conditions related to talent engagement were communicated before recruitment
- Contractual personnel were screened to protect their rights; suppliers were encouraged to not hire child labourers

Head office, New Delhi

Technologies used at Dalmia Bharat



Enhancing talent development

Dalmia Bharat nurtures human capital to build leaders through its Leadership, Learning & Change (LLC) intervention program. This comprises interventions in need identification, solution planning, curriculum planning, intervention delivery, intervention operations and performance management.

Nalanda

Dalmia Bharat launched Nalanda, Dalmia School of Leadership, Learning, and Change (LLC) in August 2014. This institution developed progressive group leaders by inculcating a culture of learning. The curriculum comprised external focus, strategic thinking, innovation, creativity, inclusiveness, sales strategy, production skills, P&L-focused leadership and performance through ownership.

Lakshya - Advanced Leadership Program for star performers

This programme was launched to promote high-impact leaders in 2014. For this 15-month leadership journey star performers were handpicked through an elaborate process. This program acted as a ‘finishing school’ for top performers and built a pipeline of robust leaders.

Shikhar - Accelerated Development Program for manufacturing talent

Dalmia Bharat launched a programme (Shikhar) to accelerate the career development of technical talents in the cement plants towards leadership roles. The program focused on behavioural and technical competencies through specialised courses at National Council for Cement and Building Materials, Faridabad.

DTI- Dalmia Technical Training Institute

The training institute imparted skills training for Dalmia Bharat’s employees at the plant-level. This ongoing programme comprises training drills by specialists and domain experts.

Prarambh - Dalmia summer internship programme

Helping students gain practical experience through live projects and mentoring

Dalmia Bharat introduced a unique model wherein students were provided the opportunity to apply their knowledge through live business projects under the guidance of an assigned project mentor. The programme comprised the following components: Two in-person sessions, two-month-long live project under the guidance of the assigned project mentor, plant/market visits, interim reviews and virtual learning sessions.

Engaging with employees

Dalmia Bharat undertook several initiatives to strengthen its engagement with employees. It conducted multiple wellness programs to improve physical, mental and spiritual well-being. It conducted town halls and virtual meets and brought in 'Learning from Leaders' concept wherein leaders communicated their success stories. Dalmia Bharat deployed behavioral and technical learning programs to up-skill talents. New recruits underwent an induction program that helped them comprehend the Dalmia legacy, businesses and culture.

Relations with trade unions

Unlike many other corporate institutions, Dalmia Bharat acknowledges the right of its workers to unionise. Dalmia Bharat's Dalmiapuram and Rajgangpur units comprised fully-functional trade unions to resolve the issues of talents in a democratic manner. Dalmia Cement National Workers Union (affiliated to the INTUC-Congress Party) is the recognised union at Dalmiapuram. The Rajgangpur plant has three recognised unions (Ganpur Shramika Sangha, Lanjiberna Shramik Sangh and Sundargarh Industrial Mazdoor Union (CITU). The other units do not have a functional union; the Works Committee ensures transparent communication between the management and talents.

Diversity and inclusion

Dalmia Bharat encourages diversity through the recruitment of women, individuals from underprivileged sections and the specially-abled. As on 31st March 2020, it employed 6,386 people (234 women). Among the newly-hired talents, 4.4% were women. Dalmia Bharat ensured that no wage-gap existed between male and female talents.

Employee testimonials

"17 September will be remembered as the day when we rebranded Dalmia Cement around the 'Future Today' tag."

"I am proud to be a part of the Dalmia Cement mission. Dalmia's 'Future Today' is a great opportunity to unleash radical transformation in three years and make a big difference."

"We are approaching the market with a scientific approach, enhancing our empowerment."

"Mission UNLEASH is an elaboration to diagnose the network and empower us to become number one."

"Dalmia Bharat has leveraged analytical tools to penetrate micro markets."

"Mission UNLEASH will help us understand markets better, empowering us to become a market leader in every Jharkhand sub-market."

"Mission Unleash will help us provide talents with big ideas and a desire to create change."

"Mission Unleash is about breaking mental shackles and reaching where no has ventured."

Celebrations and activities


Completion of 10 years of Dalmia Bharat Foundation


Yoga activity at the Lanka Plant


A visit to National War Memorial by talents to pay homage to the martyrs from within Indian Armed Forces

Outlook

The global economy is projected to contract sharply in 2020. According to CRISIL, the cement industry demand could contract 10-15%. The displacement of migrant labour could delay demand recovery.

Commitment to our people

We stayed committed to the safety and well-being of employees and stakeholders.

- All plants and sales offices remained operational as per MHA guidelines.
- Salaries were paid in advance to employees and workers in March 2020.
- Launched Dalmia Support – a 24 x 7 helpline – to provide assistance to employees, stakeholders and their family members.
- Ensured that employees and their family members continued to focus on their physical, emotional and spiritual well-being through interventions by Nalanda.
- Launched a virtual technical institute within three days of the lockdown; clocked 16,000 person-hours of training in a few weeks.

Commitment to our stakeholders

We devised ways to stay connected with dealers and partners, strengthening relationships. The Coastal Odisha team launched a 'Crush Da COVID' contest, where dealers and their families connected with each other through fun activities (art, cooking, dance, fancy dress, upasana, social work, environment care, etc.)

Robotic Lab at Ariyalur

Intellectual Capital

Overview

At Dalmia Bharat, we have always believed in an over-riding conviction: cement is not a passive material. The product reacts and responds to external stimuli, protecting users if the product has been prudently manufactured and compromising consumers in the event of inferior quality.

In the last few decades, the commitment to manufacture progressively better cement has become a priority. The impact of nature has evolved. More sweeping climate change has been noticed in the last few decades than in the previous hundreds of centuries. This is warranting the reinforcement of existing structures on one hand and the building of new ones around progressively higher standards. At the heart of this evolution lies the need for a considerably improved cement quality.

Besides, the quality of cement manufactured has had to be progressively upgraded in line with the growing demands made on cement-intensive infrastructure. For instance, automobile traffic has increased, truck overloading is rampant in India and improved automotive technologies resulting in higher vehicle speeds have warranted superior road construction standards.

These developments have accelerated the evolution of cement quality: the standard acceptable in the past has been phased out; new standards are considerably improved; ongoing research promises even better cement quality standards across the foreseeable future.

Rationale

The subject of climate change is not just relevant to a company like Dalmia Bharat from the need to use clean manufacturing processes; it is relevant from the perspective of something as fundamental as product quality.

The evidence and relevance of the need to address a moving goalpost is compelling.

Temperatures

In India, average temperatures increased 0.6 degrees Celsius (° C) between 1901-10 and 2009-18. According to the World Bank if climate change continues unhindered, then average temperatures in India could reach as high as 29.1° C by the end of the century (25.1° C currently).

(Source: Hindustan Times, Times of India, Live Mint)

Precipitation

In India, the annual rainfall was 109% of its Long Period Average (LPA) in 2019. The monsoon season (June-September) rainfall over the country was 110% of its LPA. During the last monsoons, among the four large geographical regions of the country, Central India and South Peninsular India received 129% and 116% of its LPA rainfall respectively, while Northwest India received 98% and East & Northeast India received 88% of its LPA rainfall. The seasonal rainfall during the Northeast monsoon season (October – December) over the NE Monsoon core region of the south peninsula was 129% of its LPA. The monsoon 2019 was the wettest in 25 years.

Cyclones

The number of cyclones and severe cyclones in the Arabian Sea and the Bay of Bengal has risen nearly 32% in five years. There were seven cyclones each in 2018 and 2019, the highest since 1985. Besides, the intensity of cyclonic action has increased, such as the occurrence of the cyclone Amphan, which hit the eastern states, especially West Bengal with wind speeds up to 133 kmph. The cyclone caused major damage to the State and the estimated damage owing to the cyclone was pegged at ₹1 trillion, affecting around 13 million people.

Verticalisation

Indian cities are becoming increasingly vertical. Of 1,816 housing projects launched across seven cities in 2019, over 52% were high-rises of 20 or more storeys.

Roads

India's road network (including national highways) grew by about a third across the last decade whereas vehicle registrations increased nearly three-fold, increasing the pressure on roads. On an average, Indians bought nearly 54,000 vehicles each day in 2018 compared to 18,000 a day a decade ago.

The country's 5.5 million km road network transports 64.5% or two thirds of all goods in the country and 90% of India's total passenger traffic.

Road pressure

The Road Transport and Highways Ministry increased the official maximum load carrying capacity of heavy vehicles, including trucks, by 20-25%, besides scrapping the mandatory annual renewal of fitness certificates for freight carriers.

(Source: News18, Financial Express, Economic Times, Business Standard)

Dalmia Research Centre, Chennai

India and Dalmia Bharat

At Dalmia Bharat, the addition of 'Bharat' to our brand is not just a reference to a national presence or origin. It stands as reference of a Company's commitment to service the wide-ranging requirements of the second-largest country in terms of population and the world's second largest cement market.

India is one of the most diversely challenging cement consuming markets in the world for the sheer climatic and topography range. Besides, there is an extensive under-penetration in the Indian infrastructure story when compared with the prevailing global benchmarks.

The result is that the per capita consumption of cement in India at 225 kgs is well below the global average of 575 kgs. This extensive under-consumption does not just provide a forward-looking company like Dalmia Bharat with the incentive to scale output; it places an even larger responsibility to widen the product portfolio, customise cement varieties around specific grassroot needs and service diverse consumer requirements.

Dalmia Bharat's role in nation building is evident from its customer mix: 35% of our cement sales in FY20 addressed government purchases that went directly into public infrastructure projects. Dalmia Bharat has sold lumpsum amount of cement in the last 10 years, underlining the responsibility and knowledge to manufacture cement addressing the highest industry standards that would endure across generations.

During the last couple of years, Dalmia Bharat delivered specialised grades utilised in the commissioning of landmark national infrastructure projects: Pokhra Regional International Airport, Kudankulam Nuclear Power Project, Zuari River Bridge and the World Trade Centre in Chennai, among others. Our cement was also used in the Dhola–Sadiya Bridge (longest in India), Chennai Metro, Kochi Metro and Advanced Landing Ground in Pasighat (Arunachal Pradesh), among others.

The preference for Dalmia Bharat's cement represents a validation of its knowledge in decoding customer needs, application competence and validation of superior quality.

Research-led company

Dalmia Bharat is a research-led cement manufacturing company.

In 2010, we commissioned a concrete research laboratory called Dalmia Research Centre (DRC) in Chennai. This was the first such infrastructure among Indian cement manufacturing companies focusing on advanced research (microscopy, mineralogy, high temperature kinetics, physical and chemical tests, construction and concrete technology as well as design and development of high-performance chemical additives), strengthening Dalmia Bharat's competence in producing superior and customised cement grades. Back in those days, Dalmia Bharat had two labs under its winds, one research and development lab and one DRC lab to support technical services like concrete trials.

DRC is presently engaged in R&D-led process improvements in cement manufacture, innovative extension of the life of limestone reserves, new products are also in pipeline awaiting to be moved from lab-scale to plant-scale before rolling them out into the market. Global industry trends, customer demands, environmental needs are blended into Dalmia Bharat's comprehensive research and development program, monitored by qualified staff and driven by sophisticated equipment.

Over the past few years, DRC's responsibility has transformed: from research and development and quality checks of raw materials and products to also concrete trail and a dedicated laboratory to ensure superior packaging (a new addition that helps Dalmia Bharat study various components and materials customised around cement grades). DRC also controls quality benchmarks across manufacturing facilities through the deployment of robotic labs, reducing manual intervention in periodic quality checks.

During the year under review, Dalmia Bharat invested ₹5 Cr. in R&D activities across 3 R&D Centes and 3 Robotics labs.

DRC achievements

- DRC administers cement and concrete-related training across four South Indian states
- DRC conducts research in new product development and manufacturing trials
- DRC has established best practices for special segments of concrete applications
- DRC disseminates findings through Dalmia Tecmobile, empowering customers with an understanding of the quality of aggregates, water, and cement leading to superior outcomes.
- DRC has helped moderate manufacturing costs (power) and increased the use of alternative fuel
- DRC has taken the country's cement ahead through the pioneering introduction of Railway Sleeper Cement, Airstrip Cement and Oil Well Cement in India

On the customer-centricity front

Dalmia Bharat undertook the following initiatives through forward-looking investments in equipment (optical microscope for the microstructure and morphological study of raw materials and products, X Ray Diffraction (XRD) for in-depth information on crystalline compounds and crystal structure of materials, X Ray Fluorescence (XRF) to determine the elemental composition of materials and UV-visible spectrophotometer for estimation of major and minor constituents of materials), processes (burnability studies, testing as per IS standards), infrastructure (concrete mix design and non-destructive test facilities).

Pioneering achievements

First company in India to have developed Railway Sleeper Cement

Provided cement for the first dam constructed post-independence

First company in India to have produced specialised cement for airstrips

First company in India to have a dedicated packaging laboratory

Total spend on research and development
(in ₹ Cr.)

Number of research professionals in Dalmia Bharat

Research-led objectives

Short-term

- Enhance market share for three new products introduced by Dalmia Bharat
- Extend life of the Group's limestone reserves

Medium-term

- Extend new products from lab to plant to marketplace
- Build a pipeline of new products

Long-term

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

Strengths

- An eight-decade track record in the understanding of the extensive Indian landscape comprising soils, winds, sunshine, precipitation and human-induced loads
- A demonstrated resolution to produce progressively superior cement grades
- A commitment to enter growing markets through the development of applications (railway sleeper cement and oil well cement)
- A commitment to produce larger volumes with declining resource consumption, making Dalmia Bharat among the 'greenest' in the world
- A commitment to explore digital technology interventions to enrich research-led solutions
- A commitment to establish research-led benchmarking comprising IQMP (internal quality monitoring parameters) across plants, comprising resources, robotic laboratories, online analysers and clinkerisation facilities

CCR Room, Umrangso

Highlights, FY20

- Dalmia Bharat strengthened its research capability through the recruitment of scientists and technologists with competencies in Clinker Mineralogy, Dry Mix Technology & Concrete Technology
- Encouraged engagements with cross-functional peer groups, coupled with participation in industry forums and technical seminars.
- Facilitated effective knowledge-sharing across teams, functions and locations
- Engaged with masons, customers and suppliers to gain deeper insights into emerging needs
- Invested in a state-of-the-art robotic lab to optimise quality and process controls through reduced manual intervention; it comprises online sampling and particle analysis facilities
- New Skim Coat (wall putty equivalent) does not require primer and reduces paint consumption by about 20-30%, leading to a cost saving of approximately ₹3 per sq. ft.
- Delivered high performance through Dalmia Infragreen (environment-friendly cement) requiring three days of curing while using 30% less cement and less water

Our knowledge partners

National Council for Cement and Building Materials

Created in 1962 to promote research and scientific work connected with cement and building materials. Premier body under the administrative control of Ministry of Commerce and Industry, Govt. of India, for technology development, transfer, education and industrial services related to cement and construction industries.

Indian Institute of Technology, Delhi

Focused as a Centre of Excellence for training, research and development in science, engineering and technology in India. Graduated >48,000 students in various disciplines (5,070 Ph.D. degree holders). Alumni work as scientists, technologists, business managers and entrepreneurs.

Anna University

Formed with the objective of offering higher education in Engineering, Technology, Architecture and Applied Sciences. Promotes research and knowledge in cooperation between the academic and industrial communities.

Central Building Research Institute, Roorkee

Focused on generating, cultivating and promoting building science and technology. the building construction and building material industries in finding timely, appropriate and economical solutions to the problems of building materials, health monitoring and rehabilitation of structures, disaster mitigation, fire safety, energy-efficient rural and urban housing.

Central Road Research Institute, Delhi

Formed as a constituent laboratory of Council of Scientific and Industrial Research with the objective of R&D in developing technologies for the construction of better, durable and safer roads.

Institute for the Advancement of Science, Kolkata

Established in 1,876 with the objective of fostering quality fundamental research in frontier disciplines of basic sciences. The objective is to cultivate original research and applications.

The Dalmia Bharat brand evolution

During the last few decades, India's cement industry has seen a significant transformation.

As larger players made increasing investments in marketing, the messaging to end consumers became focused on a few category truths - strength, reliability and quality, the basic qualities required to emerge as a Tier 1 brand.

Dalmia Bharat, while staying close to the category truths, has always differentiated itself with campaigns focused on nation building, technical excellence and superior products.

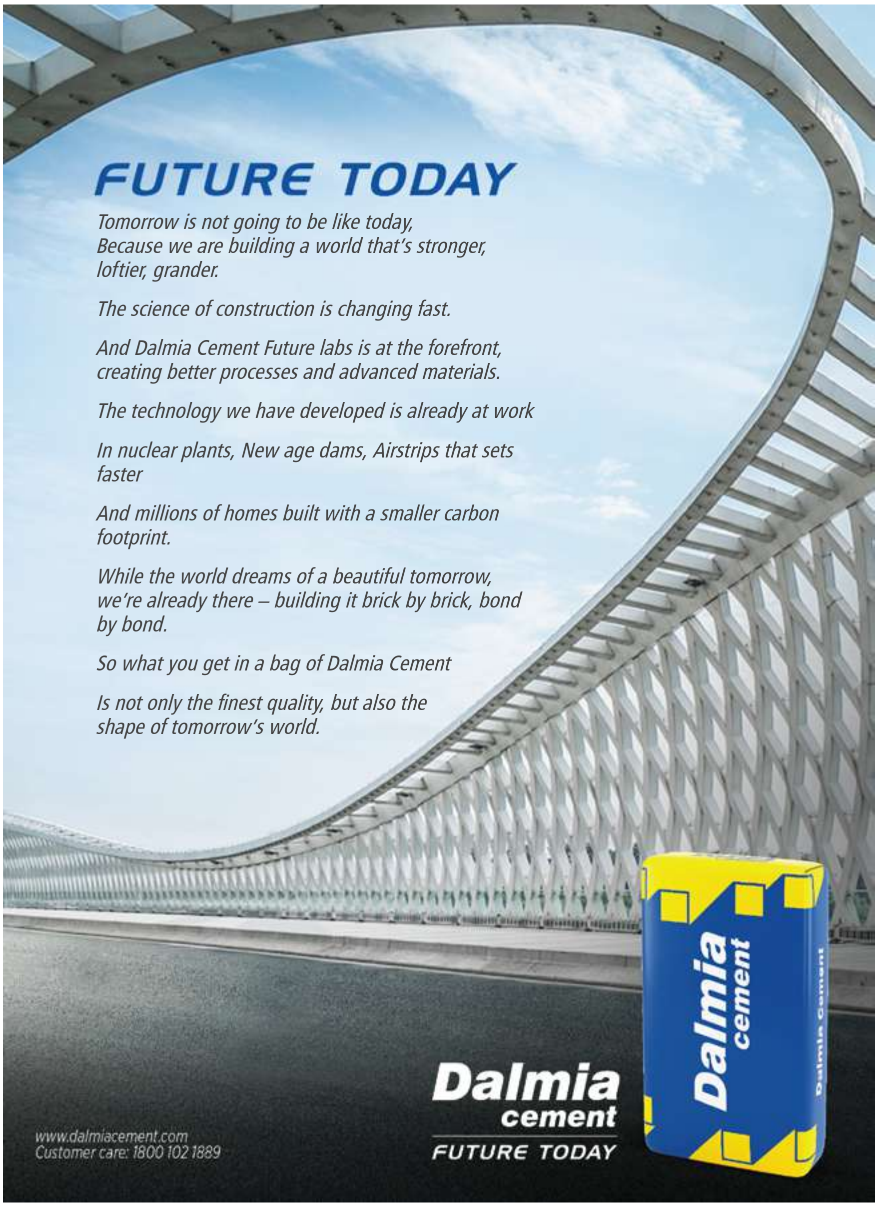
Dalmia Bharat's long running campaign- Dil Jode, Desh Jode (Joining India) consolidated its messaging as the brand was introduced to audiences across the country.

With a portfolio of brands in different regions, Dalmia Bharat planned to graduate its marketing communication to the next level to simplify consumer offerings, present a new unified brand face and ensure that consumers perceived receiving the same product, packaging and expectations fulfilment. As Dalmia Bharat extended from being a regional player to a pan-India player, this simplification needed scale.

Following engagements with consumers around the country, Dalmia Bharat received valuable inputs. As Dalmia Bharat looked within, it discovered attributes that Dalmia Bharat had consistently stood for over 80 years: innovation, co-creation and sustainability.

In September 2019, Dalmia Bharat launched its new positioning 'Dalmia Cement-Future Today'. More than just an advertising line, the credo empowers Dalmia Bharat to create a platform upon which the Dalmia Cement brand can build coming decades.

The Dalmia Cement Future Today manifesto



Future Today is built on three primary pillars

Innovation

Our brand offers individual home builders the same technical expertise, which is used to create some of the most exacting manufacturing and quality standards in India's landmark infrastructure projects like dams and bridges across large rivers and other complex structures like oil wells and nuclear power plants.

Co-creation

Working alongside leading engineers and technocrats, we resolve some of India's biggest infrastructure challenges by designing cement of high precision requirements to helping build structures of global stature. For example, the need for quick setting cement for airstrips was met by developing new products for the specific need.

Sustainability

Dalmia Bharat continues to remain committed to a high level of environmental consciousness. A consistent positioning of being the world's greenest cement company marked by a declining carbon footprint is the outcome of this.

The Future Today campaign, based on three pillars, was launched across India with a targeted mass media campaign, interactive online experiences and a brand refresh across our dealer network. The campaign was supported on-ground with refreshed packaging, which subsumed all existing sub-brands, packaging types and packaging design into a few simple combinations based on consistency and market needs.

While the new brand positioning Future Today was rolled out to graduate Dalmia Bharat's brands to national prominence, it helped strengthen Marketing and Technical Services as well.

Objectives

Invest proactively in brand building, promotion and positioning	Outperform competition and retrospective performance on the back of superior branding	Leverage digital technology and platforms to enhance consumer reach and intimacy

Brand strengths

Superior recall built across eight decades of nation building	Recall synonymous with sustainability and innovation	Growing and visible social media presence	Sustained by investments in large format sports (multi-nation cups, bilateral series featuring Team India, FIFA U-17 World Cup, badminton and cycling tournaments, among others)

Initiatives

Launched the Dalmia Cement - Future Today campaign	Sponsored the West Indies and New Zealand bilateral cricket series	Leveraged platforms as a tool to reward and engage channel partners
Traditional mass media campaigns	Significant investments in digital campaigns (search engine marketing, investing on aggregators and running display advertising using media platforms)	The first company to launch an Alexa voice search utility
Packaging standardisation	Deepening Technical Services	Launch of loyalty programs for key stakeholders

Deepening of Technical Services Offering

In the cement industry, the conventional sales approach was to brand, make and distribute. The application of cement was conventional; the mason knew how to apply the product.

There has been a substantial change since. As cement product varieties have got increasingly specialised, there is a greater importance on technical services that facilitate an understanding of the specialised grade, application and the eventual solution. Dalmia Bharat continues to build and leverage consultative selling to drive business growth.

Over the years, Dalmia Bharat strengthened its customer engagement through specific initiatives. Representatives of Dalmia Bharat increased consumer site visits to promote good construction practices. Dalmia Bharat conducted programmes for a large number of influencers. Tech Services enhanced the understanding of the Dalmia Cement - Future Today positioning. Dalmia Bharat enhanced productivity, performance and SOPs of TSOs to improve lead generation and customer service.

The success of Dalmia Construction Knowledge Center (DCKC) in Guwahati can be attributed to aggregated construction models and imparting knowledge to consumers. The mobile version of DCKC benefitted consumers residing away from cities. Besides, the technical services enhanced the offtake of composite cement and Dalmia InfraPro among institutional customers.

Going ahead, Dalmia Bharat intends to expand the Technical Services footprint by a third, leverage technology and online platforms, and transform this consumer engagement platform into a competitive advantage.

Value-added products

In a rapidly transforming world, the priority is to produce special cement grades to meet the need for challenging construction applications.

As a result, Dalmia Bharat has delivered specialised cement for several projects of national importance (from dams to critical defense installations). This spirit of innovation catalysed the development of speciality cements, such as products used in the construction of airstrips, concrete railway sleepers and cementing oil wells, among others. Over the years, we have also built an innovative range of products under the Innobuild portfolio, which offers civil construction, plastering and surface solutions for new age construction.

Sulphate Resisting Portland Cement

Special purpose cement designed to reduce the risk of sulphate attack on concrete; it is used in the construction of foundations where the soil has high sulphate content which could damage concrete made using regular cement. It is used in construction like canals linings, culverts, retaining walls, siphons etc. which are exposed to severe sulphate action by water and soil.

Oil Well Cement

Designed for cementing offshore and onshore wells and enable storage and operational performance under high pressure and temperature. Dalmia Bharat's Oil Well Cement was the first in India to get the American Petroleum Institute (API) class G certification in 1984. While this increased our market share in the speciality cement segment, it also helped India find an import substitute for a product usually brought in from the overseas markets.

Railway Sleeper Cement

Dalmia Bharat takes the credit for being the first to develop specialty cement for railway sleepers, way back in 1976, thus making the use of wood in railway sleepers unnecessary and protecting our nation's tree cover. This is a specialty cement manufactured as per specifications originally formulated by the Indian Railways for manufacturing concrete sleepers. Its negligible chloride content protects against corrosion, high fineness enhances workability, and its high early strength enables the mass production of Railway Sleepers.

Special Cement for Air Strip Construction

Special cement with high early strength gain characteristics and high impact, load bearing capacity used for paving runways for defence and civil airports. Dalmia Bharat is the largest supplier of this cement grade in India.

Special Cement for Nuclear Power Plants

This speciality cement resists chemical degradation under long-term exposure to gamma and alpha radiation caused by the need to immobilise and dispose radioactive wastes for long periods in nuclear power plants. Our technical expertise in developing this product has resulted in Dalmia Cement being the sole supplier to Kudankulam becoming power plant in South India.

Dalmia InstaPro

Dalmia InstaPro is a specially designed Ordinary Portland Cement with a unique blend of special additives for the preparation of solid blocks, hollow blocks, paver blocks and other pre-cast items.

Our landmark projects for FY20

Country/State	Client	Project	Sales, FY20 (tonnes)
Nepal	CHINA CAMC Engineering Company	Pokhra Regional International Airport, Pokhra	40,000
North East	Border Roads Organisation	Road construction	38,500
Manipur	Vensar Construction	Single Line Bg Tunnel No.12 between Tupul and Imphal	18,270
Tamil Nadu	Larsen & Toubro	Kudankulam Nuclear Power Project	1,13,457
Tamil Nadu	Capacite Infra Projects	World Trade Centre, Chennai	19,892
Goa	Dilip Buildcon	Zuari River Bridge	15,451
Odisha	Tata Steel	Tata Steel plant, Kalinga Nagar	1,28,216

FUTURE TODAY
The futuristic technology of Dalmia in oil wells and your home.
Dalmia Cement has been the pioneer in manufacturing Oil Well Cement in the country. Our Oil Well Cement goes through advanced processes under strict quality control systems so that the oil wells stand strong in the middle of oceans and on land. It truly is one of our finest innovations from Dalmia Cement Future Labs. As always, the 'World's Greenest Cement' will continue to bring futuristic technology to you and your home.
www.dalmiacement.com | Customer Care No. : 1800 2020
WORLD'S GREENEST CEMENT
As per CDP Global Cement Sector Report, 2018
Dalmia Cement Future Labs
Dalmia INFRA PRO
Dalmia INFRA PRO
OIL WELL CEMENT
(API 10A CLASS 'G' HSR TYPE)
Dalmia INFRA PRO

New building solutions

Dalmia Infragreen (DIG)

Innovative blended cement that not only outperforms any blended cement but also OPC cement on all performance parameters. This cement consumes 25% less water and is engineered for concrete to be made with 15-20% lower cement content, making it ideal for heavy-duty infrastructure construction.

Among the 'greenest' cement varieties in the world. Recognised as proprietary high-performing cement for infrastructure creation. Possesses the ability to outperform any OPC cement grade. Consumes less natural raw materials, making it a sustainable and environment-friendly solution. Tested and verified by third-party accredited laboratories (Bureau Veritas) and IIT Delhi. Achieves over 70 Megapascal Units strength over 28 days; possesses a curing time of 72 hours compared to regular varieties that take around four weeks. Was used to construct the Chennai Airport taxiway.

Dalmia Magic Premium Skim Coat

An innovative surface rendering natural tone product that uses its Nanofillz technology to provide improved surface coverage and requires no primer in the painting process and also consumes lesser paint. Further, being more cementitious, this grade of cement provides high tensile adhesion strength compared to white wall putty.

Mission Unleash

In its endeavour to achieve profitable and sustainable growth, Dalmia Bharat embarked on a new journey, namely Mission Unleash. Dalmia Bharat believes that the potential of the human mind is infinite and this mission is directed towards unleashing this potential. Mission Unleash focused on three transformation areas: doubling sales volume across east and south regions in three years; optimising procurement spends; improving 'green' fuel across to become carbon-negative by 2040; ensuring sustenance through capability-building, tech-enablement and communication.

The Dalmia Cement Sales Academy has been playing a crucial role in this journey owing to the fact that it has top-performing sales managers as academy coaches, engaged in training and guiding sales managers.

The teams organised market surge activities with the aim of activating existing dealers and on-boarding new dealers in short bursts. The surge activity created a significant impact in dealer awareness about Dalmia offerings and increased volume commitments from existing dealers.

Dalmia Bharat achieved a thermal substitution rate of 6% in January 2020 (Dalmiapuram Line 2 achieving >20% TSR). The plant and procurement teams worked on planning and implementing ideas. Members of the commercial team were trained in auction best practices. The first experiment with LED lights resulted in 35% savings.

Dalmia Bharat and digitalisation

Digital tool are everywhere in our daily lives, from the time we book a cab on our smartphone to buying something off the net or booking a room on the other side of the world without an intermediary.

These realities imply that an increasing number of enterprises need digital capabilities. Going ahead, a disproportionately large share of global businesses will be addressed by companies that are digital or leverage digital intrinsically in exchange for lower documentation, higher information integrity, secured storage and extensive non-contact-based access.

There is a growing case for going digital in India than ever. India is the fastest growing smartphone market in the world; 90% Indians will own a mobile phone by 2022. This trend is being catalysed by an affordable device ecosystem, innovative and trendy features and, most importantly, the aspirations of rural millennials. The result is a greater premium among companies to explore new channels that widen revenue sources and accelerate business speed.

At Dalmia Bharat, we believe that the power of knowledge can be stored, harnessed and shared more effectively through digital interventions. Over the last few years, Dalmia Bharat has been transforming into an increasingly digital-driven enterprise, marked by comprehensive digital business processes. Every single employee imbibes digital, the building block of our partnerships. Dalmia Bharat is enhancing the role of the smartphone in brand, sales and distribution-driven initiatives.

At Dalmia Bharat, we are positioned as a comprehensive digital solutions provider with intuitive offerings that address the business needs of our stakeholders.

Suvidha app

Designed to empower dealers and improve transparency of orders, order status and delivery status. Through this app, dealers can place orders and track their status. The dealers also get a one-tap access to their accounts and ePOD. Our customers and trade partners have seen significant improvements in their user experience, real-time information access, convenient order placement, online tracking of supplies and monthly accounts statement.

Driver Saathi App

Provides transporters with instant electronic proof-of-delivery, expediting payment and feedback generation. Enables us to track delivery times and status, when there are multiple deliveries across several points, ensuring secure delivery. Expedites transporter payments and provides feedback on material receipt by the customer. Helps improve the order allocation system by eliminating human interventions, e-bidding for freight charges and transporter performance analysis.

Plant Logistics Management app

Dalmia Bharat developed in-house software to track and control the entire logistical value chain starting from the plant's yard in to yard out, ensuring a better utilisation of resources with a lower turnaround time.

TBPS App

The Transporter Billing & Payment system (TBPS) enables the Transporter partners to digitally submit their freight bill, crunching the Invoice2Pay cycle by over 60%.

Linked to Vahak Mitra, it enables the transporter to scan the shipment bar code and auto-generate the freight bill, submitting the same digitally for payment.

SM@RT-D App

Keeps sales officers ahead of the curve, providing access to a customer's 360 degree view anytime anywhere. Empowers them to place and track orders for their customers, besides tracking customer performance, sales information related to sub-dealers while enabling beat planning and its execution and capturing market information.

Dalmia Bharat made improvements in mobile applications (Smart-D), introducing new tools around deep learning-based analytics. Improvements comprised annual planning, target setting, optimised resource allocation and performance corrective action. The result: teams graduated a major part of their physical servicing to the digital mode of customer servicing following the March 2020 lockdown.

IT transformation

IT empowerment has emerged as an important driver of our technological revolution. Our IT transformation agenda is focused on development of on-demand infrastructure and applications, as well as the ability to quickly ramp up and ramp down service as per business needs. Best-in-class industry practices are used in the management, governance and compliance of these applications. Besides improving the time for building and rolling out new applications and services, this has also enhanced service availability and on-demand scalability. Reduction in operational overheads for Dalmia IT and optimisation of infrastructure with minimal capacity waste are the other key benefits. The transformation has also ensured that security and compliance needs are managed by partners with core competencies in these areas.

Analytics

We have in place a QlickView Application to create customised dynamic reports on cement operations. This is also used to create other important documents and reports such as Customer Dues Outstanding, Net Cement Realisation (NCR), Variable Cost, EBITDA, PAT, etc. A key advantage of such reports is the end-user flexibility they provide.

Vahak Mitra App

Vahak Mitra app enables transporters to work on-the-go and assign vehicles for orders reducing our plant turnaround time by 30% approx.

The android app allows easy management of order-to-allocation process comprising automated order allocation and vehicle allotment by transporters. It also allows transporters to check vehicle movement inside the plant on real-time basis. The app allows transporters to accept or reject the indents allocated to them and to assign and send trucks for loading.

Digitised supply chain

In the business of cement manufacture, the importance of the supply chain cannot be exaggerated.

There are a number of reasons warranting the intervention of supply chain digitalisation, the principal being abundant data availability and accessibility.

The result is that digitisation at Dalmia Bharat has liberated data access across functions. This has helped managers take informed decision on the basis of uniform information sets.

Nearly 1.55 tonnes of limestone need to be transported to manufacture one tonne of clinker. The fact that a larger quantity of resource needs to be transported to manufacture a lower quantity of the end product puts a premium on the need to manage the supply chain with proximity, economy and agility.

Dalmia Bharat empowered the SCM vertical to take prompt on-ground decisions, based on regional/ geographical and local market dynamics in Eastern/Southern and North East India.

At the heart of Dalmia Bharat's supply chain competence lies a robust digitalisation programme.

This approach encompasses business functions, an overarching digital architecture extending beyond enterprise resource planning through the use of supply chain management, plant automation, business analytics, mobility and cloud, resulting in real-time information availability.

Our centralised Information Management System facilitates real-time data management and efficient decision-making and prudent resource allocation. The digital solutions tower provides real-time visibility of plant and depot logistics operations. The business functions are integrated to a Cloud platform, strengthening data security and optimising costs.

We enhanced digital functionality at the user level through a Suvidha mobile app to engage continuously with stakeholders – across order placement, invoicing, credit requests and grievance management. It channelised data from multiple applications into an integrated solution through process automation and business analytics. The back-end logistics analytics team mined data and patterns, strengthening service.

Logistics is a key driver of customer satisfaction and cost optimisation. During the year under review, Dalmia Bharat partnered Freight Tiger, one of India's leading software-enabled digital freight network, to provide technology-enabled logistic solutions. Following engagement in Q3 FY20, the platform reported promising results.

The analytics team commenced work on AI-led data modelling programs like Sales Order Prediction, Order Clubbing, Order Clearing House, Plant Vehicle Mix Optimisation and other initiatives. In FY21, Dalmia Bharat intends to digitise accounting practices, marketing and non-trade functions.

Challenges and responses

Challenge: Supply mismatch is a challenge across cement manufacturers.

Mitigation

Implanted SNOP (Sales and Operations Planning) planning, moderating bulges.

Challenge: There is often a gap between fleet demand and supply.

Mitigation

Long-term fleet management contracts; stable demand across routes

Challenge: Priority in shrinking vehicle turnaround time and enhancing fleet utilisation.

Mitigation

Implemented Track & Trace Technology and control tower; enhanced vehicle optimisation.

Ariyalur plant

OUR DIGITALISATION ARCHITECTURE

Strengths

Unified digital platform	Unified plant logistics management system (inbound and outbound)	Digital solutions tower (decision making tool)

+

Technologies we work with

Enhanced mobility	Value-added reporting	Innovation RPA robotic process
Advanced data analytics	Sales force management application	

+

Strategic initiatives

Solution using sales force automation, data integration, business intelligence and predictive analysis	Developed mobile applications for stakeholders	Stronger information security
Integrated and efficient plant dispatch system	Moved from SAP ERP (ECC) to HANA backbone	Implemented Oracle HRIS

=

The Digitalised Supply Chain Management game-changer

Complete view of supply chain (Unified platform/Speed to market/Customer delight / Feedback)	Access to information in real-time (Automated order management / Automate vehicle allocation)
Transparent processes (Live order tracking / Live vehicle tracking / Future order generation through data analysis)	Customer demand analysis and lower working capital outgo (Big Data analysis / Machine learning / Real-time responsiveness)

Our Plant Logistics Management System software

Objective

- Designed to reduce in-plant time movement
- One-time data entry at yard gate
- All data derived through Bar Code/ QR Code/RFID tags

Benefits

- Implemented a systematic process compared to traditional logistics movement
- Reduced the plant turnaround time to 7 hours in FY20
- Increased transparency in logistics movement on the back of loading confirmation, auto invoice creation and driver tracking
- Improved security

Control Tower app

Objective
- End-to-end supervision
- Tracks live orders, plant dispatch visibility, vehicle finding, transportation, delivery and confirmation, proof of delivery and payments

Benefits
- Real-time supervision and vehicle tracking
- Monitoring real-time condition status
- Improved transparency on the back of plant dispatch process visibility, delivery confirmation, proof-of-delivery and payments
- Ingrained vehicle finding process

Our information management knowledge partners

Freight Tiger: Incorporated in 2014. India's leading software-enabled digital freight network. Dalmia Bharat built the first multi-tier location visibility and collaboration tech platform to facilitate communication across the entire logistics and transportation industry.

Our supply chain process

Procuring raw material → Manufacturing → Storage → Packaging → Delivering to customers

How we transformed SCM practices

Dalmia Bharat needed to plug SCM efficiency losses

Dalmia Bharat's young scientists developed graphical tools from the Google suite → Sales-intensity maps were identified; alternative delivery models were suggested → This redefined depot linkages with customer delivery points → Introduced a mobile application to address Dalmia Bharat customer echo systems → This facilitated end-to-end customer life cycle management

Stakeholder-focused capability building

At Dalmia Bharat, there is a focus on knowledge building and sharing. This knowledge needs to be customised around the needs of various stakeholders. The result is that Dalmia Bharat's employee expertise has been drawn from a variety of industrial and service backgrounds. Over the years, this expertise has been reinforced through collaborations with industrial and academic institutions, presence in forums, technical seminars and customer outreach programmes, among others. Besides, this knowledge has been reinforced through periodic engagements with customers, where the focus is to seek feedback on product quality and service to improve delivery (sales team interaction, public relations, trade engagement and technical services).

Dealers

Dealers represent the sales lifeblood of Dalmia Bharat. Nearly 60% of the cement marketed by Dalmia Bharat is through market-facing dealers. They represent the face of Dalmia Bharat at the consumer level. Over the years, Dalmia Bharat widened its market presence through the engagement of more than 32,000 dealers in urban, semi-urban and rural locations across the country. Dalmia Bharat introduced a range of interventions to strengthen dealer engagements.

Promotional support

Printed product brochures, literatures, testimonials, dealer signage, shop painting, in-shop branding and POP items.

Business engagements

Organised meetings to inform dealers about the launch of new products.

Factory visits

Arranged tours of manufacturing units for dealers to enhance their process understanding.

Sales support

Organised meets at dealer outlets, attracting the attention of masons and contractors.

CRM program

Organised engagement programs by gifting on festivals, celebration on occasions, diaries/calendars, educational support for dealer children, reward and organising trips, among others.

Influencers

Influencers play a critical role in enhancing appeal of Dalmia Bharat's respect and recall. Dalmia Bharat engages with influencers (masons, contractors, engineers and architects) for increasing visibility and reach.

Masons and contractors

Dalmia Bharat organises mason and contractor meets, provided training from Government Institutions (ITI) through certification programs. In collaboration with the National Council of Cement & Building Material (NCCBM), Dalmia Bharat launched training programs for masons on better construction practices.

Engineers and architects

Dalmia Bharat organises annual technocrat conferences, factory and R&D centre visits to engage with engineers and architects. Dalmia Bharat participates in exhibitions and conferences conducted by Indian Institute of Architects and Institution of Engineers.

Institutional customers

Institutional customers play a business-strengthening role in enhancing respect for Dalmia Bharat through the application of products across visible infrastructure projects. Dalmia Bharat services institutional customers, accounting for 35 to 40% of the sales volume. Dalmia Bharat provides assistance on product delivery, pricing and credit facility, third party testing and concrete mix design.

Consumers

Consumers are the rationale for Dalmia Bharat's presence across Southern, Eastern and North Eastern India. Dalmia Bharat's products are primarily used by individual house builders. Dalmia Bharat developed brochures and leaflets to enhance product awareness. During the year under review, there were less than 1% unresolved consumer complaints, underlining Dalmia Bharat's product commitment.

Consumer grievances

Year	FY20
Grievances received	1,345
South	485
East	801
North East	59
Grievances resolved (31 March)	1,334

Craft Béton™
RETHINKING ART
Created by Dalmia Bharat

Craft Béton significance

At Dalmia Bharat, we believe that cement is not a dull and boring commodity. Dalmia Bharat has created a range of contemporary lifestyle and architectural masterpieces for homes and other spaces, comprising home accents, wall and floor coverings, bathroom basins and an outdoor collection, all crafted in cement by our internationally acclaimed designers. By increasing touch-points in this manner, Craft Béton from Dalmia Bharat has helped bring us closer to customers.

Objective

- Establish a new line of business
- Impart a contemporary, dynamic and innovative image
- Alter the perception of cement by extending it beyond the functional to the artistic

Strengths

- Brings its corporate gravitas to Craft Béton, particularly in project sales
- Leverages its environmentally-conscious positioning
- Comprises more than 100 designer products designed by nine designers from around the world

Initiatives

- Comprised the introduction of Cemenite flooring, enjoying applications in airports, commercial complexes and public buildings, among others
- Cemenite (a mix of cement and granite) has proven to be stronger than granite, likely to contribute 70% of the brand's revenues
- Also introduced the outdoor collection for homes and public spaces

Origami, sculptural Wash Basin by Craft Béton

Sombrero, outdoor collection from Craft Béton

Line 3, Rajgangpur

Manufactured Capital

Overview

In a broad, open and competitive sector marked by a large number of players, there is a premium in maximising capacity utilisation, manufacturing as per the highest quality standards and moderating cost per unit. In view of this, competitive manufacturing provides Dalmia Bharat with a robust foundation on which to build long-term viability.

Competitive manufacturing is core to Dalmia Bharat. Dalmia Bharat is the 5th largest cement manufacturing company in India. Dalmia Bharat's 13 manufacturing units are spread across nine Indian States. These plants are strategically proximate to resources, moderating logistic costs. With ongoing brownfield capacity expansion, Dalmia Bharat is planning to expand to 17 manufacturing units across 10 Indian States by FY22.

Dalmia Bharat is a national leader in the production of Portland Slag and Speciality Cement. Over the years, Dalmia Bharat maximised operating efficiency through enhanced capacity utilisation, cost and margins leadership. This competitiveness was reinforced through a combination of modest capital cost per tonne of invested equipment, high asset utilisation and high production efficiency. Besides, this competitiveness was underlined by performance benchmarking across various plants to moderate energy consumption, alternative fuel use, cement carbon footprint metrics and other performance indicators.

The strengths of Dalmia Bharat comprise: strategic location of plants near resources and consuming markets; continuous investments in latest low carbon technologies and dry-process cement manufacturing plants; captive power plants for electricity requirements; open cast and efficient limestone mining operations for raw materials; high asset utilisation and high product efficiency and high capacity utilisation. Further, Dalmia Bharat is the only Company with at least one plant in each of the four key eastern states of West Bengal, Bihar, Jharkhand and Odisha.

One of the highlights of Dalmia Bharat's operations management is that our best-performing plants consume ~62 kilowatt-hours per tonne of cement, ~39% lower than the global average (GNR participants) and thermal energy consumption (kilocalories per kilogram of clinker) is ~ 17% lower than the global average of the most progressive global cement companies (GNR participants).

Identified objectives for manufactured capital value creation

Short-term	Medium-term	Long-term
▪ Integrate new operational sites into a unified entity systems ▪ Enhance capacity utilisation ▪ Increase system productivity; reduce variable costs ▪ Increase use of alternative fuels and alternative raw materials ▪ Further reduce water consumption and increase recycled water use	▪ Pan-India presence driven by brownfield and greenfield expansions ▪ Progress on low carbon technologies and fossil free electricity generation ▪ Develop more rainwater harvesting potential within plants and mine areas	▪ Become the leading national player ▪ Decoupling of carbon emissions from cement capacity growth

Challenges and counter-measures

Failure to increase capacity expansion could result in reduced market share

To cater to growing national cement demand, Dalmia Bharat increased its capacity from 9 MT in FY10 to 26.5 MT in FY20, secured by captive mineral resources.

High Manufacturing Capital performance (productivity and availability) is a challenge.

Dalmia Bharat developed a monitoring dashboard with a scorecard-based Multi Criteria Ranking (MCA), which provides monthly plant ranking, a healthy competition among plants across parameters like productivity, power consumption, clinker factor, reliability, safety and air quality performance.

Infrastructure investments needed for the additional use of alternative fuels was another challenge

Dalmia Bharat debottlenecked plants to accommodate alternative fuels, making us one of the 'greenest' cement companies in the world in terms low carbon footprint.

Progression towards a low carbon and sustainable Manufacturing Capital warrants knowledge and experience

Dalmia Bharat possesses rich experience in the commissioning of fossil-free electricity plants (solar and waste heat recovery) coupled with investments in energy-efficient cement plants.

Highlights, FY20

- Dalmia Bharat initiated 7.8 MTPA installed capacity in Eastern India for a consolidated investment of around ₹3,200 Cr.
- The acquisition of Murli Industries (Maharashtra) will add 3 MTPA and increase Dalmia Bharat's presence in Western India
- Dalmia Bharat enhanced asset utilisation and productivity, optimised heat consumption and reduced power consumption per tonne of cement
- Dalmia Bharat adopted eco-friendly technologies to enhance the life of its captive limestone mines. These technologies comprised the use of large excavators to minimise blasting, elimination of secondary blasting through rock breakers, use of drillers with in-built dust collection, mist systems and dry fog dust controlling systems, among others

'Green' manufacturing sites

Eco park, Ariyalur

Meghalaya plant

Outlook

Going forward, there will be a greater emphasis on digitalisation and remote-controlled plants.

Turning around the acquired Kalyanpur Cements

Dalmia Bharat acquired Kalyanpur Cements in April 2019 through the NCLT process. Even as a number of industry observers outlined the challenges related to the turnaround of a legacy plant given up as perpetually sick, Dalmia Bharat outlined a detailed plan to revive the sick unit across four phases.

Our team addressed the turnaround with a passion. The ordering of major capital equipment was completed within the first 45 days of acquisition. The cement grinding and packing unit became operational within the next 45 days. Dalmia Bharat launched Dalmia DSP in Bihar and neighbouring markets.

Dalmia Bharat addressed the turnaround by focusing on a range of efficiency-enhancing initiatives: Dalmia Bharat enhanced limestone extraction efficiency. Initially 13.5 MT waste was removed to extract 1 MT of usable limestone; superior mining practices moderated this ratio to 1:5 and a projected 1:3.5 by December 2020. Kiln productivity was enhanced by 475 TPD to 1,550 TPD. The heat required to produce clinker was moderated from 1,198 Kcal/Kg of clinker to 825 Kcal/Kg clinker. Specific power consumption declined from 138 to 85 Kwh/ MT of clinker. The modifications in the coal mill and firing system made the unit suitable for pet coke consumption.

Going ahead, Phase Two is expected to enhance clinker production from 1,550 TPD to 2,400 TPD in line with the best industry standards.

The turnaround – one of the fastest in India's cement industry – demonstrates that when it comes to improving standards, there is no finish line.

Investing in the Rajgangpur unit with unprecedented scale

When the team at Dalmia Bharat sat down to draw out an investment plan for the Rajgangpur line 3, it had two alternatives: walk the road usually travelled or seek a more courageous track.

Dalmia Bharat selected the latter option. The result was that the investment plan for the unit comprised the following for the first time in the world: the biggest size and high thermal efficiency of latest technology LP cyclone supplied by FL Smidth and a number of other equipment including the kiln at 81m with 5m diameter.

Besides, the team responded with the lowest civil construction time for the preheater. A solar power system was installed above the raw material shed, the first such instance in the cement industry.

The plant, when operating at higher capacity utilisation, is expected to emerge as possibly the cleanest cement plant in the world with a carbon footprint nearly a third of the global average.

School kid at Lanjiberna School, Odisha

Social and Relationship Capital

Overview

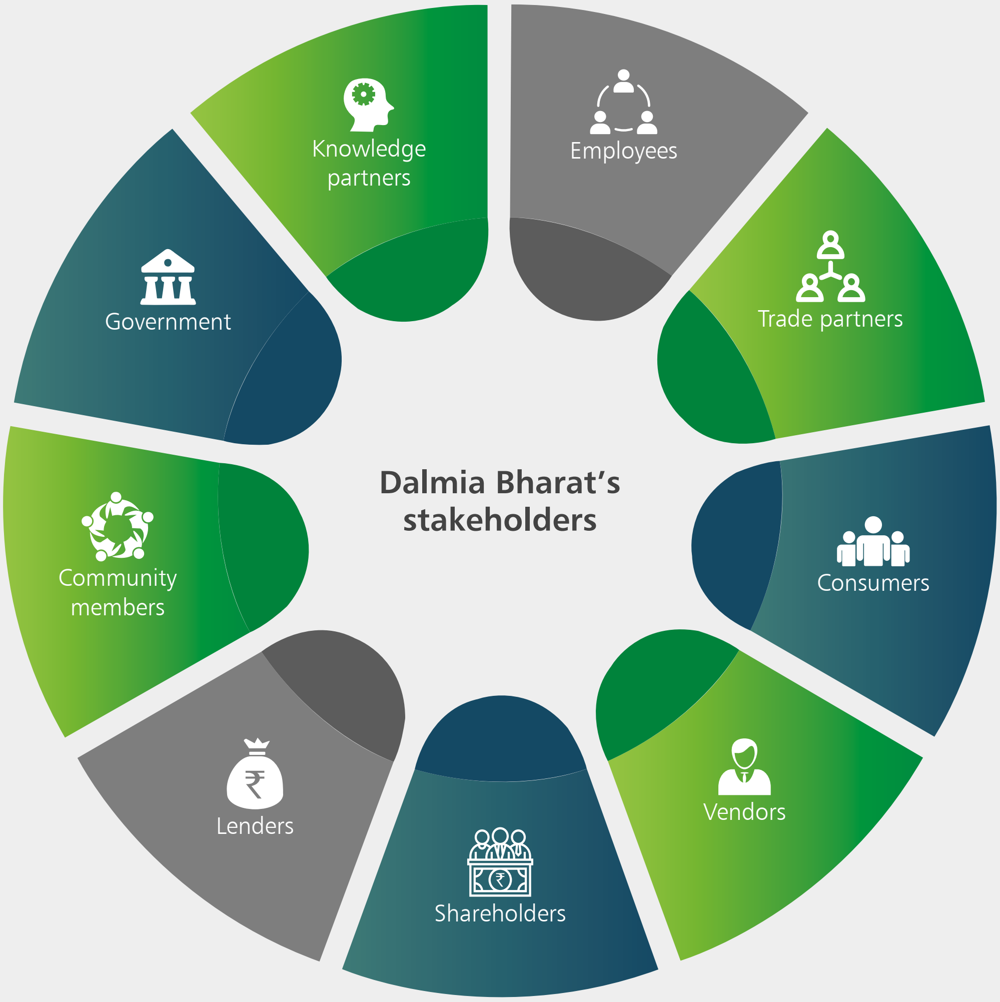
There is a growing recognition that the most successful companies are the ones that possess the strongest eco-systems. At the heart of the success of an eco-system lies the ability to sustain multi-year partnerships with stakeholders. This partnership sustainability has been derived from the acceptance that the partner is good at something that Dalmia Bharat is not; this combination completes our complementary proposition.

At Dalmia Bharat, our partnership effectiveness has been derived from extensiveness across the decades: to employees, resource providers, shareholders, customers and community we work with. This inter-connectedness provides us with a platform of growth, stability and synergic relationships. There is a greater awareness that business is not a series of transactions as much a sequence of relationships.

There is an important context behind this: the downsides arising from under-delivery by an organisation can affect not just one-off profitability; it could affect the brand. The result is that over the last decade, a number of brand-respecting businesses have extended beyond eco-systems, which are not just selected on the basis of their ability to quote the lowest but on basis of their ability to provide a superior holistic value proposition.

At Dalmia Bharat, this is the priority that we have brought to our vendor engagement as well. In a world that puts a larger premium on long-term sustainability over one-off profitability, Dalmia Bharat seeks to work with stable partners. This engagement with like-minded partners puts a premium on the need to enhance Social & Relationship Capital.

At Dalmia Bharat, we seek partners who possess complementary capabilities, periodically re-invest in competencies and enhance capacities in line with our growing needs. In line with the adage that the strength of the wolf comes from the strength of the pack, Dalmia Bharat has provided its partners with the virtuous cycle of continuous engagement, revenue-enhancing opportunities and surplus reinvestment. The result is that a growing proportion of growth within Dalmia Bharat has been derived from relationships with stakeholders (vendors, primary customers, institutional customers, employees and shareholders) of five years or more.



Dalmia Bharat and holistic social development

One of the most precious engagements of Dalmia Bharat is that with the section of society at the bottom of the country's economic and social pyramid. Dalmia Bharat's social responsibility is implemented through Dalmia Bharat Foundation, its not-for-profit section.

Dalmia Bharat is a responsible and sensitive corporate. Dalmia Bharat is not merely driven by the need to make the world better through the manufacture of cement but also through a widening prosperity influence. Our corporate citizenship is defined by a number of priorities. We believe that we are engaged in business to make the world a better place. We believe that our corporate propriety must extend to do those who are not connected with Dalmia Bharat in any way. Our engagement in corporate social responsibility is aligned with national and regional priorities. We have extended beyond 'cheque-writing' to deeper ground level engagements. We partner specialised agencies who possess deep terrain understanding. We believe in interventions where a moderate engagement can generate disproportionate impacts. We focus on empowering beneficiaries to assume control of their lives. We engage in programmes relevant to grass-root existences. Our programmes are based on need-assessment surveys in relevant locations using various social research methodologies. Our engagement is directed by a defined CSR Policy, implemented under the guidance of a CSR Committee and senior management. The outcomes of our programmes are periodically tracked.

The social responsibility initiative of Dalmia Bharat is spread across nine states, touching the lives of thousands in 712 villages. Further, Dalmia Bharat was the first Indian cement company to obtain an assurance on the alignment of its corporate social responsibility activities with ISO 26000. Dalmia Bharat also possesses an excellent SROI (Social Return on Investments) for all our CSR interventions

Our CSR focus

Objectives - CSR Vision

Short-term 2020

- Addressing basic needs related to health, education and infrastructure. *Target 900 villages*
- Supplying solar lighting and access to clean lighting solution. Target 500 villages
- Ensuring clean cooking solutions in rural India. *Target 500 village.*
- Water harvesting for multifarious rural functions. *Target 14 million m^3*
- Empowerment of unemployed youth by transforming them into a skilled workforce. *Target 25,000 rural youth*
- Overall income enhancement through livelihood opportunity creation. *Target 40,000 households*

Long-term 2030

- Addressing basic needs related to health, education and infrastructure. *Target 5,000 villages*
- Supplying solar lighting and access to clean lighting solution. *Target 5,000 villages*
- Ensuring clean cooking solution in rural India. *Target 5,000 villages*
- Water harvesting for rural functions. *Target 50 million m^3*
- Empowerment of unemployed youth by transforming them into a skilled workforce. *Target 1,00,000*
- Overall income enhancement through livelihood opportunity creation. *Target 2,00,000 households*

Challenges and responses

Generating employment for local communities is a challenge. To mitigate this challenge, Dalmia Bharat focuses on skill enhancement programmes under DIKSHa and capacity building.

The economic and social challenges posed by the Covid-19 crisis have been another challenge. Dalmia Bharat mitigated this challenge by promoting personal hygiene and distributing masks and sanitisers to the local communities. Dalmia Bharat trained local communities to manufacture their own masks.

Natural calamities (super cyclone Amphan in West Bengal and Orissa and unprecedented locust attacks in Rajasthan) were challenges faced by the country. Dalmia Bharat worked closely with state governments to provide relief, helping communities re-develop through curated programmes.

Highlights, FY20

- Launched an employment-linked community outreach plan for aspiring candidates of the Lanjiberna Mines area (Sundargarh district, Odisha)
- Erected water-harvesting architectures in all action areas
- Initiated clean energy initiatives leading to a cumulative carbon sequestration of 41,213 tonnes
- Extended livelihood training; designed a focused group to address the specific needs of tribal communities
- Conducted holistic development programmes focusing on education, health, sanitation, literacy and infrastructure development
- Formed alliances with corporate, State / Central Governments and NGOs to enhance resources and expertise

Big numbers

476
Dalmia Bharat's CSR outreach, FY17 (number of villages)

712
Dalmia Bharat's CSR outreach, FY20 (number of villages)

6
Lakh, Dalmia Bharat's CSR beneficiaries, FY17

9.1
Lakh, Dalmia Bharat's CSR beneficiaries, FY20

A. Soil and water conservation

The total arable land area of India is 159.7 million hectares (394.6 million acres) which is the second largest in the world, after the United States of America. The country's gross irrigated crop area of 82.6 million hectares (215.6 million acres) is the largest in the world. (Source: IBEF)

Around 70% of India's rural households depend primarily on agriculture; around 86% of India's farmers are categorised as 'small and marginal' and own less than 2 hectares, which is the equivalent of two football fields. A number of measures have been undertaken by the Government of India, including enhanced minimum support prices for a number of crops. The Central Government also aims to double farmer incomes by 2022 through measures like Pradhan Mantri Krishi Sinchayee Yojana, Pradhan Mantri Fasal Bima Yojana and National Food Security Mission, among others.

It is of optimum importance to conserve national soil and water quality to soil erosion, soil compaction and rise in salinity of potable water and soft water sources used for irrigation purposes.

Our objectives

Undertake integrated watershed management for soil and water management	Create structures for effective water harvesting and management	Promote micro-irrigation techniques for the optimal utilisation of water for productive purposes

Intent 2020	Intent 2030
14 million m³ of water harvesting potential	50 million m³ of water harvesting potential

Dalmia Bharat's intervention

Dalmia Bharat's activities related to soil and water conservation have contributed to an enhanced access to irrigation, ground water replenishment and soil erosion prevention. Dalmia Bharat's projects have been important contributors in enriching the agrarian economy in specific locations.

Water harvesting + Watershed development + Optimal water utilisation = Synergistic water conservation approach

Outcomes

Water harvesting architecture	Unit	FY20
Farm pond	Number	270
Ring well	Number	3
Check-dams	Number	2
Village ponds	Number	10
Land brought under drip irrigation	Acres	304
Total watershed area	Acres	9,200
Borewell recharge	Number	9
Gabbion structures	Number	2
SRI cultivation	Acres	125
New field bunding	RMT	21,979
Water storage tank	Number	1
Mini percolation tank	Number	1
Water harvesting capacity added	lakh/m³	17.63

School at Rajgangpur

Case studies

From subsistence farming to agri-entrepreneurship – The Illuri way

Peddakomerala village, Kadapa district, Andhra Pradesh. The water table in Illuri Venkata Reddy's land had declined more than 250 feet. A farmer like him worked as a labourer. In 2017, Dalmia Bharat Foundation and NABARD collaborated on a watershed project (covering Peddakomerala). The project comprised the construction of a check dam and check wall upstream of his farm, coupled with a farm pond with water harvesting capacity of 800 m^3.

The result: improved soil moisture and increased water table. He is now able to irrigate his crop. His annual agriculture income has increased 2.5x. Illuri went a step ahead; he sought DBF's assistance to avail of Government subsidy to implement drip irrigation. He has diversified to cash crops (chilli and cotton).

Illuri has emerged as an inspiration to hundreds of farmers: a man who transformed his destiny.

Empowering the women at Dalmiapuram

Dalmiapuram, Tiruchirapalli district. Agriculture and dairy represent the basis of the local economy. To provide residents with wider income opportunities, Dalmia Bharat Foundation provided seed loans to self-help groups. These helped them explore small livelihood options (buying mulch animals, sheep rearing, nursery, goatery and more). To liberate them from the use of firewood for cooking, Dalmia Bharat facilitated their access to clean sustainable energy solutions through fuel-efficient cooking stoves and LPG cylinders. Dalmia Bharat facilitated the promotion of solar lighting systems and energy-efficient alternative cooking solutions.

Intent 2020	Intent 2030
Ensuring access to clean cooking and solar lighting in 500 villages	Ensuring access to clean cooking and solar lighting in 5,000 villages

Diksha centre, Rourkela

B. Clean energy access

At Dalmia Bharat, we believe that the foundation of clean residential living is the access to clean energy. During the year under review, Dalmia Bharat provided clean cooking solutions to 1,176 individuals, coupled with clean lighting solutions to 171 homes across 15 villages supported by clean street lighting solutions. We also initiated clean energy initiatives leading to cumulative carbon sequestration of 41,213 tonnes.

Clean cooking + Clean housing lighting solutions + Clean street lighting solutions = Sustainable energy utilisation

What we provided

Products

Bio gas plant	Fuel efficient cook stoves	Solar street lights	E-Shala
Solar home lighting systems	Solar lanterns	Solar study lamps	LPG connection
LED street lights	LED lights	Solar pump-sets	CO_2 emission reduction

Transforming rain-fed land to irrigated land at Dalmiapuram

Mr Nallaswamy. Keelarasur, Tamil Nadu. Owns 5 acres with an open well. Due to limited water, he was able to lift-irrigate only an acre, the rest vulnerable to rainfall. Over time, Nallaswamy became a daily wage labour during lean seasons. During a community awareness meeting conducted by Dalmia Bharat Foundation, Nallaswamy learned of solar-powered irrigation. With DBF's facilitation, he bought a 5 HP solar irrigation system. He went a step ahead; he installed a micro-irrigation system as well. The result: solar-powered irrigation enhanced productive farm use. He has doubled the cropping cycle, increased yields and reduced cultivation costs.

Livelihood skill training

Dalmia Bharat believes that employment translates to empowerment and community transformation. Dalmia Bharat conducted a 'need-based' assessment coupled with interventions to enhance employability. Dalmia Bharat's objectives: enhance employability by imparting skill development/vocational training to youth; facilitate the development of micro-enterprises; facilitate the formation of women's self-help groups. During the last number of years, Dalmia Bharat provided short, government-approved courses through DIKSHa; it conducted skill-enhancement by training local women, youth and farmers; it enhanced social capital through the formation of self-help groups and Farmer Producer Organisation.

Intent 2020
Transforming 40,000 households and adding 17,600 unemployed youth to the skilled workforce.

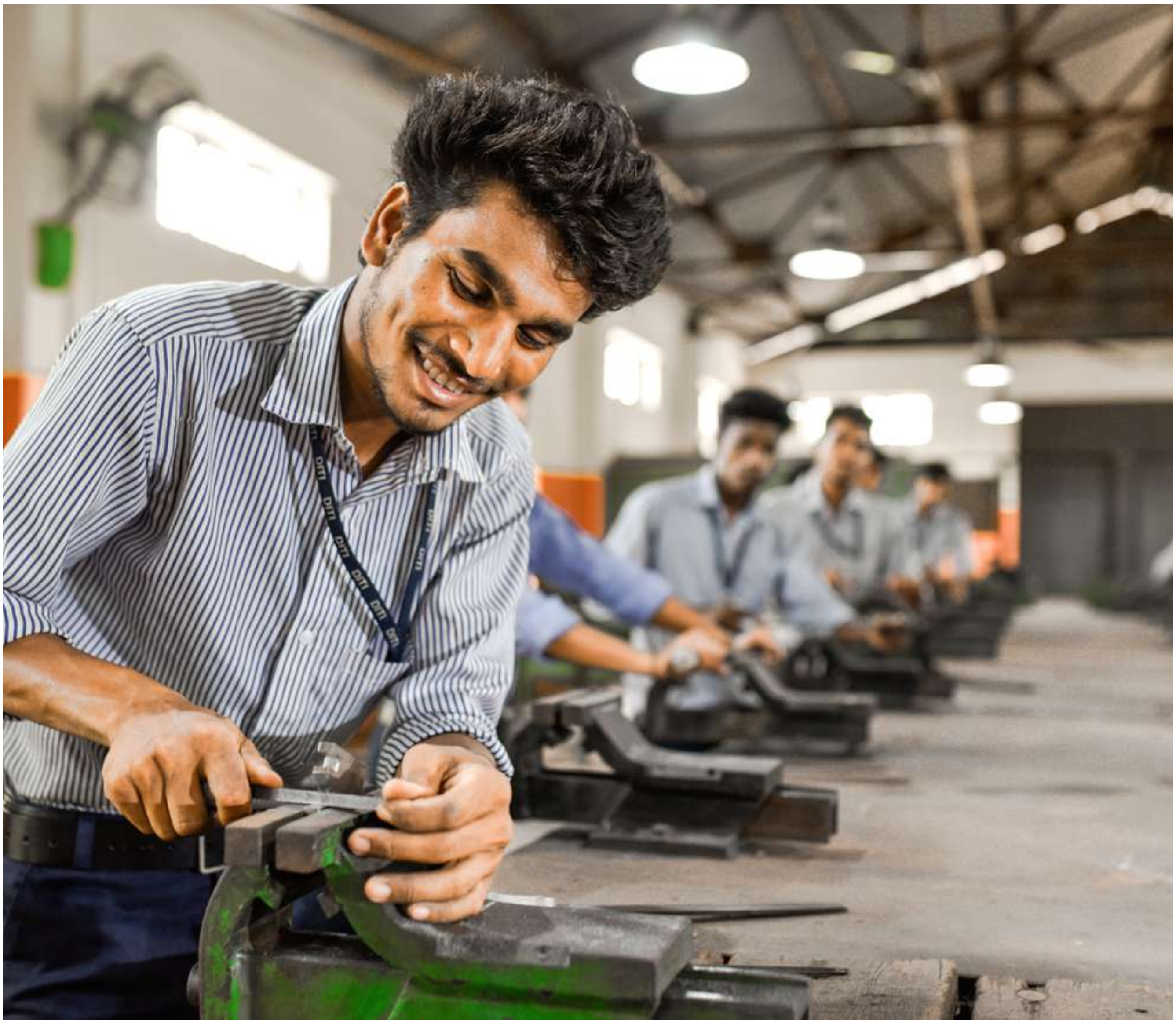
Intent 2030
Transforming 2,00,000 households and adding 1,00,000 unemployed youth to the skilled workforce

Skill training + Income enhancement project + Facilitating community-based organisations = Holistic community empowerment

C. Community Outreach Plan

Dalmia Bharat launched an employment-linked community outreach plan in the Lanjiberna Mines area in Sundargarh (Odisha) to enhance its acceptance among villagers likely to be affected by the expansion of its mines.

Dalmia Bharat conducted awareness camps at Rajgangpur that enhanced optimism among those in and around the mines. Dalmia Bharat collaborated with IL&FS Institute of Skills to enroll aspirants of Sundargarh district in the Skill Development program under Pradhan Mantri Kaushal Vikas Yojana (PMKVY) scheme. Dalmia Bharat conducted a pre-recruitment training program for defence, railway and government jobs (first batch of 120 youth being trained).



DITI, Rajgangpur

Case studies

The incredible achievement of Laxmi Maled

In FY14, Dalmia Bharat Foundation created women's self help groups in Yadwad (Karnataka). One local facilitator was Laxmi Maled. Laxmi was inspired to form a large cooperative (Pragati Grameen Mahila Abhivruddi Sahakari Sangh), a cooperative society of 191 women. The Sangh, which commenced with a corpus of ₹1.91 lakh mobilised through member savings, expanded to 250 shareholders and ₹60 lakh. The Sangh has become a preferred local financial institution that has advanced money to 17 joint-liability groups, 18 SHGs and over 130 individuals. Thanks to credit availability to the unbanked, Yadwad now has abundant milk producers, small shop owners and tea and vegetable vendors from poorer sections. Laxmi was shortlisted for National Entrepreneurship Award by Ministry of Skill Development and Entrepreneurship. DBF helped in making it happen.

Mariam Kujur, a hero for her brother

Mariyam Kujur. Tribal from Birjapalli, Rourkela. Lost her parents when young. Started working as a domestic help for ₹7,000. This sustained her brother's education. At 24, Mariyam's marriage broke up. A relative hinted about DIKSHa in Rourkela. She underwent counselling and enrolled as a General Duty Assistant trainee. Immediately on completion of the course, she got a job as a home nurse. Earning ₹13,000 per month, she has become a community role model. Best of all, her brother is now able to pursue his studies without worry.

Dalmia Institute of Knowledge and Skill Harnessing (DIKSHa)

Dalmia Bharat provides livelihood skill training through its community empowerment portal called Dalmia Institute of Knowledge and Skill Harnessing (DIKSHa) centres in Odisha, Tamil Nadu, Karnataka, and Uttar Pradesh. The short-duration certificate courses facilitate community development.

Big numbers

11	Operational DIKSHa centres
3,814	Trainees passed from DIKSHa
6	Farmer Producer Companies
83	Capacity building programmes
4,804	Trainees
10	SHG federations formed
2,801	Women members covered
240	SHGs promoted till date
571	Integrated tribal development projects

Social development

Dalmia Bharat undertook initiatives to strengthen community infrastructure (health and sanitation, education and rural infrastructure) across remote villages. Dalmia Bharat spread awareness related to preventive healthcare, immunisation, gynaecological health, optical health and health concerns.

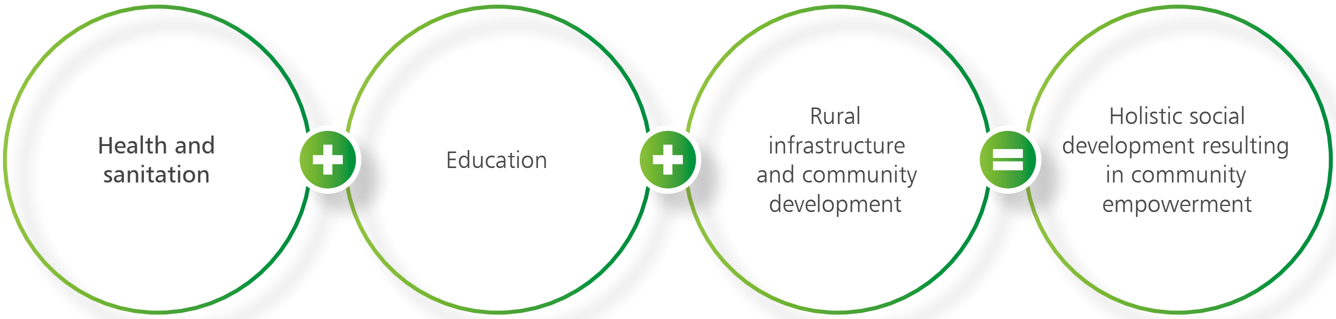
Objective

To provide basic and primary healthcare services for the community at large.

Intent 2020	**Intent 2030**
Addressing basic health, education and rural community infrastructure needs for 900 villages	Addressing basic health, education and rural infrastructure community for 5,000 villages

Dalmia Bharat's intervention

- Promoted open defecation-free villages
- Engaged children in educational programmes related to value-based learnings (for example - ethical learning, leadership training, gender sensitisation camps etc.) and academic and sporting events
- Building community infrastructure (roads, wells, ring well sheds, drains, community centres, schools and anganwadi centres)



Diksha Centre Dalmiapuram

Outcomes

Health

160 General health camps

31 Specialty health camps

65,450 Beneficiaries of health camps

24 Veterinary camps

7 Centres for pre-natal and post-natal care camps

Sanitation

16 Sanitation blocks and toilets

5 School sanitation blocks

Education

19 Anganwadis/school supported with TLM

Infrastructure development

1,250 Nutritional kitchen gardens

34 Infrastructure activities at villages

4 Community RO plants installed

World on Wheels Project

1,506 Beneficiaries of digital literacy initiative

1,400 Educational awareness programmes

Case studies

Tribal becomes education torchbearer in Umrongso

In FY14, Eugine Durongpi (Founder, Head Master) of the remote tribal hamlet of Umrongso, Assam, established a charitable school with meagre resources from selling her pigs. She started her school with 15 students. After approaching various agencies for support, she turned to DBF. The Foundation provided her basic infrastructure, safe drinking water facility, school furniture, solar study lamps and more. Today her school comprises 200 students!

Hand Sanitisers at Regional Office, Kolkata

Temperature check at Head Office, New Delhi

Office sanitisation, Rajgangpur

The impact of COVID-19 on the economy and Dalmia Bharat

The outbreak of the pandemic

The year FY20 was marked by one of the biggest global crises ever, owing to the spread of the COVID-19 virus, which was declared as a pandemic by the World Health Organisation (WHO).

India's response

The governments across the world decided to go into lockdown mode to contain the virus and restrict it from spreading. India also enforced a nation-wide lockdown in the last week of March 2020. The country not only sealed its international borders, but also sealed its State borders. This closing of borders gave rise to a trade disruption not only in the country, but also across the entire world.

Impact on Dalmai Bharat

- We stopped our dispatches from 24th March 2020 due to the nation-wide lockdown in India
- We also stopped our dispatches operations at the plants due to the lockdown
- Dalmia Bharat closed down its Head Office, regional offices and establishments
- The modernisation of the plant at DDSPL was halted
- Various debottlenecking/ improvement projects across plants were put on hold
- Manpower availability became a major challenge following the lockdown
- Movement of material and end products became a challenge due to restrictions and unavailability of drivers during the lockdown period

Dalmia Bharat
Response to the COVID-19 pandemic

Dalmia Bharat's approach

Dalmia Bharat protected the interests of stakeholders during the lockdown through various initiatives.

Customers

Restarted operations after abiding with all government guidelines	Maximised precautions during product delivery	Engaged increasingly with customers

Employees

Conducted spiritual, physical and mental well-being sessions	Conducted virtual learning sessions	Organised leadership talks by the senior management
No salary cut or salary deferment	Disinfected laptops and desktops before each shift	Installed micro-filters (micro 95) in air-conditioners

Investors

Constituted a Cash Action Team to monitor cash flows daily	Initiated a centralised approval of cash outflow to ensure improved management	Focused on avoiding discretionary/ non-vital expenses to maintain liquidity
Renegotiated contracts for cost reduction	Helped Dalmia Bharat sustain topline; continued to report among the highest EBITDA/tonne of cement sold in the industry	

Plant workers

Ensured alternative seating	Ensured sanitation practices, wearing of masks and protective gear	Disinfected the plant before each shift
Segregated employee tools	Ensured social distancing; used screen guards where social distancing was not possible	Focused on retaining workmen at sites following complete support

Supply chain

Resumed operations across plants by engaging proactively with local authorities and communities	Responded with agility following operational resumption	Accepted this situation as the new normal; adapted contactless deliveries
Stayed connected with channel partners; tracked each truck in movement	Connected with industry/government bodies to mitigate trade disruptions	Focused on rail dispatches to circumvent road dispatch concerns

Channel partners

Continuous engagement with transporters, suppliers and dealers	Initiated engagements with dealers, retailers and their family with respect to health and safety, prospects, local engagement programmes	Engaged virtual meetings with the sales team to ensure team safety, health and family well-being

Communities

Proactively garnered support from government authorities to resume operations	Contributed more than ₹33 Cr. to the Centre and State governments	Supplied food, sanitisers, medical equipment and relief material to local communities

Distant sitting at Head Offiice, New Delhi

Corporate information

Board of Directors

Mr. Pradip Kumar Khaitan
Chairman

Mr. Jai Hari Dalmia

Mr. Yadu Hari Dalmia

Mr. Gautam Dalmia
Managing Director

Mr. Puneet Yadu Dalmia
Managing Director

Mr. Virendra Singh Jain

Mrs. Sudha Pillai

Dr. Niddodi Subrao Rajan

Mr. Jayesh Doshi
Whole Time Director &
Chief Financial Officer

Management Team

Mr. Gautam Dalmia

Mr. Puneet Yadu Dalmia

Mr. Mahendra Singhi

Mr. Ujjwal Batria

Mr. Jayesh Doshi

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
(formerly known as
Odisha Cement Limited)
CIN- L14200TN2013PLC112346
Dalmiapuram - 621651
District: Tiruchirappalli
Tamil Nadu

Corporate Office

Hansalaya Building,
11^{th} & 12^{th} floors
15, Barakhamba Road
New Delhi – 110001

Registrar and Share Transfer Agent

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad- 500032

DALMIA BHARAT LIMITED

(Formerly known as Odisha Cement 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

NOTICE is hereby given that the 7th Annual General Meeting of the Members of the Company will be held on September 30, 2020 at 11:30 a.m. through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the (a) audited Standalone Financial Statements for the year ended March 31, 2020, and the Reports of the Directors' and Auditors thereon; and (b) audited Consolidated Financial Statements for the year ended March 31, 2020 and the Report of the Auditors thereon.
2. To consider and confirm that the interim dividend of ₹2/- (100%) per equity share of ₹2/- each declared by the Board of Directors on February 6, 2020 be the dividend for financial year ended March 31, 2020.
3. To consider and appoint a Director in place of Mr. Jai Hari Dalmia (DIN: 00009717), who retires by rotation and being eligible offer himself for re-appointment.

SPECIAL BUSINESS

4. 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, consent of the members of the Company be and is hereby accorded for continuance of appointment of Mr. Jai Hari Dalmia (DIN: 00009717), who is of more than seventy five years of age, as a Non-Executive Director of the Company, liable to retire by rotation."

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: June 13, 2020

KEY INFORMATION

S. 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.karvy.com
3	Link for Members to temporarily update e-mail address	https://karisma.kfintech.com/emailreg
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 - 1800-3454-001 / evoting@kfintech.com
6	Registrar and Share Transfer Agent	KFin Technologies Private Limited Unit: Dalmia Bharat Limited Mr. M. S. Madhusudhan E-mail:einward.ris@kfintech.com; evoting@kfintech.com Contact No.: 040 - 6716 2222
7	Cut-off date for e-voting	Wednesday, September 23, 2020

S. No.	PARTICULARS	DETAILS
8	Book closure dates	Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive)
9	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 29, 2020.
10	Remote e-voting period	Commences at 9:30 AM on Sunday, September 27, 2020 and ends at 5:00 PM on Tuesday, September 29, 2020
11	Period for speaker registration and expressing views and sending queries, if any	Commences at 9:00 AM on Saturday, September 26, 2020 and ends at 5:00 PM on Monday, September 28, 2020
12	Last date for publishing results of the e-voting and results availability	Friday, October 02, 2020 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 the prevailing locked down situation across the Country due to 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 dated April 08, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 05, 2020 (collectively referred as "MCA Circulars") and Securities and Exchange Board of India vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, 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.karvy.com

13. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is enclosed.

14. The Register of Members of the Company shall remain closed from September 24, 2020 to September 30, 2020 (both days inclusive).

15. 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. Members seeking to inspect such documents can send an email to the Company Secretary.

16. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 23, 2020.

17. 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.

18. 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.

19. 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).

20. 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 declaration of results of voting 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.

21. 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. Shareholders 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.

22. 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 shareholder 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/ shareholders to claim the unclaimed / un-encashed amount of dividend, matured deposits, matured debentures or interest thereon with in scheduled time.

23. 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.

Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:

On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email addresses of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

1. Those shareholders who have registered/not registered their mail address and mobile no.s including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited in case the shares held in physical form.

2. Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of e-AGM and e-voting notice could not be serviced, may temporarily get their email address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: https://karisma.kfintech.com/emailreg for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com

3. Shareholders may also requested to visit the website of the company www.dalmiabharat.com or the website of the Registrar and Transfer Agent www.kfintech.com for downloading the Annual Report and Notice of the e-AGM.

4. Alternatively member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of e-AGM and the e-voting instructions.

Instructions for the Members for attending the e-AGM through Video Conference:

1. Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by M/s KFin Technologies Private Limited. Members may access the same at https://evoting.karvy.com/ under shareholders/members login by using the remote e-voting credentials. The link for e-AGM will be available in shareholder/members login where the EVENT and the name of the company can be selected. 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 in the notice.

2. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

3. Further Members will be required to allow Camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants 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.

5. Shareholders who would like to express their views/ask questions during the meeting may log into https://emeetings.kfintech.com may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, member's questions will be answered only, the shareholder continue to hold the shares as of cut-off date.

6. Due to limitations of transmission and coordination during the Q&A session, the company may dispense with the speaker registration during the e-AGM.

Instructions for members for e-Voting during the e-AGM session:

1. Only those Members/ shareholders, who will be present in the e-AGM through Video Conference facility and have not casted their vote through remote e-Voting are eligible to vote through e-Voting in the e-AGM.

2. However, members who have voted through Remote e-Voting will be eligible to attend the e-AGM.

The instructions for remote e-voting are as under:

In case a Member receives the notice convening the Annual General Meeting (AGM) through an email from KFin Technologies Private Limited (KFin) [for members whose email IDs are registered with the Company/Depository Participant(s)]:

i. Launch internet browser by typing the following URL: http://evoting.karvy.com

ii. Enter the login credentials (i.e., User ID and password mentioned in the email). However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. First time users will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall 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.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc on first login. 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 that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVENT" i.e. "Dalmia Bharat Limited."

vii. 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 in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" then such electronic vote shall be treated as "ABSTAIN/INVALID" and the shares held will not be counted under either head.

viii. Shareholders holding multiple folios/demat account shall choose the voting process separately for each folio/demat account.

ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote for any specific item it will be treated as "abstained".

x. Cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the all Resolution(s).

xii. Corporate/Institutional Members (i.e other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at E-mail ID: rvs.pcs@gmail.com, with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name and EVENT NO."

xiii. In case a person becomes a member of the Company after the dispatch of e-AGM Notice but on or before the cut-off date, i.e., September 23, 2020, the member may write to the RTA on the email Id madhusudhan.ms@kfintech.com or to Mr. Madhusudhan, Contact No. 040-671616222, at M/s KFin Technologies Private Limited (Unit: Dalmia Bharat Limited), Karvy Selenium Tower B, Plot No. 32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032, requesting for the User ID and Password. After receipt of the same, please follow all the instructions from Sl. No. (i) to Sl. No. (xii) as above, to cast your vote.

xiv. The remote e-voting period commences on September 27, 2020 (9:30 am) and ends on September 29, 2020 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date being September 23, 2020 may cast their vote electronically. The e-voting module shall be disabled by KFin for voting thereafter. Once the vote on the resolution is cast by the shareholder, he/she shall not be allowed to change it subsequently. Further, the shareholders who have casted their vote electronically may participate in the AGM but shall not be allowed to vote again.

xv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of http://evoting.karvy.com or contact M/s KFin Technologies Private Limited at Tel. No. 18003454001 (toll free).

xvi. Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

xvii. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date September 23, 2020.

EXPLANATORY STATEMENT

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

Item No. 4:

Mr. Jai Hari Dalmia is a Non-Executive Director of the Company since October 15, 2018. Since, Mr. Jai Hari Dalmia has attained the age of 75 years and as per Regulation 17(1A) of the Listing Regulations, a special resolution is required for continuation of his directorship on the Board of Directors of the Company.

Mr. Jai Hari Dalmia holds a B.E. degree in Electrical Engineering from Jadavpur University and a Master's degree in Electrical Engineering from the University of Illinois, Urbana Champagne. He has more than 49 years of experience across various industries which include wide knowledge and experience of Cement, refractory and sugar businesses.

Mr. Jai Hari Dalmia is deeply involved in research and development having personally received several patents. Accordingly, the Board recommends the resolution set out at item no. 4 of the Notice of this Annual General Meeting for the approval by the members of the Company.

Except Mr. Jai Hari Dalmia, the appointee, Mr. Yadu Hari Dalmia (brother of Mr. Jai Hari Dalmia) Mr. Gautam Dalmia (son of Mr. Jai 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. 4

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. Jai Hari Dalmia
Director Identification Number	00009717
Date of Birth	September 18, 1944
Date of Appointment	October 15, 2018
Qualification	B.E. and Master's degree in Electrical Engineering
Experience & Expertise in specific functional area	He has more than 49 years of experience across various industries which include wide knowledge and experience of refractory, sugar and cement businesses.
Profile of the Director	Mr. Jai Hari Dalmia holds a B.E. degree in Electrical Engineering from Jadavpur University and a Master's degree in Electrical Engineering from the University of Illinois, Urbana Champagne. He has more than 49 years of experience across various industries which include wide knowledge and experience of refractory, sugar and cement businesses. Mr. Jai Hari Dalmia is deeply involved in research and development having personally received several patents.
Terms & Conditions of re appointment along with details of remuneration sought to be paid and last drawn by him	Mr. Jai Hari Dalmia is a Non- Executive rotational Director of the Company. Please refer resolution No. -4 and explanatory statement in respect of Resolution No.-4 for terms and conditions of his appointment.
Shareholding in the Company as on date	2 Equity Shares as on March 31, 2020
Relationship with other Directors and KMPs of the Company	Mr. Jai Hari Dalmia and Mr. Yadu Hari Dalmia are brothers; and Mr. Gautam Dalmia is son of Mr. Jai Hari Dalmia
No. of meetings of Board attended during the year	The details of meetings attended during the year are provided in the Corporate Governance Report section of the Annual Report.
List of Companies in which outside directorship held	Refer report on Corporate Governance section of the Annual Report 2019-20
Chairman/Member of the Committees of Board of Directors of Indian Companies	Alirox Abrasives Limited (Member of Audit Committee)

Directors' Report

Dear members

Your Directors have pleasure in presenting their 7th report on the operations and business performance of your Company along with the audited financial statements for the financial year ("**FY**") 2019-20 prepared on standalone and consolidated basis. The consolidated performance of the Company, its subsidiaries, associates and joint venture companies (collectively referred to as "the Group") has been detailed at appropriate places in this report.

Financial Highlights

(₹ Crore)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operation	151	164	9,674	9,484
Profit before interest, depreciation and tax	166	125	2,323	2,177
Less: Finance Costs	4	2	415	551
Less: Foreign currency fluctuation on borrowings etc. (net)	-	-	23	(9)
Profit before depreciation and tax	162	123	1,885	1,635
Less: Depreciation and amortisation	9	4	1,528	1,296
Profit before tax	**153**	**119**	**357**	**339**
Current tax	19	29	114	112
Deferred tax charge/(credit)	(3)	3	(16)	(119)
Tax adjustments for earlier years	2	(14)	21	(3)
Total tax expenses	**18**	**18**	**119**	**(10)**
Profit after tax before share of profit in joint ventures	**135**	**101**	**238**	**349**
Share of profit/ (loss) of joint ventures	-	-	0	0
Profit for the year after share of profit of joint ventures	**135**	**101**	**238**	**349**
Profit attributable to non-controlling interest	-	-	14	41
Profit attributable to owners of the Parent	135	101	224	308
Other Comprehensive Income	0	(11)	(211)	27
Total Comprehensive Income	**135**	**90**	**27**	**376**
Balance of profit for earlier years	180	123	1,844	1,544
Add: Transfer from Debenture Redemption Reserve	-	-	195	62
Add: Other Comprehensive income arising from re measurement of defined benefit obligation (net of tax)	0	(11)	(6)	(3)
Add: Transfer of Realised gain on disposal of equity instruments through Other Comprehensive Income	-	-	7	-
Less: Transfer to Debenture Redemption Reserve	-	-	-	27
Less: Transfer to Reserves	-	-	1	-
Less: Dividends paid on Equity Shares	77	33	77	33
Less: Dividend Distribution Tax	-	-	16	7
Balance carried forward to the Balance Sheet	**238**	**180**	**2,170**	**1,844**

Operations and Business Performance

Outbreak of the COVID-19 pandemic has affected the life of each individual as well as business. Along with external factors such as weak global demand, supply disruptions, and global financial shocks, the domestic economy was affected with lockdown, factory shutdowns, reduced discretionary spending, and delayed capex cycle. As a result of the pandemic, the global economy is projected to contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. Governments have responded with large-scale fiscal and monetary interventions to support household and business income and to maintain financial stability. Still, indicators of economic activity in the US, Europe and China are dropping to record lows. Economic prediction is extremely difficult under these circumstances, with many complex and interrelated factors determining actual outcomes, including the question how long social distancing measures will stay in place and what an exit strategy might look like. The uncertainty caused by COVID19 would certainly impact economic growth of the nations and in particular infrastructure and cement sector.

In view of the spread of COVID19 and directives of Central & State Governments and local bodies, the Company had temporarily suspended its operations at various locations during the lockdown period starting from March 25, 2020. Post lockdown, the Company has resumed operations at its various locations in a gradual and phased manner as per directions from the Central & State Governments and local bodies and in accordance with the requisite permissions from the authorities. The Company has taken all requisite steps to address the unprecedented situation created by COVID19 including all such steps as are required to ensure health & safety of our people; and ensuring social distancing, hygiene practices and deep cleaning of premises. The Company has put in place all requisite systems and processes as required for COVID19 compliance to ensure safe and healthy work environment for its people. The continuous engagement with various stake holders has helped the Company to smoothly resume its operations. Increased use of digital technology and virtual connectivity has not only helped people to work from home but also resulted in increased interaction and enhanced productivity for people. Further, the Company has initiated various steps, across its locations, to fight and contain the corona virus outbreak and also to support the people hit by the Pandemic. Core team at various locations worked with the government machineries to make a positive and meaningful difference to the local communities, helping people by way of providing meals, grocery kits, masks, hand sanitizers, Personal Protective Equipment etc. Online learning, social engagement and wellness programmes are being organised for the stakeholders.

Your Company continues to be engaged inter-alia in the business of providing management services. There have been no material changes and commitments, except the impact of COVID-19 which is given in detail in the Management Discussion and Analysis, affecting the financial position of the Company between the end of this financial year and the date of this report.

On a standalone basis, your Company recorded net revenue of ₹151 crores for the FY 2019-20 registering a decline in growth by 7.92% as compared to the net revenue of ₹164 crore in the FY 2018-19 and earned profit before tax of ₹153 crore during the FY 2019-20 registering a growth of 28.57% as compared to ₹119 crore profit earned in the FY 2018-19. Profit before finance cost, taxes, depreciation and amortisation stood at ₹166 crore in FY 2019-20 as compared to ₹125 crore in FY 2018-19.

On a consolidated basis, your Company recorded net revenue of ₹9674 crores for the FY 2019-20 registering a growth of 2.00% as compared to the net revenue of ₹9484 crore in the FY 2018-19 and earned profit before tax of ₹357 crores during the FY 2019-20 registering a growth of 5.31% as compared to ₹339 crore earned in the FY 2018-19. Profit before finance cost, taxes, depreciation and amortisation stood at ₹2323 crore in FY 2019-20 as compared to ₹2186 crore in FY 2018-19.

The Group has adopted Ind AS 116 "Leases" effective April 01, 2019 and applied the same to lease contracts existing on April 01, 2019 using the modified retrospective approach. This has resulted in recognising a right-of-use asset at an amount equal to the lease liability on transition date. Consequent to this, there is a reduction in rent expense by ₹53 crore, increase in interest expense by ₹10 crore and increase in depreciation charge by ₹47 crore. The adoption of Ind AS 116 did not have any significant impact on the profit and earnings per share in the current year.

Material events in subsidiaries

(a) Status of acquisition / revival of Murli Industries Limited

The Resolution Plan (RP) filed by Dalmia Cement (Bharat) Limited (DCBL), subsidiary of the Company for revival of Murli Industries Limited (MIL) has been approved by the National Company Law Tribunal (NCLT), Mumbai pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 ('IBC') in July 2019 and subsequently upheld by National Company Law Appellant Tribunal in January 2020. The creditors of MIL have constituted a Management Committee (MC) for administering and overseeing the smooth implementation of the RP. DCBL is assisting the MC in implementation of the approved RP and taking all requisite steps for expeditious implementation.

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. RP provides for conversion of lenders outstanding dues to equity shares and subsequent transfer of such shares to DCBL. Total consideration payable for Secured and unsecured financial & operational creditors, IRP cost, employees' dues and statutory dues is ₹402 crore payable in a phased manner as per the approved RP. DCBL shall further infuse equivalent amount for refurbishment and other costs to make the plant operational. The completion of integration of MIL cement business would help DCBL consolidate its footprints in western region.

(b) Capacity Enhancement-Project Pride

The Group is setting up new cement plants in Odisha along with new grinding capacity in eastern part of India with total capacity of 8 MnTPA. The clinker manufacturing plant of 3 MnTPA has been commissioned and is under trial run. The cement grinding plants are under construction and part of the capacity is likely to be completed by December 31, 2020.

The expenditure incurred on commissioning of the plant, including the expenditure incurred on trial runs (net of trial run receipts), which is under progress of ₹1,437 Crore as at March 31, 2020 is included under capital work-in-progress.

(c) Fraudulent transfer of securities from demat account

During the financial year ended March 31, 2019, certain mutual fund units ("Securities") appearing as current investments (valued at ₹374 Crore as on March 31, 2020) were illegally and fraudulently transferred by one of the Depository Participant ("DP"), from demat accounts of Company's subsidiary namely DCBL. DCBL had demat accounts for holding purposes (and not trading) with NSDL through its DP, Allied Financial Services Pvt Limited (Allied). Allied had illegally transferred the said Mutual Fund Units from DCBL accounts to Allied's accounts and kept them as collateral with ILFS Securities Services Limited ("ISSL"). DCBL lodged complaint with SEBI & Economic Offence Wing, New Delhi ("EOW"). EOW registered a FIR No. 46/2019 under section 406/420/467/468/471/120B IPC and issued an order dated March 29, 2019, under section 102 Cr.P.C, directing ISSL, NSDL and NSE Clearing Limited ("NSE") not to sell/purchase/transfer/alienate/ redeem/deal with these Securities in any manner till further orders. Securities are currently freezed/seized by EOW. EOW completed investigation and filed charge-sheet dated November 11, 2019 against Allied and ISSL and their officials under section 409/420/467/468/471/120B/34 of IPC. Charge-sheet contains inter alia that Accused had forged and fabricated KYCs of DCBL and had illegally, dishonestly and fraudulently transferred Securities from DCBL's Demat accounts to their own account(s) and their related entities based on forged Delivery Instruction Slips; and fraudulently placed Securities as collateral with ISSL for meeting its margin obligations in Trade without any consent, knowledge or mandate of DCBL and/or without any receipt of any consideration for such transfer. SEBI had conducted detailed investigation directly and through its forensic experts. Show Cause Notice dated December 09, 2019 issued by SEBI to ISSL seeking explanation on serious illegality/irregularities committed by ISSL in facilitating Allied/Accused No.2 in executing fraudulent transfer of mutual fund units from Demat accounts of DCBL. ISSL in its reply dated January 16, 2020 to the aforesaid notice admitted that Allied had perpetrated the entire fraud. In the meantime, the clearing agent/ ISSL has also sought from Security Appellate Tribunal, Mumbai ("SAT") the annulment of trade of Future & Options contract entered into by DP. Such annulment of trades sought by clearing agent/ ISSL was directed by SAT vide its order dated July 3, 2019 to be heard by SEBI including grievance of all other investors. SEBI challenged the said order of SAT before Hon'ble Supreme Court. The Supreme Court, vide its interim order dated August 27, 2019, directed NSE Clearing Corporation Limited, to honour F&O segments contract which had matured on June 27, 2019. The Supreme Court also clarified that the payments so made shall be without prejudice to the rights and contentions of the parties and subject to the final outcome and directions which would be passed in the matter. The matter is still pending before Supreme Court. Trade has already been settled out of funds kept as margin with NSE by ISSL and accordingly nothing is pending regarding any claim of any counter parties to Trade.

The above matters are pending before various authorities/ courts and DCBL is making all efforts for release of the said securities expeditiously.

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 detail of the overall industry structure, economic developments, performance and state of affairs of your Company's business, risk management systems and material developments during the financial year under review.

Dividend

Your Directors have, on February 06, 2020, declared an interim dividend of ₹2/- (100%) per equity share of face value of ₹2/- each for the FY 2019-20 {FY 2018-19 final dividend of ₹2 (100%)}. The interim dividend has been paid out on February 24, 2020 to the members of the Company who were on the register of members as on February 18, 2020, being the record date fixed for the purpose. The interim dividend was declared 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 which is posted on the Company's website www.dalmiabharat.com.

Your Directors considered and decided that the interim dividend be the final dividend for FY 2019-20 and accordingly no further dividend has been recommended.

Transfer to General Reserves

Your Directors do not propose to transfer any amount to the General Reserve.

Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 read with the Indian Accounting Standards (Ind AS), the Consolidated Financial Statements of the Company and all its subsidiaries and associate companies for the financial year 2019-20 have been prepared and form part of the Annual Report.

Subsidiaries, Associates and Joint Venture Companies

The Company has 31 subsidiaries and 2 joint venture Companies as on March 31, 2020. 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. The said Policy may be accessed at the Company's website www.dalmiabharat.com.

The changes in the subsidiaries, joint venture companies and associate companies during the financial year 2019-20 are as under:

S. No.	Name of Company	Status (subsidiary / joint venture / associate)	Added/ Ceased as such	Effective date
1	Dalmia OCL Limited (formerly known as Ascension Commercio Private Limited)	Subsidiary Company	Added	October 07, 2019

A statement containing the salient features of the financial statements of the Company's subsidiaries, joint ventures and associate companies for the FY ended March 31, 2020 in Form AOC-1 is attached and marked as **Annexure - 1** and forms part of this report. The contribution of the Company's subsidiaries, joint ventures and associates companies to the overall performance of the Company during the financial year under review could be referred from the financial highlights given above and the financial statements forms part of the Annual Report.

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.

Board Meetings

During the financial year under review, the Board of Directors of the Company met seven times, i.e., on May 09, 2019, August 01, 2019, October 19, 2019, November 14, 2019, December 31, 2019, February 06, 2020 and March 21, 2020. 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, 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

During the financial year under review, Mr. Pradip Kumar Khaitan, Mr. Virendra Singh Jain and Mrs. Sudha Pillai, being the Independent Directors have given their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

Mr. Dharmendar Nath Davar, Non-Executive and Non-Independent Director and Mr. Nagarajan Gopalaswamy, Non-Executive and Independent Director of the Company resigned from their directorship(s) with effect from August 30, 2019 and September 25, 2019, respectively.

The Board places on record its sincere appreciation for the valuable advice and guidance of Mr. Dharmendar Nath Davar and Mr. Nagarajan Gopalaswamy during their tenure as Director(s) of the Company.

Dr. Niddodi Subrao Rajan has been appointed as a Non-Executive and Non-Independent Director of the Company in the Annual General Meeting held on August 30, 2019. He is a graduate in Economics from Loyola College, Chennai; a post-graduate in Business Management from XLRI, Jamshedpur; and has earned a PhD from IIT Delhi, in the field of Leadership. Dr. Rajan is the CEO of IDFC Foundation and the erstwhile Group CHRO & Chief Marketing Officer of IDFC Bank. He serves as a Director on the Boards of DITMS (a joint venture of IDFC and the Government of Delhi) and IDeck (a joint venture of IDFC with the Government of Karnataka). Prior to IDFC Bank, Dr. Rajan was a member of the Group Executive Council and the Group CHRO at Tata Sons, reporting to the Group Chairman; and also was the former partner and global leader, people and organisation at Ernst & Young. Dr. Rajan's three and half decades of work experience spans industry and consulting, in both line and staff functions. The Company would be immensely benefitted from his experience.

Pursuant to the provisions of Section 152(6)(c) of the Companies Act, 2013, Mr. Jai Hari Dalmia, Director is liable to retire by rotation and being eligible has offered himself for reappointment. Mr. Jai Hari Dalmia has submitted requisite declaration to the effect that he is qualified to be reappointed as a Director of the Company.

Mr. Jai Hari Dalmia, Non-Executive Director of the Company has attained the age of 75 years. Considering the vast knowledge, industry experience, in-depth understanding of nitty- gritty of business and his contribution for further growth of the Company, the Board has recommended his continuance on the Board of the Company. Accordingly, a special resolution is proposed and set out in the notice of the ensuing Annual General Meeting pursuant to the provisions of Regulation 17(1)(d)(1A) of the Listing Regulations.

In terms of Section 203 of the Companies Act 2013, Mr. Gautam Dalmia, Managing Director, Mr. Puneet Yadu Dalmia, Managing Director & CEO, Mr. Jayesh Nagindas Doshi, Whole time Director & CFO and Dr. Sanjeev Gemawat, Executive Director (Legal) & Company Secretary continue to hold their positions as Key Managerial Personnel of the Company.

Committees of the Board

There are seven Committees of the Board namely (a) Audit Committee (b) Stakeholders' Relationship Committee (c) Nomination and Remuneration Committee (d) Corporate Social Responsibility Committee (e) Risk Management Committee (f) Group Governance Committee and (g) Buy Back Committee.

The details with respect to the compositions, number of meetings held during the FY 2019-20 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 www.dalmiabharat.com

Annual Evaluation of Board Performance and Performance of its Committees and of Directors

During the financial year under review, the annual evaluation of performance of the Board, its committees and individual Directors was carried out by the Independent Directors, the Nomination and Remuneration Committee and the Board of Directors in compliance with the Companies Act, 2013 and the Listing Regulations.

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.

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, 2020, 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

The details relating to the ratio of the remuneration of each director to the median employee's remuneration and other prescribed details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached and marked as Annexure-2 and forms part of this report.

The details of remuneration paid to the Directors including the Managing Director & CEO of the Company during FY 2019-20 are given in Form MGT-9 forming 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.

Corporate Governance Report

Your Directors are committed to achieve the highest standards of ethics, transparency, corporate governance and continue to comply with the Code of Conduct framed for the Board and senior management under Regulation 17 of the Listing Regulations. The endeavour is to continue and move forward as a responsible and sustainable company in order to attract as well as retain talents, customers, suppliers, investors and to maintain fulfilling relationships with the communities.

The strong corporate governance and zeal to grow has helped the Company to deliver the best value to the stakeholders. We have always been positively cautious about the near term and optimistic about the medium and long term in view of the improved macro indicators for the economy, significant growth in public spending and focused execution plans.

The Corporate Governance Report for the financial year 2019-20 as required under the Listing Regulations of the Company is attached hereto and forms part of this report. The requisite certificate(s) from the Statutory Auditor 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.

Share Capital

During the year under review, the Issued, Subscribed and Paid up equity share capital of the Company was ₹38.59 crore constituting of 19,29,58,553 equity shares of ₹2/- each. There was no change in the capital structure of the Company.

Employees' Stock Option Scheme

During the year under review, 3,00,000 stock options were vested into eligible employees pursuant to the DBL ESOP- 2018.

The Nomination and Remuneration Committee of the Board of Directors requested DB Trust, an Employee Welfare Trust of the Company, to transfer equity shares with respect to the said 3,00,000 stock options. Pursuant to the same, 3,00,000 equity shares of ₹2/- each were transferred by the DB Trust upon exercise of 3,00,000 stock options by the eligible employees.

In terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the details of the Stock Options granted under the Scheme are available on the Company's website www.dalmiabharat.com.

A certificate from the Statutory Auditors of the Company on implementation of the DBL ESOP- 2018 will be placed at the ensuing Annual General Meeting for inspection by the members.

Buyback of Equity Shares

During the year under review, the Board of Directors of the Company at its meeting held on March 21, 2020, has inter-alia approved the Buyback of fully paid-up Equity Shares, each from the shareholders/beneficial owners (other than promoters, members of the promoter group or persons in control), from the open market through stock exchange mechanism for an aggregate amount not exceeding ₹500 Crore excluding the transaction costs, and at a price not exceeding ₹700/- per

Equity Share. The said ₹500 Crore represents around 6.7% and 5.0% of the aggregate of the total paid-up capital and free reserves of the Company, based on the audited standalone and consolidated financial statements of the Company as at March 31, 2019, respectively, which in both cases is less than 10% of the aggregate of the total paid-up capital and free reserves of the Company. The indicative maximum number of Equity Shares bought back would be 71,42,857 (Seventy One Lakh Forty Two Thousand Eight Hundred and Fifty Seven Only) Equity Shares, which will not exceed 25% of the total number of Equity Shares in the total paid up equity capital of the Company.

The Buyback period commenced on April 03, 2020 and will be completed earlier of October 1, 2020 (i.e. six months) from the date of opening of Buy Back or when the Company completes the Buyback by deploying ₹500 Crore or at such earlier date as may be determined by the Board of Directors / Buyback Committee. The Public Announcement with respect to Buyback and daily Buyback report(s) are placed on the Company's website www.dalmiabharat.com.

As on June 13, 2020, the Company has bought back 53,10,808 equity shares for an aggregate amount of ₹271.01 crores out of approved amount of ₹500 crores.

Extract of Annual Return

The Extract of Annual Return in Form MGT-9, as required under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is attached and marked as **Annexure-3** and forms part of this report and is also available on the Company's website www.dalmiabharat.com.

Corporate Social Responsibility (CSR)

The Group has been following the concept of giving back and sharing with the under privileged sections of the society for more than eight decades. The Corporate Social Responsibility of the Group is based on the principal 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 Corporate Social Responsibility Policy of the Company may be accessed at the Company's website www.dalmiabharat.com. Pursuant to the said Policy, the Company has spent an aggregate amount of ₹1.60 Crore towards corporate social responsibility activities during the FY 2019-20. The said amount spent was more than 2% of average net profits of the Company made during three immediately preceding financial years. The annual report on corporate social responsibility activities is attached and marked as **Annexure – 4** and forms part of this report.

On consolidated basis the group has spent ₹10.21 crore in FY 2019-20 towards Corporate Social Responsibility.

Related Party Transaction Policy and Transactions

All Related Party Transactions entered during the financial 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. There are no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations. Dalmia Cement (Bharat) Limited, a subsidiary of the Company has entered into a contract of availing professional services from Dr. Nidoddi Subrao Rajan, Director of the Company. The shareholders of the Company had approval the said contract pursuant to section 188 of the Companies Act, 2013 read with the Listing Regulations by way of postal ballot.

All 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 or when the need for them cannot be foreseen in advance.

Details of contracts/arrangements/transactions with related parties, as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are provided in **Annexure - 5** in Form AOC-2 and forms part of this report.

The Company has formulated a policy on materiality and on dealing with Related Party Transactions. The Policy as approved by the Board may be viewed on the Company's website www.dalmiabharat.com.

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.

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, health, safety and environmental issues. 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 www.dalmiabharat.com.

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 2019-20, no complaint has been 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. 38.

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	2019-2020	2018-2019
Earnings	Nil	Nil
Outgo	2.92	3.93

Statutory Auditor and their report

M/s. S. S. Kothari Mehta & Company, the Statutory Auditors of the Company hold office as such till the conclusion of eighth Annual General Meeting of the Company to be held in 2021. They have confirmed that they are eligible to continue as the Statutory Auditors of the Company and that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

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 comment 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) dispute between minority shareholders of Calcom Cement India Limited (step down subsidiary) and DCBL which is under adjudication before the Arbitral Tribunal. Pending final disposal of the disputes, no adjustments are considered necessary in these financial statements (b) certain mutual fund units ('Securities') appearing as current investments, valued at ₹374 crores as on March 31, 2020 were fraudulently and unauthorisedly transferred by one of the depository participant from demat accounts of DCBL during the financial year ended March 31, 2019. DCBL is fully confident of recovering its Securities based on the legal opinion obtained in the matter. Hence no provision is made in the consolidated financial statements. (c) amortisation of goodwill as per the provisions of Scheme(s) of Arrangement and Amalgamation. The aforesaid Emphasis of Matters have been explained and clarified in note no. 34(C), note no. 48 and note no. 4(a)(ii) of the notes to accounts to the Consolidated Financial Statements of the Company for the year ended March 31, 2020, which are self-explanatory and do not call for any further comments and explanation".

Secretarial Auditor and their Report

The Board had, in its meeting held on May 09, 2019, appointed Mr. R. Venkatasubramanian, Practicing Company Secretary, as the Secretarial Auditor of the Company for the FY ended March 31, 2020. In addition, as required under the Listing Regulations, the secretarial audit of Dalmia Cement (Bharat) Limited, a material subsidiary, has also been carried out.

As required under the Section 204 of the Companies Act, 2013 and the Listing Regulations, the Secretarial Audit Report in Form MR-3 of the Company for the FY 2019-20 is attached and marked as **Annexure – 6** and form part of this report. There is no qualification, reservation or adverse remark in the Secretarial Audit Report.

Deposits

During the financial year under review, the Company has not accepted any deposits from the public/member under Section 73 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.

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.

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

Pradip Kumar Khaitan
Chairman
DIN-0004821

Place: New Delhi
Dated: June 13, 2020.

Annexure I

Dalmia Bharat Limited

(formerly known as Odisha Cement Limited)

AOC-1

Statement containing salient features of financial statements of subsidiaries and joint ventures as per Companies Act, 2013

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

PART - A : Subsidiaries

(₹ Crore)

S. No.	Name of the subsidiary companies	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
	Subsidiaries												
1	Dalmia Cement (Bharat) Limited	INR	314	8,854	9,435	18,603	2,339	8,349	235	138	97	-	100.00 %
2	Dalmia Power Limited	INR	1	462	306	769	768	-	(12)	(1)	(11)	-	100.00 %
	Step down Subsidiaries												
3	Calcolm Cement India Limited	INR	409	95	1,093	1,597	99	854	79	(30)	109	-	76.00%
4	Alsthom Industries Limited	INR	19	45	163	227	23	310	21	(7)	28	-	99.99 %
5	Dalmia DSP Limited	INR	150	(158)	424	416	7	252	(19)	-	(19)	-	100.00 %
6	RCL Cements Limited	INR	4	0	29	33	31	(1)	(5)	(1)	(4)	-	100.00 %
7	SCL Cement Limited	INR	3	(55)	53	1	-	(0)	(10)	-	(10)	-	100.00 %
8	Vinay Cement Limited	INR	19	(191)	232	60	53	11	(34)	-	(34)	-	97.21%
9	Bangaru Kamakshi Amman Agro Frams Private Limited	INR	0	4	4	8	-	-	(0)	-	(0)	-	100.00 %
10	Chandrasekara Agro Farms Private Limited	INR	0	2	1	3	-	-	(0)	-	(0)	-	100.00 %
11	Cosmos Cements Limited	INR	13	(1)	36	48	-	-	(0)	(0)	(0)	-	100.00 %
12	D.I. Properties Limited	INR	1	1	1	3	-	-	(0)	-	(0)	-	100.00 %
13	Dalmia Minerals & Properties Limited	INR	1	51	0	52	13	-	0	-	0	-	100.00 %
14	Geetee Estates Limited	INR	0	7	0	7	-	-	(0)	-	(0)	-	100.00 %
15	Golden Hills Resort Private Limited	INR	1	(0)	1	2	-	-	(0)	-	(0)	-	100.00 %
16	Hemshila Properties Limited	INR	1	6	0	7	0	-	(0)	(0)	(0)	-	100.00 %
17	Ishita Properties Limited	INR	0	(2)	3	1	0	0	0	0	0	-	100.00 %
18	Jayevijay Agro Farms Private Limited	INR	0	3	0	3	-	-	(0)	-	(0)	-	100.00 %
19	Rajputna Properties Private Limited	INR	0	(0)	3	3	-	-	(0)	(0)	(0)	-	100.00 %
20	Shri Rangam Properties Limited	INR	1	9	0	10	-	-	0	(0)	0	-	100.00 %
21	Dalmia Bharat Refractories Limited	INR	0	1	0	1	1	-	(0)	0	(0)	-	100.00 %
22	Sri Madhusudana Mines & Properties Limited	INR	0	7	0	7	-	-	(0)	-	(0)	-	100.00 %

(₹ Crore)

S. No.	Name of the subsidiary companies	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
23	Sri Shanamugha Mines & Minerals Limited	INR	1	8	0	9	-	-	0	(0)	0	-	100.00 %
24	Sri Subramanya Mines & Minerals Limited	INR	0	6	0	6	-	-	(0)	-	(0)	-	100.00 %
25	Sri Swaminatha Mines & Minerals Limited	INR	0	3	0	3	-	-	(0)	-	(0)	-	100.00 %
26	Sri Trivikrama Mines & Properties Limited	INR	0	7	0	7	-	-	(0)	-	(0)	-	100.00 %
27	Sutnga Mines Private Limited	INR	2	0	0	2	2	-	0	(0)	0	-	100.00 %
28	Hopco Industries Limited	INR	0	(0)	0	0	-	-	(0)	-	(0)	-	100.00 %
29	Dalmia OCL Limited	INR	0	0	0	0	-	-	(0)	-	(0)	-	100.00 %
30	OCL Global Limited	USD	0	2	0	2	1	2	0	-	0	-	100.00 %
		INR	0	104	35	139	28	137	17	-	17	-	100.00 %
31	OCL China Limited	RMB	4	1	3	8	-	12	1	0	1	-	90.00 %
		INR	24	31	26	81	-	119	10	3	7	-	90.00 %

Names of subsidiaries which are yet to commence operation

Nil

PART - B : Joint ventures

Shares of Joint ventures held by the company at the year end

(₹ Crore)

S. No.	Name of joint ventures	Latest audited Balance Sheet Date	No. of shares	Amount of Investment in joint venture*	Networth 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
	Joint venture										
1	Radhikapur (West) Coal Mining Private Limited	31-Mar-20	73,48,000	7	8	14.70%	2	0	2	N. A.	N. A.
2	Khappa Coal Company Private Limited	31-Mar-19	18,36,500	2	1	36.73%	0	-	-	N. A.	Investment fully impaired

* Refer note 5A(i) of the consolidated financial statements.

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Jayesh Doshi
Whole Time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Place : New Delhi
Date: June 13, 2020

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 2019-20.

1. Details of the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20 are as under:

Name of the Director/KMP and Designation	Remuneration of Director/ KMP for the F.Y. 2019-20 ₹ crore	Ratio of remuneration of each Director to median remuneration of employees of the Company	% increase in the remuneration in the F.Y. 2019-20
Mr. Pradip Kumar Khaitan Chairman Non-Executive Independent	0.49	4.49	8.89
Mr. Jai Hari Dalmia Non-Executive	0.05	0.46	150.00
Mr. Yadu Hari Dalmia Non-Executive	0.05	0.46	150.00
Mr. Gautam Dalmia Managing Director	14.98	137.25	0%
Mr. Puneet Yadu Dalmia Managing Director	19.64	180.10	0%
Mr. Nagarajan Gopalaswamy Non-Executive Independent ^	0.14	1.28	-12.50
Mr. Virendra Singh Jain Non-Executive Independent	0.32	2.94	18.52
Mrs. Sudha Pillai Non-Executive Independent	0.22	2.02	46.67
Mr. Dharmendar Nath Davar Non-Executive ^ ^	0.21	1.93	-4.55
Dr. Niddodi Subrao Rajan Non-Executive*	0.05	0.46	NA
Mr. Jayesh Doshi Whole-time Director & CFO **	3.80	34.86	9.00
Dr. Sanjeev Gemawat Company Secretary	2.16	19.27	10.00

Note:

^ resigned with effect from September 25, 2019;

^ ^ resigned with effect from August 30, 2019;

*Appointed with effect from August 30, 2019

** Remuneration amount does not include value of shares received under ESOP from the Trust.

1. The median remuneration of employees of the Company during the financial year 2019-20 is ₹10,89,958/-
2. Percentage increase in the median remuneration of employees in the financial year 4.39%.
3. The number of permanent employees on the rolls of the Company at the end of the financial year was 111.
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2019-20 is 10.8 %. During the year no increment in remuneration of both the Managing Directors was proposed, except that the increase in salary of employees are comparable with the percentile increase in the managerial remuneration.
5. 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.

Annexure 2A

Dalmia Bharat Limited (formerly known as Odisha Cement 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 2019-20

S. 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. SANJAY S MITRA	58	SENIOR EXECUTIVE DIRECTOR	B.COM (HONS.), F.C.A.	36 YEARS	12-07-1983	--	DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED	SR. EXECUTIVE DIRECTOR	1.44
2	MR. R K AGRAWAL	61	EXECUTIVE DIRECTOR	CA, CS(INTER), B.COM	42 YEARS	01-09-1997	--	DALMIA INDUSTRIES LIMITED	DEPUTY GENERAL MANAGER	# 1.41
3	MR. SURATH KR. MUKHERJEE	51	EXECUTIVE DIRECTOR	A.C.A , A.I.C.W.A	25 YEARS	29-08-2008	--	DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED	ASSISTANT EXECUTIVE DIRECTOR	1.50
4	MR. SAMEER NAGPAL	50	CHIEF EXECUTIVE OFFICER - REFRACTORY	BE MECHANICAL, PGDBM	30 YEARS	03-08-2015	--	SHALIMAR PAINTS	MANAGING DIRECTOR & CEO	1.75
5	MR. ANAND KUMAR KANODIA	50	EXECUTIVE DIRECTOR	B.COM, ACA, ACS	28 YEARS	01-04-2019	--	DALMIA CEMENT (BHARAT) LIMITED	EXECUTIVE DIRECTOR	2.08
6	DR. SANJEEV GEMAWAT	50	EXECUTIVE DIRECTOR (LEGAL) AND GROUP COMPANY SECRETARY	B.COM (HONS.); L.L.M.; PH.D.; F.C.M.A; F.C.A; F.C.S; F.C.I.S(UK)	26 YEARS	01-01-2016	--	DALMIA CEMENT (BHARAT) LIMITED	EXECUTIVE DIRECTOR	2.16
7	MR. AMIT GARG	52	EXECUTIVE DIRECTOR	PGDM - MARKETING AND FINANCE	26 YEARS	21-11-2016	--	HINDUSTAN TIMES	EXECUTIVE DIRECTOR	2.36
8	MR. AJIT MENON	55	SENIOR EXECUTIVE DIRECTOR	B.S.C, B.B.A	23 YEARS	31-08-2012	--	DDB MUDRA PRIVATE LIMITED	EXECUTIVE DIRECTOR (ORGANIZATION DEVELOPMENT)	# 3.32
9	MR. JAYESH NAGINDAS DOSHI	55	WHOLE TIME DIRECTOR & CFO	B.COM, L.L.B, A.C.A.	28 YEARS	01-02-2013	--	PANCHSHIL REALTY	GROUP DIRECTOR - STRATEGY & FINANCE	# 3.80
10	MR. HARISH CHANDER SEHGAL	62	GROUP GENERAL COUNCEL	B.COM (H), LLB	39 YEARS	10-08-2009	--	DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED	GROUP GENERAL COUNSEL	4.33
11	MR. PUNEET YADU DALMIA	47	MANAGING DIRECTOR	B. TECH. AND MBA	23 YEARS	31-10-2018	--	DALMIA CEMENT (BHARAT) LIMITED	MANAGING DIRECTOR	** 19.64
12	MR. GAUTAM DALMIA	52	MANAGING DIRECTOR	B.SC, M.S.IN ELECTRICAL ENGINEERING, COLUMBIA UNIVERSITY	28 YEARS	31-10-2018	--	DALMIA CEMENT (BHARAT) LIMITED	MANAGING DIRECTOR	** 14.98
13	MRS. MADHURI MEHTA	41	EXECUTIVE DIRECTOR	POST GRADUATE DIPLOMA IN MANAGEMENT - HUMAN RESOURCES	19 YEARS	29-05-2006	--	BHARTI AIRTEL LIMITED	SENIOR MANAGER - HR OPERATIONS	1.11
B. Employed for the part of the year										
1	MRS. REENA VERMA BHASIN	47	EXECUTIVE DIRECTOR	CFA - AIMR LONDON	24 YEARS	01-12-2016	16-07-2019	ARPWOOD	EXECUTIVE DIRECTOR - (MERGERS AND ACQUISITION)	0.41
2	MR. C N MAHESHWARI	64	DEPUTY EXECUTIVE DIRECTOR	CA, CS, COST ACCOUNTANT, B.COM	40 YEARS	05-05-2006	31-03-2019	EIH LIMITED	AVP - FINANCE	0.32

* 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 Arrnagement and Amalgamation.

** Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia are sons of Mr. J.H. Dalmia and Mr. Y.H. Dalmia, respectively. Mr. J.H.Dalmia and Mr. Y.H. Dalmia, are brothers and accordingly all the four Directors are related to each other.

\# Excluding perquisite value of shares received 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 spouce 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.

Annexure 3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L14200TN2013PLC112346
ii)	Registration Date	12-07-2013
iii)	Name of the Company	Dalmia Bharat Limited (Formerly Known as Odisha Cement Limited)
iv)	Category/ Sub- Category of the Company	Public Limited Company
v)	Address of the Registered office and Contact Details	Dalmiapuram Lalgudi, Dist. Tiruchirappalli, Tamil Nadu - 621651 Phone No. 04329-235132 Fax No. 04329-235111
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Phone No: 040 67162222

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No	Name and Description of main products/services	NIC Code of the Product/ Service	% of total turnover of the Company
1	Management consultancy activities	70200	51.36%
2	Activities of Holding Company (Dividend and Interest income)	64200	42.52%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Dalmia Cement (Bharat) Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U65191TN1996PLC035963	Subsidiary	100%	2(87)
2	Dalmia Power Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U40109TN2005PLC057326	Subsidiary	100%	2(87)
3	D. I. Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U65993TN1996PLC035964	Step down Subsidiary	NIL	2(87)
4	Ishita Properties Limited 11th floor, Hansalaya, 15 Barakhamba Road, New Delhi – 110001	U45203DL1994PLC116832	Step down Subsidiary	NIL	2(87)
5	Geetee Estates Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U65993TN1996PLC035965	Step down Subsidiary	NIL	2(87)
6	Hemshila Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U65191TN1996PLC035962	Step down Subsidiary	NIL	2(87)
7	Shri Rangam Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U65993TN1997PLC037308	Step down Subsidiary	NIL	2(87)
8	Sri Shanmugha Mines & Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U14107TN2006PLC058817	Step down Subsidiary	NIL	2(87)
9	Sri Swaminatha Mines & Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U14107TN2006PLC058820	Step down Subsidiary	NIL	2(87)
10	Sri Subramanya Mines & Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U14107TN2006PLC058816	Step down Subsidiary	NIL	2(87)

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
11	Dalmia Bharat Refractories Ltd. (Formerly known as Sri Dhandauthapani Mines and Minerals Ltd.) Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U26100TN2006PLC061254	Step down Subsidiary	NIL	2(87)
12	Sri Trivikrama Mines and Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U14102TN2006PLC061212	Step down Subsidiary	NIL	2(87)
13	Sri Madhusudana Mines and Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U14105TN2006PLC061260	Step down Subsidiary	NIL	2(87)
14	Dalmia Minerals & Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U14107TN2005PLC057327	Step down Subsidiary	NIL	2(87)
15	Sutnga Mines Private Limited Village Thangskai, PO-Lumshunong, Dist. East Jaintia Hills, Meghalaya-793210	U13209ML2007PTC008281	Subsidiary of Step-down subsidiary	NIL	2(87)
16	Cosmos Cements Limited Village Thangskai, PO-Lumshunong, Dist. East Jaintia Hills, Meghalaya-793210	U26959ML2007PLC008279	Subsidiary of Step-down subsidiary	NIL	2(87)
17	Rajputana Properties Private Limited House No. C-24, Behind Hotel Mahavir, Kamla Nagar, Tehsil Nimbahera, Chittorgarh, Rajasthan - 312601	U26100RJ2008PTC025767	Step down Subsidiary	NIL	2(87)
18	Golden Hills Resort Private Limited House No. C-24, Behind Hotel Mahavir, Kamla Nagar, Tehsil Nimbahera, Chittorgarh, Rajasthan - 312601	U55101RJ2003PTC018766	Step down Subsidiary	NIL	2(87)
19	Calcom Cement India Limited 3rd and 4th floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Assam - 781005	U26942AS2004PLC007538	Step down Subsidiary	NIL	2(87)
20	Vinay Cement Limited Jamuna Nagar, Umrangshu, Dist. North Cachar Hills - 788931	U26942AS1986PLC002553	Subsidiary of Step-down subsidiary	NIL	2(87)
21	SCL Cements Limited 3rd and 4th floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Assam - 781005	U26959AS1999PLC008422	Subsidiary of Step-down subsidiary	NIL	2(87)
22	RCL Cements Limited 3rd and 4th floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Assam - 781005	U26941AS1997PLC005279	Subsidiary of Step-down subsidiary	NIL	2(87)
23	JayeVijay Agro Farms Private Limited Old No. 2-61, New no. 2-59 Vinayagar kovil street, Thuraiyur, Tamil Nadu - 621008	U01400TN2013PTC094135	Step down Subsidiary	NIL	2(87)
24	Dalmia DSP Limited (formerly known as Kalyanpur Cement Limited) 16th floor, Merlin Acropolis, Rajdanga main road Premises No. 1858/1, Kasba Kolkata-700107	U26942WB1937PLC0009086	Step down Subsidiary	NIL	2(87)
25	Hopco Industries Limited 11th Floor, Hansalaya Building 15, Barakhamba Road, Delhi-110001	U74999DL2018PLC343439	Step down Subsidiary	NIL	2(87)
26	Alsthom Industries Limited 4th Floor, Anil Plaza II ABC, G.S. Road Guwahati , Kamrup, Assam- 781005	U26100AS2016PLC017688	Step down Subsidiary	NIL	2(87)
27	OCL Global Limited 44, St George Street, Port-Louis, Mauritius.	-	Step-down subsidiary	NIL	2(87)
28	OCL China Limited Nanlou Economic Development Zone, Chenjia Village, Dashiqiao – 115103, Liaoning, China	-	Subsidiary of Step-down subsidiary	NIL	2(87)
29	Bangaru Kamakshiamman Agro Farms Private Limited Old No. 2-61, New No. 2-59, Vinayagar Kovil Street, Thuraiyur, Tamil Nadu-621008	U01400TN2013PTC090653	Step down Subsidiary	NIL	2(87)

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
30	Chandrasekara Agro Farms Private Limited Old No. 2-61, New No. 2-59, Vinayagar Kovil Street, Thuraiyur, Tamil Nadu-621008	U01400TN2013PTC094136	Step down Subsidiary	NIL	2(87)
31	Dalmia OCL Limited (formerly known as Ascension Commercio Private Limited) Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U26100TN2018PLC125133	Subsidiary of Step-down subsidiary	NIL	2(87)
32	Khappa Coal Company Private Limited 33, Mount Road, Sadar, Nagpur – 440001	U10100MH2009PTC191907	Joint Venture of Subsidiary	NIL	2(6)
33	Radhikapur (West) Coal Mining Private Limited Plot No.52, Saheed Nagar, Bhubaneswar, Orissa, Pin-751 007	U10100OR2010PTC011795	Joint Venture of Subsidiary	NIL	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholder	No. of shares held at the beginning of the year 01/04/2019				No. of shares held at the end of the year 31/03/2020				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS									
(1) Indian									
(a) Individual /HUF	5369405	0	5369405	2.78	29	0	29	0	2.78
(b) Central Govt./State Govt.	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corporate	99162713	0	99162713	51.39	99188813	0	99188813	51.40	0.01
(d) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0.00
(e) Others (Trust)	173330	0	173330	0.09	5542706	0	5542706	2.87	2.78
Sub-Total A(1) :	**104705448**	**0**	**104705448**	**54.26**	**104731548**	**0**	**104731548**	**54.28**	0.02
(2) Foreign									
(a) NRI Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
(d) Banks/ FI	0	0	0	0	0	0	0	0	0.00
(e) Any Others	0	0	0	0	0	0	0	0	0.00
Sub-Total A(2) :	0	0	0	0	0	0	0	0	0.00
Total A=A(1)+A(2)	**104705448**	**0**	**104705448**	**54.26**	**104731548**	**0**	**104731548**	**54.28**	0.02
B. PUBLIC SHAREHOLDING									
1. Institutions									
(a) Mutual Funds	6901346	0	6901346	3.58	6298069	0	6298069	3.26	0.32
(b) Banks/FI	1466585	98332	1564917	0.81	542373	81732	624105	0.32	0.49
(c) Central Govt. / State Govt.	0	137910	137910	0.07	0	137910	137910	0.07	0.00
(d) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(e) Insurance Companies	0	0	0	0	0	0	0	0	0.00
(f) Foreign Institutional Investors	32591281	0	32591281	16.89	29496526	0	29496526	15.29	1.6
(g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0.00
(h) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.00
(i) Others (specify)	0	0	0	0	6250634	0	6250634	3.24	3.24
Sub-Total B(1) :	**40959212**	**236242**	**41195454**	**21.35**	**40011945**	**81732**	**40093677**	**20.78**	0.57
2. Non-Institutions									
(a) Bodies Corporate	13158936	48611	13207547	6.84	13972502	30081	14002583	7.26	0.42

Category of shareholder		No. of shares held at the beginning of the year 01/04/2019				No. of shares held at the end of the year 31/03/2020				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹2 lakh	15391639	5287624	20679263	10.72	16129383	4617292	20746675	10.75	0.03
(ii)	Individuals holding nominal share capital in excess of ₹2 lakh	5370718	0	5370718	2.78	5856952	0	5856952	3.04	0.26
(c)	Others (specify)									
(i)	Clearing Members	389238	0	389238	0.20	220096	0	220096	0.11	0.09
(ii)	Directors and their Relatives	59000	0	59000	0.03	90773	0	90773	0.05	0.02
(iii)	Alternate Investment Fund	655461	0	655461	0.34	718837	0	718837	0.37	0.03
(iv)	Enemy Individuals	0	0	0	0	0	0	0	0	0.00
(v)	Foreign Nationals	1250	34650	35900	0.02	1250	34650	35900	0.02	0.00
(vi)	Non Resident Indians – Repartiable	400612	127407	528019	0.27	423349	126407	549756	0.28	0.01
(vii)	Non Resident Indians – Non Repartiable	362638	1200	363838	0.19	444243	1200	445443	0.23	0.04
(viii)	NBFCs	22865	0	22865	0.01	35428	0	35428	0.02	0.01
(ix)	Trusts	5480374	0	5480374	2.84	5031267	0	5031267	2.61	0.23
(x)	Foreign Body Corporate	0	0	0	0	0	0	0	0	0.00
(xi)	IEPF	265428	0	265428	0.14	261708	0	261708	0.14	0.00
Sub-Total B(2) :		41558159	5499492	47057651	24.39	43185788	4809630	47995418	24.87	0.48
Total B=B(1)+B(2) :		82517371	5735734	88253105	45.74	83197733	5029272	88227005	45.72	0.02
C.	Shares held by custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C) :		187222819	5735734	192958553	100	187929281	5029272	192958553	100	0.00

ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% Of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% Of Shares Pledged/ encumbered to total shares	
1	Shri Jai Hari Dalmia C/o J.H. Dalmia (HUF)*	573350	0.30	0	0	0.00	0	0.30
2	Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)	186410	0.10	0	10	0.00	0	0.10
3	Shri Jai Hari Dalmia	3270020	1.69	0	2	0.00	0	1.69
4	Smt. Kavita Dalmia	753340	0.39	0	1	0.00	0	0.39
5	Shri Gautam Dalmia	304524	0.16	0	1	0.00	0	0.16
6	Smt. Anupama Dalmia	22500	0.01	0	2	0.00	0	0.01
7	Ku. Sukeshi Dalmia	74360	0.04	0	1	0.00	0	0.04
8	Ku. Vaidehi Dalmia	74360	0.04	0	1	0.00	0	0.04
9	Smt. Bela Dalmia	0	0	0	10	0.00	0	0

S. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% Of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% Of Shares Pledged/ encumbered to total shares	
10	Shri Gautam Dalmia C/o Gautam Dalmia (HUF)*	110541	0.06	0	0	0.00	0	0.06
11	Ku. Sumana Dalmia	0	0.00	0	1	0.00	0	0.00
12	Alirox Abrasives Limited	240720	0.12	0	240720	0.12	0	0.00
13	Dalmia Bharat Sugar and Industries Limited	1885134	0.98	0	1885134	0.98	0	0.00
14	Himgiri Commercial Limited	10	0.00	0	10	0.00	0	0.00
15	Rama Investment Company Private Limited	79846410	41.38	0	79846410**	41.38	0	0.00
16	Sita Investment Company Limited	13888260	7.20	0	13888260	7.20	0	0.00
17	Himshikhar Investment Limited	1312444	0.68	0	1312444	0.68	0	0.00
18	Dalmia Refractories Limited	698952	0.36	0	698952	0.36	0	0.00
19	Valley Agro Industries Limited	10	0.00	0	10	0.00	0	0.00
20	MAJ Textiles Pvt Ltd	1290773	0.67	0	1290773	0.67	0	0.00
21	Keshav Power Limited	0	0.00	0	26100	0.01	0	0.01
22	Ku. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust	173330	0.09	0	10	0.00	0	0.00
23	J.H. Dalmia Trust	0	0.00	0	2591493	1.34	0	1.34
24	Shri Brahma Creation Trust	0	0.00	0	359710	0.19	0	0.19
25	Kavita Dalmia Parivar Trust	0	0.00	0	2591493	1.34	0	1.34

* The HUF(s) in the name of Shri Jai Hari Dalmia c/o J. H. Dalmia (HUF) and Shri Gautam Dalmia c/o Gautam Dalmia (HUF) mentioned above had been dissolved during the financial year under review.

**Pursuant to the order dated April 12, 2018, the National Company Law Tribunal approved a scheme of amalgamation and arrangement which provided for (a) merger of Ankita Pratisthan Limited, Mayuka Investment Limited, Puneet Trading and Investment Company Private Limited, Zipahead.Com Private Limited, Mahanadi Trading Private Limited and Shreevallabh Textile Private Limited with Rama Investment Company Private Limited; and (b) demerger of cement business of Keshav Power Limited and Shree Nirman Limited into Rama Investment Company Private Limited ("Scheme"). The aforesaid Scheme has been set aside by the National Company Law Appellate Tribunal ("NCLAT") by its order dated November 29, 2019 ("NCLAT Order"). Subsequently, a miscellaneous application has been filed by Rama Investment Company Private Limited with the NCLAT and the same is pending. The shareholding details of Rama Investment Company Private Limited in the shareholding pattern, has been provided basis the aforesaid Scheme.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

DATEWISE CHANGES IN PROMOTERS' SHAREHOLDING

Sl. No.	Name of the Shareholder	Reason	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Shri Jai Hari Dalmia C/o J. H. Dalmia (HUF)*	Opening Balance	573350	0.30	573350	0.30
		Gift of Equity Shares to Kavita Dalmia on June 25, 2019	573349	0.30	1	0.00
		Gift of Equity Shares to Jai Hari Dalmia on November 28, 2019	1	0.00	0	0.00
		Closing Balance			0	0.00
2	Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)	Opening Balance	186410	0.10	186410	0.10
		Gift of Equity Shares to Bela Dalmia on June 17, 2019	186400	0.10	10	0.00
		Closing Balance			10	0.00
3	Shri Jai Hari Dalmia	Opening Balance	3270020	1.69	3270020	1.69
		Gift of Equity Shares to Kavita Dalmia on June 26, 2019	678526	0.35	2591494	1.34
		Gift of Equity Shares to J.H. Dalmia Trust on June 27, 2019	2591493	1.34	1	0.00
		Gift of Equity Shares from Jai Hari Dalmia (HUF) on November 28, 2019	1	0.00	2	0.00
		Closing Balance			2	0.00
4	Smt. Kavita Dalmia	Opening Balance	753340	0.39	753340	0.39
		Gift of Equity Shares from J.H. Dalmia (HUF) on June 25, 2019	573349	0.29	1326689	0.68
		Gift of Equity Shares from Sumana Dalmia on June 25, 2019	20707	0.01	1347396	0.69
		Gift of Equity Shares from Jai Hari Dalmia on June 26, 2019	678526	0.35	2025958	1.04
		Gift of Equity Shares from Gautam Dalmia on June 26, 2019	565572	0.29	2591494	1.34
		Gift of Equity Shares to Kavita Dalmia Parivar Trust on June 27, 2019	2591493	1.34	01	0.00
		Closing Balance			01	0.00
5	Shri Gautam Dalmia	Opening Balance	283816	0.15	283816	0.15
		Gift of Equity Shares from Gautam Dalmia (HUF) on June 18, 2019	110540	0.06	394356	0.21
		Gift of Equity Shares from Anupama Dalmia on June 21, 2019	22499	0.02	416855	0.23
		Gift of Equity Shares from Vaidehi Dalmia on June 21, 2019	74,359	0.03	491214	0.26
		Gift of Equity Shares from Sukeshi Dalmia on June 25, 2019	74,359	0.03	565573	0.29
		Gift of Equity Shares to Kavita Dalmia on June 26, 2019	565572	0.29	1	0.00
		Closing Balance			1	0.00
6	Smt. Anupama Dalmia	Opening Balance	22500	0.01	22500	0.01
		Gift of Equity Shares to Gautam Dalmia on June 21, 2019	22499	0.01	01	0.00
		Gift of Equity Shares from Gautam Dalmia (HUF) on August 28, 2019	01	0.00	02	0.00
		Closing Balance			02	0.00

DATEWISE CHANGES IN PROMOTERS' SHAREHOLDING						
Sl. No.	**Name of the Shareholder**	**Reason**	**Shareholding at the beginning of the Year**		**Cumulative Shareholding during the Year**	
			No. of shares	**% of total shares of the company**	**No. of Shares**	**% of total shares of the company**
7	Smt. Sukeshi Dalmia	Opening Balance	74360	0.04	74360	0.04
		Gift of Equity Shares to Gautam Dalmia on June 25, 2019	74359	0.04	01	0.00
		Closing Balance			01	0.00
8	Ku. Vaidehi Dalmia	Opening Balance	74360	0.04	74360	0.04
		Gift of Equity Shares to Gautam Dalmia on June 21, 2019	74359	0.04	01	0.00
		Closing Balance			01	0.00
9	Shri Gautam Dalmia C/o Gautam Dalmia (HUF)*	Opening Balance	110541	0.06	110541	0.06
		Gift of Equity Shares to Gautam Dalmia on June 18, 2019	110540	0.06	1	0.00
		Gift of Equity Shares to Anupama Dalmia on August 28, 2019	1	0.00	0	0.00
		Closing Balance			0	0.00
10	Smt. Bela Dalmia	Opening Balance	0	0.00	0	0.00
		Gift of Equity Shares from Y.H. Dalmia (HUF) on June 17, 2019	186400	0.01	186400	0.01
		Gift of Equity Shares from Shrutipriya Dalmia Trust on June 21, 2019	173320	0.18	359720	0.19
		Gift of Equity Shares to Brahma Creation Trust on June 24, 2019	359710	0.19	10	0.00
		Closing Balance			10	0.00
11	Ku. Sumana Dalmia	Opening Balance	0	0.00	0	0.00
		Gift of Equity Shares from Sumana Trust on June 19, 2019	20708	0.01	20708	0.01
		Gift of Equity Shares to Kavita Dalmia on June 25, 2019	20707	0.01	01	0.00
		Closing Balance			01	0.00
12	Alirox Abrasives Limited	Opening Balance	240720	0.12	240720	0.12
		Closing Balance			240720	0.12
13	Dalmia Bharat Sugar and Industries Limited	Opening Balance	1885134	0.98	1885134	0.98
		Closing Balance			1885134	0.98
14	Himgiri Commercial Limited	Opening Balance	10	0.00	10	0.00
		Closing Balance			10	0.00
15	Rama Investment Company Private Limited	Opening Balance	79846410	41.38	79846410	41.38
		Closing Balance			79846410	41.38
16	Sita Investment Company Limited	Opening Balance	13888260	7.20	13888260	7.20
		Closing Balance			13888260	7.20
17	Himshikhar Investment Limited	Opening Balance	1312444	0.68	1312444	0.68
		Closing Balance			1312444	0.68
18	Dalmia Refractories Limited	Opening Balance	698952	0.36	698952	0.36
		Closing Balance			698952	0.36
19	Valley Agro Industries Limited	Opening Balance	10	0.00	10	0.00
		Closing Balance			10	0.00

DATEWISE CHANGES IN PROMOTERS' SHAREHOLDING						
Sl. No.	**Name of the Shareholder**	**Reason**	**Shareholding at the beginning of the Year**		**Cumulative Shareholding during the Year**	
			No. of shares	**% of total shares of the company**	**No. of Shares**	**% of total shares of the company**
20	MAJ Textiles Pvt Ltd	Opening Balance	1290773	0.67	1290773	0.67
		Closing Balance			1290773	0.67
21	Keshav Power Limited	Opening Balance	0	0.00	0	0.00
		Open Market Purchase	26100	0.02	26100	0.02
		Closing Balance			26100	0.02
22	Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust	Opening Balance	173330	0.09	173330	0.09
		Gift of Equity Shares to Bela Dalmia on June 21, 2019	173320	0.09	10	0.00
		Closing Balance			10	0.00
23	J.H. Dalmia Trust	Opening Balance	0	0.00	0	0.00
		Gift of Equity Shares from Jai Hari Dalmia on June 27, 2019	2591493	1.34	2591493	1.34
		Closing Balance			2591493	1.34
24	Shri Brahma Creation Trust	Opening Balance	0	0.00	0	0.00
		Gift of Equity Shares from Bela Dalmia on June 24, 2019	359710	0.19	359710	0.19
		Closing Balance			359710	0.19
25	Kavita Dalmia Parivar Trust	Opening Balance	0	0.00	0	0.00
		Gift of Equity Shares from Kavita Dalmia on June 27, 2019	2591493	1.34	2591493	1.34
		Closing Balance			2591493	1.34

* The HUF(s) in the name of Shri Jai Hari Dalmia c/o J. H. Dalmia (HUF) and Shri Gautam Dalmia c/o Gautam Dalmia (HUF) mentioned above had been dissolved during the financial year under review.

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	**Name of the Share Holder**	**Reason**	**Date**	**Shareholding at the beginning of the Year**		**Cumulative Shareholding during the Year**	
				No. of shares held	**% of total shares of the company**	**No. of Shares**	**% of total shares of the company**
1	Oppenheimer Developing Markets Fund	Opening Balance	01/04/2019	6727067	3.49	6727067	3.49
		Sale	17/05/2019	89105	0.05	6637962	3.44
		Sale	24/05/2019	634910	0.33	6003052	3.11
		Sale	31/05/2019	1074469	0.56	4928583	2.55
		Sale	13/09/2019	140309	0.07	4788274	2.48
		Sale	20/09/2019	188443	0.10	4599831	2.38
		Sale	27/09/2019	1469830	0.76	3130001	1.62
		Sale	04/10/2019	90987	0.05	3039014	1.57
		Sale	08/11/2019	3039014	1.57	0	0.00
		Closing Balance	31/03/2020			0	0.00

Sl. No.	Name of the Share Holder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of shares held	% of total shares of the company	No. of Shares	% of total shares of the company
2	Aditya Birla Sun Life Trustee Private Limited A/C	Opening Balance	01/04/2019	4448656	2.31	4448656	2.31
		Purchase	05/04/2019	677400	0.35	5126056	2.66
		Purchase	31/05/2019	150000	0.08	5276056	2.73
		Sale	07/06/2019	20000	0.01	5256056	2.72
		Purchase	12/07/2019	40000	0.02	5296056	2.74
		Purchase	23/08/2019	20000	0.01	5316056	2.76
		Sale	20/12/2019	35400	0.02	5280656	2.74
		Sale	10/01/2020	282391	0.15	4998265	2.59
		Sale	17/01/2020	328137	0.17	4670128	2.42
		Sale	24/01/2020	249567	0.13	4420561	2.29
		Sale	31/01/2020	7705	0.00	4412856	2.29
		Sale	07/02/2020	89190	0.05	4323666	2.24
		Sale	14/02/2020	145039	0.08	4178627	2.17
		Sale	21/02/2020	48905	0.03	4129722	2.14
		Sale	28/02/2020	121422	0.06	4008300	2.08
		Sale	06/03/2020	12805	0.01	3995495	2.07
		Sale	13/03/2020	19845	0.01	3975650	2.06
		Sale	31/03/2020	19860	0.01	3955790	2.05
		Closing Balance	31/03/2020			3955790	2.05
3	Dharti Investments And Holdings Limited	Opening Balance	01/04/2019	3155867	1.64	3155867	1.64
		Closing Balance	31/03/2020			3155867	1.64
4	DS Trust	Opening Balance	01/04/2019	3014646	1.56	3014646	1.56
		Closing Balance	31/03/2020			3014646	1.56
5	Ajit Menon, Trustee of DB Trust	Opening Balance	01/04/2019	2251062	1.17	2251062	1.17
		Sale	27/09/2019	1851062	0.96	400000	0.21
		Sale	30/09/2019	100000	0.05	300000	0.16
		Sale	20/03/2020	300000	0.16	0	0.00
		Closing Balance	31/03/2020			0	0.00
6	Kritagyata Trust	Opening Balance	01/04/2019	0	0.00	0	0.00
		Purchase	11/10/2019	1951062	1.01	1951062	1.01
		Sale	18/10/2019	28500	0.01	1922562	1.00
		Purchase	01/11/2019	28500	0.01	1951062	1.01
		Closing Balance	31/03/2020			1951062	1.01
7	Franklin Templeton Investment Funds	Opening Balance	01/04/2019	1679853	0.87	1679853	0.87
		Sale	28/06/2019	66097	0.03	1613756	0.84
		Sale	05/07/2019	109075	0.06	1504681	0.78
		Sale	12/07/2019	40750	0.02	1463931	0.76
		Sale	30/08/2019	47656	0.02	1416275	0.73
		Purchase	27/09/2019	140907	0.07	1557182	0.81
		Purchase	04/10/2019	39076	0.02	1596258	0.83
		Purchase	11/10/2019	114504	0.06	1710762	0.89
		Purchase	18/10/2019	51568	0.03	1762330	0.91

Sl. No.	Name of the Share Holder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of shares held	% of total shares of the company	No. of Shares	% of total shares of the company
		Purchase	25/10/2019	94852	0.05	1857182	0.96
		Sale	20/03/2020	17500	0.01	1839682	0.95
		Closing Balance	31/03/2020			1839682	0.95
8	HDFC Life Insurance Company Limited	Opening Balance	01/04/2019	1435734	0.74	1435734	0.74
		Purchase	05/04/2019	74986	0.04	1510720	0.78
		Purchase	03/05/2019	26	0.00	1510746	0.78
		Purchase	17/05/2019	258	0.00	1511004	0.78
		Sale	31/05/2019	258	0.00	1510746	0.78
		Sale	14/06/2019	876	0.00	1509870	0.78
		Purchase	12/07/2019	1417	0.00	1511287	0.78
		Purchase	02/08/2019	19388	0.01	1530675	0.79
		Purchase	09/08/2019	536	0.00	1531211	0.79
		Purchase	23/08/2019	864	0.00	1532075	0.79
		Purchase	30/08/2019	2795	0.00	1534870	0.80
		Purchase	06/09/2019	25000	0.01	1559870	0.81
		Purchase	13/09/2019	105000	0.05	1664870	0.86
		Purchase	20/09/2019	70000	0.04	1734870	0.90
		Purchase	27/09/2019	176948	0.09	1911818	0.99
		Purchase	30/09/2019	233289	0.12	2145107	1.11
		Purchase	04/10/2019	14021	0.01	2159128	1.12
		Purchase	11/10/2019	1567	0.00	2160695	1.12
		Purchase	18/10/2019	235	0.00	2160930	1.12
		Purchase	15/11/2019	139	0.00	2161069	1.12
		Purchase	29/11/2019	65	0.00	2161134	1.12
		Purchase	20/12/2019	189	0.00	2161323	1.12
		Purchase	10/01/2020	75	0.00	2161398	1.12
		Purchase	17/01/2020	197	0.00	2161595	1.12
		Purchase	24/01/2020	86000	0.04	2247595	1.16
		Purchase	31/01/2020	55908	0.03	2303503	1.19
		Purchase	07/02/2020	50070	0.03	2353573	1.22
		Sale	14/02/2020	744	0.00	2352829	1.22
		Purchase	28/02/2020	26649	0.01	2379478	1.23
		Purchase	06/03/2020	42750	0.02	2422228	1.26
		Purchase	20/03/2020	119881	0.06	2542109	1.32
		Purchase	27/03/2020	33548	0.02	2575657	1.33
		Closing Balance	31/03/2020			2575657	1.33
9	Burgundy Emerging Markets Fund	Opening Balance	01/04/2019	1394178	0.72	1394178	0.72
		Purchase	18/10/2019	32272	0.02	1426450	0.74
		Purchase	25/10/2019	76898	0.04	1503348	0.78
		Purchase	01/11/2019	44497	0.02	1547845	0.80
		Purchase	08/11/2019	11247	0.01	1559092	0.81
		Purchase	31/03/2020	1559092	0.81	3118184	1.62
		Sale	31/03/2020	1559092	0.81	1559092	0.81
		Closing Balance	31/03/2020			1559092	0.81
10	Gagandeep Credit Capital Pvt Ltd	Opening Balance	01/04/2019	1369000	0.71	1369000	0.71
		Closing Balance	30/03/2020			1369000	0.71

v) Shareholdings of Directors and Key Managerial Personnel:

Sl. No.	Name of the Shareholder	Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Shri Jai Hari Dalmia	Opening Balance	01/04/2019	3270020	1.69	3270020	1.69
		Gift of Equity Shares to Kavita Dalmia	26/06/2019	678526	0.35	2591494	1.34
		Gift of Equity Shares to J.H. Dalmia Trust	27/06/2019	2591493	1.34	1	0.00
		Gift of Equity Shares from Jai Hari Dalmia (HUF)	28/11/2019	1	0.00	2	0.00
		Closing Balance	31/03/2020			2	0.00
2	Shri Gautam Dalmia	Opening Balance	01/04/2019	283816	0.15	283816	0.15
		Gift of Equity Shares from Gautam Dalmia (HUF)	18/06/2019	110540	0.06	394356	0.21
		Gift of Equity Shares from Anupama Dalmia	21/06/2019	22499	0.02	416855	0.23
		Gift of Equity Shares from Vaidehi Dalmia	21/06/2019	74,359	0.03	491214	0.26
		Gift of Equity Shares from Sukeshi Dalmia	25/06/2019	74,359	0.03	565573	0.29
		Gift of Equity Shares to Kavita Dalmia	26/06/2019	565572	0.29	1	0.00
		Closing Balance	31/03/2020			1	0.00
3	Shri Jayesh Doshi	Opening Balance	01/04/2019	49500	0.03	49500	0.03
		Open market sale	30/04/2019	665	0.00	48835	0.03
		Exercise of options	17/03/2020	36000	0.01	84835	0.04
		Closing Balance	31/03/2020			84835	0.04
4	Shri Dharmendar Nath Davar*	Opening Balance	01/04/2019	1500	0.00	1500	0.00
		Closing Balance	30/08/2019			1500	0.00
5	Dr. Niddodi Subrao Rajan**	Opening Balance	30/08/2019	405	0.00	405	0.00
		Open market Purchase	25/03/2020	3972	0.00	4377	0.00
		Open market Purchase	30/03/2020	1561	0.00	5938	0.00
		Closing Balance	31/03/2020			5938	0.00

* Shri Dharmendar Nath Davar had resigned from the directorship w.e.f 30/08/2019

** Dr. Niddodi Subrao Rajan had been appointed as the Director of the Company w.e.f 30/08/2019

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment: NIL

(₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i. Principal amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the Financial Year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the Financial Year				
i. Principal amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(₹ crore)

S. No.	Particulars of Remuneration	Name of the Managing Directors/ Whole time Director			Total Amount
		Mr. Puneet Yadu Dalmia (MD & CEO)	Mr. Gautam Dalmia (MD)	Mr. Jayesh Doshi (WTD & CFO)	
1.	Gross Salary				
(a)	Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	16.56	12.64	3.47	32.67
(b)	Value Of Perquisites u/s 17(2) Income Tax Act, 1961	0.09	0.09	0.02	0.20
(c)	Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	**	**
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	16.65	12.73	3.49	32.87*
	Ceiling as per the Act	10% of the net profits i.e. ₹13.50*			

*The Company sought special approval from shareholders in its 5th AGM held on December 31, 2018.

**Mr. Jayesh Doshi received 36,000 equity shares of the Company on exercise of ESOP.

B. Remuneration to other Directors:

1. Independent Directors:

(₹ crore)

Particulars of Remuneration	Name of the Directors				Total Amount
	Mr. P.K. Khaitan	Mr. V.S. Jain	Mrs. Sudha Pillai	Mr. N. Gopalaswamy	
Fee for attending Board / Committee Meeting	0.09	0.12	0.12	0.04	0.37
Commission	0.40	0.20	0.10	0.10	0.80
Others, please specify	-	-	-	-	-
Total (1)	0.49	0.32	0.22	0.14	1.17

2. **Other Non-Executive Directors**

(₹ crore)

Particulars of Remuneration	Name of the Directors				Total Amount
	Mr. J.H. Dalmia	Mr. Y.H. Dalmia	Mr. D.N. Davar	Dr. N.S. Rajan	
Fee for attending Board / Committee Meeting	0.05	0.05	0.01	0.05	0.16
Commission	-	-	0.20	-	0.20
Others, please specify	-	-	-	-	-
Total (2)	0.05	0.05	0.21	0.05	0.36
Total (B) = (1) + (2)					1.53
Total Managerial Remuneration (excluding sitting fees)					33.87
Overall Ceiling as per the Act	11% of the net profits i.e. ₹14.85*				

*The Company sought special approval from shareholders in its 5th AGM held on December 31, 2018.

3. **Remuneration to Key Managerial Personnel Other than MD / Manager / WTD:**

(₹ crore)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Dr. Sanjeev Gemawat Company Secretary	Mr. Jayesh Doshi CFO*	
1.	Gross Salary			
(a)	Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	1.91	-	1.91
(b)	Value of Perquisites u/s 17(2) Income Tax Act, 1961	0.00	-	0.00
(c)	Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of profit - Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	1.91	-	1.91

* Whole-time Director is also the CFO, whose salary details are covered in VI A above.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: None

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
Penalty					
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

1. **A brief outline of the Company's Corporate Social Responsibility policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the Corporate Social Responsibility policy and projects or programs.**

CORPORATE SOCIAL RESPONSIBILITY

Dalmia (Bharat) Group was founded in 1935 and has been following the concept of giving back and sharing with the under privileged sections of the society for more than eight decades. The Corporate Social Responsibility of the Company is based on the Gandhian principle of Trusteeship. For over eight decades the Company has addressed the issues of health and sanitation, education, rural infrastructure, 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 focussed on generating systematic and sustainable improvement for local communities surrounding our plants and project sites.

Our Corporate Social Responsibility Policy can be accessed on http://www.dalmiacement.com/company-policies.html.

During the financial year, DBL, area of operation covered 88 villages located in Chirawa, District – Jhunjhunu, Rajasthan (493 sq. Km.) which is abutting the Eastern part of the Thar Desert. The area's major source of income is agriculture. Since the location is handicapped by absence of canals/ water bodies, around 98% of the agricultural activity is dependent solely upon ground water.

PROGRAMME OUTREACH DURING FINANCIAL YEAR 2019-20

- **Soil and Water Conservation:**

  Depleting water table is a massive problem being faced across the country. As against an availability of ground water of 20.48 m.cm. in Chirawa, its consumption is around 65.7 m.c.m., i.e. a 321% mis-match. As a result, the dependency on ground water for domestic and agriculture use has increased many fold.

  Therefore, during the financial year, the focus has been to work on water harvesting, promoting horticulture plantation and showcasing agricultural practices. The following table describes the activities and outreach of the initiatives in a nutshell: -

Table: Snapshot of Activities

Location	Program	Activities	Unit	Achieved during the year (2019-20)	Beneficiaries
Chirawa	Water Harvesting	Roof top water harvesting Structures	No.	245	1470
		Soak Pits	No.	315	1890
		Recharge Wells	No.	7	Entire Aquifer
	Plantation	Orchards	No.	73	438
		Plants in Orchards	No.	8900	438
		Community land	No.	18100	Entire Villages
	Agriculture	Agriculture Demonstration	No.	1900	55 villages
		Field days	No.	8	2260
		Krishi Mela	No.	1	2200

OUTCOMES AND IMPACTS:

- 245 rainwater harvesting tanks constructed in 17 villages of Chirawa Panchayat Samiti covering 1920 beneficiaries.
- Water harvested in rainwater harvesting tanks 40.36 lacs of litre, and recharged through recharge well and soak pits 165.58 lakh of litre.
- Water saved through various water harvesting structures and agriculture (by a reduction in withdrawal of groundwater) is more than 869.16 Cr litres.
- Construction of 6 recharge wells and 315 Soak pits has positively contributed in ground water recharge in the intervention villages.

- Through demonstrations and inputs to 1900 farmers on improved variety seeds, fertilizer and technical know-how provided by the organization, resulting in enhancing their income by 50 percent and reduced dependency on ground water by 40% to 65%.
- More than 27000 lakh plants were planted on community lands as well as on individual farms and 73 orchards of Kinnow, Nimboo, Muashmi, Beel etc. have been promoted.
- Fund Mobilised from Community for rainwater harvesting structures ₹195.14 Lakh in terms of labour and kind.
- 911 Toilets constructed and in 56 villages and 81 villages have become open defecation free.

COVID -19 Pandemic Response:

Dalmia Bharat Group, pledged and contributed ₹100 lakh in Prime Minister's Care Relief fund to fight and defeat COVID-19. #DalmiaFightsCorona.

2. The Composition of the Corporate Social Responsibility Committee.

Composition of the Corporate Social Responsibility Committee of Dalmia Bharat Limited is:

1. Mrs. Sudha Pillai, Chairperson, Independent Director

2. Mr. Virendra Singh Jain, Member, Independent Director

3. Mr. Yadu Hari Dalmia, Member, Non-Executive Director

4. Mr. Gautam Dalmia, Member, Executive Director

3. Average net profit of the company for last three financial years – ₹55.56 Crore

4. Prescribed Corporate Social Responsibility Expenditure (two per cent of the amount as in item 3 above) – ₹1.11 crore

5. Details of Corporate Social Responsibility spent during the financial year-

(a) Total amount to be spent for the financial year- ₹1.60 Crore

(b) Amount unspent, if any: Nothing is remained unspent

(c) Manner in which the amount spent during the financial year is detailed below.

Attached as Annexure-4A to this report.

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

Not Applicable

7. A responsibility statement of the Corporate Social Responsibility Committee that the implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with Corporate Social Responsibility objectives and Policy of the company.

The implementation and monitoring of Corporate Social Responsibility programmes of the Company is in compliance with the Corporate Social Responsibility objectives and policy.

Puneet Yadu Dalmia	**Sudha Pillai**
Managing Director and CEO	Chairperson
DIN 00022633	CSR Committee
	DIN 02263950

Place: New Delhi
Date: June 13, 2020

Annexure 4A

Dalmia Bharat Limited (2019-2020)

(Figures in Crore)

S. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads: (1)Direct expenditure on projects or programs. (2)Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	**Soil and Water Conservation** (Roof Top Water Harvesting Structures, Soak Pits, Recharge Wells, Orchard Development, best practices in agriculture through demonstrations, Krishi Mela etc.)	**Schedule VII / item No IV** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented at Chirawa, District – Jhunjhunu, Rajasthan. 2. The programe was implemented in 88 villages of Chirawa.	1.11	0.60	0.60	Implementing agency - Dalmia Bharat Foundation
2	**COVID -19 Pandemic Response: Contribution made to "Prime Minister CARE Fund"**	**Schedule VII / item No VIII** Contribution to the Prime Minister's CARE Fund			1.00	1.00	Amount spent: Directly
	Total			1.11	1.60	1.60	

Annexure 5

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

   None

2. Details of material contracts or arrangements or transactions at arm's length basis

		1
(a)	Name(s) of the related party and nature of relationship	Dalmia Cement (Bharat) Limited, Wholly owned Subsidiary Company
(b)	Nature of contracts/ arrangements/ transactions	Receipt of Management Service charges
(c)	Duration of the contracts / arrangements/ transactions entered	3 years effective April 1, 2019
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Allocation of all expenses for availing Management Consultancy services with mark up of 15% on basis of value added. Direct expenses on project supervision costs on time spent besides direct costs at actuals. Value: ₹143.13 crores for the financial year ended March 31, 2020.
(e)	Date(s) of approval by the Board, if any:	Approved by Audit Committee of the Board of Directors of the Company on February 07, 2019
(f)	Amount paid as advances, if any:	NIL

Place: New Delhi
Dated: June 13, 2020

Gautam Dalmia
Managing Director
DIN- 00009758

Puneet Yadu Dalmia
Managing Director
DIN-00022633

Annexure 6

FORM NO MR 3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2020

(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**). Secretarial Audit was 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 31.03.2020 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 31.03.2020 made available to me by email/online mode according to the provisions of:

(i) The Companies Act, 2013 (The Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) 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;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) 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)

e) 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)

f) 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

g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;

h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015;

i) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014;

j) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013;

(vi) 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 one 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 two Board meetings, two 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 three circulation resolutions passed by the Board, one resolution by circulation by the Audit Committee of the Board, 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

(A) the Board of Directors has:

1. Accepted the resignation of Sri. N. Gopalaswamy, an Independent Director.
2. Accepted the retirement of Sri. Dharmendar Nath Davar, a Non-Executive Director.
3. Appointed Sri. Dr. Niddodi Subrao Rajan as a Non-Executive Director.
4. Approved the proposal to buy back equity shares of the Company.

R. Venkatasubramanian
Practising Company Secretary
ACS No. 3673; CP No. 3893
UDIN:A003673B000341111

Place: Angarai
Date: 13.06.2020

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.

R. Venkatasubramanian
Practising Company Secretary
ACS No. 3673; CP No. 3893
UDIN:A003673B000341111

Place: Angarai
Date: 13.06.2020

Report on Corporate Governance

(I) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our corporate culture defines who we are, what we stand for and how we do business. The Group's history and its culture have been founded on the principle of good governance makes sound business sense. Our 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.

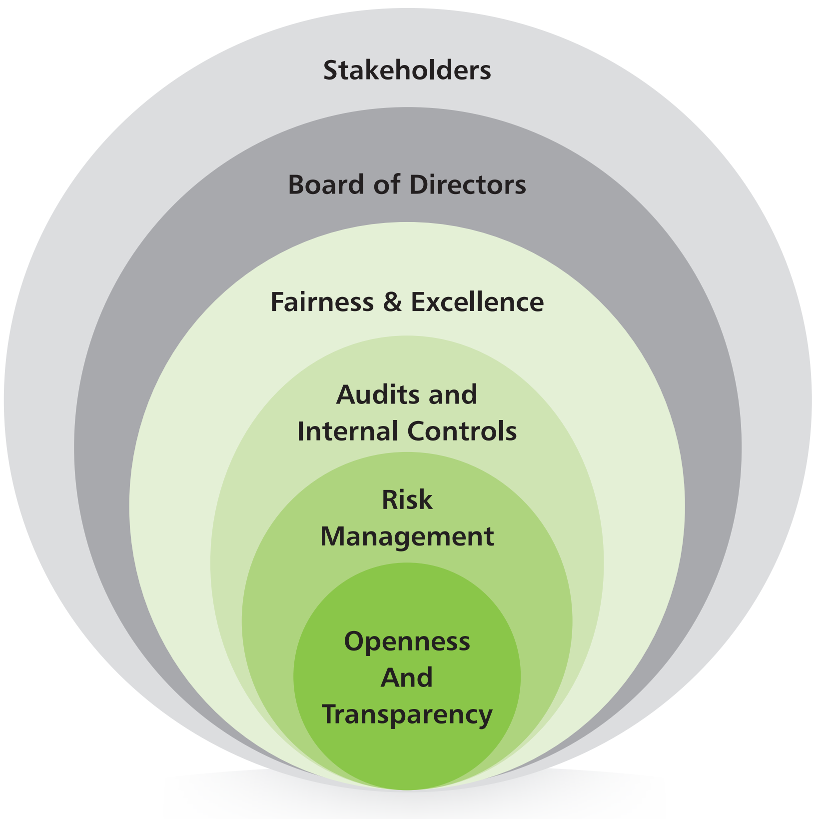
Corporate governance is based on principles such as conducting the business with integrity, fairness and transparency with regard to all transactions, making all the necessary disclosures and decisions in compliance with the laws of the land, accountability and responsibility towards the stakeholders 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 Integrity, Humility, Commitment, Trust, Respect 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").

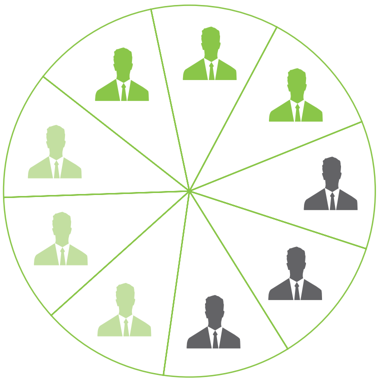


(II) BOARD OF DIRECTORS

(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. Our Board comprises of 9 Director(s) out of which 66.67% are Non-Executive and Independent Director (s) and 33.33% are Executive Director (s).

The 33.33% of total strength of the Board comprises of Independent Director (s) including one Independent Woman Director. The Chairman of the Board is a Non-Executive Independent Director and is not related to the Managing Director or Chief Executive Officer.



Non-Executive and Independent Directors	33.33%
Non-Executive Directors	33.33%
Executive Directors	33.33%
Total Board Size and Composition	**100%**

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. During the financial year under review, Mr. Dharmendar Nath Davar, Non-Executive and Non-Independent Director and Mr. Nagarajan Gopalaswamy, Non-Executive and Independent Director of the Company resigned from their directorship with effect from August 30, 2019 and September 25, 2019 respectively.

Dr. Niddodi Subrao Rajan was appointed at the Annual General Meeting held on August 30, 2019 as a Non-Executive and Non-Independent Director of the Company liable to retire by rotation.

The composition of the Board and other directorships of Directors of the Company held as on March 31, 2020 are provided in below Table 1.

Table 1: The Composition of the Board and other directorships held as on March 31, 2020

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					
Mr. Pradip Kumar Khaitan (Chairman)		CESC Limited	7	5	2
		Firstsource Solutions Limited			
		Electrosteel Castings Limited			
		Graphite India Limited			
		Emami Limited			
		India Glycols 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
Mr. Virendra Singh Jain		Apl Apollo Tubes Limited	1	0	0
Mrs. Sudha Pillai		Jubilant Life Sciences Limited	8	9	3
		International Travel House Limited			
		Indian Energy Exchange Limited			
		Amber Enterprises India Limited			
Non-Executive Director					
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					
Mr. Gautam Dalmia (Managing Director) (4)		Dalmia Bharat Sugar and Industries Limited	4	3	0
		Indian Energy Exchange Limited			
Mr. Puneet Yadu Dalmia (Managing Director) (4)		SRF Limited	1	0	0
Mr. Jayesh Doshi (Whole Time Director & CFO)	--	Nil	2	0	0

- Non-Executive and Independent Directors, - Non-Executive Directors, - Executive Directors

1. Excluding directorships in Private Limited Companies, Foreign Companies and Section 8 Companies under the provision of the Companies Act, 2013;
2. 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);
3. 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;
4. Mr. Jai Hari Dalmia and Mr. Yadu Hari Dalmia are brothers. Mr. Gautam Dalmia is son of Mr. Jai Hari Dalmia and Mr. Puneet Yadu 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.

(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.

During the financial year 2019-20, the Board of Directors met seven times on May 09, 2019, August 01, 2019, October 19, 2019, November 14, 2019, December 31, 2019, February 06, 2020 and March 21, 2020.

As per the Articles of Association of the Company and the Companies Act, 2013, the required quorum for every meeting of the Board of Directors is one third of its total strength or two 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.

Table 2: Attendance at the Board Meetings and Annual General Meeting and number of shares held during financial year 2019-20

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	6	7				
Mr. Pradip Kumar Khaitan	X	👤	👤	👤	X	X	👤	👤	7	5	71.42%	Nil
Mr. Jai Hari Dalmia	X	👤	👤	👤	👤	👤	X	👤	7	6	85.71%	2
Mr. Yadu Hari Dalmia	X	👤	👤	👤	👤	👤	👤	👤	7	7	100%	Nil
Mr. Gautam Dalmia	X	👤	X	👤	👤	X	👤	👤	7	5	71.42%	1
Mr. Puneet Yadu Dalmia	X	👤	👤	👤	X	👤	👤	👤	7	6	85.71%	Nil
*Mr. Dharmendar Nath Davar	X	X	👤	--	--	--	--	--	2	1	50%	1500
*Mr. Nagarajan Gopalaswamy	👤	👤	👤	--	--	--	--	--	2	2	100%	Nil
Mr. Virendra Singh Jain	👤	👤	👤	👤	👤	👤	👤	👤	7	7	100%	Nil
Mrs. Sudha Pillai	X	👤	👤	👤	👤	👤	👤	👤	7	7	100%	Nil
**Dr. Niddodi Subrao Rajan	--	--	--	👤	👤	👤	👤	👤	5	5	100%	5938
Mr. Jayesh Doshi	X	👤	👤	👤	👤	X	👤	👤	7	6	85.71%	84835

👤 -Attended **X**- Leave of Absence

* Mr. Dharmendar Nath Davar & Mr. Nagarajan Gopalaswamy, resigned from their directorship with effect from August 30, 2019 and September 25, 2019 respectively.

** Dr. Niddodi Subrao Rajan appointed as a Non-Executive and Non-Independent Director of the Company with effect from August 30, 2019.

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 book 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 06, 2020 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 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 details of such familiarisation programme for the financial year 2019-20 are disclosed at www.dalmibharat.com in terms of the Listing Regulations.

(d) Remuneration paid to Directors and ESOPs

The Board of Directors comprises of six Non-Executive Directors and three Executive Directors.

The sitting fees 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 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 remuneration policy and as recommended by the Nomination and Remuneration Committee.

The details of sitting fees and commission paid to the Non-Executive Directors and remuneration paid to Executive Directors during the financial year 2019-20 are provided in below Table 3.

Table 3: Remuneration details

(₹ crore)

S. No	Name of Director	Sitting fees	Commission	Salary and perquisites	Retirement benefits	Total
1	Mr. Pradip Kumar Khaitan	0.09	0.40	-	-	0.49
2	Mr. Jai Hari Dalmia	0.05	-	-	-	0.05
3	Mr. Yadu Hari Dalmia	0.05	-	-	-	0.05
4	Mr. Gautam Dalmia	-		13.45	1.53	14.98
5	Mr. Puneet Yadu Dalmia	-	-	17.65	1.99	19.64
6	Mr. Nagarajan Gopalaswamy^	0.04	0.10	-	-	0.14
7	Mr. Virendra Singh Jain	0.12	0.20	-	-	0.32
8	Mrs. Sudha Pillai	0.12	0.10	-	-	0.22
9	Mr. Dharmendar Nath Davar^ ^	0.01	0.20	-	-	0.21
10	Dr. Niddodi Subrao Rajan*	0.05	-	-	-	0.05
11	Mr. Jayesh Doshi**	-	-	3.65	0.15	3.80

^ resigned with effect from September 25, 2019;
^ ^ resigned with effect from August 30, 2019;
*Appointed with effect from August 30, 2019;
** Remuneration amount does not include value of shares received under ESOP.

The retirement benefits to the Executive Directors comprise 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 Advisor to Dalmia Cement (Bharat) Limited, a material subsidiary, with effect from January 1, 2020 and receives remuneration 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 and in the case of Whole-time Director and Chief Financial Officer by giving six months' notice. There is no provision for severance fee in case of termination.

During the year, 3,00,000 stock options were vested into eligible employees of the Company / subsidiary as per DBL ESOP Scheme 2018. The Nomination and Remuneration Committee of the Board of Directors decided to administer DBL ESOP 2018 through DB Trust, an Employee Welfare Trust of the Company, with respect to the said 3,00,000 stock options. Pursuant to which, 3,00,000 equity shares of ₹2/- each were transferred by the DB Trust upon exercise of 3,00,000 stock options by the eligible employees.

Except Mr. Jayesh Doshi, Whole-time Director and Chief Financial Officer, who has been granted 1,17,000 ESOPs as per details given hereunder, no other Director of the Company has been granted any stock options.

1. 90,000 options (as against 45,000 outstanding options as per DBEL ESOP 2011 granted on January 29, 2015) at a price of ₹108.615 per share (as against ₹217.23 per share as per DBEL ESOP 2011) representing discount of 50% on the price determined on the basis of 30 days volume weighted average price prior to the date of grant accruing over a period of three years and exercisable in the following manner:

Year of vesting	2019	2020	2021
No. of ESOPs to be vested	24000	30000	36000

Out of the above stock options, Mr. Jayesh Doshi has exercised 24,000 stock options during the financial year 2018-19 and 30,000 stock options during the financial year 2019-20.

2. 27,000 options (as against 13,500 outstanding options as per DBEL ESOP 2011 granted on February 03, 2016) at a price of ₹191.765 per share (as against ₹383.53 per share as per DBEL ESOP 2011) representing discount of 50% on the price determined on the basis of 30 days volume weighted average price prior to the date of grant accruing over a period of remaining four years and exercisable in the following manner:

Year of vesting	2019	2020	2021	2022
No. of ESOPS to be vested	4500	6000	7500	9000

Out of the above stock options, Mr. Jayesh Doshi has exercised 4,500 stock options during the financial year 2018-19 and 6,000 stock options during the financial year 2019-20.

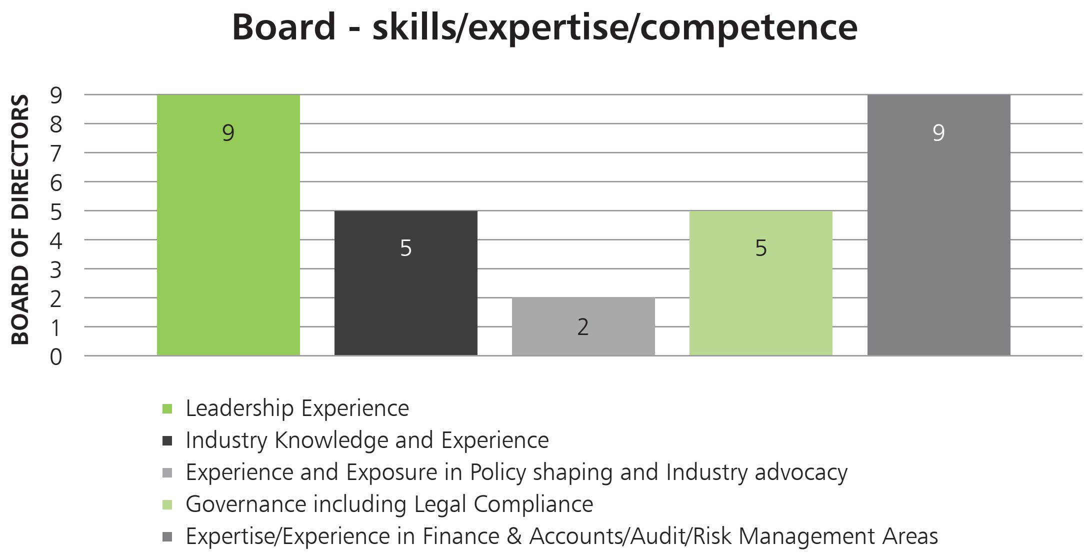
(e) Code of Conduct for the Directors and Senior Management of the Company

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 www.dalmiabharat.com. 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 enclosed at the end of this report.

(f) CEO/ CFO certification

The CEO and CFO certification of the financial statements for the financial year 2019-20 is enclosed 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:

S. No	Experience / Expertise / Attribute and Directors	Comments
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	Possess an 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.

S. No	Experience / Expertise / Attribute and Directors	Comments
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.

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	√	--	--	√	√
Mr. Jayesh Doshi	√	√	--	√	√

(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 seven (7) Board level Committees as on March 31, 2020, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Group Governance Committee and Buy Back Committee. All these Committees have been constituted by the Board of Directors in previous financial year 2018-19 except the Buy Back Committee which was constituted in financial year 2019-20. The composition, constitution and functioning of these Committees meets 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	Group Governance Committee	Buy Back Committee
Mr. Pradip Kumar Khaitan				--	--	--		--
Mr. Jai Hari Dalmia		--	--	--	--	--	--	--
Mr. Yadu Hari Dalmia		--	--		--		--	--
Mr. Gautam Dalmia		--	--				--	
Mr. Puneet Yadu Dalmia		--	--	--	--	--	--	
Mr. Nagarajan Gopalaswamy^	--	--	--	--	--	--	--	--

Name of the Director	Board	Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Risk Management Committee	Stakeholders Relationship Committee	Group Governance Committee	Buy Back Committee
Mr. Virendra Singh Jain**	Member	Chairperson	--	Member	Chairperson	Chairperson	Member	--
Mrs. Sudha Pillai^ ^	Member	Member	Chairperson	Chairperson	Member	--	--	--
Mr. Dharmendar Nath Davar*	--	--	--	--	--	--	--	--
Dr. Niddodi Subrao Rajan* ^	Member	--	Member	--	Member	--	Chairperson	--
Mr. Jayesh Doshi	Member	--	--	--	--	--	--	Member
Total Number of Members	9	3	3	4	4	3	3	3

- Chairperson - Member

*Mr. Dharmendar Nath Davar resigned from the post of directorship with effect from August 30, 2019. Before resignation he acted as member of Audit Committee of the Company.

^ Mr. Nagarajan Gopalaswamy resigned from the post of directorship with effect from September 25, 2019. Before resignation he acted as a chairperson of Nomination & Remuneration Committee and acted as a member of Audit Committee, Risk Management Committee, Stakeholders Relationship Committee and Group Governance Committee of the Company.

**Mr. Virendra Singh Jain acted as a chairperson of Corporate Social Responsibility Committee & Group Governance Committee and member of Nomination & Remuneration Committee till October 19, 2019.

^ ^ Mrs. Sudha Pillai acted as a chairperson of Nomination & Remuneration Committee, Corporate Social Responsibility Committee and as a member of Risk Management Committee since October 19, 2019.

* ^ Dr. Niddodi Subrao Rajan acted as a chairperson of Group Governance Committee and acted as a member of Nomination & Remuneration Committee and Risk Management Committee since October 19, 2019

Audit Committee

Your Company has a duly constituted Audit Committee having all learned and eminent personalities in their respective fields and its composition as well as terms of reference are in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The Committee met six times during the financial year 2019-20 and the gap between two committee meetings did not exceed 120 days. The dates on which the committee meetings held were: May 09, 2019, May 25, 2019, August 01, 2019, October 19, 2019, November 14, 2019 and February 06, 2020. 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	6			
Mr. Virendra Singh Jain	Attended	Attended	Attended	Attended	Attended	Attended	6	6	100%
Mr. Pradip Kumar Khaitan	Attended	Attended	Attended	Attended	X	Attended	6	5	83.33%
Mrs. Sudha Pillai	Attended	Attended	Attended	Attended	Attended	Attended	6	6	100%
Mr. Dharmendar Nath Davar	X	X	X	—	—	—	3	0	0%
Mr. Nagarajan Gopalaswamy	Attended	X	Attended	—	—	—	3	2	66.66%

- Attended **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 2019-20 were accepted by the Board of Directors.

The members of the Audit Committee, i.e., Mr. Virendra Singh Jain and Mr. Nagarajan Gopalaswamy, were present at the Annual General Meeting of the Company held on August 30, 2019.

Nomination and Remuneration Committee.

Your Company has a duly constituted Nomination and Remuneration Committee and its composition as well as terms of reference are in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The Committee met six times during the financial year 2019-20. The dates on which Committee Meetings held were: May 25, 2019, August 01, 2019, October 19, 2019, January 21, 2020, February 05, 2020 and February 21, 2020. 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	5	6			
Mrs. Sudha Pillai							6	6	100%
Mr. Pradip Kumar Khaitan							6	6	100%
Dr. Niddodi Subrao Rajan	--	--	--				3	3	100%
Mr. Virendra Singh Jain				--	--	--	3	3	100%
Mr. Nagarajan Gopalaswamy	X		--	--	--	--	2	1	50%

- 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 2019-20 were accepted by the Board of Directors.

The members of the Nomination and Remuneration Committee, i.e., Mr. Nagarajan Gopalaswamy and Mr. Virendra Singh Jain, were present at the Annual General Meeting of the Company held on August 30, 2019.

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 2019-20, 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

Your Company has a duly constituted Stakeholders' Relationship Committee and its composition as well as terms of reference are in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The Committee met once during the financial year 2019-20 on February 05, 2020. The attendance details of the Committee meeting are given in below Table 7:

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		1	1	100%
Mr. Nagarajan Gopalaswamy	--	0	0	--

- Attended

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.
- Review measures for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by shareholders.

Mr. Virendra Singh Jain and Mr. Nagarajan Gopalaswamy, member of the Stakeholders' Relationship Committee were present at the Annual General Meeting of the Company held on August 30, 2019.

Dr. Sanjeev Gemawat, Executive Director (Legal) and Group 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 2019-20, the Company received 332 complaints from the shareholders. Details of shareholders complaints are given below in Table 8:

Table 8: Shareholders complaints

Nature of Complaint	Pending as on April 01, 2019	Received during the year	Resolved satisfactorily during the year	Pending as on March 31 2020
Non-receipt of Annual Report	0	24	24	0
Non-receipt of Dividend Warrants	0	220	220	0
Non-receipt of securities after transfer / transmission / duplicate / remat / name correction / split etc.	0	78	78	0
Complaints received from:				
Securities and Exchange Board of India	0	6	6	0
Stock Exchanges	0	4	4	0
Registrar of Companies/ Department of Company Affairs	0	0	0	0
Others	0	0	0	0
Total	**0**	**332**	**332**	**0**

Corporate Social Responsibility Committee

Your Company has a duly constituted Corporate Social Responsibility Committee and its composition as well as terms of reference are in line with the requirements of the Companies Act, 2013. The Committee met once during the financial year 2019-20 on May 08, 2019. 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	X	1	0	--
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 www.dalmiabharat.com. The Annual Report on CSR activities for the financial year 2019-20 forms part of the Board's Report.

Risk Management Committee

Your Company has a duly constituted Risk Management Committee and its composition as well as terms of reference are in line with the requirements of the Companies Act, 2013 and the Listing Regulations. The Committee met three times during the financial year 2019-20 on May 08, 2019, December 05, 2019 and February 05, 2020. 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	2	3			
Mr. Virendra Singh Jain				3	3	100%
Mr. Gautam Dalmia				3	3	100%
Mrs. Sudha Pillai	--			2	2	100%
Dr. Niddodi Subrao Rajan	--			2	2	100%
Mr. Nagarajan Gopalaswamy		--	--	1	1	100%

 - Attended

The role, powers and terms of reference of the Risk Management Committee covers all the areas prescribed under Regulation 21 of the Listing Regulations besides other terms as referred by the Board of Directors from time to time. The role of Risk Management Committee broadly includes:

- Monitor and review the risk management plan including cyber security.
- Review the process followed by the Company for risk identification and mitigation.
- Review the risks identified by the Company, their probability and impact, corresponding mitigation plan and status thereof.

Group Governance Committee

In view of large number of unlisted subsidiaries of the Company, your Company has a duly constituted Corporate Governance Committee to monitor the governance of such subsidiaries in accordance with SEBI circular number SEBI/ HO/ CFD/CMD/CIR/P/2018/79 dated May 10, 2018. The Committee met once during the financial year 2019-20 on May 08, 2019. The attendance details of the Committee meeting are given in below Table 11:

Table 11: Group Governance Committee

Name of the member	Group Governance Committee Meeting Number 1	Held during tenure	Attended	% of attendance
Dr. Niddodi Subrao Rajan	--	0	0	--
Mr. Pradip Kumar Khaitan		1	1	100%
Mr. Virendra Singh Jain		1	1	100%
Mr. Nagarajan Gopalaswamy		1	1	100%

- Attended

Buy Back Committee

The Board of Directors has constituted a Buy Back Committee in its meeting held on March 21, 2020 for the purpose of inter-alia to decide on various matters relating to Buy Back of equity shares of the Company. No meeting of the Buy Back Committee was held during the financial year 2019-20.

(IV) GENERAL BODY MEETINGS

(a) Annual General Meetings ("AGM")

The AGMs are held at the registered office of the Company.

The Chairman/Member 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 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 12.

Table 12: Details of last three AGMs

AGM	Date	Time	Location
6th AGM	August 30, 2019	10.30 a.m.	Dalmiapuram - 621651, Lalgudi Taluk, District Tiruchirapalli, Tamil Nadu
5th AGM	December 31, 2018	10.30 a.m.	Dalmiapuram - 621651, Lalgudi Taluk, District Tiruchirapalli, Tamil Nadu
4th AGM	September 29, 2017	11.00 a.m.	Dalmiapuram - 621651, Lalgudi Taluk, District Tiruchirapalli, Tamil Nadu

(b) Special Resolutions

Special Resolution passed at the 6th AGM held on August 30, 2019	• No Special Resolution was proposed and passed at the 6th AGM
Special Resolutions passed at the 5th AGM held on December 31, 2018	• 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 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.

Special Resolutions passed at the 4th AGM held on September 29, 2017	• Change in name of the Company from "Odisha Cement Limited" to "OCL India Limited" and alteration in the name clause of the Memorandum of Association. • Change in name of the Company from "OCL India Limited" to "Dalmia Bharat Limited" and alteration in the name clause of the Memorandum of Association. • Alteration in the objects clause of the Memorandum of Association.

(c) Postal Ballot

No Special Resolution was passed during financial year 2019-20 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 September 30, 2020 at 11.30 a.m. through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM')

The Register of Members and Share Transfer Books of the Company shall remain closed from September 24, 2020 to September 30, 2020 (both days inclusive) for the purpose of Annual General Meeting.

(b) Financial year

The financial year of the Company is from April 01, 2019 to March 31, 2020.

(c) Dividend

Your Directors have, on February 06, 2020, declared an interim dividend of ₹2/- (100%) per equity share of face value of ₹2/- each for the financial year 2019-20 and same has been paid out on February 24, 2020 to the members of the Company who were on the register of members as on February 18, 2020, being the record date fixed for the purpose. The interim dividend was declared 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 www.dalmiabharat.com.

(d) Listing

The Equity Shares of the Company are listed on the following Stock Exchanges:

(a) BSE Limited,
New Trading Ring,
Rotunda Building,
P.J. Towers, Dalal Street Fort,
Mumbai - 400001.

(b) National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C-1, G - Block,
Bandra Kurla Complex, Bandra (East),
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

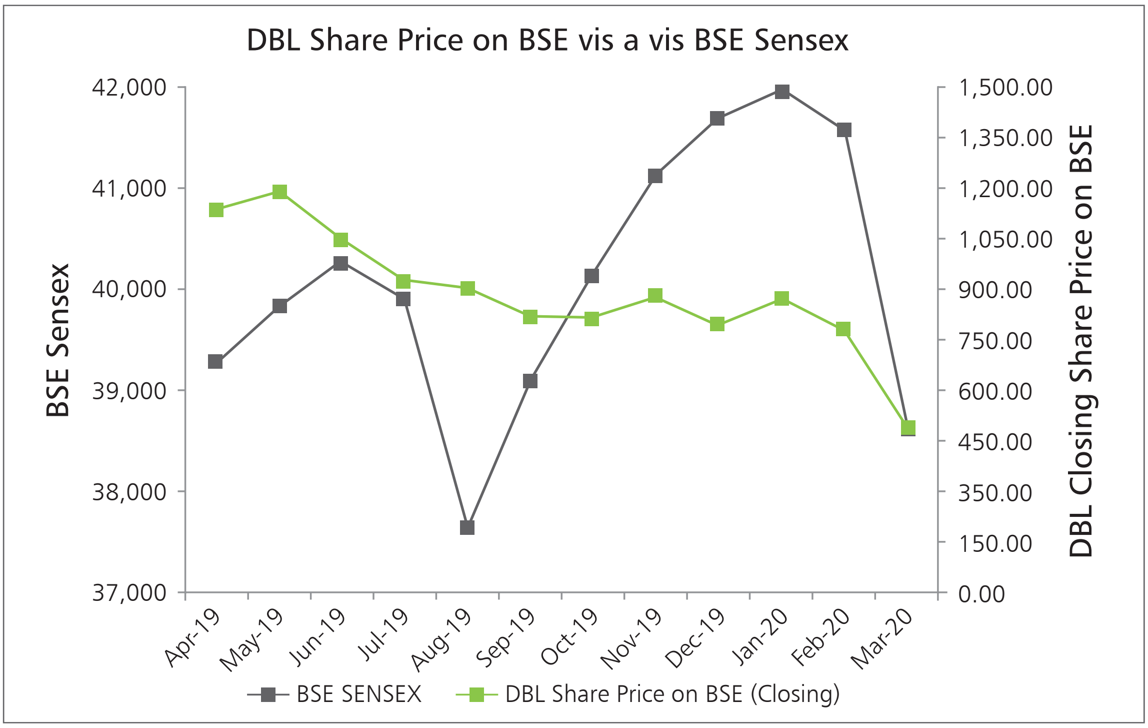
(f) Market price data and performance comparison

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 2019-20 is given below in Table 13.

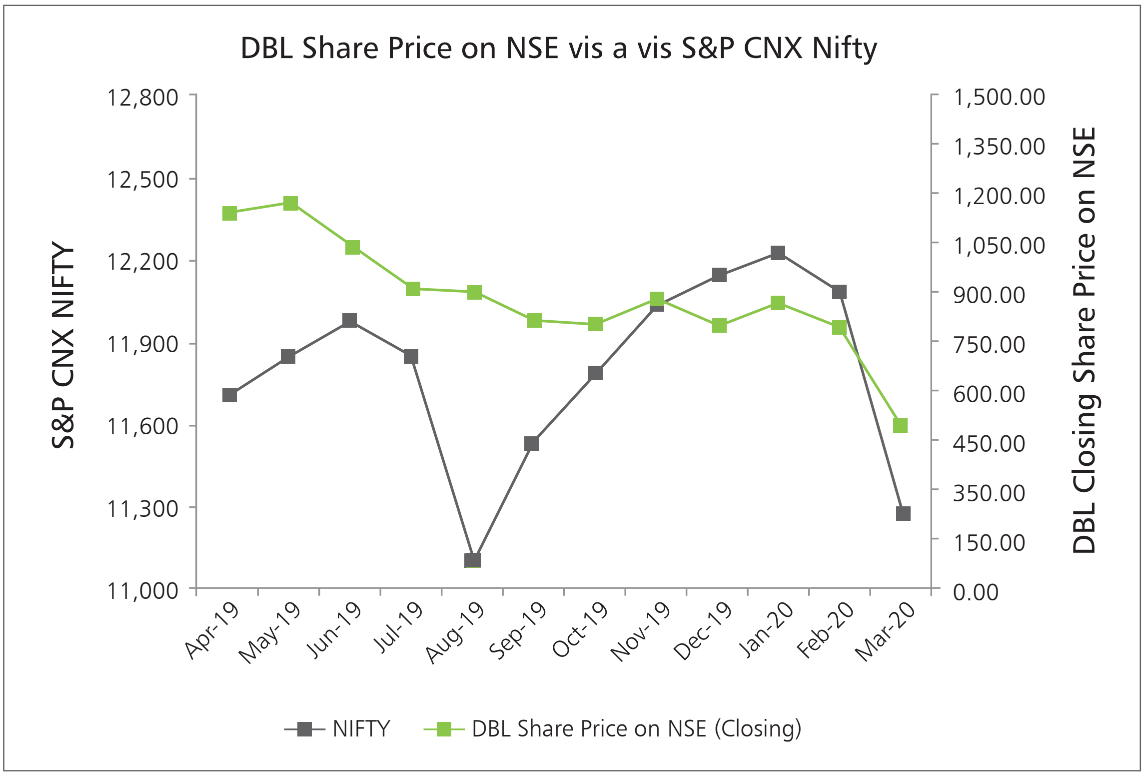
Table 13: High, low and close market price of the shares during financial year 2019-20 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2019	1,220.00	980.05	1,140.25	1,179.15	984.65	1,148.35
May, 2019	1,219.90	1,027.00	1,194.30	1,219.90	1,021.00	1,181.70
June, 2019	1,198.00	1,035.90	1,047.70	1,200.00	1,035.00	1,047.85
July, 2019	1,051.70	900.00	926.20	1,070.00	899.55	921.55
August, 2019	1,071.00	898.25	904.10	1,044.90	896.05	900.15
September, 2019	926.00	752.00	821.20	927.15	750.10	822.60
October, 2019	866.20	762.30	809.05	865.25	763.60	809.80
November, 2019	898.00	800.00	876.35	897.70	800.50	880.90
December, 2019	890.00	761.00	799.95	891.05	771.70	800.30
January, 2020	918.00	781.90	873.85	919.00	780.00	873.55
February, 2020	915.00	767.00	783.75	916.40	765.00	799.00
March, 2020	805.00	406.00	489.00	808.85	402.70	490.60

Share Performance versus BSE Sensex



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
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District
Nanakramguda, Hyderabad – 500 032.

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, 2020, 97.39% of the equity shares of the Company are in the dematerialised form. The promoters of the Company hold their entire shareholding in dematerialised form.

The transfer of shares in physical form during the financial year was processed by the Registrars and Transfer Agents and completed and duly endorsed share certificates were returned to the shareholders within a period of 15 days of receipt of complete documents.

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

Tables 14 and 15 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2020.

Table 14: 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	35128	83.28	3221691	1.67
2	501 – 1000	2548	6.04	1948524	1.01
3	1001 – 2000	1801	4.27	2659518	1.38
4	2001 – 3000	841	1.99	2099458	1.09
5	3001 - 4000	451	1.07	1617460	0.84
6	4001 – 5000	259	0.61	1183221	0.61
7	5001 - 10000	561	1.33	3919816	2.03
8	10001 and above	591	1.40	176308865	91.37
	TOTAL:	**42180**	**100.00**	**192958553**	**100.00**

Table 15: Distribution of shareholding by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	1	0.00	2	0.00
Promoters Bodies Corporate/ Trusts/HUF/ Individuals	27	0.07	104731546	54.28
Central/State Governments	3	0.01	137910	0.07
Financial Institutions	2	0.01	415690	0.22
Mutual Funds	31	0.07	6298069	3.26
Foreign Institutional Investors	200	0.47	29496526	15.29
Insurance Companies	1	0.00	17500	0.01
Bodies Corporates	984	2.33	14002583	7.26
NRI/Foreign Nationals	1301	3.09	1031099	0.53
Individuals/Others	39630	93.95	36827628	19.08
Total	**42180**	**100**	**192958553**	**100**

(k) Outstanding GDRs/ADRs/Warrants/Options

Nil

(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 16.

Table 16: 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
Medinipur	West Bengal	Grinding
Bokaro	Jharkhand	Grinding
Banjari	Bihar	Integrated
North Eastern Region		
Meghalaya	Meghalaya	Integrated
Lanka	Assam	Grinding
Umrangshu	Assam	Integrated
Marigaon	Assam	Grinding

(n) Address for correspondence

Dalmia Bharat Limited
(formerly known as Odisha Cement Limited)

(1) Shares Department
Dalmiapuram – 621651
Dist. Tiruchirappali
Tamil Nadu
Phone: 04329 - 235132
Fax: 04329 235111

(2) Company Secretary
11th and 12th Floor
Hansalaya Building
15, Barakhamba Road
New Delhi – 110 001

(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 www.dalmiabharat.com.

(b) Policy on Material Subsidiaries

The Company's Policy on Material Subsidiaries is posted at www.dalmiabharat.com.

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 has in place the Whistle Blower policy and Vigil Mechanism and same is posted on the Company's website www.dalmiabharat.com. As per the said policy, direct access to the Chairman of the Audit Committee is provided in appropriate cases.

(e) Disclosure of accounting treatment in preparation of Financial Statements.

The Company has followed the 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 Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and is provided reimbursement of expenses incurred in performance of his duties.

The standalone financial statements of the Company are with unmodified audit opinion.

The internal auditors directly report 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 details of total fees paid by the Company and its subsidiaries to S.S. Kothari Mehta & Company (including its subsidiaries), the Statutory Auditors of the Company, during the year is as follows:

	(₹ Crore)
Total fees paid by the Company	0.12
Total fees paid by the subsidiaries of the Company	0.97
Total fees Paid	1.09

(j) Unclaimed Suspense Account

Not applicable.

Auditors' Certificate on Corporate Governance

To
The Members of
Dalmia Bharat Limited
(Formerly known as Odisha Cement Limited)

We have examined the compliance of conditions of Corporate Governance by Dalmia Bharat Limited (Formerly known as Odisha Cement Limited) ("the Company") for the year ended March 31, 2020, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E 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

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Auditors' Responsibility

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. 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

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.

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

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

Sunil Wahal
Partner
Membership No. 087294
UDIN : 20087294AAAADG9550

Place: New Delhi
Date: July 13, 2020

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
(formerly Odisha Cement Limited)
Dalmiapuram, Tiruchirapalli District,
Tamilnadu – 621 651.

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: A003673B000347478

Place: Angarai
Date: 13.06.2020

DECLARATION ON CODE OF CONDUCT

To
The Board of Directors,
Dalmia Bharat Limited
(formerly known as Odisha Cement 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.

Date: June 13, 2020
Place: New Delhi

Puneet Yadu Dalmia
Managing Director

Business Responsibility Report

We, at Dalmia Bharat Group/Group (i.e., the Company alongwith its subsidiaries/step down subsidiaries), believe that by unleashing the fullest value of various constituents,value can be enhanced in a sustainable way.

At the core of this exercise lies a commitment to develop environment-friendly cement, provide value-added solutions , enriching shareholder wealth, deepening our focus as a people-friendly employer and enhancing community welfare.

At Dalmia Bharat Group, sustainability is all-encompassing: it resides at the heart of our business, forming a part of our core strategy, operations and product development. As an extension of our sustainability, we have been associated with extensive disclosures and initiatives related to economic, environmental, social and governance performance for long.

Our corporate vision – 'To be a leader in building materials that evokes pride in all stakeholders through customer-centricity, innovation, sustainability and our values' – is a key organizational differentiator . By integrating this vision actively into our business model, we have helped enhance value to our Manufactured Capital, Social and Relationship Capital, Natural Capital, Human Capital, Intellectual Capital and Financial capital. The result is a philosophy of inclusive growth for the benefit of all.

Interestingly, our goal is not just to build a stronger enterprise for the benefit of our direct stakeholders, but to build a stronger country and world. This broader strong commitment towards responsible nation-building has been showcased in the use of our products in the construction of infrastructure of national importance like the strategic Dhola-Sadiya Bridge (longest river bridge in India), Zuari River Bridge (second-largest cable bridge in India) and the Chennai airport taxiway.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

The Company was listed on BSE Limited and National Stock Exchange of India Limited from December 21, 2018. This Business Responsibility Report describes the initiatives taken by the Group/the Company as a merged entity from environment, social and governance perspectives.

1.	Corporate Identity Number (CIN) of the Company	L14200TN2013PLC112346
2.	Name of the Company	Dalmia Bharat Limited (formerly Odisha Cement Limited)
3.	Registered address	Dalmiapuram-621651, Dist. Triuchirapalli, Tamil Nadu
4.	Website	www.dalmiabharat.com
5.	E-mail id	investorrelations@dalmiabharat.com; corp.sec@dalmiabharat.com
6.	Financial Year reported	April 01, 2019 to March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	See table below
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	(i) Cement • Portland Slag Cement (PSC) • Portland Pozzolana Cement (PPC) (ii) Refractory (iii) Management services
9.	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 13 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.
10.	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.

Item 7:

Group	Class	Sub Class	Description
239	2394	23941 & 23942	Manufacture of Clinker & Cement
239	2391	23911 & 23912	Manufacture of Refractory
702	7020	70200	Management Consultancy Services

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ Crore)

1.	Paid-up capital (₹)	38.59	
2.	Total turnover (₹)	151.00 9,674.00	(standalone) (consolidated)
3.	Total profit after taxes (₹)	135.00 238.00	(standalone) (consolidated)
4.	Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%) (₹)	1.60 10.21 crore (2% of the average net profits of last 3 years)	(standalone) (consolidated)
5.	List of activities in which expenditure in item 4 was 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 attached as Annexure 4 of the Directors' Report.	

SECTION C: OTHER DETAILS

1.	Does the Company have any subsidiary Company/ companies?	The Company had 31 subsidiaries as on March 31, 2020.
2.	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.
3.	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%]	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

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Details
1.	DIN Number	00017963
2.	Name	Jayesh Doshi
3.	Designation	Whole Time Director & Chief Financial Officer

(b) Details of the BR head

No.	Particulars	Details
1	DIN number (if applicable)	Not Applicable
2	Name	Dr. Sanjeev Gemawat
3	Designation	Executive Director(Legal) and Group Company Secretary
4	Telephone number	011-23465349
5	E-mail id	gemawat.sanjeev@dalmiabharat.com

2. Principle-wise (as per NVGs) BR Policy/policies

The nine principles

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Details of compliance (Reply in Y/N) No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are based on prescribed principles, conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, UNGC guidelines, GRI – G4 guidelines and ILO principles, wherever applicable.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.dalmiabharat.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been appropriately communicated to all relevant stakeholders directly or indirectly through various engagements, campaigns, training, awareness programmes, as applicable.								
No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	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 guidelines.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next one year									
6	Any other reason (please specify)									

3. Governance related to BR

(a)	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 one year	The business responsibility performance of the Company is assessed on a regular basis by the Whole Time Director and Chief Financial Officer of the Company. Overall performance is assessed at least once in a year by the Board/Committee of the Board.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Integrated Report of Dalmia Bharat Group for the period 2018-19 is published in accordance with IIRC, UNGC, Global Reporting Initiatives (GRI) Standards, CSI and SDG and same can be accessed at [https://www.dalmiacement.com/financial-report-presentation.html]

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle	Details	Information/Reference Section	Page No.
1	**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**		
a.	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?	The policy covers the company and extend to the subsidiaries. A third party enabled ethics helpline operates.	-
b.	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 a bout 50 words or so.	Stakeholder complaints	62
2	**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**		
a.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Natural Capital, Our products and services	53-59, 26
b.	For each such product, provide the following details in respect of resource use (energy, water, raw material) per unit of product (optional): (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Construction and building material value chain in India is vast and complex with multiple players from organized and unorganized sector. Hence, it is extremely difficult to provide information with respect to the entire value chain. However, the information with reference to our management control is provided in the section 'GCCA Indicators'	GCCA Table
c.	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	More than 28% of the raw material sourced for production of cement is attributable as industrial waste (Alternative Raw Material). Similarly, about 5.5% of the pyro-heat was provided by alternative fuels (wastes having calorific value).	GCCA Table

Principle	Details	Information/Reference Section	Page No.
d.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Sustainable Procurement 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.	-
e.	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 28% of the raw material sourced for production of cement is attributable as industrial waste (Alternative Raw Material). Similarly, about 5.5% of the pyro-heat was provided by alternative fuels (wastes having calorific value).	65-71
3	**Businesses should promote the well-being of all employees.**		
a.	Please indicate the total number of employees.	Human Capital	75
b.	Please indicate the Total number of employees hired on temporary/ contractual/casual basis.	Human Capital	75
c.	Please indicate the Number of permanent women employees.	Human Capital	75
d.	Please indicate the Number of permanent employees with disabilities.	Human Capital	75
e.	Do you have an employee association that is recognized by management?	Human Capital	75
f.	What percentage of your permanent employees is members of this recognized employee association?	GRI Index table	-
g.	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.	Stakeholder complaints	62
h.	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?	GRI Index table. Reported in terms of trailing hours/regular employee/ year	-
4	**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**		
a.	Has the company mapped its internal and external stakeholders? Yes/No.	Stakeholder engagement process	44
b.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?	Stakeholder engagement process	44
c.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.	Social and Relationship Capital	105-117
5	**Businesses should respect and promote human rights**		
a.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?	The policy covers the company and extend to the subsidiaries. A third party enabled ethics helpline operates. The points related to human rights are covered in the contracts for suppliers and contractors.	-
b.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Stakeholder complaints	62

Principle	Details	Information/Reference Section	Page No.
6	**Business should respect, protect, and make efforts to restore the environment**		
a.	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.	65-71
b.	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.	Natural Capital	65-71
c.	Does the company identify and assess potential environmental risks? Y/N	Natural Capital Risk Management	65-71 48-49
d.	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.	-
e.	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.	Natural Capital Manufactured capital	65-71 101-103
f.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	We have utilised the wastes from other industries and helped them dispose-off their waste products. The details of the waste used as alternative raw material and alternative fuels provided in GCCA Table.	GCCA Table
g.	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.	Stakeholder complaints	62
7.	**Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**		
a.	Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	Knowledge partnerships and associations	28/29
b.	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)	Yes	60
8.	**Businesses should support inclusive growth and equitable development.**		
a.	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	105-117
b.	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?	Social and Relationship Capital	105-117
c.	Have you done any impact assessment of your initiative?	Social and Relationship Capital	105-117

Principle	Details	Information/Reference Section	Page No.
d.	What is your company's direct contribution to community development projects-Amount in ₹ and the details of the projects undertaken?	Social and Relationship Capital	105-117
e.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Social and Relationship Capital	105-117
9.	**Businesses should engage with and provide value to their customers and consumers in a responsible manner.**		
a.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Consumer grievances	98
b.	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.	-
c.	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.	Financial Capital	62
d.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Intellectual Capital	83

INDEPENDENT AUDITORS' REPORT

To the Members of
Dalmia Bharat Limited
(Formerly known as Odisha Cement Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)** ("the Company"), which comprise the balance sheet as at March 31, 2020, 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, 2020, 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 preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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, 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 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 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 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 does not have any pending litigations which would impact its financial position;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company, except amounts relating to erstwhile OCL India Limited and erstwhile Dalmia Bharat Limited which got amalgamated pursuant to Scheme of Arrangement and Amalgamation with effect from Appointed Date i.e. January 1, 2015. The amounts will be transferred to IEPF as soon as technical difficulties faced for transfer were resolved by IEPF authorities. (refer note 42 of the standalone financial statements).

for S.S. Kothari Mehta & Company
Chartered Accountants
ICAI Firm registration number: 000756N

Sunil Wahal
Partner
Membership No: 087294

Date: June 13, 2020
Place: New Delhi
UDIN: 20087294AAAADJ1934

Annexure A to the Independent Auditors' Report to the members of Dalmia Bharat Limited (Formerly known as Odisha Cement Limited) dated June 13, 2020.

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.

(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.

(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 are held in the name of the Company except for an immovable property having a gross block of ₹47 crore and net block of ₹37 crore not registered in the name of the Company as at the balance sheet date.

(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.

(iii) (a) The Company has granted loan to one company covered in the register maintained under Section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the loan is not prejudicial to the interest of the Company.

(b) The Company has granted loans re-payable on demand as agreed, to party covered in the register maintained under Section 189 of the Act. We are informed that the Company has not demanded repayment of any such loan during the year and thus there has been no default on the part of the parties to whom the money has been lent. The payment of interest, wherever applicable has been regular.

(c) There are no amount of loans granted to companies, firms or other parties listed in the register maintained under Section 189 of the Act which are overdue for more than ninety days. Hence, reporting requirement is not applicable.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Act, wherever applicable, in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(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.

(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 activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(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, sales-tax, service 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, 2020 for a period of more than six months from the date when they became payable.

(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 or sales-tax or service tax or 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.

(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 to banks. The Company has neither taken any loan from financial institutions or Government nor has any dues to debenture holders.

(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 and monies raised by way of term loans have been utilized for the purpose for which term loans were obtained.

(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.

(xi) According to the information and explanations given to us, the Company has paid remuneration to Managing Directors during the year in excess of the limits laid down by Section 197 read with Schedule V to the Act, after seeking the requisite approval of the shareholders.

(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 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

Sunil Wahal
Partner
Membership No: 087294

Date: June 13, 2020
Place: New Delhi
UDIN: 20087294AAAADJ1934

Annexure B to the Independent Auditors' Report to the Members of Dalmia Bharat Limited (Formerly known as Odisha Cement Limited) dated June 13, 2020 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 (Formerly known as Odisha Cement Limited)** ("the Company") as of March 31, 2020 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, 2020, 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

Sunil Wahal
Partner
Membership No: 087294

Date: June 13, 2020
Place: New Delhi
UDIN: 20087294AAAADJ1934

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Standalone Balance Sheet as at March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2A	70	72
Capital work-in-progress	2B	1	2
Other intangible assets	2C	0	0
Right-of-use assets	27	20	-
Intangible assets under development		1	5
Investments	3	6,786	6,783
Financial assets			
(i) Investments	4(i)	2	2
(ii) Loans	4(ii)	3	6
Deferred tax assets (net)	5	13	5
Income tax assets (net)		61	53
Other non-current assets	6	1	1
		6,958	**6,929**
Current Assets			
Financial assets			
(i) Investments	7(i)	254	328
(ii) Trade receivables	7(ii)	17	52
(iii) Cash and cash equivalents	7(iii)	113	11
(iv) Bank balances other than (iii) above	7(iv)	17	4
(v) Loans	7(v)	308	310
(vi) Other financial assets	7(vi)	33	35
Other current assets	8	13	13
		755	**753**
Total Assets		**7,713**	**7,682**
EQUITY & LIABILITIES			
Equity			
Equity share capital	9	39	39
Other equity	10	7,603	7,541
Total equity		**7,642**	**7,580**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	11	-	2
(ii) Lease liabilities	27	14	-
Provisions	12	21	21
		35	**23**
Current liabilities			
Financial liabilities			
(i) Lease liabilities	27	5	-
(ii) Trade payables	13		
- total outstanding dues of micro enterprises and small enterprises		0	-
- total outstanding dues of creditors other than micro and small enterprises		5	7
(iii) Other financial liabilities	14	9	7
Other current liabilities	15	6	56
Provisions	16	11	9
		36	**79**
Total Liabilities		**71**	**102**
Total Equity and Liabilities		**7,713**	**7,682**
Significant accounting policies	1B(ii)		

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

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : June 13, 2020

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Jayesh Doshi
Whole Time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Standalone Statement of Profit and Loss for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	17	151	164
Other income	18	143	87
Total income		**294**	**251**
Expenses			
Employee benefits expenses	19	86	82
Finance costs	20	4	2
Depreciation and amortisation expenses	21	9	4
Other expenses	22	42	44
Total expenses		**141**	**132**
Profit before tax		**153**	**119**
Tax expense (refer note 5)			
Current tax		19	29
Deferred tax charge/ (credit)		(3)	3
Tax adjustments for earlier years		2	(14)
Total tax expense		18	18
Profit after tax		**135**	**101**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
- Re-measurement gain/ (loss) on defined benefit plan		0	(17)
- Income tax credit relating to above item		0	6
Other comprehensive income for the year, net of tax		0	(11)
Total comprehensive income for the year		**135**	**90**
Earnings per Share	23		
[Nominal value of Rupees 2 (Rupees 2) each]			
Basic (In Rupees)		7.00	5.25
Diluted (In Rupees)		6.99	5.24
Significant accounting policies	1B(ii)		

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

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : June 13, 2020

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Whole Time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Standalone Statement of Changes in Equity for the year ended March 31, 2020

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, 2018	-	-
Issue of share capital *	19,27,27,553	39
Shares issued on exercise of employee stock options (note 26)	2,31,000	0
As at March 31, 2019	**19,29,58,553**	**39**
Issue of share capital	-	-
Shares issued on exercise of employee stock options	-	-
As at March 31, 2020	**19,29,58,553**	**39**

* During the previous year, Company had alloted 19,27,27,553 equity shares of ₹2 each fully paid up to the shareholders of erstwhile Dalmia Bharat Limited and OCL India Limited, pursuant to Scheme of Arrangement and Amalgamation.

b. Share capital suspense	(Amount in ₹)
As at April 1, 2018 *	6,654
Issue of share capital	(6,654)
As at March 31, 2019	-
Issue of share capital	-
As at March 31, 2020	**-**

* Represented 19,27,27,553 number of equity shares of ₹2 each fully paid up, pending to be allotted to the shareholders of erstwhile Dalmia Bharat Limited and OCL India Limited (including securities premium), pursuant to Scheme of Arrangement and Amalgamation sanctioned by Hon'ble NCLT. These shares were allotted during the financial year 2018-19.

c. Other equity: (Amount in ₹)

Particulars	Reserve and surplus					Total other equity
	Securities premium	Capital reserve	General reserve	Retained earnings	Employee stock options outstanding	
As at April 1, 2018	631	88	3	123	14	859
Profit for the year	-	-	-	101	-	101
Other comprehensive income (net of tax)						
Re-measurement loss on defined benefit plan	-	-	-	(11)	-	(11)
Total comprehensive income	**-**	**-**	**-**	**90**	**-**	**90**
Allotment of shares pursuant to Scheme of Arrangement and Amalgamation	6,616	-	-	-	-	6,616
Premium on issue of employee stock options	4	-	-	-	-	4
Exercise of employee stock options	5	-	-	-	(5)	-
Employee stock option expense *	-	-	-	-	5	5
Dividend paid (note 10)	-	-	-	(33)	-	(33)
As at March 31, 2019	**7,256**	**88**	**3**	**180**	**14**	**7,541**
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 (note 10)	-	-	-	(77)	-	(77)
As at March 31, 2020	7,263	88	3	238	11	7,603

* includes ₹3 (March 31,2019: ₹4) granted to employees of subsidiary company.

For description of the purposes of each reserve within equity, refer note 10 of standalone financial statements.

As per our report of even date

For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : June 13, 2020

For and on behalf of the Board of Directors of Dalmia Bharat Limited

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DIN: 00009758

Jayesh Doshi
Whole Time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Standalone Statement of Cash Flows for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)

	Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
A.	Cash flow from operating activities			
	Profit before tax		153	119
	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation and amortisation	21	9	4
	Expenses on employee stock option scheme	19	1	1
	Finance costs	20	4	2
	Interest income	18	(42)	(42)
	Dividend income	18	(83)	(33)
	Profit on sale of current investments (net)	18	(39)	(18)
	Change in fair value of investments measured at FVTPL	18	23	6
	Miscellaneous receipts	18	(2)	-
	Loss on disposal of property, plant and equipment (net)		0	(0)
	Operating profit before working capital changes		**24**	**39**
	Adjustments for working capital changes :			
	Decrease/ (increase) in trade receivables		36	(30)
	(Increase) in financial and other assets		0	(16)
	(Decrease) in trade and other payables		(59)	(170)
	Increase in provisions and gratuity		2	5
	Cash generated from/ (used in) operations		**3**	**(172)**
	Income tax (paid)		(18)	(15)
	Net cash flow (used in) operating activities		**(15)**	**(187)**
B	Cash flow from investing activities			
	Purchase of property, plant and equipment		(2)	(9)
	Proceeds from sale of property, plant and equipment		0	0
	Proceeds from non current investments (net)		0	3
	Proceeds from/ (Purchase) of current investments (net)		90	(33)
	(Investment in) bank deposits (having original maturity of more than three months)		(13)	-
	Loan given to a subsidiary company		(3)	1
	Loan repaid by a subsidiary company		7	184
	Interest received		43	46
	Dividend received		83	33
	Net cash flow from investing activities		**205**	**225**
C	Cash flow from financing activities			
	Proceeds from issue of shares on exercise of stock options		-	4
	Interest paid		(4)	(2)
	Payment of lease liabilities		(7)	-
	Dividends paid	10	(77)	(33)
	Net cash flow (used in) financing activities		**(88)**	**(31)**
	Net increase in cash and cash equivalents (A+B+C)		**102**	**7**
	Cash and cash equivalents at the beginning of the year		11	4
	Cash and cash equivalents at the end of the year	7(iii)	**113**	**11**

Note:

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'.

As per our report of even date

For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : June 13, 2020

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Jayesh Doshi
Whole Time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

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 financial statements for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the Board of Directors on June 13, 2020.

B. Significant accounting policies

(i) Basis of preparation

The 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 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 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.

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 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 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 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 determines the policies and procedures for both 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 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.

The management and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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 2A)
- Disclosures for valuation methods, significant estimates and assumptions (note 24)
- Financial instruments (including those carried at amortised cost) (note 31)
- Comparison of carrying value and fair value of financial instruments (note 31)
- Quantitative disclosures of fair value measurement hierarchy (note 32)

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 contractually defined terms of payment and excluding taxes.

Taxes collected on behalf of the government are excluded from revenue. 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 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, if any. Capital work in progress are stated at cost net of impairment loss, 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.

When significant parts of plant and equipment are required to be replaced at intervals, the Company 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 or loss as incurred.

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. Intangible assets

The Company has measured intangible assets at carrying value as recognised in the 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 or 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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k. Leases

Policy applicable with effect from April 1, 2019

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. 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 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.

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 (l) 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.

Policy relating to leases till March 31, 2019

Where the Company is lessee

A lease was classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company was classified as a finance lease.

Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognised in finance costs in the statement of profit and loss, unless they were directly attributable to qualifying assets, in which case they were capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals were recognised as expenses in the periods in which they are incurred.

A leased asset was depreciated over the useful life of the asset. However, if there was no reasonable certainty that the Company would obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payment to lessor was structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

l. 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 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 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 two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. 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

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.

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 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

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

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.

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 financial statements of the Company as a whole.

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

The Company recognises a liability to pay dividend 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. Recent accounting pronouncements

(i) New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective/ notified.

(a) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Accordingly, the comparatives have not been restated and hence not comparable with previous period figures.

Leases previously accounted for as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at April 1, 2019:

- Right-of-use assets of ₹18 were recognised and presented separately in the balance sheet. This includes the lease assets recognised previously under finance leases of ₹0 that were reclassified from property, plant and equipment.
- Additional lease liabilities of ₹18 were recognised.
- Obligations under finance lease of ₹2 have been reclassified to lease liabilities.

On application of Ind AS 116, in the statement of profit and loss for the current year, operating lease expenses has changed from rent (included under 'Employee benefits expenses' and 'Other expenses') to depreciation cost for the right-of-use assets and finance cost for interest accrued on lease liability.

Consequent to above, there is a reduction in rent expense by ₹6, increase in interest expense by ₹2 and increase in depreciation charge by ₹6.

The adoption of Ind AS 116 did not have any significant impact on the profit and earnings per share of the current year.

The Company has lease contracts for various items of buildings (office and residential premises), vehicles and other equipment. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 1B(ii)(k) Leases for the accounting policy prior to April 1, 2019.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1B(ii)(k) Leases for the accounting policy beginning April 1, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Notes to Standalone Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Assets	
Operating lease commitments as at March 31, 2019 (₹)	22
Weighted average incremental borrowing rate as at April 1, 2019	10.00%
Discounted operating lease commitments as at April 1, 2019 (₹)	18
Less:	
Commitments relating to short-term leases (₹)	-
Commitments relating to leases of low-value assets (₹)	-
Add:	
Commitments relating to leases previously classified as finance leases (₹)	2
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019 (₹)	-
Lease liabilities as at April 1, 2019 (₹)	20

(b) Amendment to existing issued Ind AS

i) Appendix C to Ind AS 12, Income Taxes - Uncertainty over Income Tax Treatments

ii) Amendments to Ind AS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement

iii) Amendment to Ind AS 12, Income Taxes

iv) Amendment to Ind AS 23, Borrowing costs

v) Amendments to Ind AS 109, Financial instruments: Prepayment Features with Negative Compensation

vi) Amendments to Ind AS 28, Investment in Associates and Joint Ventures: Long-term interests in associates and joint ventures

vii) Ind AS 103, Business Combinations

viii) Ind AS 111 Joint Arrangements

The effect on adoption of above mentioned amendments were insignificant on the financial statements.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

2A. Property, plant and equipment

(Amount in ₹)

	Freehold land	Buildings	Furniture and fixtures	Vehicles	Office equipment	Total
Deemed cost * / Cost						
As at April 1, 2018	18	56	2	4	2	82
Additions	-	-	1	-	1	2
Disposals	-	-	-	0	0	0
As at March 31, 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 27)	-	-	-	-	2	2
As at March 31, 2020	**18**	**56**	**3**	**5**	**1**	**83**
Depreciation						
As at April 1, 2018	-	6	1	1	1	9
Charge for the year	-	2	0	0	1	3
Disposals	-	-	-	0	0	0
As at March 31, 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 27)	-	-	-	-	2	2
As at March 31, 2020	**-**	**10**	**1**	**1**	**1**	**13**
Net block						
As at March 31, 2020	**18**	**46**	**2**	**4**	**0**	**70**
As at March 31, 2019	**18**	**48**	**2**	**3**	**1**	**72**

* Refer note 1(B)(ii)(h)

Note:

Buildings having gross block of ₹47 (March 31, 2019 : ₹47) is pending to be registered in the name of Company.

2B. Capital work-in-progress (CWIP)

Movement of capital work-in-progress (Amount in ₹)

Particulars	CWIP
As at April 1, 2018	1
Additions during the year	1
Capitalised during the year	-
As at March 31, 2019	**2**
Additions during the year	1
Capitalised during the year	2
As at March 31, 2020	**1**

Notes to Standalone Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

2C. Other intangible assets

(Amount in ₹)

	Intellectual property rights	Computer software	Total
Cost			
As at April 1, 2018	-	1	1
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	**-**	**1**	**1**
Additions	0	0	1
Disposals	-	-	-
As at March 31, 2020	**0**	**1**	**1**
Amortisation			
As at April 1, 2018	-	0	0
Charge for the year	-	1	1
Disposals	-	-	-
As at March 31, 2019	**-**	**1**	**1**
Charge for the year	0	0	0
Disposals	-	-	-
As at March 31, 2020	**0**	**1**	**1**
Net block			
As at March 31, 2020	**0**	**0**	**0**
As at March 31, 2019	**-**	**0**	**0**

3. Investments

(Amount in ₹)

	As at March 31, 2020		As at March 31, 2019	
Investments measured at cost				
(a) Equity shares (Unquoted)				
(i) Subsidiary companies				
31,40,45,267 (March 31, 2019: 31,40,45,267) Shares of ₹10/- each fully paid up in Dalmia Cement (Bharat) Limited #	6,756		6,753	
5,00,000 (March 31, 2019: 5,00,000) Shares of ₹10/- each fully paid up in Dalmia Power Limited	1	6,757	1	6,754
(ii) Others				
250 (March 31, 2019: 250) Shares of ₹10/- each fully paid up in Haryana Financial Corporation	((2500))	0	((2500))	-
(b) Equity shares (Quoted)				
Others				
1,48,29,764 (March 31, 2019: 1,48,29,764) Shares of ₹ 2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		29		29
		6,786		**6,783**
Aggregate book value of quoted investments		29		29
Aggregate market value of quoted investments		72		184
Aggregate book value of unquoted investments		6,757		6,754
Aggregate amount of impairment in value of investments		-		-

includes investment booked on account of stock options pertaining to employees of the subsidiary company.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

4. Financial assets

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
(i) Non-current investments		
Investments measured at fair value through profit or loss		
(a) Tax Free Bonds (Quoted)		
8.30% NHAI tax free bonds	0	0
(b) Investment in others (Unquoted)		
1,188 (March 31, 2019: 1,188) Units of ₹27,930/- (March 31, 2019: ₹29,930/-) each fully paid up in Urban Infrastructure Opportunities Fund	2	2
	2	**2**
Aggregate book value of quoted investments	0	0
Aggregate market value of quoted investments	0	0
Aggregate book value of unquoted investments	2	2
Aggregate amount of impairment in value of investments	-	-
(ii) Loans		
(Unsecured, considered good)		
Security deposits	2	5
Loans to employees	1	1
	3	**6**

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.

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Break up of financial assets carried at amortised cost		
Loans to employees	1	1
Security deposits	2	5
	3	**6**
Break up of financial assets carried at fair value through profit or loss		
Investment - Tax Free Bonds	0	0
Investment - Others	2	2
	2	2

5. Income taxes

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
(i) The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:		
Profit or loss section:		
Current income tax :		
Current income tax charge	19	29
Adjustment of tax relating to earlier years	9	(8)
Deferred tax :		
Relation to origination of temporary differences	(3)	3
Adjustment of tax relating to earlier years	(7)	(6)
Income tax expense reported in the statement of profit or loss	**18**	**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	6
Income tax (expense)/ credit charged to OCI	**0**	**6**
(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:		
Accounting profit before tax	153	119
Applicable tax rate	29.120%	34.944%
Computed tax expense	**44**	**42**
Adjustment of tax relating to earlier years	2	(14)
Income exempt from tax	(24)	(12)
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	2
Income tax reported in statement of profit and loss	**18**	**18**

Notes to Standalone Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

On 20th September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, 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 1st April, 2019 subject to certain conditions. The Company is currently in the process of evaluating this option and has considered the rate existing prior to the Ordinance for the purpose of these financial statements.

5. Income taxes (Contd.)

(iii) Deferred tax: (Amount in ₹)

Deferred tax relates to the following:	Balance sheet		Statement of profit and loss	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax liabilities				
Property, plant and equipment (including other intangible assets)	14	20	(5)	(1)
Others	1	-	1	(1)
Total deferred tax liabilities	**15**	**20**	**(4)**	**(2)**
Deferred tax assets				
Expenditure debited in statement of profit and loss but allowable for tax purposes in subsequent years	9	3	(6)	(1)
MAT credit entitlement	19	22	-	-
Total deferred tax assets	**28**	**25**	**(6)**	**(1)**
Deferred tax (income)			**(10)**	**(3)**
Deferred tax assets (net)	**13**	**5**		
Reconciliation of deferred tax assets (net):				
Opening balance as of April 1	5	(25)		
Tax income/ expense during the period recognised in profit or loss	10	3		
Tax income/ expense during the period recognised in OCI	0	5		
MAT credit entitlement	(3)	22		
Closing balance as at March 31	**13**	**5**		

6. Other non-current assets (Unsecured, considered good)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Advances other than capital advance		
Prepayments	1	1
	1	**1**

7. Financial assets

(Amount in ₹)

	As at March 31, 2020		As at March 31, 2019	
(i) **Current investments**				
Investments measured at fair value through profit and loss				
(a) Units of debt schemes of various mutual funds (Unquoted)		-		154
(b) Equity shares (Quoted)				
(i) Nil (March 31, 2019: 5,20,400) Shares of ₹1/- each fully paid up in The Ramco Cements Limited	-		38	
(ii) 4,366 (March 31, 2019: 50,000) Shares of ₹10/- each fully paid up in Poddar Pigments Limited	0	0	1	39
(c) Corporate bonds (Quoted)		254		135
		254		**328**
Aggregate book value of quoted investments		254		174
Aggregate market value of quoted investments		254		174
Aggregate carrying value of unquoted investments		-		154

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

7. Financial assets (Contd.)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
(ii) Trade receivables		
Trade receivables		
Receivable from related parties (refer note 30)	17	52
	17	**52**
Break-up for security details :		
Trade receivables		
Unsecured, considered good	17	52
	17	**52**

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.

	As at March 31, 2020	As at March 31, 2019
(iii) Cash and cash equivalents		
Balances with banks :		
- On current accounts	0	0
- On cash credit accounts	0	0
- On deposit accounts with original maturity of less than three months *	113	11
Cash on hand	0	0
Cheques on hand	0	0
	113	**11**

* The Company can utilise ₹113 (March 31, 2019: ₹ Nil) only towards buy back of equity shares.

	As at March 31, 2020	As at March 31, 2019
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balances with banks:		
- On current accounts	0	0
- On cash credit accounts	0	0
- On deposit accounts with original maturity of less than three months *	113	11
Cash on hand	0	0
Cheques on hand	0	0
	113	**11**
(iv) Bank balances other than (iii) above		
- Unpaid dividend accounts	4	4
- Deposit with remaining maturity of less than 12 months	13	-
	17	**4**

At March 31, 2020, Company had available ₹5 (March 31, 2019: ₹ Nil) of undrawn committed borrowing facilities.

	As at March 31, 2020	As at March 31, 2019
(v) Loans		
(Unsecured, considered good unless otherwise stated)		
Security deposits	5	1
Loans to employees	0	1
Loans to a related party (refer note 30)	273	278
Loans to others	30	30
	308	**310**
(vi) Other financial assets		
(Unsecured, considered good)		
Interest receivable		
- Related party (refer note 30)	25	27
- Others *	8	8
Purchase consideration receivable **	-	0
	33	**35**

* includes interest of ₹8 (March 31, 2019: ₹7) on corporate bonds included under current investments in note 7(i) above.

** Receivable from Dalmia Cement (Bharat) Limited (DCBL) pursuant to amalgamation of erstwhile Adwetha Cement Holdings Limited (wholly owned subsidiary of Company) in DCBL as per the Scheme of Arrangement and Amalgamation. The consideration has been received during the year.

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Break up of financial assets carried at amortised cost		
Trade receivables	17	52
Cash and cash equivalents	113	11
Other bank balances	17	4
Loans to employees	0	1
Loans to a related party	273	278
Loans to others	30	30
Security deposits	5	1
Interest receivable - related party	25	27
Interest receivable - others	8	8
Purchase consideration receivable	-	0
	488	**412**
Break up of financial assets carried at fair value through profit or loss		
Investment in mutual funds	-	154
Investment in equity shares	0	39
Investment in corporate bonds	254	135
	254	**328**

Notes to Standalone Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

8. Other current assets (Unsecured, considered good)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Advances other than capital advances		
Advances to suppliers		
- Unsecured, considered good	8	10
- Unsecured, considered doubtful	0	-
	8	10
Less: Impairment allowance (allowance for doubtful advances)	(0)	-
	8	10
Prepayments	5	2
Deposits and balances with Government departments and other authorities	-	1
Other receivable	0	0
	13	**13**

9. Share capital

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Authorised :		
1,59,55,00,000 (March 31, 2019: 1,59,55,00,000) Equity Shares of ₹2/- each	319	319
1,00,000 (March 31, 2019: 1,00,000) Preference Shares of ₹100/- each	1	1
5,00,00,000 (March 31, 2019: 5,00,00,000) Preference Shares of ₹10/- each	50	50
	370	**370**
Issued, subscribed and fully paid up :		
19,29,58,553 (March 31, 2019: 19,29,58,553) Equity Shares of ₹2/- each	39	39
	39	**39**

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	19,29,58,553	39	-	-
Issued during the year *	-	-	19,27,27,553	39
Shares issued on exercise of employee stock options (refer note 26)	-	-	2,31,000	0
At the end of the year	**19,29,58,553**	**39**	**19,29,58,553**	**39**

* During the previous year, Company had alloted 19,27,27,553 equity shares of ₹2 each fully paid up to the shareholders of erstwhile Dalmia Bharat Limited and OCL India Limited, pursuant to Scheme of Arrangement and Amalgamation.

b. Terms/ rights attached to Equity Shares

The Company has only one class of equity shares having a face value of ₹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.

c. Aggregate number of shares issued for consideration other than cash

	As at March 31, 2020	As at March 31, 2019
	No. of shares	No. of shares
Equity shares of ₹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

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

d. Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Rama Investment Company Private Limited	7,98,46,410	41.38%	7,98,46,410	41.38%
Sita Investment Company Limited	1,38,88,260	7.20%	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 26.

f. Buyback of equity shares of the Company

The Board of Directors in its meeting held on March 21, 2020, approved the buyback of the Company's fully paid-up equity shares having face value of ₹2 each from its shareholders/ beneficial owners excluding promoters, promoter group and persons who are in control of the Company, via the "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 ₹700 per equity share ("Maximum Buyback Price").

The indicative maximum number of equity shares bought back at the above maximum price would be 71,42,857. If the equity shares are bought back at a price below the Maximum Buyback Price of ₹700, the actual number of equity shares bought back could exceed the above indicative Maximum Buyback quantity but will always be subject to the Maximum Buyback Size.

The Company will fund the buyback from its free reserves and/or such other source as may be permitted.
The buyback of equity shares through the stock exchanges commenced on April 3, 2020.

10. Other equity

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Employee stock options outstanding		
Opening balance as per last financial statements	14	14
Add: Employee stock option expense *	4	5
Less: Transfer to securities premium on exercise of stock options	(7)	(5)
Closing balance	**11**	**14**
* includes ₹3 (March 31, 2019: ₹4) granted to employees of subsidiary company.		
Securities premium		
Opening balance as per last financial statements	7,256	631
Add: Premium on allotment of equity shares pursuant to Scheme of Arrangement and Amalgamation	-	6,616
Add: Premium on issue of employee stock options	-	4
Add: Amount transferred on exercise of stock options	7	5
Closing balance	**7,263**	**7,256**
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**
Retained earnings		
Opening balance as per last financial statements	180	123
Profit for the year	135	101
Items of OCI recognised directly in retained earnings		
- Re-measurement gain/ (loss) on defined benefit plan (net of tax)	0	(11)
	315	**213**
Less: Appropriations		
Dividends paid	77	33
Total appropriations	**77**	**33**
Closing balance	**238**	**180**
Total other equity	**7,603**	**7,541**

Notes to Standalone Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

	As at March 31, 2020	As at March 31, 2019
Distribution made and proposed		
Cash dividends on equity shares paid :		
Final dividend for the year ended on March 31, 2019: ₹2.00 per share (March 31, 2018: ₹1.70 per share)	39	33
Interim dividend for the year ended on March 31, 2020: ₹2.00 per share (March 31, 2019: ₹ Nil)	39	-
Dividend distribution tax *	-	-
	77	**33**
Proposed dividend on equity shares:		
Final cash dividend for the year ended on March 31, 2020: ₹ Nil (March 31, 2019: ₹2.00 per share)	-	39
	-	**39**

*During the year, Company has also received dividend of ₹77 (March 31, 2019: ₹33) from its subsidiary company. Hence the liability of payment of Dividend Distribution Tax (DDT) does 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 is subject to approval at the Annual General Meeting and is not recognised as a liability as at March 31, 2019.

On February 6, 2020, the Board of Directors of the Company declared an interim dividend of ₹39 for the financial year 2019-20, which has been 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.

(d) **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.

(e) **Capital reserve** - Created on reduction of equity shares and cancellation of preference shares pursuant to Scheme of Arrangement and Amalgamation sanctioned by Hon'ble NCLT.

(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.

11. Financial liabilities

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Borrowings		
Unsecured		
Obligations under finance lease (refer note 27) *	-	2
	-	**2**

* Finance lease obligation were included in borrowings until March 31, 2019, but were reclassified to lease liabilities on April 1, 2019 in the process of adopting the new leasing standard.

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Financial liabilities carried at amortised cost		
Obligations under finance lease	-	2
Non-current lease liabilities (refer note 27)	14	-
	14	**2**

12. Provisions

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (refer note 25)	21	21
	21	**21**

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

Financial liabilities

13. Trade payables

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 36)	0	-
Total outstanding dues of creditors other than micro enterprises and small enterprises *	5	7
	5	**7**

* Trade payables includes due to related parties ₹1 (March 31, 2019: ₹0).

For maturity profile of trade payables and other financial liabilities, refer note 33.

14. Other financial liabilities

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Unclaimed dividend *	4	4
Payables for purchase of property, plant and equipment	-	0
Accrued employee liabilities **	4	2
Directors' commission payable	1	1
Other payables	0	-
	9	**7**

* 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, 2019: ₹0) (refer note 30).

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
<u>Financial liabilities carried at amortised cost</u>		
Lease liabilities (refer note 27)	5	-
Trade payables	5	7
Unclaimed dividend	4	4
Payables for purchase of property, plant and equipment	-	0
Accrued employee liabilities	4	2
Directors' Commission payable	1	1
Other payables	0	-
	19	**14**

15. Other current liabilities

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Other liabilities		
- Statutory dues	5	11
- Others *	1	44
	6	**56**

* includes amount payable to a related party of ₹ Nil (March 31, 2019: ₹43), refer note 30.

16. Provisions

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (refer note 25)	4	1
Provision for leave encashment	7	8
Provision for other employee benefits	-	0
	11	**9**

Notes to Standalone Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

17. Revenue from operations

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
Management service charges	151	164
Other operating revenue	0	-
	151	**164**
17.1 Disaggregated revenue information		
Set out below is the disaggregation of the Company's revenue from contracts with customers		
Management service charges	151	164
	151	**164**
17.2 Contract balances		
The following table provides information about receivables and contract assets from contracts with customers	**As at March 31, 2020**	**As at March 31, 2019**
Contract assets:		
Trade receivables	17	52
17.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Revenue as per contracted price	151	164
Adjustments:		
Discount	-	-
Revenue from contracts with customers	**151**	**164**

18. Other income

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income	42	41
Interest income from other financial assets at amortised cost	0	1
Dividend income (refer note 30)	83	33
Gains/ (losses) on financial instruments measured at fair value through profit or loss (net):		
- Profit on sale of current investments (net)	39	18
- On change of fair value of investments measured at FVTPL	(23)	(6)
Profit on disposal of property, plant and equipment (net)	-	0
Miscellaneous receipts	2	0
	143	**87**

19. Employee benefits expense

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	75	71
Contribution to provident and other funds	6	5
Gratuity expense (refer note 25)	2	2
Expenses on employee stock option scheme (refer note 26)	1	1
Workmen and staff welfare expenses	2	3
	86	**82**

20. Finance costs

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest cost		
- On defined benefit obligation (net) (refer note 25)	2	1
- On lease liabilities (refer note 27)	2	-
- On others	-	1
	4	**2**

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

21. Depreciation and amortisation expense

(Amount in ₹)

	Year ended March 31,2020	Year ended March 31,2019
Depreciation of property, plant and equipment (refer note 2A)	3	3
Amortisation of intangible assets (refer note 2C)	0	1
Depreciation of right-of-use assets (refer note 27)	6	-
	9	**4**

22. Other expenses

(Amount in ₹)

	Year ended March 31,2020	Year ended March 31,2019
Repairs and maintenance - others	4	2
Rent	1	7
Rates and taxes	1	1
Insurance	8	1
Professional charges	12	14
Advertisement and publicity	0	0
Travelling and conveyance	3	5
Corporate social responsibility expenses (refer note 39)	2	2
Directors sitting fees (refer note 30)	1	1
Loss on disposal of property, plant and equipment (net)	0	-
Miscellaneous expenses (refer note 35)	10	11
	42	**44**

23. Earnings Per Share

(Amount in ₹)

	Year ended March 31,2020	Year ended March 31,2019
Basic EPS		
Net profit for calculation of basic earnings (₹)	135	101
Weighted average number of equity shares for basic EPS (Nos.)	19,29,58,553	19,27,47,805
Basic earnings per share (In Rupees)	**7.00**	**5.25**
Diluted EPS		
Net profit for calculation of Diluted EPS (₹)	135	101
Weighted average number of equity shares for basic EPS (Nos.)	19,29,58,553	19,27,47,805
Effect of dilution:		
Share options (Nos.)	3,57,651	2,92,964
Weighted average number of equity shares for diluted EPS (Nos.)	19,33,16,204	19,30,40,769
Diluted earnings per share (In Rupees)	6.99	5.24

Notes to Standalone Financial Statements

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

24. 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, estimates and assumptions

The judgements and 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 judgements, 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 Company. Such changes are reflected in the assumptions when they occur.

Significant judgements, estimates and assumptions are as specified below:-

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 26. 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 5.

Defined benefit plans (gratuity and provident fund)

The cost of the defined benefit plans and the present value of the defined benefit plans and the present value of the 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 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 for plans operated in India, 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 gratuity and provident fund obligations are given in note 25.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

24. Disclosure of significant accounting judgements, estimates and assumptions (Contd.)

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 31 and 32 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, 2020 and March 31, 2019.

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.

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).

Refer to note 27 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

25. Gratuity and other post employment benefit plans

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.

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.

Statement of profit and loss

Net employee benefit expenses (recognised in Employee benefits expenses)

(Amount in ₹)

Particulars	Gratuity (Funded)		PF (Funded)	
	2019-20	2018-19	2019-20	2018-19
Current service cost	2	2	6	5
Net interest cost on benefit obligation	2	0	1	(2)
Net benefits expenses	**4**	**2**	**7**	**3**

Notes to Standalone Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

25. Gratuity and other post employment benefit plans (Contd.)

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2020 (Amount in ₹)

	Gratuity (Funded)			PF (Funded)		
	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	3
Contribution by plan participation/ employees (11)	-	-	-	(5)	8	(13)
Settlements/ (Transfer in) (12)	-	-	-	-	(5)	5
Acquisition/ other adjustments (13)	(2)	(1)	(1)	-	-	-
Benefits paid (14)	(1)	(1)	-	(3)	(3)	-
Sub-total (10+11+12+13+14)=(15)	**(3)**	**(2)**	**(1)**	**(0)**	**5**	**(6)**
March 31, 2020 (1+4+9+15)	**29**	**4**	**25**	**54**	**52**	**1**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2019 (Amount in ₹)

	Gratuity (Funded)			PF (Funded)		
	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, 2018 (1)	9	6	3	32	31	1
Service cost (2)	2	-	2	5	-	5
Net interest expense/ (income) (3)	1	1	0	4	6	(2)
Sub-total included in profit or loss (2+3)=(4)	**3**	**1**	**2**	**9**	**6**	**3**
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)	0	-	0	-	-	-
(Gain)/loss from changes in financial assumptions (7)	2	-	2	-	-	-
Experience (gains)/ losses (8)	15	-	15	1	-	1
Sub-total (5+6+7+8)=(9)	**17**	**(0)**	**17**	**1**	**(2)**	**3**
Expense/ (income) included in OCI out of (9) above	17	(0)	17	-	-	-
Contributions by employer (10)	-	-	-	-	5	(5)
Contribution by plan participation/ employees (11)	-	-	-	7	7	-
Settlements/ (Transfer in) (12)	-	-	-	35	36	(1)
Acquisition adjustments (13)	0	-	0	-	-	-
Benefits paid (14)	(1)	(1)	-	(41)	(41)	-
Sub-total (10+11+12+13+14)=(15)	**(1)**	**(1)**	**0**	**1**	**7**	**(6)**
March 31, 2019 (1+4+9+15)	**28**	**6**	**22**	**43**	**42**	**1**

The Company expects to contribute ₹27 (March 31, 2019: ₹24) to gratuity in 2020-21. The Company expects to contribute ₹6 (March 31, 2019: ₹5) to PF in 2020-21.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

25. 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 (Funded)		PF (Funded)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investment pattern in plan assets:				
Insurance Company products	4	6	-	-
Central Government securities	-	-	6	4
State Government securities	-	-	20	17
Special Deposit scheme	-	-	1	1
Corporate bonds	-	-	23	18
Cash and cash equivalents	-	-	0	0
Other investment	-	-	3	2
Total	4	6	53	42

The principal assumptions used in determining gratuity and PF for the Company are shown below: (Amount in ₹)

Particulars	Gratuity (Funded)		PF (Funded)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	%	%	%	%
Discount rate	6.40	7.25	6.40	7.25
Future salary increase	7.00	7.00	-	-
Guaranteed interest rate			8.5	8.65
	Years	Years	Years	Years
Life expectation for	39.06	39.54	39.34	40.74
Mortality Table	IALM (2012-14)	IALM (2006-08) duly modified	IALM (2012-14)	IALM (2006-08) duly modified

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 is as shown below:

Gratuity Plan: (Amount in ₹)

Assumption	Discount rate				Future salary increases			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Impact on defined benefit obligation	2	1	(1)	(1)	(1)	(1)	2	1

Provident Fund: (Amount in ₹)

Assumption	Discount rate				Interest rate guarantee			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Impact on defined benefit obligation	1	1	0	0	(1)	(1)	2	2

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 (Funded)	
	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	5	7
Between 2 and 5 years	14	12
Between 5 and 10 years	13	12
Beyond 10 years	10	11
Total expected payments	42	42

The average duration of the defined benefit plan obligation for gratuity at the end of the reporting period is 5 years (March 31, 2019: 5 years) and for PF at the end of the reporting period is 6 years (March 31, 2019: 6 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. 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

25. Gratuity and other post employment benefit plans (Contd.)

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 pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

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.

Contribution to Defined Contribution Plans: (Amount in ₹)

Particulars	2019-20	2018-19
Provident Fund/ Pension Fund	0	0
Superannuation Fund	0	0
National Pension Scheme	1	1
	1	**1**

26. 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).

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 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.

The expense recognised for employee services received during the year is shown in the following table: (Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Expense arising from equity-settled share-based payment transactions	1	1
Total expense arising from share-based payment transactions	**1**	**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:

(Amount in ₹)

	March 31, 2020		March 31, 2019	
	Numbers	WAEP	Numbers	WAEP
Outstanding at the beginning of the year	2,07,000	138.74	1,35,000	272.66
Cancelled pursuant to Scheme of Arrangement and Amalgamation	-	-	(1,35,000)	272.66
Granted pursuant to DBL ESOP Scheme 2018	-	-	2,70,000	136.33
Exercised during the year	(80,000)*/1	129.4	(63,000)2	128.41
Expired/ lapsed during the year	-	-	-	-
Outstanding at the end of the year	1,27,000	144.62	2,07,000	138.74
Exercisable at the end of the year	-	-	-	-

* Shares exercised during the year, are issued through DB Trust.

1. The weighted average share price at the date of exercise of these options is Rupees 511.10/-
2. The weighted average share price at the date of exercise of these options is Rupees 1,214.40/-

The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 was 4.08 years (March 31, 2019: 4.60 years).

The range of exercise prices for options outstanding at the end of the year is Rupees 108.62/- each option to Rupees 191.77/- each option (March 2019: Rupees 108.62/- each option to Rupees 191.77/- each option).

The following table list the inputs to the models used for the plan for the year ended March 31, 2020 and March 31, 2019:

	Grant 1	Grant 2	Grant 3
Dividend yield (%)	1.42	0.40	0.21
Volatility (%)	42.76	48.58	46.92
Risk–free interest rate (%)	8.16	7.71	7.54
Average expected life of options (years)	4.50	4.53	4.51
Weighted average share price (Rupees) for each	105.95	502.05	713.8
Date of grant	May 18, 2012	January 29, 2015	February 03, 2016
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model

Notes to Standalone Financial Statements

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

27. Leases

A. Company as a lessee

The Company has lease contracts for land, various buildings (office and residential premises) and vehicles used in its operations. Leases of office and residential premises have lease terms between 1 and 6 years and vehicles generally have lease terms between 1 and 5 years. Generally, the Company is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of vehicles with lease terms of 12 months or less. 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:

(Amount in ₹)

	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**
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**
Net block				
As at March 31, 2020	**18**	**2**	**-**	**20**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(Amount in ₹)

Particulars	2019-20
As at April 1, 2019	**20**
Additions	8
Deletions	2
Accretion of interest	2
Payments	9
As at March 31, 2020	19
Current	5
Non-current	14

The maturity analysis of lease liabilities are disclosed in note 33.

The effective interest rate for lease liabilities is 10.00%, with maturity between 2021-2026.

The following are the amounts recognised in profit or loss: (Amount in ₹)

Particulars	2019-20
Year ended March 31, 2020 (Leases under Ind AS 116)	
Depreciation expense of right-of-use assets	6
Interest expense on lease liabilities	2
Expense relating to short-term leases (included in other expenses)	1
Total amount recognised in profit or loss	**9**

Year ended March 31, 2019 (Operating leases under Ind AS 17) (Amount in ₹)

Particulars	2018-19
Lease expense	7
Total amount recognised in profit or loss	**7**

Amounts recognised in statement of cash flows: (Amount in ₹)

Particulars	2019-20
Year ended March 31, 2020	
Total cash outflow for leases	9

Notes to Standalone Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

27. Leases (Contd.)

B. **Finance lease- assets taken on lease**

The Company has finance leases contracts for various items of office equipment's. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are, as follows:

(Amount in ₹)

Particulars	March 31, 2019	
	Minimum lease payments	Present value of MLP
Within one year	2	1
After one year but not more than five years	2	1
More than five years	-	-
Total minimum lease payments	**4**	**2**
Less: amounts representing finance charges	**(2)**	**-**
Present value of minimum lease payment	**2**	**2**

28. Capital and other commitments

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6	1

29. Contingent liabilities :

a. **to the extent not provided for in respect of:**

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Claims against the Company not acknowledged as debts	-	-

b. **Guarantees**

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Guarantees * given to a bank on behalf of others of ₹21 (March 31, 2019: ₹ Nil) – Loan outstanding	9	-

* These are covered by first pari pasu charge created in favour of the Company's bank by way of hypothication of current assets and receivables.

c. **Provident fund**

There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company will evaluate its position and act, as clarity emerges.

30. Related party transactions

A) List of related parties along with nature and volume of transactions is given below:

Related Parties where control exists:-

(i) **Subsidiaries**

1 Dalmia Cement (Bharat) Limited,
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 Alsthom Industries Limited,
8 Bangaru Kamakshiamman Agro Farms Private Limited,
9 Chandrasekara Agro Farms Private Limited,
10 Cosmos Cement Limited,
11 D.I. Properties Limited,
12 Dalmia Bharat Refractories Limited (formerly known as Sri Dhandauthapani Mines & Minerals Limited),
13 Dalmia DSP Limited (w.e.f July 10, 2018),
14 Dalmia Minerals & Properties Limited,
15 Dalmia OCL Limited (formerly known as Ascension Commercio 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 (w.e.f. December 21, 2018),
20 Ishita Properties Limited,
21 JayeVijay Agro Farms Private Limited,
22 Shri Rangam Properties Limited,

30. Related party transactions (Contd.)

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.

Other related parties:

(i) Associate of subsidiary company
1 Dalmia Renewables Energy Limited (upto May 31, 2018)

(ii) Joint ventures of subsidiary company
1 Khappa Coal Company Private Limited,
2 Radhikapur (West) Coal Mining Private Limited.

(iii) Key management personnel (KMP) of the Company
1 Shri Gautam Dalmia - Managing Director (w.e.f October 30, 2018)*,
2 Shri Puneet Yadu Dalmia - Managing Director (w.e.f October 30, 2018)*,
3 Shri Jayesh Doshi - Whole time Director & CFO,
4 Dr. Sanjeev Gemawat – Executive Director (Legal) and Company Secretary.
* Director (upto October 30, 2018)

(iv) Directors
1 Shri Jai Hari Dalmia - Non- Executive Director (w.e.f October 30, 2018)* ,
2 Shri Yadu Hari Dalmia - Non- Executive Director (w.e.f October 30, 2018)* ,
3 Shri D.N. Davar - Non- Executive Director (upto August 30, 2019),
4 Shri Niddodi Subrao Rajan - Non- Executive Director (w.e.f. August 30, 2019),
5 Shri P.K. Khaitan - Independent Director,
6 Shri N.Gopalaswamy-Independent Director (upto September 25,2019)
7 Shri V.S. Jain-Independent Director,
8 Smt. Sudha Pillai-Independent Director.
* Managing Director of erstwhile Dalmia Bharat Limited upto October 30,2018.

(v) Relatives of key management personnel (with whom transactions have taken place during the year)
1 Smt. Bela Dalmia,
2 Smt. Kavita Dalmia,
3 Smt. Anupama Dalmia,
4 Ku. Sukeshi Dalmia,
5 Ku. Vaidehi Dalmia,
6 Ku. Sumana Dalmia,
7 Smt. Chandana Jayesh Doshi.

(vi) Enterprises controlled/ jointly controlled by key management personnel of the Company (with whom transactions have taken place during the year)
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 Kanika Investment Limited,
9 Shree Nirman Limited,
10 Shri Chamundeswari Minerals Limited,
11 Rama Investment Company Private Limited,
12 Sita Investment Company Limited,
13 Himgiri Commercial Limited,
14 Himshikhar Investment Limited,
15 Valley Agro Industries Limited,
16 MAJ Textiles Private Limited,
17 Khaitan & Co. LLP,
18 Khaitan & Co.

(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.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

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	Managerial remuneration*	Professional fee	Rent received	CSR	Payable on account of MAT credit entitlement	Loans received back	Loans given
Dalmia Cement (Bharat) Limited	Subsidiary	-	0	0	143	-	77	-	-	-	-	-	-	-	-	9	-	-
		(0)	(0)	(0)	(145)	-	(33)	(11)	-	-	-	-	-	-	-	(43)	(184)	-
Dalmia Power Limited	Subsidiary	-	-	-	-	-	-	26	-	-	-	-	-	-	-	-	7	3
		-	-	-	-	-	-	(25)	-	-	-	-	-	-	-	-	-	(3)
Alsthom Industries Limited	Step down subsidiary	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Calcom Cement India Limited	Step down subsidiary	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia DSP Limited	Step down subsidiary	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Bharat Sugar and Industries Limited	KMP controlled	1	-	-	11	-	5	-	1	-	-	-	-	-	-	-	-	-
		(2)	-	(0)	(17)	(0)	-	-	(0)	-	-	-	-	-	-	-	-	-
Dalmia Refractories Limited	KMP controlled	-	-	-	0	-	-	-	0	-	-	-	-	-	-	-	-	-
		-	(0)	(0)	(1)	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Dalmia Bharat Foundation	KMP controlled	-	-	-	0	-	-	-	-	-	-	-	-	-	1	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-
Antordaya Commercial and Holdings Private Limited	KMP controlled	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Khaitan & Co. LLP	KMP controlled	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-
Khaitan & Co.	KMP controlled	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	-	-
Alirox Abrasives Limited	KMP controlled	-	-	-	0	-	-	-	0	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Shri Chamundeswari Minerals Limited	KMP controlled	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Shree Nirman Limited	KMP controlled	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Kanika Investment Limited	KMP controlled	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arjuna Brokers & Minerals Limited	KMP controlled	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Keshav Power Limited	KMP controlled	-	-	-	0	-	-	-	0	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rama Investment Company Private Limited	KMP controlled	-	-	-	-	-	-	-	32	-	-	-	-	-	-	-	-	-

(Amount in ₹)

B) The following transactions were carried out with the related parties in the ordinary course of business: (Contd.)

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	Managerial remuneration*	Professional fee	Rent received	CSR	Payable on account of MAT credit entitlement	Loans received back	Loans given
		-	-	-	-	-	-	-	(14)	-	-	-	-	-	-	-	-	-
Sita Investment Company Limited	KMP controlled	-	-	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(2)	-	-	-	-	-	-	-	-	-
Others	KMP controlled	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Shri Jai Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(1)	(0)	-	(4)	-	-	-	-	-	-
Shri Yadu Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	(0)	-	(5)	-	-	-	-	-	-
Shri Puneet Yadu Dalmia	KMP	-	-	-	-	-	-	-	-	-	-	20	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	-	(8)	-	-	-	-	-	-
Shri Gautam Dalmia	KMP	-	-	-	-	-	-	-	0	-	-	15	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	(0)	-	(6)	-	-	-	-	-	-
Shri Jayesh Doshi	KMP	-	-	-	-	-	-	-	0	-	-	4	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	-	-	(4)	-	-	-	-	-	-
Shri D.N. Davar	Non- Executive Director	-	0	-	-	-	-	-	-	0	-	-	-	-			-	-
		-	-	-	-	-	-	-	(0)	(0)	(0)	-	-	-	-	-	-	-
Shri Niddodi Subrao Rajan	Non- Executive Director	-	-	-	-	-	-	-	0	0	0	-	-	-			-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shri P.K. Khaitan	Director	-	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
Shri N. Gopalaswamy	Director	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
Shri V.S. Jain	Director	-	-	-	-	-	-	-	-	0	0	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
Smt. Sudha Pillai	Director	-	-	-	-	-	-	-	-	0	0	-	-	-			-	-
		-	-	-	-	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
Dr. Sanjeev Gemawat	Executive Director (Legal) and Company Secretary	-	-	-	-	-	-	-	-	-	-	2	-	-			-	-
		-	-	-	-	-	-	-	-	-	-	(2)	-	-	-	-	-	-
Others	Relatives of KMP	-	-	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-	-
Others	Other related parties	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

All figures in ( ) represent amount for the year ended March 31, 2019

* KMP are covered under the Company's Group 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

C) Balance outstanding at year end:

(Amount in ₹)

Name of Related Party	Nature of related party	Trade payables	Loans receivable	Interest receivable	Other payables	Trade receivables	Directors' commission payable	Directors' sitting fee payable	Managerial remuneration payable	Purchase consideration receivable
Dalmia Cement (Bharat) Limted	Subsidiary	-	-	-	-	15	-	-	-	-
		-	-	(1)	(43)	(49)	-	-	-	(0)
Dalmia Power Limited	Subsidiary	-	273	25	-	-	-	-	-	-
		-	(278)	(26)	-	-	-	-	-	-
Alsthom Industries Limited	Step down subsidiary	-	-	-	-	0	-	-	-	-
		-	-	-	-	-	-	-	-	-
Calcom Cement India Limited	Step down subsidiary	-	-	-	-	1	-	-	-	-
		-	-	-	-	(0)	-	-	-	-
Dalmia Bharat Sugar and Industries Limited	KMP controlled	0	-	-	-	1	-	-	-	-
		-	-	-	-	(3)	-	-	-	-
Dalmia Refractories Limited	KMP controlled	-	-	-	-	0	-	-	-	-
		-	-	-	-	(0)	-	-	-	-
Dalmia DSP Limited	Step down subsidiary	-	-	-	-	0	-	-	-	-
		-	-	-	-	(0)	-	-	-	-
Dalmia Bharat Foundation	KMP controlled	-	-	-	-	0	-	-	-	-
		-	-	-	-	(0)	-	-	-	-
Shree Nirman Limited	KMP controlled	0	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	-	-	-
Antordaya Commercial and Holdings Private Limited	KMP controlled	-	-	-	-	0	-	-	-	-
		-	-	-	-	(0)	-	-	-	-
Khaitan & Co.	KMP controlled	1	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Shri Chamundeswari Minerals Limited	KMP controlled	-	-	-	-	0			-	
		-	-	-	-	-			-	
Shri Puneet Yadu Dalmia	KMP	-	-	-	-	-	-	-	1	
		-	-	-	-	-	-	-	(0)	-
Shri Gautam Dalmia	KMP	-	-	-	-	-	-	-	1	
		-	-	-	-	-	-	-	-	-
Shri Jai Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	0	-	
		-	-	-	-	-	-	-	-	-
Shri Yadu Hari Dalmia	Non- Executive Director	-	-	-	-	-	-	0		
		-	-	-	-	-	-	-		-
Shri N. Gopalaswamy	Director	-	-	-	-	-	-	-	-	
		-	-	-	-	-	(0)	-	-	-
Smt. Sudha Pillai	Director	-	-	-	-	-	0	0		
		-	-	-	-	-	(0)	-		-
Shri P.K. Khaitan	Director	-	-	-	-	-	0	0		
		-	-	-	-	-	(0)	-		-
Shri V.S. Jain	Director	-	-	-	-	-	0	0		
		-	-	-	-	-	(0)	-		-
Shri D.N. Davar	Non- Executive Director	-	-	-	-	-	-	-		
		-	-	-	-	-	(0)	-		-
Shri Niddodi Subrao Rajan	Non- Executive Director	-	-	-	-	-	0	-		
		-	-	-	-	-	-	-		-
Total		1	273	25	-	17	1	0	2	-
		(0)	(278)	(27)	(43)	(52)	(1)	-	(0)	(0)

All figures in ( ) represent balance outstanding as at March 31, 2019

Investment with related parties are disclosed in note 3.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

30. Related party transactions (Contd.)

D) Transactions with key management personnel

Compensation of key management personnel of the Company:- (Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Short-term employee benefits	37	26
Termination benefits	4	3
Post employment benefits	-	-
Share-based payment transactions	0	0
Total compensation paid to key management personnel *	**41**	**29**

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:

			March 31, 2020	March 31, 2019
Grant Date	**Expiry Date**	**Exercise Price ₹**	**Number outstanding***	**Number outstanding***
January 29, 2015	January 29, 2021	108.62	36,000	66,000
February 03, 2016	February 03, 2022	191.77	16,500	22,500
			52,500	**88,500**

* Refer note 26

F) **The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.**

31. 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:

(Amount in ₹)

Particulars	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	March 31,2020	March 31, 2019
Financial assets				
Financial assets carried at amortised cost				
Loans to employees	1	2	1	2
Loans to a related party	273	278	273	278
Loans to others	30	30	30	30
Security deposits	7	6	7	6
Purchase consideration receivable	-	0	-	0
Financial assets carried at fair value through profit or loss				
Investment in tax free bonds	0	0	0	0
Investment in others	2	2	2	2
Investment in equity shares	0	39	0	39
Investments in corporate bonds	254	135	254	135
Investment in mutual funds	-	154	-	154
Financial liabilities				
Financial liabilities carried at amortised cost				
Borrowings	-	2	-	2

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 :

(a) 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.

(b) 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.

(c) 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

32. 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, 2020:

(Amount in ₹)

Particulars	Fair value measurement using			
	Total	**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 31)				
Loans to employees	1	-	-	1
Loans to a related party	273	-	-	273
Loans to others	30	-	-	30
Security deposits	7	-	-	7
Purchase consideration receivable	-	-	-	-
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	-	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2020.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

(Amount in ₹)

Particulars	Fair value measurement using			
	Total	**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 31)				
Loans to employees	2	-	-	2
Loans to a related party	278	-	-	278
Loans to others	30	-	-	30
Security deposits	6	-	-	6
Purchase consideration receivable	0	-	-	0
Liabilities for which fair values are disclosed (note 31)				
Borrowings	2	-	-	2
Assets measured at fair value				
Investment in tax free bonds	0	0	-	-
Investment in others	2	-	2	-
Investment in equity shares	39	39	-	-
Investments in corporate bonds	135	135	-	-
Investment in mutual funds	154	-	154	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2019.

33. 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:

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

33. Financial risk management objectives and policies (Contd.)

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. There is no outstanding loans at year end.

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.

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.

(Amount in ₹)

Ageing	Up to 180 days	More than 180 days	Total
As at March 31, 2020			
Gross carrying amount (A)	17	0	17
Expected credit losses (B)	-	-	-
Net carrying amount (A-B)	**17**	**0**	**17**
As at March 31, 2019			
Gross carrying amount (A)	52	0	52
Expected credit losses (B)	-	-	-
Net carrying amount (A-B)	**52**	**0**	**52**

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).

(Amount in ₹)

Ageing	Less than 1 Year	1 to 3 Years	3 to 5 years	More than 5 years	Total
As at March 31, 2020					
Lease liabilites	6	11	5	1	23
Trade payables	5	-	-	-	5
Other financials liabilities	9	-	-	-	9
As at March 31, 2019					
Borrowings	-	2	-	-	2
Trade payables	7	-	-	-	7
Other financials liabilities	7	-	-	-	7

Notes to Standalone Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

34. 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, current investments and interest accrued on current investments.

The primary objective of the Company's capital management is to maximise the shareholder value.

As stated in the below table, there is no loans outstanding at the year end. The Company is not subject to any externally imposed capital requirements.

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Long term borrowings	-	2
Less : Cash and cash equivalents (refer note 7(iii))	(113)	(11)
Less : Bank balance other than cash and cash equivalents (refer note 7(iv))	(17)	(4)
Less : Current investments (refer note 7(i))	(254)	(328)
Less : Interest receivable on corporate bonds (refer note 7(vi))	(8)	(7)
Net debt	**(392)**	**(348)**
Equity	7,642	7,580
Capital and net debt	**7,250**	**7,232**
Gearing ratio	**N/A**	**N/A**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

35. Remuneration paid to statutory auditors (included in Miscellaneous expenses):

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
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
Reimbursement of expenses	-	0

36. Details of dues to micro and small enterprises as per MSMED Act, 2006

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	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; and	-	-
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.

37. 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:-

(Amount in ₹)

Particulars	March 31, 2020		March 31, 2019	
	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 subsidiaries				
Dalmia Power Limited	273	278	278	278
Dalmia Cement (Bharat) Limited	-	-	-	184

Note: Investment in subsidiaries are disclosed in note 3.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

38. The Company has given loans and capital advances 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.

(Amount in ₹)

Particulars	Amount outstanding as at March 31, 2020	Amount outstanding as at March 31, 2019
Loans given for general corporate purpose		
Dalmia Power Limited (9.00% p.a.)	273	278
Rewas Ports Limited (10.00% p.a.)	30	30

The above loans are unsecured.

Particulars of guarantee given:

(Amount in ₹)

SI No.	Particulars	Purpose	Guarantee given during the financial year 2019-20	Guarantee given during the financial year 2018-19	Outstanding amount as at March 31, 2020	Outstanding amount as at March 31, 2019
1.	Guarantees given	Business purpose	21	-	21	-

Particulars of investments made

(Amount in ₹)

	Investments made during the financial year 2019-20	Investments made during the financial year 2018-19	Outstanding amount as at March 31, 2020	Outstanding amount as at March 31, 2019
Commercial papers	-	49	-	-
Corporate bonds	213	184	254	135

The details of investment of the Company are given in note 3.

39. The Company has spent amount on corporate social responsibility expenses as below:

(Amount in ₹)

Particulars	2019-20	2018-19
Gross amount required to be spent during the year	1	1
Amount spent during the year:		
- Construction/acquisition of any asset	0	0
- On purposes other than above	2	1

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, 2020	% of ownership held as at March 31, 2019
Dalmia Cement (Bharat) Limited	India	100.00%	100.00%
Dalmia Power Limited	India	100.00%	100.00%

Notes to Standalone Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

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.

42. The date of incorporation of the Company was July 17, 2013 which is after the date of declaration of dividend of unclaimed dividend of ₹0.25 declared by erstwhile Dalmia Bharat Limited on August 18, 2012 as final dividend for the Financial Year 2011-12, unclaimed dividend of ₹. 0.14 and ₹0.18 declared by erstwhile OCL India Limited on September 17, 2012 and February 02, 2012 as interim and final dividend respectively for Financial Year 2012-13. These dividends are due for transfer to the Investor Education and Protection Fund (IEPF). Due to the above anomaly of dates which is a more of technical error, the challan(s) could not be generated for deposit of said unclaimed amount(s) and the requisite forms could not be filed with the e-governance portal of Ministry of Corporate Affairs. This technical error in transfer of above amounts has been taken up with the IEPF Authorities to facilitate generation of challan and its subsequent transfer on resolving the technical issues. Pending the resolution of the issue, the said unclaimed dividends could not be transferred to the IEPF. Said three unclaimed dividends are outstanding for transfer to the IEPF for 196 days, 167 days and 28 days respectively as on March 31, 2020. As soon as the requisite approvals/challans are received, the said amounts will be deposited with the IEPF.

43. The Company has considered the impact of COVID-19 on its operations as well as its financial statements, including carrying amounts of investments, property plant and equipment, loans and other assets, as at March 31, 2020. In assessing the carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19, wherever required.

44. Previous year figures have been recasted/restated wherever necessary to conform to the current year's presentation.

As per our report of even date
For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : June 13, 2020

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Jayesh Doshi
Whole Time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

INDEPENDENT AUDITORS' REPORT

To the Members of
Dalmia Bharat Limited
(Formerly known as Odisha Cement Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Dalmia Bharat Limited (formerly known as Odisha Cement 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, 2020, 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 (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 as at March 31, 2020, its consolidated profit, consolidated total comprehensive loss, consolidated changes in equity and its 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

a. We draw attention to Note 4(a)(ii) to the accompanying consolidated financial statements for the year ended March 31, 2020 which describes that the Group had recognised goodwill arisen on giving impact of such Schemes from the appointed dates which is being amortised over a period of 4 to 10 years in accordance with the provisions of respective Schemes from the respective appointed dates, approved by the Hon'ble National Company Law Tribunal, Chennai Bench. As a result of above amortisation of goodwill, profit before tax for the year ended March 31, 2020 is lower by ₹402 crore. Our Opinion is not modified in respect of this matter.

b. We draw attention to Note 48 to the accompanying consolidated financial statements, as noticed by the subsidiary company "Dalmia Cement (Bharat) Limited" (DCBL) during the financial year ended March 31, 2019, certain mutual fund units ("Securities") appearing as current investments, valued at ₹374 crore as on March 31, 2020 were illegally and fraudulently transferred by one of the Depository Participants ("DPs"), from demat accounts of DCBL. Based on the complaint filed by DCBL and after conducting preliminary enquiry, the Economic Offences Wing, Delhi (EOW) directed the Clearing Agent of DP (i.e. ISSL) not to deal with the Securities and froze such Securities till further orders. Likewise, SEBI also directed the DP, its promoters/directors, its related associates and other noticees mentioned in the order, not to dispose of, alienate or encumber any assets, except with the prior permission of SEBI / National Stock Exchange (NSE). Further, EOW has filed charge sheet against the said DP, its promoter, ISSL and its business head accusing them of forging the Delivery Instruction Slips to effect fraudulent transfer of Securities. After filing of charge sheet, DCBL has filed an application before the Jurisdictional Court for release of mutual fund units and the same is currently pending. Consequent to this, DCBL has valued these Securities at the fair market value existing as at March 31, 2020 and an amount of ₹30 crore has been credited in the statement of profit and loss under the head 'Other income'. The matter is under sub-judice and as detailed in note referred above to the consolidated financial statements, is pending for further order/directives from Hon'ble Supreme Court and order of SEBI is also awaited. The matter is also currently under investigation by DCBL through an independent firm of Chartered Accountants. DCBL is fully confident of recovering its Securities based on the legal opinion obtained in the matter to the effect that there is a strong chance of getting its Securities returned, hence no provision is required to be made in the books of accounts. Our Opinion is not modified in respect of this matter.

c. We draw attention to the Note 34(C) to the accompanying consolidated financial statements regarding the dispute between the minority shareholder and one of the step down subsidiary company "Calcom Cement India Limited". The matter, which is more fully described in the said note, was referred for arbitration by the National Company Law Tribunal ('NCLT'), Guwahati Bench (earlier Company Law Board, Kolkata) via order dated January 5, 2017. The issues between the parties are pending adjudication before the Arbitral Tribunal. Pending final resolution of the matter, no adjustments are considered necessary in these consolidated financial statements. Our Opinion is not modified in respect of this matter.

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) refer Annexure I attached herewith to this report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 including 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 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 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

i. We did not audit the financial statements/financial information of twenty-six (26) subsidiaries/step down subsidiaries whose financial statements/financial information reflect total assets of ₹2,322 crore as at March 31, 2020; as well as the total revenue of ₹1,430 crore for the year ended March 31, 2020, total profit after tax of ₹112 crore, total comprehensive income of ₹124 crore and net cash flow amounting to ₹0 crore for the year ended March 31, 2020, as considered in these consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose audit reports for the year ended March 31, 2020 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.

ii. The consolidated financial statements also include the Group's share of profit including other comprehensive income of ₹0 crore for the year ended March 31, 2020 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, 2020 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 maters 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:

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 of the aforesaid consolidated financial statements;

b) 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;

c) 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;

d) 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;

e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 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, 2020 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 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.

g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

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 consolidated financial statements disclose the impact of pending litigations as at March 31, 2020 on the consolidated financial position of the Group and its Joint venture company -Refer Note 34 to the consolidated financial statements;

   ii. The Group and its joint venture Company did not have any material foreseeable losses on long term contracts including derivative contracts; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company, except amounts relating to erstwhile OCL India Limited and erstwhile Dalmia Bharat Limited which got amalgamated pursuant to Scheme of Arrangement and Amalgamation with effect from Appointed Date i.e. January 1, 2015. The amounts will be transferred to IEPF as soon as technical difficulties faced for transfer were resolved by IEPF authorities. (refer note 63 of the consolidated financial statements).

for S.S. Kothari Mehta & Company
Chartered Accountants
ICAI Firm registration number: 000756N

Sunil Wahal
Partner
Membership No: 087294

Date: June 13, 2020
Place: New Delhi
UDIN: 20087294AAAADJ1934

Annexure – 1 of the Auditors' Report on the consolidated financial statements for the year ended March 31, 2020 dated June 13, 2020

<table>
<tr><th>S. No.</th><th>Component</th><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td rowspan="2">1.</td><td rowspan="2">Dalmia Cement (Bharat) Limited ("DCBL") (Subsidiary Company)</td><td colspan="2">Impairment Assessment of Carrying Value of Goodwill (as described in note 4(a)(i) of the consolidated financial statements)</td></tr>
<tr><td>(a) DCBL is carrying goodwill ₹966 crore (net of amortization) arisen on giving impact of Scheme of Arrangement and Amalgamations relating to slump exchange of Undertakings of Odisha Cement Limited on going concern basis;
(b) DCBL is also carrying goodwill arisen on amalgamation of Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited. As per the Scheme of Arrangement, excess of net assets taken over cost of investment in transferor companies aggregating to ₹21 crore has been recorded as goodwill.

For performing the impairment testing, DCBL 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.

As required under Ind AS 36 "Impairment of asset", goodwill arising on such Schemes of Arrangement and Amalgamation is required to be tested for impairment on annual basis.

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 involves significant estimates, assumptions and judgments on future growth rates, discount rates etc.

Considering the significance of the matter and various judgment involved, we have identified this as a Key Audit Matter.</td><td>• We have evaluated that the assumptions used by the management to determine whether they are in line with the present trend and information available.
• We obtained and read the valuation report used by the management for determining the fair value of the cash generating unit.
• We 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.
• We have assessed the disclosures included in Note 4(a)(i) to the consolidated Ind AS financial statements.</td></tr>
<tr><td rowspan="2">2.</td><td rowspan="2">DCBL and its subsidiary Calcom Cement India Limited ("CCIL")</td><td colspan="2">Amount of Recoverable Deferred Tax Assets with respect to Tax Losses as carry forward and Unabsorbed Depreciation and Accumulation of MAT Credit Entitlement, (as described in note 16 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>DCBL and CCIL are carrying recoverable deferred tax assets amounting to ₹721 crore with respect to tax losses on carry forward and unabsorbed depreciation and MAT credit entitlement aggregating to ₹360 crore as at March 31, 2020. MAT credit entitlement has a limited period for utilization i.e. 15 years from the date such amount is available.

Both the above-mentioned companies ability to recognize these deferred tax assets with respect to tax losses as carry forward and unabsorbed depreciation and MAT credit assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the present Income Tax Laws and Regulation in force. The assumptions of growth in sales and EBITDA on these projections are determined by the management.

Given the degree of judgment involved in making a forecast of the profitability of the companies and the materiality of the amounts involved, we have determined this to be a key audit matter.</td><td>• We and statutory auditors of CCIL have carried out testing of the design and implementation as well as operating effectiveness of key controls related to the calculation and recognition of such MAT credit.
• We and statutory auditors of CCIL have assessed the methodology applied by the Company with current accounting standards and applicable taxation laws along with the future business forecast of taxable profits.
• We and statutory auditors of CCIL have assessed the likelihood of the companies to utilize the available MAT credit entitlement in the future with underlying projections and assumptions relating to future estimated profits, future capitalization and depreciation allowance thereon and future estimates of taxable income.</td></tr>
</table>

S. No.	Component	Key audit matters	How our audit addressed the key audit matters
			• We and statutory auditors of CCIL have evaluated the ageing of the carry forward MAT credit entitlement of these companies. • We and statutory auditors of CCIL have evaluated the disclosures included in Note 16 to the consolidated financial statements.
3.	DCBL	**Trade Receivables and Advances given and Subsidies / Incentives Receivables from Government** (as described in note 47 to the consolidated Financial Statements)	
		a. Trade receivables and advances given DCBL has trade receivables and advances given. DCBL has taken necessary steps including legal action, whenever applicable, for the recovery of these balances. There are balances with slow recovery rate for which expected credit loss assessment has been done which involve judgment as to the recoverability and discounting of those receivables. 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.	• We have evaluated the various correspondence made with the parties and other follow up actions taken by DCBL, including but not limited to legal process, meetings, notices etc. • We have read and evaluated the legal advice/ opinions obtained by DCBL in respect of recoverability of amounts, whenever applicable. • We have evaluated the underlying documents against which these amounts are paid/ accrued as per eligibility criteria. • Made inquiries with management to understand assumptions of the expected loss assessment like time period and recoverability assessment. • We have obtained the representation from the management. • We have assessed the adequacy of the disclosures included in Note 47 to the consolidated Ind AS financial statements.
	DCBL and its subsidiary company Calcom Cement India Limited ("CCIL") alongwith its subsidiaries	b. Subsidies/Incentives receivables from government DCBL and CCIL along with its subsidiaries have subsidies receivables against various schemes of the state / central government. The companies have recognized such subsidies receivables as per the various provisions of the schemes. The amount of such subsidies are re-verified at the various levels by the government agencies and funds are released according to the availability of the overall funds for disposal with these agencies. 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 Note 47 of the consolidated Ind AS financial statement. Both the above mention companies have accounted such incentives/subsidies receivables at fair value based on the expected period of realization using adjusted incremental borrowings rate. Such expected period has been estimated considering the past trend of the realization. Considering, the nature and amount of receivables and estimating the expected time period of realization of receivables, which requires application of significant judgment to record them at fair value, we consider this as a significant key audit matter from the perspective of our audit	• We and respective statutory auditor assessed that the subsidies / incentives are recognized by these companies and checked the compliance with the eligibility criteria. • We and respective statutory auditors have evaluated the process of estimation of time period of realisation by the management. • We and respective statutory auditors have tested the documentation on sample basis regarding the procedural delays in realizing the said incentives / subsidies. • We and respective statutory auditors have assessed the methodology applied by these companies to comply with the requirements of Ind AS-20 and Ind AS-39. • We and respective statutory 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. • We and respective statutory auditors have assessed the adequacy of the disclosures included in Note 47 to the consolidated Ind AS financial statements.

Annexure A to the Independent Auditors' Report to the members of Dalmia Bharat Limited (formerly known as Odisha Cement Limited) dated June 13, 2020 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 (formerly known as Odisha Cement Limited)** as of and for the year ended March 31, 2020, we have audited the Internal Financial Controls over Financial Reporting of **Dalmia Bharat Limited (formerly known as Odisha Cement Limited)** (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries/stepdown 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 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 judgment, 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:

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 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

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 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, 2020, 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.

Other Matters

a. 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 four subsidiaries/step down subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

b. 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 jointly controlled entity, which is company, incorporated in India, as the financial statements of this joint venture company is management certified. This joint venture company is not 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

Sunil Wahal
Partner
Membership No: 087294

Date: June 13, 2020
Place: New Delhi
UDIN: 20087294AAAADJ1934

Consolidated Balance Sheet as at March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2A	8,419	9,086
Capital work-in-progress	2B	1,702	501
Investment properties	3	0	0
Goodwill	4(a)	1,218	1,620
Other intangible assets	4(b)	2,750	2,867
Right-of-use assets	32	168	-
Intangible assets under development		38	19
Biological assets other than bearer plants	4(c)	0	0
Investments	5	93	93
Financial assets			
(i) Investments	6(i)	25	16
(ii) Loans	6(ii)	71	63
(iii) Other financial assets	6(iii)	132	396
Income tax assets (net)		72	91
Other non-current assets	7	254	382
		14,942	**15,134**
Current assets			
Inventories	8	974	1,032
Financial assets			
(i) Investments	9(i)	2,698	2,315
(ii) Trade receivables	9(ii)	397	549
(iii) Cash and cash equivalents	9(iii)	266	280
(iv) Bank balances other than (iii) above	9(iv)	137	189
(v) Loans	9(v)	71	63
(vi) Other financial assets	9(vi)	705	624
Income tax assets		-	0
Other current assets	10	419	350
Assets held for sale	11	2	1
		5,669	**5,404**
Total Assets		**20,611**	**20,538**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	39	39
Other equity	13	10,522	10,600
Equity attributable to Owners of the Parent Company		**10,561**	**10,639**
Non-controlling interest		25	11
Total equity		**10,586**	**10,650**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14(i)	3,505	4,015
(ii) Lease liabilities	32	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)	3	6
Other non current liabilities	14A	94	117
Provisions	15	140	170
Deferred tax liabilities (net)	16	1,277	1,279
Government grants	17	122	119
		5,203	**5,706**
Current liabilities			
Financial liabilities			
(i) Borrowings	18(i)	1,246	908
(ii) Lease liabilities	32	40	-
(iii) Trade payables	18(ii)		
- total outstanding dues of micro enterprises and small enterprises		13	6
- total outstanding dues of creditors other than micro enterprises and small enterprises		816	871
(iv) Other financial liabilities	18(iii)	1,997	1,682
Government grants	17	18	10
Other current liabilities	19	551	564
Current tax liabilities (net)		77	51
Provisions	20	64	90
		4,822	**4,183**
Total Liabilities		**10,025**	**9,888**
Total Equity and Liabilities		**20,611**	**20,538**
Significant accounting policies	1B(iii)		

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Registration No. 000756N

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Sunil Wahal
Partner
Membership No.: 087294

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Jayesh Doshi
Whole Time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Place : New Delhi
Date : June 13, 2020

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
INCOME			
Revenue from operations	21	9,674	9,484
Other income	22	217	235
Total income (I)		**9,891**	**9,719**
Expenses			
Cost of raw materials consumed	23	1,654	1,794
Purchase of stock in trade		67	138
Change in inventories of finished goods, work-in-progress and stock in trade	24	25	(147)
Employee benefits expenses	25	675	648
Finance costs:			
- Interest cost	26(a)	361	504
- Other finance cost (including exchange differences)	26(b)	54	47
Foreign currency fluctuation on borrowings etc. (net)		23	(9)
Depreciation and amortisation expense	2A(vi)	1,528	1,296
Power and fuel		1,738	1,756
Freight charges:			
- on finished goods		1,681	1,598
- on internal clinker transfer		214	231
Other expenses	27	1,514	1,524
Total expenses (II)		**9,534**	**9,380**
Profit before tax (I - II)		**357**	**339**
Tax expense (refer note 16)			
Current tax		114	112
Deferred tax (credit)		(16)	(119)
Tax adjustments for earlier years		21	(3)
Total tax expense		**119**	**(10)**
Profit after tax before share of profit in joint ventures		**238**	**349**
Add: Share of profit in joint ventures		0	0
Profit for the year (III)		**238**	**349**
Profit for the year attributable to:			
Non-controlling interest		14	41
Owners of the Parent Company		224	308
Other comprehensive income (OCI)			
A. Items that will not be reclassified to profit or loss			
- Re-measurement (loss) on defined benefit plans		(8)	(32)
- Change in fair value of financial instruments through other comprehensive income		(214)	29
- Income tax relating to items that will not be reclassified to profit or loss		4	29
B. Items that will be reclassified to profit or loss			
- Exchange difference on translation of foreign operations		7	1
- Income tax relating to item that will be reclassified to profit or loss		-	-
Other comprehensive income/ (loss) for the year (IV)		**(211)**	**27**
Other comprehensive income/ (loss) for the year attributable to:			
Non-controlling interest		(0)	(0)
Owners of the Parent Company		(211)	27
Total comprehensive income for the year (III+IV)		**27**	**376**
Total comprehensive income for the year attributable to:-			
Non-controlling interest		14	41
Owners of the Parent Company		13	335
Earnings per share	28		
[Nominal value of Rupees 2 (Rupees 2) each]			
Basic (In Rupees)		11.61	15.97
Diluted (In Rupees)		11.58	15.95
Significant accounting policies	1B(iii)		

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Registration No. 000756N

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Sunil Wahal
Partner
Membership No.: 087294

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Jayesh Doshi
Whole Time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Place : New Delhi
Date : June 13, 2020

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

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, 2018	-	-
Issue of share capital *	19,27,27,553	39
Shares issued on exercise of employee stock options (note 31)	2,31,000	0
As at March 31, 2019	**19,29,58,553**	**39**
Issue of share capital	-	-
Shares issued on exercise of employee stock options	-	-
As at March 31, 2020	**19,29,58,553**	**39**

* During the previous year, the Parent Company had alloted 19,27,27,553 equity shares of ₹2 each fully paid up to the shareholders of erstwhile Dalmia Bharat Limited and OCL India Limited, pursuant to Scheme of Arrangement and Amalgamation.

b. Share capital suspense (Amount in ₹)

As at April 1, 2018 *	6,654
Issue of share capital	(6,654)
As at March 31, 2019	-
Issue of share capital	-
As at March 31, 2020	**-**

* Represented 19,27,27,553 number of equity shares of ₹2 each fully paid up, pending to be allotted to the shareholders of erstwhile Dalmia Bharat Limited and OCL India Limited (including securities premium), pursuant to Scheme of Arrangement and Amalgamation sanctioned by Hon'ble NCLT. These shares were allotted during the financial year 2018-19.

c. Other equity: (Amount in ₹)

Particulars	Attributable to Owners of the Parent Company									Attributable to Non controlling interest	Total other equity
	Reserve and Surplus						Other comprehensive income		Total other equity attributable to Owners of the Parent Company		
	Securities premium	Capital reserve	General reserve	Debenture redemption reserve	Retained earnings	Employee stock option outstanding	Exchange difference on translation of foreign operations	Equity instruments through OCI			
As at April 1, 2018	**1,075**	**277**	**3**	**285**	**1,544**	**14**	**1**	**482**	**3,681**	**(30)**	**3,651**
Profit for the year	-	-	-		308	-	-	-	308	41	349
Other comprehensive income (net of tax)											
Re-measurement (loss) on defined benefit plan	-	-	-	-	(3)	-	-	-	(3)	(0)	(3)
Change in fair value of financial instruments through OCI	-	-	-	-	-	-	-	29	29	-	29
Exchange difference on translation of foreign operations	-	-	-	-	-	-	1	-	1	0	1
Total comprehensive income	**-**	**-**	**-**	**-**	**305**	**-**	**1**	**29**	**335**	**41**	**376**
Allotment of shares pursuant to Scheme of Arrangement and Amalgamation	6,615	-	-	-	-	-	-	-	6,615	-	6,615
Premium on issue of employee stock options	4	-	-	-	-	-	-	-	4	-	4
Exercise of employee stock options	5	-	-	-	-	(5)	-	-	-	-	-
Transferred to general reserve	-	-	0	-	(0)	-	-	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	(62)	62	-	-	-	-	-	-
Reserve released during the year	-	(0)	-	27	(27)	-	-	-	(0)	-	(0)
Dividend paid (including dividend distribution tax) (refer note 13)	-	-	-	-	(40)	-	-	-	(40)	-	(40)
Employee stock option expense (refer note 31)	-	-	-	-	-	5	-	-	5	-	5
As at March 31, 2019	**7,699**	**277**	**3**	**250**	**1,844**	**14**	**2**	**511**	**10,600**	**11**	**10,611**
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)											
Re-measurement (loss) on defined benefit plan	-	-	-	-	(6)	-	-	-	(6)	(0)	(6)
Change in fair value of financial instruments through OCI	-	-	-	-	-	-	-	(213)	(213)	-	(213)
Exchange difference on translation of foreign operations	-	-	-	-	-	-	7	-	7	0	7
Total comprehensive income	**-**	**-**	**-**	**-**	**218**	**-**	**7**	**(213)**	**12**	**14**	**26**
Exercise of employee stock options	7	-	-	-	-	(7)	-	-	-	-	-
Transfer of realised gain on investments	-	-	-	-	7	-	-	(7)	-	-	-
Reserve released during the year	-	(0)	-	(195)	195	-	-	-	-	-	-
Transferred to general reserve	-	-	1	-	(1)	-	-	-	-	-	-
Share issue expenses	(1)	-	-	-	-	-	-	-	(1)	-	(1)
Dividends paid (including dividend distribution tax) (refer note 13)	-	-	-	-	(93)	-	-	-	(93)	-	(93)
Employee stock option expense (refer note 31)	-	-	-	-	-	4	-	-	4	-	4
As at March 31, 2020	**7,705**	**277**	**4**	**55**	**2,170**	**11**	**9**	**291**	**10,522**	**25**	**10,547**

For description of the purpose 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

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date : June 13, 2020

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Jayesh Doshi
Whole Time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Consolidated Statement of Cash Flows for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(Amount in ₹)

		Notes	Year ended March 31, 2020	Year ended March 31, 2019
A.	**Cash flow from operating activities**			
	Profit before tax		357	339
	Adjustments to reconcile profit before tax to net cash flows:			
	Depreciation and amortisation	2A(vi)	1,528	1,296
	Impairment allowance (net)	27	20	2
	Bad debts/ advances written off (net)	27	2	3
	Liabilities no longer required written back	22	(26)	-
	Expenses on employees stock options scheme	25	2	5
	Dividend (income)	22	(13)	(8)
	Exchange difference (net)		73	26
	Interest expense (including other borrowing costs)	26	364	516
	Interest income		(110)	(75)
	Gain/(loss) on change of fair value of investments measured at FVTPL	22	(2)	114
	(Profit) on sale of investments (net)	22	(57)	(185)
	(Profit)/loss on disposal of property, plant and equipment (net)	22	(1)	3
	Share in profit of limited liability partnership investment (post tax)	22	(7)	(6)
	Share of profit of a joint venture		0	0
	Operating profit before working capital changes		**2,129**	**2,030**
	Working capital adjustments:			
	Decrease/(increase) in inventories		59	(244)
	Decrease in trade receivables		127	11
	Decrease in financial and other assets		154	264
	(Decrease) in trade and other payables		(7)	(175)
	(Decrease) in provisions and government grants		(59)	(19)
	Cash generated from operations		**2,403**	**1,867**
	Income tax paid (net)		(66)	(24)
	Net cash flow from operating activities		**2,337**	**1,843**
B	**Cash flow from investing activities**			
	Purchase of property, plant and equipment and intangibles		(1,348)	(926)
	Proceeds from sale of property, plant and equipment		3	0
	(Purchase) of/ proceeds from sale of current investments (net)		(542)	1,228
	(Purchase) of non current investments		(2)	(16)
	Fixed deposits (placed)/ matured (having original maturity of more than three months)		47	(161)
	Share in profit of limited liability partnership investment (post tax)	22	7	6
	Interest received		62	48
	Dividend received	22	13	8
	Net cash flow from/ (used) in investing activities		**(1,760)**	**187**
C	**Cash flow from financing activities**			
	Proceeds from long term borrowings		1,071	256
	(Repayment) of long term borrowings		(1,366)	(1,802)
	Availment of short term foreign currency loan		564	369
	(Repayment) of short term foreign currency loan		(498)	(547)
	Proceeds from other short term borrowings (net)		241	215
	Proceeds from issue of shares on exercise of stock options		-	4
	Interest paid		(467)	(522)
	Repayment of lease liabilities	32	(43)	-
	Dividend paid (including dividend distribution tax)	13	(93)	(40)
	Net cash flow (used in) financing activities		**(591)**	**(2,067)**
	Net (decrease) in cash and cash equivalents (A+B+C)		**(14)**	**(37)**
	Cash and cash equivalents at the beginning of the year		280	315
	Add: Cash and cash equivalents acquired on acquisition of Dalmia DSP Limited		-	2
	Cash and cash equivalents at the end of the year	9(iii)	**266**	**280**

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'.

Consolidated Statement of Cash Flows for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(b) Changes in liabilities arising from financing activities:

(Amount in ₹)

Particulars	As at April 1, 2019	Cash flows	Fair value changes	Foreign exchange movement	Others	As at March 31, 2020
Non current borrowings	4,970	(295)	(18)	58	(11)	4,704
Current borrowings (refer note 18(i))	908	307	-	31	-	1,246
For lease liabilities, refer note 32.						

Particulars	As at April 1, 2018	Cash flows	Fair value changes	Foreign exchange movement	Others *	As at March 31, 2019
Non current borrowings	6,403	(1,546)	(4)	26	91	4,970
Current borrowings (Refer note 18(i))	863	13	-	23	9	908

*Others includes on account of acquisition of Dalmia DSP Limited, step down subsidiary of the Group, on the acquisition date.

As per our report of even date

For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Registration No. 000756N

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Sunil Wahal
Partner
Membership No.: 087294

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Place : New Delhi
Date : June 13, 2020

Jayesh Doshi
Whole Time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

Note: 1

A. Corporate Information

The consolidated financial statements comprise financial statements of Dalmia Bharat Limited (formerly known as Odisha Cement Limited) ('the Company' or 'Parent Company'), its subsidiaries (collectively, the Group) and joint ventures for the year ended March 31, 2020.

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 55.

The financial statements for the year ended March 31, 2020 were authorised for issue in accordance with a resolution of the Board of Directors on June 13, 2020.

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
- Property, plant and equipment, referred in accounting policy 1B(iii)(j), at fair value as on the transition date i.e. April 1, 2015.

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, 2020. 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 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 recognized 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 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

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 an associate and 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

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'.

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:

a. In the principal market for the asset or liability, or

b. 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.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

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.

The management and the Group's external valuers present the valuation results to the Audit Committee. This includes a discussion of the major assumptions used in the valuations.

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 2A)
- Intangible assets (note 4(a) and 4(b))
- Disclosures for valuation methods, significant estimates and assumptions (note 29)
- Financial instruments (including those carried at amortised cost) (note 37)
- Comparison of carrying value and fair value of financial instruments (note 37)
- Quantitative disclosures of fair value measurement hierarchy (note 38)

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 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 excluding taxes.

Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group 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, generally on dispatch/ delivery of the goods. Amounts disclosed as revenue are net of returns and allowances, trade discounts, cash discounts and volume rebates.

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.

Rebates are offset against amounts payable by the customer.

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.

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. The fair value of the non-cash incentive is deferred and recognised as revenue when the associated incentive is released.

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 is a partner, is recognised as income as and when the right to receive its profit share is 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) 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 claims 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.

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'.

Customs duty saved on property, plant and equipment imported under Export Promotion Capital Goods (EPCG) scheme are recognised initially as deferred revenue when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in statement of profit and loss as other operating revenue on fulfilment of specified conditions attached to export obligations.

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 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.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

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/ distribute. 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. Capital work in progress are stated at cost net of impairment loss, 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 property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. 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 (note 29) and provisions (note 41) 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)

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.

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 *	25 to 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
Office equipment	
End user devices such as computers	3 Years

Type of Asset	Useful life (in 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.

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.

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 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. Intangible assets

(i) Goodwill as per Scheme of Arrangement and Amalgamation (Scheme) approved by NCLTs

a) Goodwill arisen on amalgamation of Group's erstwhile subsidiary namely Adwetha Cement Holdings Limited ('ACHL') with Dalmia Cement (Bharat) Limited (DCBL), subsidiary of the Group, has 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 being amortised in accordance with Scheme over a period of 4 years.

b) Goodwill arisen on amalgamation of Group's erstwhile step down subsidiary namely Adhunik Cement Limited (ACL) with DCBL has 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 has 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.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

(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.

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.

(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.

(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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

Policy applicable with effect from April 1, 2019

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 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.

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.

Leasehold land is amortised over a period of lease.

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.

Policy relating to leases till March 31, 2019

Where the Group is lessee

The lease was classified at the inception date as a finance lease or an operating lease. The lease that transfers substantially all the risks and rewards incidental to ownership to the Group was classified as a finance lease.

Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognised in finance costs in the statement of profit and loss, unless they were directly attributable to qualifying assets, in which case they were capitalised in accordance with the Group's general policy on the borrowing costs. Contingent rentals were recognised as expenses in the periods in which they were incurred.

The leased asset was depreciated over the useful life of the asset. In case there was no reasonable certainty that the Group would obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payment to lessor was structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increases.

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 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.

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

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.

Mine 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 a 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.

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 two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. 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.

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 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

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 and other unquoted investment included under current financial assets, and unquoted investment in compulsorily convertible preference shares and non-listed equity investments included under other 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.

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.

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 inter-segment 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. Recent accounting pronouncements

(i) New and amended standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standard is described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective/ notified.

(a) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

Accordingly, the comparatives have not been restated and hence not comparable with previous year figures.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at April 1, 2019:

- Right-of-use assets of ₹179 were recognised and presented separately in the balance sheet. This includes the lease assets recognised previously under finance leases of ₹71 that were reclassified from property, plant and equipment.
- Additional lease liabilities of ₹108 were recognised.
- Obligations under finance lease of ₹2 have been reclassified to lease liabilities.

On application of Ind AS 116, in the statement of profit and loss for the current year, operating lease expenses has changed from rent (included under 'Employee benefits expenses' and 'Other expenses') to depreciation cost for the right-of-use assets and finance cost for interest accrued on lease liability.

Consequent to above, there is a reduction in rent expense by ₹53, increase in interest expense by ₹10 and increase in depreciation charge by ₹47.

The adoption of Ind AS 116 did not have any significant impact on the profit and earnings per share of the current year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

The Group has lease contracts for various items of buildings (godowns, office and residential premises), vehicles and other equipment. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to note 1B(iii)(n) Leases for the accounting policy prior to April 1, 2019.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to note 1B(iii)(n) Leases for the accounting policy beginning April 1, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Assets	
Operating lease commitments as at March 31, 2019 (₹)	30
Weighted average incremental borrowing rate as at April 1, 2019	10.00%
Discounted operating lease commitments as at April 1, 2019 (₹)	**24**
Less:	
Commitments relating to short-term leases (₹)	-
Commitments relating to leases of low-value assets (₹)	-
Add:	
Commitments relating to leases previously classified as finance leases (₹)	2
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019 (₹)	84
Lease liabilities as at April 1, 2019 (₹)	**110**

(b) Amendment to existing issued Ind AS

i) Appendix C to Ind AS 12, Income Taxes - Uncertainty over Income Tax Treatments

ii) Amendments to Ind AS 19, Employee Benefits - Plan Amendment, Curtailment or Settlement

iii) Amendment to Ind AS 12, Income Taxes

iv) Amendment to Ind AS 23, Borrowing costs

v) Amendments to Ind AS 109, Financial instruments: Prepayment Features with Negative Compensation

vi) Amendments to Ind AS 28, Investment in Associates and Joint Ventures: Long-term interests in associates and joint ventures

vii) Ind AS 103, Business Combinations

viii) Ind AS 111 Joint Arrangements

The effect on adoption of above mentioned amendments were insignificant on the financial statements of the Group.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

2A. 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, 2018	1,035	70	1,221	8,485	23	25	41	47	10,947
Additions on acquisition	31	-	46	182	0	0	3	3	265
Additions	42	1	28	375	3	3	14	6	472
Disposals	0	-	0	123	0	1	0	0	124
Exchange difference **	-	(0)	(0)	2	(0)	(0)	(0)	-	2
Other adjustment	-	11	-	(3)	(0)	0	0	-	8
As at March 31, 2019	**1,108**	**82**	**1,295**	**8,918**	**26**	**27**	**58**	**56**	**11,570**
Additions	60	-	21	257	2	4	13	10	367
Disposals	-	-	1	80	0	1	3	-	85
Exchange difference **	-	-	1	3	-	(0)	0	-	4
Reclassified on account of adoption of Ind AS 116 (refer note 32)	-	(82)	-	-	-	-	(2)	(3)	(87)
Other adjustment	(3)	-	(1)	3	(1)	(2)	(1)	-	(5)
As at March 31, 2020	**1,165**	**-**	**1,315**	**9,101**	**27**	**28**	**65**	**63**	**11,764**
Depreciation									
As at April 1, 2018	16	9	190	1,546	7	10	20	24	1,822
Additions on acquisition	-	-	5	21	0	0	2	1	29
Charge for the year	8	3	65	658	3	3	9	5	754
Disposals	-	-	0	120	0	1	0	-	121
Exchange difference **	-	3	(0)	(0)	(0)	(0)	(0)	-	3
Other adjustments	-	-	(0)	(3)	(0)	0	0	0	(3)
As at March 31, 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	-	-	1	76	0	1	3	-	81
Exchange difference **	-	-	(0)	(0)	-	(0)	(0)	-	0
Reclassified on account of adoption of Ind AS 116 (refer note 32)	-	(15)	-	-	-	-	(2)	(0)	(17)
Other adjustments	-	-	0	(1)	0	2	0	-	1
As at March 31, 2020	**34**	**-**	**349**	**2,865**	**13**	**17**	**36**	**31**	**3,345**
Net block									
As at March 31, 2020	**1,131**	**-**	**966**	**6,236**	**14**	**11**	**29**	**32**	**8,419**
As at March 31, 2019	**1,084**	**67**	**1,035**	**6,816**	**16**	**15**	**27**	**26**	**9,086**

*Refer note 1(B)(iii)(j).

** includes foreign currency translation of foreign operations.

Notes:

(i) The Group has pledged certain assets against borrowings which has been disclosed in note 14(i).

(ii) Buildings having gross block of ₹47 (March 31, 2019 : ₹47) are pending to be registered in the name of Parent Company. Freehold land having gross block of ₹13 (March 31, 2019: ₹13) is pending to be registered in the name of subsidiary company.

(iii) In terms of Schemes of Arrangement and Amalgamation, the title deeds of certain portion of immovable properties of erstwhile step down subsidiary namely Adhunik Cement Limited, erstwhile step down subsidiary namely Adhunik MSP (Cement) Limited, Power Undertakings of erstwhile step down subsidiary namely DCB Power Ventures Limited and Undertakings of Odisha Cement Limited (transfer through slump sale) are in the process of being transferred in the name of Dalmia Cement (Bharat) Limited (DCBL), a subsidiary of the Group.

(iv). Disposals from (i) Plant and equipment having gross block of ₹5 (March 31, 2019: ₹7) and accumulated depreciation of ₹4 (March 31, 2019: ₹6) and (ii) Vehicles having gross block of ₹ Nil (March 31, 2019: ₹0) and accumulated depreciation of ₹ Nil (March 31, 2019: ₹0) transferred to 'Assets held for sale'.

(v) Adjustment in Leasehold land during the previous year represented mines reclamation cost transferred from Other intangible assets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

2A. Property, plant and equipment (Contd.)

(vi) Reconciliation of depreciation and amortisation expense:

(Amount in ₹)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation and amortisation expense on:		
Property, plant and equipment (PPE) *	958	754
Goodwill	402	420
Other intangible assets	132	138
Right-of-use assets	51	-
As per PPE, Intangible assets and Right-of-use assets Schedule	**1,543**	**1,312**
Less:		
Cost allocated to capital work-in-progress (refer note 43)	(3)	(14)
Adjustment against recoupment from deferred capital subsidy (refer note 17(i))	(12)	(2)
As per statement of profit and loss	**1,528**	**1,296**

* Also refer note 29(vi)

2B. Capital work-in-progress (CWIP)

(Amount in ₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Movement of capital work in progress		
Opening balance	501	173
Additions during the year	1,441	535
Capitalised during the year	(237)	(206)
Transfer to assets held for sale	(0)	-
Transfer to Intangible assets under development	-	(1)
Other adjustments	(3)	-
Closing balance *	**1,702**	**501**

* Refer note 51.

Note:

(i) Details of expenses capitalised and carried forward as a part of capital work in progress are disclosed in note 43.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

3. Investment properties

4(a) Goodwill

4(b) Other intangible assets

4(c) Biological assets other than bearer plants

(Amount in ₹)

Particulars	3. Investment properties (Freehold Land)	4(a). Goodwill			4(b). Other intangible assets					
		Goodwill on consolidation	Goodwill **	Total	Computer software	Mining rights***	Raw materials procurement rights $	Brands #	Other intellectual property rights	Total
Deemed Cost * / Cost										
As at April 1, 2018	0	92	3,087	3,179	12	1,175	279	1,973	-	3,439
Additions on acquisition	-	139	-	139	-	-	-	-	-	-
Additions	-	-	-	-	2	-	-	-	-	2
Disposals	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	(11)	-	-	-	(11)
As at March 31, 2019	**0**	**231**	**3,087**	**3,318**	**14**	**1,164**	**279**	**1,973**	**-**	**3,430**
Additions	-	0	-	0	7	8	-	-	0	15
Disposals	-	-	-	-	0	-	-	-	-	0
Adjustment		-	-	-	2	(2)	-	-	-	-
As at March 31, 2020	**0**	**231**	**3,087**	**3,318**	**23**	**1,170**	**279**	**1,973**	**0**	**3,445**
Amortisation										
As at April 1, 2018	-	-	1,278	1,278	9	128	63	228		428
Charge for the year	-	-	420	420	4	49	9	76		138
Disposals	-	-	-	-	-	-	-	-		-
Adjustment	-	-	-	-	-	(3)	-	-		(3)
As at March 31, 2019	**-**	**-**	**1,698**	**1,698**	**13**	**174**	**72**	**304**	**-**	**563**
Charge for the year	-	-	402	402	3	43	9	77	0	132
Disposals	-	-	-	-	0	-	-	-	-	0
Adjustment	-	-	-	-	(1)	1	-	-	-	-
As at March 31, 2020	**-**	**-**	**2,100**	**2,100**	**15**	**218**	**81**	**381**	**0**	**695**
Net block										
As at March 31, 2020	**0**	**231**	**987**	**1,218**	**8**	**952**	**198**	**1,592**	**0**	**2,750**
As at March 31, 2019	**0**	**231**	**1,389**	**1,620**	**1**	**990**	**207**	**1,669**	**-**	**2,867**

* Refer note 1(B)(iii)(k) & 1(B)(iii)(l).

Notes:

Investment properties

(i) Group's investment properties consist of freehold lands for capital appreciation. 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.

(ii) There is no material expenses incurred for the maintenance of investment properties nor income derived out of the same.

(iii) Investment properties are mortgaged against the secured borrowings of the Group as disclosed in note no. 14(i).

(iv) As at March 31, 2020 and March 31, 2019, the fair values of the properties is ₹3 and ₹3 respectively. The fair valuation of investment properties comprising lands are based on the benchmark value of land as fixed for different mouzas (village) by the authorities of respective State Governments.

** Goodwill acquired pursuant to Scheme of Arrangement and Amalgamation:

(i) Impairment testing of goodwill

The carrying amount of goodwill of ₹987 (March 31, 2019: ₹1,389) 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 16.35% (March 2019: 16.94%) and cash flows beyond the five-year period are extrapolated using a 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

3. Investment properties (Contd.)

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.

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 20.50% 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 22.00% would result in value in use being lower than carrying amount of the assets.

(ii) **Amortisation of recognised goodwill**

The Group had accounted for (i) amalgamation of Adwetha Cement Holdings Limited in accordance with requirement of Accounting Standard (AS)- 14 "Accounting for Amalgamations" and (ii) slump exchange of all the assets and liabilities forming part of Undertakings of Odisha Cement Limited ('ODCL') (renamed to Dalmia Bharat Limited) to Dalmia Cement (Bharat) Limited (DCBL), a subsidiary of the Group, on a going concern basis based on allocation report prepared in accordance with AS- 10, notified under Section 133 of the Companies Act, 2013, as referred to in various Scheme of Arrangement and Amalgamation sanctioned by Hon'ble National Company Law Tribunal(s).

Goodwill arisen on amalgamation alongwith goodwill acquired on slump sale is being amortised over a period of 4 to 10 years from the appointed date, as per the provisions of respective Schemes. As a result of amortisation of goodwill, profit before tax for the year ended March 31, 2020 is lower by ₹402^ (March 31, 2019 : ₹420).

^ includes ₹32 (March 31, 2019: ₹8) on account of accelerated amortisation of a particular goodwill amount from earlier policy of amortising over a period of 5 years to 4 with effect from January 1, 2019.

*** Mining rights include:

(a) 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.

(b) Pursuant to Scheme of Arrangement and Amalgamation, mining rights of the mines forming part of transfer of Undertakings of ODCL to DCBL by way of slump exchange from the appointed date January 1, 2015. A sum of ₹969 was assigned to these mining rights.

(c) Adjustment in 'Mining rights' during the previous year represented mines reclamation cost transferred to 'Property, plant and equipment'.

$ 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 the fair valuation carried out by independent valuer as at the appointed date January 1, 2015 at an aggregate value of ₹284.

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.

(Amount in ₹)

Particulars	**4(c). Biological assets other than bearer plants**	
	As at March 31, 2020	**As at March 31, 2019**
Cost		
Opening balance	0	0
Additions	-	0
Disposals	0	-
Closing balance	**0**	**0**

Note: 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.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

5. Investments

(Amount in ₹)

		As at March 31, 2020	As at March 31, 2019
A.	**Equity shares**		
(i)	**Investment in joint ventures accounted as per equity method (unquoted)**		
	73,48,000 (March 31, 2019: 73,48,000) Shares of ₹10/- each fully paid up in Radhikapur (West) Coal Mining Private Limited (refer note (a) below)	7	7
	Less : Impairment allowance	(3)	(3)
		4	4
	18,36,500 (March 31, 2019: 18,36,500) Shares of ₹10/- each fully paid up in Khappa Coal Company Private Limited (refer note (b) below)	2	2
	Less : Impairment allowance	(2)	(2)
		-	-
(ii)	**Others (quoted)**		
	1,48,29,764 (March 31, 2019: 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, 2019: 36,000) Shares of ₹10/- each fully paid up in G.S.Homes & Hotels Private Limited	1	1
	250 (March 31, 2019: 250) Shares of ₹10/- each fully paid up in Haryana Financial Corporation	0	0
B.	**Debentures or bonds (unquoted)**		
	5,900 (March 31, 2019: 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, 2019: 12) 8% non convertible secured debentures of ₹100/- each fully paid up in Indian Chamber of Commerce	0	0
	2 (March 31, 2019: 2) 8% non convertible secured debentures of ₹25/- each partly paid up in Indian Chamber of Commerce	0	0
C.	**Others**		
	50 (March 31, 2019: 50) units of ₹100/- each fully paid up in Co-operative Society	0	0
	Property Rights in Holiday Resort	0	0
		93	**93**
Aggregate book value of quoted investments		29	29
Aggregate market value of quoted investments		72	184
Aggregate amount of unquoted investments		64	64
Aggregate amount of impairment in value of investments		5	5

Notes:

a) 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), one of the subsidiary of the Group, interest jointly with OCL Iron & Steel Limited (OISL) is 14.70%. DCBL had invested ₹7 (March 31, 2019: ₹7) in equity shares of its joint venture which includes ₹4 (March 31, 2019: ₹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 (March 31, 2019: ₹3) was made in earlier years in the financial statements.

b) 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 has provided for its exposure in its joint venture viz. Khappa Coal Company Private Limited amounting to ₹6 (March 31, 2019: ₹6).

c) The investment in zero coupon optionally redeemable convertible debentures of Saroj Sunrise Private Limited are in the nature of equity investment (refer note 46(i)).

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

6. Financial assets

(Amount in ₹)

		As at March 31, 2020	As at March 31, 2019
(i)	Non-current investments		
A.	Investment measured at fair value through profit and loss		
(i)	Tax free bonds (quoted)		
	2,472 (March 31, 2019 : 4,944) 8.30% NHAI tax free bonds	0	0
(ii)	Units of debt based schemes of various mutual funds (unquoted)	0	0
(iii)	Others (unquoted)		
	1,188 (March 31, 2019: 1,188) Units of ₹27,930/- (March 31, 2019: ₹29,930/-) each fully paid up in Urban Infrastructure Opportunities Fund	2	2
		2	2
B.	Investments measured at fair value through OCI		
(i)	Equity shares (unquoted)		
	Nil (March 31, 2019: 449) Shares of ₹10/- each fully paid up in Smarterhealth Techserve Private Limited	-	0
	Nil (March 31, 2019: 374) Shares of ₹10/- each fully paid up in Pumpcharge Internet Private Limited	-	0
	Nil (March 31, 2019: 449) Shares of ₹10/- each fully paid up in Exchange 4 Solar Private Limited	-	0
	Nil (March 31, 2019: 145) Shares of ₹10/- each fully paid up in Khetify Solutions Private Limited	-	0
(ii)	Preference shares (unquoted)		
	62,621 (March 31, 2019: 62,621) Series A1 Compulsorily Convertible Participative Preference Shares of ₹100/- each fully paid in Freight Commerce Solutions Private Limited (refer note below)	21	14
	7,231 (March 31, 2019: Nil) Series A2 Compulsorily Convertible Participative Preference Shares of ₹100/- each fully paid up in Freight Commerce Solutions Private Limited (refer note below)	2	-
		23	14
		25	**16**
Aggregate book value of quoted investments		0	0
Aggregate market value of quoted investments		0	0
Aggregate book value of unquoted investments		25	16
Aggregate amount of impairment in value of investments		-	-

Note:

During the year, Group has further invested ₹2 (March 31, 2019: ₹14) in compulsorily convertible participative preference shares (CCPS) of ₹100/- each fully paid 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. Accordingly, fair value gain of ₹7 is credited in other comprehensive income during the year.

		As at March 31, 2020	As at March 31, 2019
(ii)	Loans (Unsecured considered good, unless otherwise stated)		
	Security deposits		
	- Unsecured, considered good	57	53
	- Unsecured, considered doubtful	3	3
		60	56
	Less: Impairment allowance (allowance for doubtful advances)	(3)	(3)
		57	53
	Loans to employees	14	10
		71	**63**

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.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

6. Financial assets (Contd.)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
(iii) Other financial assets (Unsecured considered good, unless otherwise stated)		
Subsidies/ Incentives receivable		
- Unsecured, considered good	110	336
- Unsecured, considered doubtful	0	0
	110	336
Less: Impairment allowance (allowance for doubtful receivable)	(0)	(0)
	110	336
Deposit with banks having remaining maturity of more than twelve months *	16	12
Advance against share application money	4	4
Less: Impairment allowance (allowance for doubtful advances)	(4)	(4)
	-	-
Interest receivable	1	0
Derivative instruments at fair value through profit and loss		
Foreign currency option contracts	5	48
	132	**396**

* Includes ₹15 (March 31, 2019 : ₹12), deposits kept with banks against bank guarantees given / are pledged with various authorities as margin money.

	As at March 31, 2020	As at March 31, 2019
Break up of financial assets carried at amortised cost		
Security deposits	57	53
Loans to employees	14	10
Subsidies/ Incentives receivable	110	336
Deposit with banks having remaining maturity of more than twelve months	16	12
Interest receivable	1	0
Total financial assets carried at amortised cost	**198**	**411**
Break up of financial assets carried at fair value through statement of profit and loss		
Investment in tax free bonds	0	0
Investment in others	2	2
Foreign currency option contracts	5	48
	7	**50**
Break up of financial assets carried at fair value through OCI		
Investment in compulsorily convertible participative preference shares	23	14
Investment in equity shares	-	0
	23	**14**

7. Other non current assets (Unsecured considered good, unless otherwise stated)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Capital advances		
- Secured *	16	89
- Unsecured, considered good	177	239
- Unsecured, considered doubtful	2	2
	195	330
Less: Impairment allowance (allowance for doubtful advances)	(2)	(2)
	193	328
Advances other than capital advances		
Prepayments	15	9
Deposit and balances with government departments and other authorities		
- Unsecured, considered good	46	45
- Unsecured, considered doubtful	1	0
	47	45
Less: Impairment allowance (allowance for doubtful advances)	(1)	(0)
	46	45
Other advances		
- Unsecured, considered doubtful	0	0
Less: Impairment allowance (allowance for doubtful advances)	(0)	(0)
	-	-
	254	**382**

* secured against bank guarantees held.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

8. Inventories (at lower of cost or net realisable value)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Raw materials		
On hand	175	221
In transit	7	11
Work in progress	113	82
Finished goods	190	147
Stock in trade	2	92
Packing materials		
On hand	35	27
In transit	-	0
Fuel		
On hand	270	274
In transit	31	19
Stores and spares		
On hand	150	158
In transit	1	1
	974	**1,032**

Amount of ₹6 (March 31, 2019: ₹19) was recognised as an expense in respect of write down of inventory to net realisable value.

Inventories are hypothecated against the secured borrowings of the Group as disclosed in note 18(i).

9. Financial assets

(Amount in ₹)

		As at March 31, 2020	As at March 31, 2019
(i)	**Current investments**		
A.	**Investment measured at amortised cost**		
	Commercial papers (unquoted)	-	139
B.	**Investment measured at fair value through profit and loss**		
(a)	**Equity shares (quoted)**		
	(i) Nil (March 31, 2019: 5,20,400) Shares of ₹1/- each fully paid up in The Ramco Cements Limited	-	38
	(ii) 4,366 (March 31, 2019: 50,000) Shares of ₹10/- each fully paid up in Poddar Pigments Limited	0	1
(b)	**Corporate bonds (quoted)**	958	599
(c)	Units of debt based schemes of various mutual funds (unquoted) (refer note 48)	888	516
(d)	Alternative investment fund (unquoted)	10	22
(e)	Certificate of deposits (quoted)	74	-
C.	**Investment measured at fair value through other comprehensive income**		
(a)	**Equity shares (quoted)**		
	3,00,03,361 (March 31, 2019 : 3,03,28,630) shares of ₹1/- each in Indian Energy Exchange Limited	384	500
(b)	**Investment in others (unquoted)**		
	Investment in limited liability partnership (LLP)		
	TVS Shriram Growth Fund 1B LLP (Contribution 100.00% (March 31, 2019 : 67.95%)) *	384	500
		2,698	**2,315**
Aggregate book value of quoted investments		1,416	1,138
Aggregate market value of quoted investments		1,416	1,138
Aggregate book value of unquoted investments		1,282	1,177

* During the year ended March 31, 2020, TVS Shriram Growth Fund 1B (TVS Fund), who was holding 32.05% of total capital contribution in TVS Shriram Growth Fund 1B LLP (TVS LLP) sold its entire contribution in TVS LLP. As a result of exit of TVS Fund from the LLP, the Group holds 100% interest in TVS LLP.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

9. Financial assets (Contd.)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
(ii) Trade receivables		
Trade receivables	387	539
Receivables from related parties (refer note 36)	10	10
	397	**549**
Break-up for security details :		
Trade receivables		
Secured, considered good (refer note (a) below)	192	239
Unsecured, considered good	472	494
Trade receivables - credit impaired	71	58
	735	**791**
Less: Accrual for rebates / discounts	(253)	(175)
Less: Accrual for free supplies	(14)	(9)
Less: Impairment allowance (allowance for doubtful receivables):		
Trade receivables - credit impaired	(71)	(58)
	(338)	**(242)**
	397	**549**

Notes:

(a) Secured by way of security deposits collected from customers or bank guarantees or letter of credit held against them.

(b) Trade receivables are netted off with bills discounted of ₹2 (March 31, 2019: ₹8).

(c) 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.

(d) Trade receivables are hypothecated against the secured borrowings of the Group as disclosed in note 18(i).

(e) For information on financial risk management objectives and policies, refer note 39.

	As at March 31, 2020	As at March 31, 2019
(iii) Cash and cash equivalents		
Balances with banks :		
- On current accounts *	100	138
- On cash credit	7	9
- On deposit accounts with original maturity of less than three months **/ ***	157	106
Cash on hand	0	0
Cheques on hand	2	27
	266	**280**

* Balances with current accounts include ₹0 (March 31, 2019: ₹0) lying in current account with a nationalised bank, to be operated jointly by the authorised signatories of one of the subsidiary of Group and OCL Iron and Steel Limited in respect of coal block operations.

** Includes ₹0 (March 31, 2019 : ₹0), deposits kept with banks against bank guarantee given/ are pledged with various authorities for margin money.

*** The Parent Company can utilise ₹113 (March 31, 2019: ₹ Nil) only towards buy back of equity shares.

	As at March 31, 2020	As at March 31, 2019
(iv) Bank balances other than (iii) above		
Unpaid dividend accounts	4	4
Deposits with remaining maturity of less than 12 months *	133	185
	137	**189**

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 3.50% p.a. to 8.41% p.a. (March 31, 2019 : 5.75% p.a. - 9.00% p.a.).

At March 31, 2020, the Group had available ₹466 (March 31, 2019: ₹587) of undrawn committed borrowing facilities.

* Includes ₹20 (March 31, 2019: ₹33), deposits kept with banks against bank guarantee given/ are pledged with various authorities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2020	As at March 31, 2019
Balances with banks :		
- On current accounts	100	138
- On cash credit	7	9
- On deposit accounts with original maturity of less than three months *	157	106
Cash on hand	0	0
Cheques on hand	2	27
	266	**280**

* The Parent Company can utilise ₹113 (March 31, 2019: ₹ Nil) only towards buy back of equity shares.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

9. Financial assets (Contd.)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
(v) Loans (Unsecured considered good)		
Security deposits	29	22
Loans to employees	9	8
Loans to others	33	33
	71	**63**
(vi) Other financial assets (Unsecured, considered good unless otherwise stated)		
Subsidies receivable		
- Unsecured, considered good	597	552
- Unsecured, considered doubtful	0	0
	597	552
- Less: Impairment allowance (allowance for doubtful receivable)	(0)	(0)
	597	552
Interest receivable		
- Unsecured, considered good *	47	47
- Unsecured, considered doubtful	0	0
	47	47
Less: Impairment allowance (allowance for doubtful receivable)	(0)	(0)
	47	47
Other financial assets		
- Unsecured, considered good	11	11
- Unsecured, considered doubtful	0	0
	11	11
- Less: Impairment allowance (allowance for doubtful receivable)	(0)	(0)
	11	11
Financial assets carried at fair value through statement of profit or loss		
Foreign currency forward / option contracts **	50	14
	705	**624**

* includes interest receivable of ₹40 (March 31, 2019: ₹35) on corporate bonds, certificate of deposits and commercial papers included under current investments in note 9(i) above.

** 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, 2020	As at March 31, 2019
Break up of financial assets carried at amortised cost		
Investment in commercial papers	-	139
Trade receivables	397	549
Cash and cash equivalents	266	280
Other bank balances	137	189
Security deposits	29	22
Loans to employees	9	8
Loans and advances to others	33	33
Subsidies receivable	597	552
Interest receivable	47	47
Other financial assets	11	11
	1,526	**1,830**
Break up of financial assets carried at fair value through statement of profit or loss		
Investment in equity shares	0	39
Investment in corporate bonds	958	599
Investment in mutual funds	888	516
Investment in certificate of deposits	74	-
Investment in alternative investment fund	10	22
Foreign currency forward / option contracts	50	14
	1,980	**1,190**
Break up of financial assets carried at fair value through other comprehensive income		
Investment in equity shares	384	500
Investment in limited liability partnership	384	500
	768	**1,000**

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

10. Other current assets (Unsecured and considered good, unless otherwise stated)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Advances other than capital advances		
Advances to suppliers		
- Secured (refer note below)	25	25
- Unsecured, considered good	145	226
- Unsecured, considered doubtful	8	7
	178	258
Less: Impairment allowance (allowance for doubtful advances)	(8)	(7)
	170	251
Prepayments	24	12
Deposits and balances with government departments and other authorities		
- Unsecured, considered good	225	86
- Unsecured, considered doubtful	1	-
	226	86
Less: Impairment allowance (allowance for doubtful advances)	(1)	-
	225	86
Other receivables	0	1
	419	**350**

Note: Secured by way of a first ranking exclusive charge over the Hypothecated Property as prescribed in Deed of Hypothecation dated March 17, 2017.

11. Assets held for sale

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Assets classified as held for sale	2	1
	2	**1**

Certain plant and equipment and vehicles classified as held for sale during the reporting period was measured at lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of ₹0 (March 31, 2019: ₹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.

12. Share capital

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Authorised :		
159,55,00,000 (March 31, 2019: 159,55,00,000) Equity Shares of ₹2/- each	319	319
1,00,000 (March 31, 2019: 100,000) Preference Shares of ₹100/- each	1	1
5,00,00,000 (March 31, 2019: 5,00,00,000) Preference Shares of ₹10/- each	50	50
	370	**370**
Issued, subscribed and fully paid up :		
19,29,58,553 (March 31, 2019: 19,29,58,553) Equity Shares of ₹2/- each	39	39
	39	**39**

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

	March 31, 2020		March 31, 2019	
	No. of shares	₹	No. of shares	₹
At the beginning of the year	19,29,58,553	39	-	-
Issued during the year *	-	-	19,27,27,553	39
Shares issued on exercise of employee stock options (note 31)	-	-	2,31,000	0
At the end of the year	**19,29,58,553**	**39**	**19,29,58,553**	**39**

* During the previous year, Parent Company had alloted 19,27,27,553 equity shares of ₹2 each fully paid up to the shareholders of erstwhile Dalmia Bharat Limited and OCL India Limited, pursuant to Scheme of Arrangement and Amalgamation.

b. Terms/ rights attached to equity shares

The Parent Company has only one class of equity shares having a face value of ₹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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

12. Share capital (Contd.)

c. Aggregate number of shares issued for consideration other than cash:

	As at March 31, 2020	As at March 31, 2019
	No. of shares	No. of shares
Equity shares of ₹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, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Rama Investment Company Private Limited	7,98,46,410	41.38%	7,98,46,410	41.38%
Sita Investment Company Limited	1,38,88,260	7.20%	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 31.

f. Buyback of equity shares of the Parent Company

The Board of Directors in its meeting held on March 21, 2020, approved the buyback of the Parent Company's fully paid-up equity shares having face value of ₹2 each from its shareholders/ beneficial owners excluding promoters, promoter group and persons who are in control of the Parent Company, via the "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 ₹700 per equity share ("Maximum Buyback Price").

The indicative maximum number of equity shares bought back at the above maximum price would be 71,42,857. If the equity shares are bought back at a price below the Maximum Buyback Price of ₹700, the actual number of equity shares bought back could exceed the above indicative Maximum Buyback quantity but will always be subject to the Maximum Buyback Size.

The Parent Company will fund the buyback from its free reserves and/or such other source as may be permitted.

The buyback of equity shares through the stock exchanges commenced on April 3, 2020.

13. Other equity

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Employee stock options outstanding		
Opening balance as per last financial statements	14	14
Add: Employee stock option expense	4	5
Less: Transfer to securities premium on exercise of stock options	(7)	(5)
Closing balance	**11**	**14**
Capital reserve		
Opening balance as per last financial statements	277	277
Add: Addition/ (deletion) during the year	(0)	(0)
Closing balance	**277**	**277**
Securities premium		
Opening balance as per last financial statements	7,699	1,075
Add: Premium on allotment of equity shares pursuant to Scheme of Arrangement and Amalgamation	-	6,615
Add: Premium on issue of employee stock options	-	4
Add: Amount transferred on exercise of stock options	7	5
Less: Share issue expenses	(1)	-
Closing balance	**7,705**	**7,699**
General reserve		
Opening balance as per last financial statements	3	3
Add: Transfer from surplus balance in statement of profit and loss	1	-
Closing balance	4	3
Debenture redemption reserve		
Opening balance as per last financial statements	250	285
Add: Created during the year	-	27
Less: Released during the year	195	62
Closing balance	**55**	**250**

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

13. Other equity (Contd.)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Exchange differences on translating the financial statements of a foreign operations		
Opening balance as per last financial statements	2	1
Additions during the year	7	1
Closing balance	**9**	**2**
Retained earnings		
Balance as per last financial statements	1,844	1,544
Add: Amount released from debenture redemption reserve	195	62
Profit for the year	224	308
Items of OCI recognised directly in retained earnings	-	-
- Re-measurement (loss) on defined benefit plan (net of tax)	(6)	(3)
Add: Transfer to retained earnings on sale of equity instruments through OCI	7	-
Less: Appropriations		
Transferred to debenture redemption reserve	-	27
Transfer to general reserve	1	0
Dividends paid	77	33
Tax on dividends	16	7
Total appropriations	**94**	**67**
Closing balance	**2,170**	**1,844**
Other comprehensive income, net of tax		
Opening balance as per last financial statements	511	482
Add: Changes during the year	(213)	29
Less: Transfer to retained earnings on sale of equity instruments through OCI	(7)	-
Closing balance	**291**	**511**
Total other equity	**10,522**	**10,600**
Dividend distribution made and proposed		
Cash dividends on equity shares paid :		
Final dividend for the year ended on March 31, 2019: ₹2.00 per share (March 31, 2018: ₹1.70 per share)	39	33
Dividend distribution tax (DDT) on final dividend	8	7
Interim dividend for the year ended on March 31, 2020: ₹2.00 per share (March 31, 2019: ₹ Nil)	39	-
DDT on interim dividend	8	-
	93	**40**
Proposed dividends on equity shares:		
Final cash dividend for the year ended on March 31, 2020: ₹ Nil (March 31, 2019: ₹2.00 per share)	-	39
DDT on proposed dividend	-	8
	-	**47**

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and is not recognised as a liability (including DDT thereon) as at March 31, 2019.
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 has been 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) **Capital reserve -** Capital reserve mainly includes amount created pursuant to Scheme of Arrangement and Amalgamation.
(c) **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.
(d) **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.
(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 one of the subsidiary of the Group.
(f) **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.
(g) **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. Retained earnings is a free reserve available to the Group.
(h) **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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

14. Financial liabilities

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
(i) Borrowings		
Secured		
A. Redeemable non-convertible debentures (refer sub note 1 below)	718	1,379
Less: Shown in current maturities of long term borrowings	(474)	(540)
	244	839
B. Term loans:		
i. From banks (refer sub note 2 below)		
a. Foreign currency loan	578	573
b. Indian rupee loan	2,820	2,365
Less: Shown in current maturities of long term borrowings	(613)	(106)
	2,785	2,832
ii. From financial institution (refer sub note 3 below)	-	7
Less: Shown in current maturities of long term borrowings	-	(2)
	-	5
iii. From others (refer sub note 4 below)	207	275
Less: Shown in current maturities of long term borrowings	(107)	(25)
	100	250
C. Deferred payment liabilities (refer sub note 5 below)	19	15
Less: Shown in current maturities of long term borrowings	(1)	-
	18	15
D. Finance lease obligation (refer sub note 6 below)	-	2
Less: Shown in current maturities of long term borrowings	-	(0)
	-	2
Total (I)	**3,147**	**3,943**
Unsecured		
E. Foreign currency loans from banks (refer sub note 7 below)	358	346
Less: Shown in current maturities of long term borrowings	-	(277)
	358	69
F. Redeemable preference shares (refer sub note 8 below)	1	1
Less: Shown in current maturities of long term borrowings	(1)	-
	-	1
G. Long term loans and deposits from a related party	-	5
Less: Shown in current maturities of long term borrowings	-	(5)
	-	-
H. Loan from others (refer sub note 9 below)	2	2
Less: Shown in current maturities of long term borrowings	(2)	-
	-	2
Total (II)	**358**	**72**
Total non current borrowings (I+II)	**3,505**	**4,015**
Total current maturities of long term borrowings disclosed in note 18(iii)	**1,199**	**955**

1) Debentures referred to in A above to the extent of:

i) 9.91% Series B ₹ Nil (March 31, 2019: ₹197) were redeemable in January 2020. The debentures are fully repaid during the year.

ii) 9.91% Series C ₹182 (March 31, 2019: ₹296) are redeemable in January 2021. The debentures are partially early redeemed during the year.

In respect of (i) and (ii) above, debentures are 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 and Jajpur) and OCL Bengal Cement Works (Midnapore, West Bengal).

iii) 10.75% Series 1A ₹ Nil (March 31, 2019: ₹34) were secured by first pari-passu charge on (a) land, building, assets, plant & equipment of Dalmiapuram unit of DCBL and (b) plot at Gujarat and redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018. The debentures are fully repaid during the year.

iv) 10.75% Series III A,B,C and Series IV P,Q,R ₹ Nil (March 31, 2019: ₹70) were secured by first pari-passu charge on movable and immovable property, plant and equipment (both present and future) of Dalmiapuram unit of DCBL in respect of Series III A,B,C and movable and immovable property, plant and equipment (excluding plant and equipment charged on exclusive basis to specific lenders) (both present and future) of Kadappa and Ariyalur units in respect of Series III P,Q,R and redeemable in three yearly instalments commencing from August 2017. The debentures are fully repaid during the year.

14. Financial liabilities (Contd.)

    v) 8.65% ₹85 (March 31, 2019: ₹125) are secured by first pari-passu charge over specified movable and immovable property, plant and equipment of Dalmiapuram, Kadappa and Ariyalur units of DCBL and redeemable in October 2019 and October 2020.

    vi) 8.70% ₹20 (March 31, 2019: ₹20) are secured by first pari-passu charge over specified movable and immovable property, plant and equipment of Dalmiapuram, Kadappa and Ariyalur units of DCBL and redeemable in October 2021.

    vii) 9.90% ₹399 (March 31, 2019: ₹599) 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.

    viii) ₹32 (March 31, 2019: ₹38) 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, a step-down subsidiary of the Group, acquired under Insolvency and Bankruptcy Code, 2016 (IBC) during the previous year. 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 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) ₹376 (March 31, 2019: ₹384) are secured by first pari-passu charge including mortgage on immovable and movable fixed assets of cement units of DCBL at Kadappa and Ariyalur (excluding Vertical Roller Mills at Kadappa and Ariyalur), at 1 year MCLR plus 0.30% p.a. (present 8.20% p.a). It is repayable in unequal quarterly instalments starting from June 2015 till March 2030.

    ii) ₹462 (March 31, 2019: ₹464) are 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. (present 8.20% p.a). It is repayable in unequal quarterly instalments starting from March 2017 till March 2031.

    iii) ₹338 (March 31, 2019: ₹345) are secured by way of first pari-passu charge over movable and immovable property, plant and equipment pertaining to cement units of DCBL at Kadappa and Ariyalur (excluding Vertical Roller Mills at Kadappa and Ariyalur) at 3 months MCLR plus 0.20% p.a. (present 8.20% p.a). It is repayable in unequal quarterly instalments starting from March 2019 till March 2030.

    iv) ₹288 (March 31, 2019: ₹289) carrying interest rate at 1 Year MCLR plus 0.40% p.a. (present 8.30% 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, Karnakata 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) ₹192 (March 31, 2019: ₹192) carrying interest rate at 6 months MCLR plus 0.45% p.a. (present 8.25% 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, Karnakata 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) ₹455 (March 31, 2019: ₹423) carrying interest at 6 months EURIBOR plus 2.50% p.a. 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.

    vii) ₹24 (March 31, 2019: ₹31) carrying interest at 6 months LIBOR plus 2.05% p.a (present 3.99% p.a) are secured by way of exclusive charge on Roller Press acquired through this loan for projects at Belgaum 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) ₹113 (March 31, 2019: ₹130) carrying interest at 1 year MCLR plus 0.30% p.a (present 8.85% p.a) are 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. Repayable in 32 structured quarterly instalments starting from June 30, 2015 to March 31, 2023.

    ix) ₹249 (March 31, 2019: ₹264) carrying interest at 6 months MCLR plus 0.45% p.a (present 8.45% 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) ₹ Nil (March 31, 2019: ₹0) carried interest rate of 10.00% p.a was secured by way of first and exclusive charge on the vehicles purchase therefrom in DCBL. The loan was repayable in 60 monthly instalments of ₹0 each commencing from February 2015.

    xi) ₹98 (March 31, 2019: ₹119) 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.

    xii) ₹210 (March 31, 2019: ₹217) carrying interest at 1 year MCLR plus 0.25% p.a. (present 9.00% 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.

    xiii) ₹594 (March 31, 2019: ₹ Nil) carrying interest at 1 year MCLR plus 0.75% (present 8.90% p.a.) are secured by first pari-passu charge

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

14. Financial liabilities (Contd.)

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 repayable in 52 unequal quarterly instalments commencing from February 2022.

xiv) ₹ Nil (March 31, 2019 : 45) was primarily secured by way of equitable mortgage created on factory land and buildings and hypothecation charge on all movable and immovable assets (both present and future), excluding land of Alsthom Industries Limited, a step down subsidiary of the Group. Besides the above, loan was additionally secured by way of corporate guarantee given by holding company of step-down subsidiary. The loan was repayable in 108 structured monthly instalments starting from June, 2018. The loan is fully repaid during the year.

xv) ₹ Nil (March 31 2019: ₹36) carried interest rate at 1 year MCLR plus 0.10% p.a. to 1.50% p.a., were secured by first pari passu charge on entire property, plant and equipment (immovable and movable assets) and intangible assets, both present and future of Calcom Cement India Limited (Calcom), a step down subsidiary of the Group and second pari-passu charge on all other assets of Calcom. These loans were also secured by way of pledge of equity shares of Calcom held by its erstwhile promoters, their relatives and two subsidiaries of Calcom. Further, secured by personal guarantee of one director and two former directors of Calcom. During the year, these loans (including interest accrued) are taken over by its Holding company i.e. Dalmia Cement (Bharat) Limited aggregating to ₹34 from the bank after entering into Novation agreement with Calcom along with the bank.

3) Term loans from financial institution referred to in B (ii) above to the extent of:

i) ₹ Nil (March 31 2019: ₹7) carried interest at 1 year MCLR plus 0.10% p.a were secured by first pari passu charge on entire property, plant and equipment (movable and immovable} and intangible assets except assets charged exclusively to banks/ FIs for other specific purposes of Calcom. Further secured by second pari passu charge on all other assets of Calcom. The loan was repayable in 31 structured quarterly instalments starting from April 1, 2014 to October 1, 2021. The loan is fully repaid during the year.

4) Term loans from others referred to in B (iii) above to the extent of:

i) Term loan in form of government grant of ₹163 (March 31, 2019: ₹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 ₹44 (March 31, 2019: ₹40) 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 17(iii)).

iii) ₹ Nil (March 31, 2019 ₹72) were secured by mortgage and first pari pasu charge on all the movable and immovable properties (both tangible and intangible) of Calcom, both present and future and a second pari pasu charge on the entire assets of Calcom. The loan is repayable in 31 structured instalments starting from April 2019 till October 2021 and carried interest @ 3 months Libor plus 2.50% p.a. The loan was availed in foreign currency. During the current year, Group has repaid the remaining amount of loan of ₹66 and written back ₹6 as per final settlement.

5) Deferred payment liabilities referred to in C above to the extent of:

i) ₹6 (March 31, 2019: ₹5) interest free loan in respect of 14.50% p.a of VAT paid within Karnataka on the sale of goods produced at Belgaum plant of DCBL located at Karnataka from March 28, 2015 to December 31, 2016. The loan is secured by way of a bank guarantee issued by DCBL and is repayable in 12 yearly equal instalments starting from March 17, 2030. 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 17(iii)).

ii) ₹3 (March 31, 2019: ₹2) interest free loan in respect of 14.50% p.a of VAT paid within Karnataka on the sale of goods produced at Belgaum plant of DCBL located at Karnataka from January 2017 to June 2017. The loan is secured by way of a bank guarantee issued by DCBL and is repayable in 12 yearly equal instalments starting from March 17, 2031. 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 17(iii)).

iii) ₹7 (March 31, 2019: ₹ Nil) interest free loan in respect of 14% p.a of SGST paid within Karnataka on the sale of goods produced at Belgaum plant of DCBL located at Karnataka from July 2017 to March 2019. The loan is secured by way of a bank guarantee issued by DCBL and is repayable in 12 yearly equal instalments starting from March 5, 2033. 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 is being recognised as government grant (refer note 17(iii)).

iv) ₹3 (March 31, 2019: ₹7) interest free central excise loan from Government of India disbursed through IFCI Limited is secured by creating mortgage on immovable properties of Dalmia DSP Limited, a step down subsidiary of the Group. As per approved Resolution Plan by NCLT, 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.

6) Land lease obligation referred to in D above were included in borrowings until March 31, 2019, but were reclassified to lease liabilities on April 1, 2019 in the process of adopting the new leasing standard. Such obligation is repayable during lease period of 90 to 99 years. This is secured against leased assets and carry interest @ 10.00% p.a.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

14. Financial liabilities (Contd.)

7) Foreign currency loans referred to in E above to the extent of:

i) ₹ Nil (March 31, 2019: ₹173) carrying interest at 3 months LIBOR plus 1.90% p.a. and is repayable at the end of 15 months from date of disbursement i.e. February 26, 2018. The loan was fully repaid during the year.

ii) ₹ Nil (March 31 , 2019: ₹69) carrying interest at 3 months LIBOR plus 2.50% p.a. and is repayable at the end of 3 years from date of disbursement i.e. February 15, 2018. The loan was fully repaid during the year.

iii) ₹ Nil (March 31, 2019: ₹104) carrying interest at 3 months LIBOR plus 2.15% p.a. and is repayable at the end of 445 days from the date of disbursement i.e. July 2, 2018. The loan was fully repaid during the year.

iv) ₹158 (March 31, 2019: ₹ Nil) 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.

v) ₹200 (March 31, 2019: ₹ Nil) 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.

8) Redeemable Preference Shares referred to in F above to the extent of:

i) 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 shall not be entitled for preferred dividend. All 0% redeemable preference shares shall be redeemed on the redemption date, being 12.5 years from the date of their allotment i.e. November 2020.

9) Loan from others reffered to H above to the extent of:

Loan from others of ₹2 (March 31, 2019: ₹2) availed by one of the step down subsidiary of the Group, is interest free loan and repayable as per approved Resolution Plan.

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
(iii) Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	3	-
	3	**-**
For maturity profile of trade payables, refer note 39.		
(iv) Other financial liabilities		
Security deposits received	-	1
Interest rate swap contract	2	-
Payable for purchase of property, plant and equipment	1	5
	3	**6**
Break up of financial liabilities carried at amortised cost		
Borrowings	3,505	4,015
Non-current lease liabilities (refer note 32)	59	-
Trade payables	3	-
Security deposits received	-	1
Payable for purchase of property, plant and equipment	1	5
	3,568	**4,021**
Breakup of financial liabilities carried at fair value through profit and loss		
Interest rate swap contract	2	-
	2	**-**

14A. Other non current liabilities

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Statutory dues *	94	117
	94	**117**

* Above dues are payable by the Group after two years moratorium period from effective date i.e. July 10, 2018 in five equal annual installments subject to grant of incentive from State Government of Bihar as per approved Resolution Plan in case of step down subsidiary of the Group namely Dalmia DSP Limited.

15 Provisions

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
For mines reclamation liability (refer note 41)	53	43
For gratuity (refer note 30)	83	89
For contingencies (refer note 41)	4	38
	140	**170**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

16. Income taxes

(Amount in ₹)

		As at March 31, 2020	As at March 31, 2019
(i)	**The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:**		
	Profit or loss section:		
	Current income tax :		
	Current income tax charge	114	112
	Adjustment of tax relating to earlier years	(1)	(5)
	Deferred tax :		
	Relation to origination of temporary differences	76	(36)
	MAT credit entitlement	(92)	(83)
	Adjustment of tax relating to earlier years	22	2
	Income tax expense/ (credit) reported in the statement of profit or loss	**119**	**(10)**
	OCI section:		
	Deferred tax related to items recognised in OCI during the year		
	Net loss on re-measurement of defined benefit plan	2	11
	Change in fair value on financial instruments through OCI	2	18
	Income tax credit charged to OCI	**4**	**29**
(ii)	**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:**		
	Accounting profit before tax	357	339
	Applicable tax rate	25.00%-34.944%	25.00%-34.944%
	Computed tax expense	**115**	**119**
	Adjustment of tax relating to earlier years	21	(3)
	Income exempt from tax	(5)	(1)
	Recognition of deferred tax credit on account of application of indexation benefit on 'Land'	(3)	(45)
	Recognition of deferred tax credit on origination and reversal of temporary differences for earlier years	-	(111)
	Unrecognised tax assets	24	13
	Temporary difference reversing within tax holiday period (refer note 29(vi))	(63)	21
	Amortisation of goodwill in books considered as not deductible in provision for tax	25	18
	Other non-deductible expenses for tax purposes	8	1
	Change in deferred tax balances due to change in income tax rates	(2)	2
	Realisation of brought forward long term capital loss not recognised in the books due to prudence	(1)	(11)
	Others	0	(13)
	Income tax reported in statement of profit and loss	**119**	**(10)**

On September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, 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 1st April, 2019 subject to certain conditions. The Group is currently in the process of evaluating this option and has considered the rate existing prior to the Ordinance for the purpose of these financial statements.

(iii) Deferred tax:

Deferred tax relates to the following:

	Balance sheet		Statement of profit or loss	
	As at March 31, 2020	As at March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Deferred tax liabilities				
Property, plant and equipment (including goodwill and other intangible assets)	2,386	2,715	(329)	68
Others	92	6	86	(27)
Total deferred tax liabilities	**2,478**	**2,721**	**(243)**	**42**
Deferred tax assets				
Expenditure debited in statement of profit and loss but allowable for tax purposes in subsequent years	44	56	12	(18)
Carry forward of tax losses/ unabsorbed depreciation	745	1,054	309	(57)
Others	24	40	16	(30)
Total deferred tax assets	**813**	**1,150**	**337**	**(105)**
Deferred tax expense/ (income)			94	(63)
Deferred tax liabilities (net)	**1,665**	**1,571**		
MAT credit entitlement	388	292		
Deferred tax liabilities (net)	**1,277**	**1,279**		
Reconciliation of deferred tax liabilities (net):				
Opening balance as at April 1	1,279	1,393		
Tax expense during the year recognised in profit or loss	98	(34)		
Tax expense during the year recognised in OCI	(4)	(29)		
MAT credit entitlement	(96)	(51)		
Closing balance as at March 31	**1,277**	**1,279**		

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

16. Income taxes (Contd.)

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 undepreciation depreciation or busines losses arisen.

The management at the end of each reporting period, asseses 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.

The amortisation of goodwill arising pursuant to Scheme of Arrangement and Amalgamation has been treated as deductible expense under Section 32 of the Income Tax Act, 1961 on the basis of judicial pronouncements and legal opinion obtained by the Group.

17. Government grants

(Amount in ₹)

		As at March 31, 2020	As at March 31, 2019
(i)	**Deferred capital investment subsidy (refer sub note (a) below)**		
	At the beginning of the year	69	77
	Accrual during the year	-	-
	Released to the statement of profit and loss (refer note 2A(vi))	(12)	(2)
	Adjustment on account of short approval of subsidy claim	(0)	(6)
	At the end of the year	**57**	**69**
(ii)	**Deferred export promotion capital goods (refer sub note (b) below)**		
	At the beginning of the year	1	18
	Released to the statement of profit and loss	(1)	(13)
	Other adjustment	-	(4)
	At the end of the year	**-**	**1**
(iii)	**Deferred government grant (refer sub note (c) below)**		
	At the beginning of the year	59	47
	Accrual during the year	30	17
	Released to the statement of profit and loss	(6)	(5)
	At the end of the year	**83**	**59**
	Total (i+ii+iii)	**140**	**129**
	Non current	122	119
	Current	18	10

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) Based on the fulfilment of export obligations i.e. export of goods to customers within specified period, Group has recognised government grant (to the extent of custom duty saved on import of plant and equipments and deferred until the achievement of specified conditions) in the statement of profit and loss.

(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, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

18. Financial liabilities

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
(i) Borrowings		
Secured		
(a) Cash credit from banks	10	51
(b) Working capital loan from banks	176	-
(c) Foreign currency loan from banks:		
- Buyer's credit	360	276
- Supplier's credit	-	18
- Packing credit foreign currency	7	3
Total (A)	**553**	**348**
Unsecured		
(d) From a related party (refer note 36)	5	-
(e) From others	16	16
(f) Commercial papers	644	544
(g) Foreign currency loan from a bank:		
- Buyer's credit	28	-
Total (B)	**693**	**560**
Total short term borrowings (A+B)	**1,246**	**908**

1) Cash credit from banks referred to in (a) above to the extent of:

   (i) ₹10 (March 31, 2019 ₹49) are secured by hypothecation of inventories and trade receivables of DCBL by way of first pari passu charge with all other banks in the consortium and carry interest rate in the range of 7.60% p.a. to 8.37% p.a. (March 31, 2019: 8.50% p.a. to 10.35% p.a.).

   (ii) ₹ Nil (March 31, 2019 : ₹2) were primarily secured by hypothecation charge on the current assets of step-down subsidiary, Dalmia DSP Limited, both present and future, and collaterally secured by factory land and buildings, all plant & machineries and other movable assets of the said subsidiary, both present and future. This loan carried an interest rate of 0.15% above 1 year MCLR and was repayable on demand.

2) Working capital loan from banks referred to in (b) above to the extent of:

   (i) ₹176 (March 31, 2019: ₹ Nil) are secured by way of first pari passu charge over all current assets of DCBL, subsidiary of the Group, and carrying interest rate in the range of 7.60% p.a. to 8.30% p.a.

3) Foreign currency loans from banks referred to in (c) above to the extent of:

   (i) ₹360 (March 31, 2019: ₹276) are secured by consortium bankers on the security of hypothecation of inventories and trade receivables of DCBL, 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 LIBOR plus 0.30% p.a. to 0.48% p.a. (presently 1.09% p.a. to 2.55% p.a.) (March 31, 2019: 2.82% p.a. to 3.92% p.a.).

   (ii) ₹ Nil (March 31, 2019: ₹18) were secured by consortium bankers on the security of hypothecation of inventories and trade receivables of DCBL in their favour ranking pari- pasu on inter se basis repayable in less than one year and carried interest rate at 6 months LIBOR plus 0.40% p.a. (i.e. 3.05 % p.a.).

   (iii) ₹7 (March 31, 2019: ₹3) are 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 carry the interest rate of 2.00% p.a. to 2.84% p.a. (March 31, 2019: 2.00% p.a. to 4.74% p.a.).

4) Loan from a related party referred to in (d) above carry interest rate of 9.00% p.a and is repayable in November 2020 with renewal option.

5) Loan from others referred to in (e) above to the extent of:

   (i) ₹7 (March 31, 2019: ₹7) from bodies corporate are repayable on demand and carry interest @ 18% p.a.

   (ii) ₹9 (March 31, 2019: ₹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 to step down subsidiary as specified in the approved resolution plan.

6) Commercial papers referred to in (f) above are payable in three months and carry interest rate in the range of 5.65% p.a. to 5.90% p.a. (March 31, 2019: 7.40% p.a. to 7.70% p.a.).

7) Buyer's credit from a bank referred to in (g) above is repayable in less than one year and carry interest rate at 12 months LIBOR plus 0.37% p.a. (presently 2.35% p.a.).

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

18 Financial liabilities (Contd.)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
(iii) Trade payables		
Total outstanding dues of micro and small enterprises (refer note 35)	13	6
Total outstanding dues of creditors other than micro and small enterprises *	816	871
	829	**877**
* Trade payables include due to related parties ₹7 (March 31, 2019: ₹3) (refer note 36)		
For maturity profile of trade payables and other financial liabilities, refer note 39.		
(iv) Other financial liabilities		
Current maturities of long term borrowings (refer note 14(i))	1,199	955
Current maturities of finance lease obligations (refer note 14(i))	-	0
Interest accrued but not due on borrowings (payable to related party ₹1 (March 31, 2019: ₹1)	24	43
Interest accrued and due on borrowings	16	17
Security deposits received	497	403
Payables for purchase of property, plant and equipment (including dues of micro enterprises and small enterprises of ₹1 (March 31, 2019: ₹ Nil) (refer note 35)	140	121
Accrued employee liabilities	65	58
Foreign currency option contracts/ Interest rate swap contract	-	3
Directors' commission payable (refer note 36)	2	2
Unclaimed dividend *	4	4
Purchase consideration payable **	30	41
Other liabilities	20	35
	1,997	**1,682**

* There is no amount required to be credited to Investor Education and Protection Fund by the Parent Company (refer note 63).

** Purchase consideration payable include:

a) Consideration of ₹30 payable upon fulfilment of certain project conditions as part of Shareholders Agreement. In the event, project conditions are not fulfilled, Bawri Group (BG), other shareholder of Calcom, is 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 ₹32 has been made. The matter is currently under arbitration. Refer note 46(i) for terms and conditions.

b) ₹ Nil (March 31, 2019: ₹11) towards purchase consideration payable against earlier years.

	As at March 31, 2020	As at March 31, 2019
Financial liabilities carried at amortised cost		
Borrowings	1,246	908
Lease liabilities (refer note 32)	40	-
Trade payables	829	877
Current maturities of long term borrowings	1,199	955
Current maturities of finance lease obligations	-	0
Interest accrued but not due on borrowings	24	43
Interest accrued and due on borrowings	16	17
Security deposits received	497	403
Payables for purchase of property, plant and equipment	140	121
Accrued employee liabilities	65	58
Directors' commission payable	2	2
Unclaimed dividend	4	4
Purchase consideration payable	30	41
Other liabilities	20	35
	4,112	**3,464**
Financial liabilities carried at fair value through profit and loss		
Foreign currency option contracts/ Interest rate swap contract	-	3
	-	**3**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

19. Other current liabilities

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
Liability towards dealer incentive *	133	83
Advances from customers	153	127
Other liabilities		
- Statutory dues	221	317
- Others (refer note 49)	44	37
	551	**564**

* 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.

20. Provisions

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
For mines reclamation liability (refer note 41)	3	3
For gratuity (refer note 30)	31	6
For leave encashment	29	44
For other employee benefits	0	5
Provision for export promotion capital goods (refer note 41)	1	31
Provision for contingencies (refer note 41)	-	1
	64	**90**

21. Revenue from operations

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from contracts with customers		
- Sale of products	9,492	9,174
- Sale of services	23	32
	9,515	**9,206**
Subsidies on sale of finished goods	121	218
Government grant	-	12
Other operating revenues	38	48
	9,674	**9,484**
Notes:		
a. Revenue from contracts with customers disaggregated based on nature of product or services		
Sale of products		
- Cement and its related products	8,884	8,595
- Refractories	513	565
- Power	2	14
- Others *	93	-
Total sale of products	**9,491**	**9,174**
Sale of services		
Management service charges	14	19
Marketing services	9	11
Business auxiliary services	-	2
Total sale of services	**23**	**32**
Total revenue from contracts with customers	**9,515**	**9,205**
* 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	10,683	10,070
Less: Discounts and incentives	1,168	865
Revenue from contracts with customers	**9,515**	**9,205**
Set out below is the revenue from contracts with customers and reconciliation to profit and loss account		
Total revenue from contracts with customers	9,515	9,205
Add: Items not included in disaggregated revenue:		
Subsidies on sale of finished goods	121	218
Government grant	-	12
Other operating revenues	38	48
Revenue as per the statement of profit and loss	**9,674**	**9,484**

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

21. Revenue from operations (Contd.)

(Amount in ₹)

	As at March 31, 2020	As at March 31, 2019
b. Contract balance		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:		
Contract assets:		
Trade receivables (refer note 9(ii))	397	549
Contract liabilities:		
Advances from customers (refer note 19)	153	127

22. Other income

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
Dividend income		
- from non-current investments	5	6
- from current investments	8	2
Interest Income	54	75
Interest income from other financial assets at amortised cost	47	66
Unwinding of interest income on financial instruments	9	9
Gains/ (losses) on financial instruments measured at fair value through profit or loss (net):		
- Profit on sale of investments (net)	57	185
- On change of fair value of investments measured at FVTPL	2	(114)
Profit on disposal of property, plant and equipment (net)	1	-
Liabilities no longer required written back	26	-
Share in profit of limited liability partnership investment (post tax)	7	6
Miscellaneous receipts	1	0
	217	**235**

23. Cost of raw materials consumed

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock	232	159
Add: Purchases	1,604	1,867
	1,836	**2,026**
Less: Closing stock	(182)	(232)
Cost of raw materials consumed	**1,654**	**1,794**

24 Change in inventories of finished goods, work-in-progress and stock in trade

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
Finished goods		
- Closing stock	190	147
- Opening stock	147	109
Less: Transfer to self consumption	-	(0)
	(43)	**(38)**
Work-in-progress		
- Closing stock	113	82
- Opening stock	82	53
	(31)	**(29)**
Stock in trade		
- Closing stock	2	92
- Opening stock	92	-
	90	**(92)**
Add: Trial run production transferred to capital work-in-progress (refer note 43)	9	12
Net (increase)/ decrease in inventories	**25**	**(147)**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

25. Employee benefits expense

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	591	556
Contribution to provident fund and other funds	38	34
Gratuity expense (refer note 30)	10	17
Expenses on employees stock options scheme (refer note 31)	2	5
Workmen and staff welfare expenses	34	36
	675	**648**

26. Finance costs

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest cost		
- On term loans and debentures	357	465
- On short term borrowings (net of subsidy of ₹0 (March 31, 2019: ₹0))	45	56
- On defined benefit obligations (net)	9	3
- On others (including interest on income tax of ₹(1) (March 31, 2019: ₹3) *	15	(10)
- On unwinding of interest	8	7
- On lease liabilities	10	-
	444	**521**
Less: Capitalisation of interest cost	(83)	(17)
Total (I)	**361**	**504**
(b) Other finance cost		
- Other borrowing cost	3	12
- Exchange differences to the extent considered as an adjustment to borrowing cost	51	35
Total (II)	**54**	**47**
Total finance costs (I + II)	**414**	**551**

* net of reversal of interest liability of ₹2 (March 31, 2019: ₹39) provided in earlier years.

27. Other expenses

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
Packing expenses	344	362
Consumption of stores and spare parts	49	50
Repairs and maintenance :		
- Plant and machinery	233	202
- Buildings	12	15
- Others	25	23
Rent	20	55
Rates and taxes	4	11
Insurance (net of subsidy ₹0 (March 31, 2019: ₹0))	8	6
Depot expenses	134	120
Professional charges	84	96
Advertisement and sales promotion	198	220
Travelling and conveyance	54	60
Bad debts/ advances written off (net)	2	3
Impairment allowance (net of reversal of ₹6 (March 31, 2019 ₹2))	20	2
Corporate social responsibility expense (refer note 59)	10	7
Directors' sitting fees (refer note 36)	1	1
Miscellaneous expenses *	316	291
	1,514	**1,524**

* Also refer note 42 for remuneration of auditors.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

28. Earnings per share

(Amount in ₹)

	Year ended March 31, 2020	Year ended March 31, 2019
Basic EPS		
Net profit for calculation of basic EPS (₹)	224	308
Weighted average number of equity shares in calculating Basic EPS	19,29,58,553	19,27,47,805
Basic earnings per share (In Rupees)	**11.61**	**15.97**
Diluted EPS		
Net profit for calculation of diluted EPS (₹)	224	308
Weighted average number of Equity shares for basic EPS	19,29,58,553	19,27,47,805
Effect of dilution:		
Share options	357,651	292,964
Weighted average number of equity shares for diluted EPS	19,33,16,204	19,30,40,769
Diluted earnings per share (In Rupees)	**11.58**	**15.95**

29. 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, estimates and assumptions

The judgements and 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 judgements, 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.

Significant judgements, estimates and assumptions are as specified below:-

(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 31. 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 16.

Change in estimate

Deferred tax credit for the current year includes ₹2 (March 31, 2019: ₹45) on account of change in assumptions pertaining to 'Land' as per the provisions of Ind-AS 12 'Income Taxes'.

(iii) Defined benefit plans (gratuity and provident fund)

The cost of the defined benefit plans 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

29. Disclosure of significant accounting judgements, estimates and assumptions (Contd.)

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, 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 gratuity and provident fund obligations are given in note 30.

(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 37 and 38 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 41.

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 ₹8.

(vi) 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

(a) During the year, the Group completed the re-evaluation 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.

(b) During the year, the residual value of PPE is 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 is higher by ₹220 and ₹56 respectively.

(c) During the previous year, Group had reviewed its available mining reserves and accordingly revised the estimate for available mining reserves. Accordingly, amortisation expense for the previous year was lower by ₹2.

(vii) 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, 2020 and March 31, 2019.

(viii) 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, 2020, the estimated liability towards non-cash incentive amounted to ₹133 (March 31, 2019: ₹83). Change in assumptions for estimating fair value of non-cash incentives does not have any significant impact on income statement.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

29. Disclosure of significant accounting judgements, estimates and assumptions (Contd.)

(ix) 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.

Change in estimate

The Group estimates expected date of receipt of subsidy based on approval accorded from State Level Committee. Based on its past experience and inputs from business environment, the Management assessed that in event of clearance of approval from State Level Committee, the expected period of receipt of subsidy shall be 1.5 years for the subsidy accrued on or after April 1, 2017 and 2.5 years in case the subsidy was accrued on or before March 31, 2017 and in other cases, expected period of recovery will be 3.5 years from the date of accrual of subsidy in case subsidy is accrued on or before March 31, 2017 and 2.5 years for the subsidy accrued on or after April 1, 2017.

(x) 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.

(xi) 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).

Refer to note 39 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

30. Gratuity and other post employment benefit plans

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.

Provident fund ('PF')

The Group contributes provident fund liability to Dalmia Cement Provident Fund Trust, except in case of certain employees of the Group. 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 defined benefit costs recognised in the statement of profit and loss and amounts recognised in the balance sheet for the above mentioned plan.

Statement of profit and loss

Components of defined benefit costs

(Amount in ₹)

Particulars	Gratuity		PF	
	2019-20	2018-19	2019-20	2018-19
Current service cost *	11	17	16	16
Net interest cost **	7	3	3	1
Net benefit expense	**18**	**20**	**19**	**17**

* includes ₹1 (March 31, 2019: ₹3) towards capitalisation of gratuity expense and ₹2 (March 31,2019: ₹3) towards capitalisation of provident fund expense.

** includes ₹1 (March 31, 2019: ₹1) towards capitalisation of interest expense.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

30. Gratuity and other post employment benefit plans (Contd.)

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	196	192	4
Service cost (2)	11	-	11	16	-	16
Net interest expense/ (income) (3)	10	3	7	20	17	3
Sub-total included in profit or loss (2+3)=(4)	**21**	**3**	**18**	**36**	**17**	**19**
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	(0)	0	-	3	(3)
(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	2	-	2
Sub-total (5+6+7+8)=(9)	**8**	**(0)**	**8**	**2**	**3**	**(1)**
Expense/ (income) included in OCI out of (9) above	**8**	**(0)**	**8**	**-**	**-**	**-**
Contributions by employer (10)	-	-	-	-	16	(16)
Contribution by plan participation/ employees (11)	-	-	-	35	35	-
Settlements/ (Transfer in) (12)	-	-	-	30	30	-
Acquisition/ other adjustments (13)	(2)	(1)	(1)	-	-	
Benefits paid (14)	(11)	(4)	(7)	(16)	(16)	-
Sub-total (10+11+12+13+14)=(15)	**(13)**	**(5)**	**(8)**	**49**	**65**	**(16)**
March 31, 2020 (1+4+9+15)	**153**	**40**	**113**	**283**	**277**	**6**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2019 (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, 2018 (1)	70	43	27	138	136	2
Service cost (2)	17	-	17	16	-	16
Net interest expense/ (income) (3)	5	2	3	16	15	1
Sub-total included in profit or loss (2+3)=(4)	**22**	**2**	**20**	**32**	**15**	**17**
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	2	(2)	-	1	(1)
(Gain)/loss from changes in demographic assumptions (6)	-	-	-	-	-	-
(Gain)/loss from changes in financial assumptions (7)	8	-	8	-	-	-
Experience (gains)/ losses (8)	25	-	25	2	-	2
Sub-total (5+6+7+8)=(9)	**33**	**2**	**31**	**2**	**1**	**1**
Expense/ (income) included in OCI out of (9) above	**33**	**2**	**31**	**-**	**-**	**-**
Contributions by employer (10)	-	-	-	-	16	(16)
Contribution by plan participation/ employees (11)	-	-	-	30	30	-
Settlements/ (Transfer in) (12)	-	-	-	40	40	-
Acquisition adjustments (13)	17	-	17	-	-	-
Benefits paid (14)	(5)	(5)	-	(46)	(46)	-
Sub-total (10+11+12+13+14)=(15)	**12**	**(5)**	**17**	**24**	**40**	**(16)**
March 31, 2019 (1+4+9+15)	**137**	**42**	**95**	**196**	**192**	**4**

* Related to acquisition of Dalmia DSP Limited, a step-down subsidiary, during the previous year.

The Group expects to contribute ₹97 (March 31, 2019: ₹80) and ₹18 (March 31, 2019: ₹13) to gratuity and PF respectively in 2020-21.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

30. 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Investment pattern in plan assets:				
Insurance Company products	18	20	-	-
Central Government securities	1	1	32	22
State Government securities	16	16	104	74
Special Deposit scheme	2	2	5	6
Corporate bonds	2	2	118	81
Cash and cash equivalents	0	1	3	1
Mutual funds - Unquoted	-	1		
Equity shares of listed companies	-	-	13	7
Other investment	1	-	3	2
Total	**40**	**42**	**277**	**192**

The principal assumptions used in determining gratuity and PF for the Company are shown below: (Amount in ₹)

Particulars	Gratuity		PF	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	%	%	%	%
Discount rate	6.40	7.25	6.40	6.89 to 7.50
Future salary increase	6.00 to 7.00	6.00 to 7.00	-	-
Guaranteed interest rate	-	-	8.50	8.65
	Years	Years	Years	Years
Life expectation for	39.06	-	40.74	40.74
Mortality Table	IALM (2012-14)	IALM (2006-08) duly modified	IALM (2012-14)	IALM (2006-08) duly modified

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 and March 31, 2019 is as shown below:

Gratuity Plan: (Amount in ₹)

Assumption	Discount rate				Future salary increases			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Impact on defined benefit obligation	6.00	6.00	(7.00)	(6.00)	(7.00)	(6.00)	6.00	6.00

Provident Fund: (Amount in ₹)

Assumption	Discount rate				Interest rate guarantee			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Impact on defined benefit obligation	6.00	6.00	(2.00)	(2.00)	(6.00)	(4.00)	13.00	6.00

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	
	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	52	49
Between 2 and 5 years	64	58
Between 5 and 10 years	50	46
Beyond 10 years	45	45
Total expected payments	**211**	**198**

Duration of the defined benefit plan obligation for gratuity at the end of the reporting period is 3-14 years (March 31, 2019: 5-13 years) and for PF at the end of the reporting period is 2-3 years (March 31, 2019: 6 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

30. Gratuity and other post employment benefit plans (Contd.)

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 and in the appropriate currency.

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	2019-20	2018-19
Provident Fund/ Pension Fund	20	18
Superannuation Fund	1	1
National Pension Scheme	3	2

31. 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 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).

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 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.

The expense recognised for employee services received during the year is shown in the following table: (Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Expense arising from equity-settled share-based payment transactions *	4	5
Total expense arising from share-based payment transactions	**4**	**5**

* includes ₹2 (March 31, 2019: ₹ Nil) 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:

(Amount in ₹)

	March 31, 2020		March 31, 2019	
	Numbers	WAEP	Numbers	WAEP
Outstanding at the beginning of the year	939,000	168.39	585,000	332.36
Cancelled pursuant to Scheme of Arrangement and Amalgamation	-	-	(585,000)	332.36
Granted pursuant to DBL ESOP Scheme 2018	-	-	11,70,000	166.18
Exercised during the year	(3,00,000)*/^	158.51	(2,31,000)^^	157.21
Expired/ lapsed during the year	-	-	-	-
Outstanding at the end of the year	6,39,000	173.03	9,39,000	168.39
Exercisable at the end of the year	-	-	-	-

* Shares exercised during the year, are issued through DB Trust

^ The weighted average share price at the date of exercise of these options is Rupees. 511.10/-

^ ^ The weighted average share price at the date of exercise of these options is Rupees 1,214.40/-

The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 was 4.27 years (March 31, 2019: 4.81 years).

The range of exercise prices for options outstanding at the end of the year is Rupees 108.62/- each option to Rupees 191.77/- each option (March 31, 2019: Rupees 108.62/- each option to Rupees 191.77/- each option).

The following table list the inputs to the models used for the plan for the year ended March 31, 2020 and March 31, 2019: (Amount in ₹)

	Grant 1	Grant 2	Grant 3
Dividend yield (%)	1.42	0.40	0.21
Volatility (%)	42.76	49	46.92
Risk–free interest rate (%)	8.16	7.71	7.54
Average expected life of options (years)	4.50	4.53	4.51
Weighted average share price (Rupees) for each	105.95	502.05	713.80
Date of grant	May 18, 2012	January 29, 2015	February 03, 2016
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

32. Leases

i) Assets taken on lease

The Group has finance leases contracts for various items of office equipment's. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are, as follows:

(Amount in ₹)

Particulars	March 31, 2020		March 31, 2019	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	-	-	2	1
After one year but not more than five years			2	1
More than five years	-	-	7	-
Total minimum lease payments	**-**	**-**	**11**	**2**
Less: amounts representing finance charges	-	-	(9)	-
Present value of minimum lease payments	**-**	**-**	**2**	**2**

i) 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, the Group is earning rental income from the arrangement, hence 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, 2020		March 31, 2019	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
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 charges	-	-	-	-
Present value of minimum lease payments	**1**	**1**	**1**	**1**

ii) 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. Leases of land have lease terms between 10 and 99 years, godowns generally have lease terms between 1 and 6 years, while office and residential premises have lease terms between 1 and 9 years, and vehicles and other equipment generally have lease terms between 1 and 8 years. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

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*	Buildings	Vehicles	Other equipment*	Total
Cost					
As at April 1, 2019 *	79	75	23	3	179
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-
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**
Accumulated depreciation					
As at April 1, 2019	**-**	**-**	**-**	**-**	**-**
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-
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**
Net block					
As at March 31, 2020	**78**	**66**	**23**	**1**	**168**

* Opening balance includes ₹71 reclassified on account of adoption of Ind AS 116.

** includes foreign currency translation of foreign operations.

Note: Leasehold land having net block of ₹9 is pending to be registered in the name of step down subsidiary company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

32. Leases (Contd.)

The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2020, as follows:

(Amount in ₹)

Particulars	2018-19
Assets	
Operating lease commitments as at March 31, 2019	30
Weighted average incremental borrowing rate as at April 1, 2019	10.00%
Discounted operating lease commitments as at April 1, 2019	24
Less:	
Commitments relating to short-term leases	-
Commitments relating to leases of low-value assets	-
Add:	
Commitments relating to leases previously classified as finance leases	2
Adjustment for opening finance leased assests	-
Lease payments relating to renewal periods not included in operating lease commitments as at March 31, 2019	84
Lease liabilities as at April 1, 2019	**110**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

(Amount in ₹)

Particulars	2019-20
As at April 1, 2019	**110**
Additions	40
Deletions	(8)
Accretion of interest	10
Payments	(53)
Other adjustment	-
As at March 31, 2020	**99**
Current	40
Non-current	59

The maturity analysis of lease liabilities are disclosed in note 39.

The effective interest rate for lease liabilities is 10%, with maturity between 2021-2109.

The following are the amounts recognised in profit or loss:

(Amount in ₹)

Particulars	2019-20
Year ended March 31, 2020 (Leases under Ind AS 116)	
Depreciation expense of right-of-use assets	51
Interest expense on lease liabilities	10
Expense relating to short-term leases (included in other expenses)	20
Total amount recognised in profit or loss	**81**

Year ended March 31, 2019 (Operating leases under Ind AS 17)

(Amount in ₹)

Particulars	2018-19
Lease expense	55
Total amount recognised in profit or loss	**55**

Amounts recognised in statement of cash flows:

(Amount in ₹)

Particulars	2019-20
Year ended March 31, 2020	
Total cash outflow for leases	53

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

33. Capital and other commitments

(Amount in ₹)

Particulars		March 31, 2020	March 31, 2019
A)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	529	615
B)	Other commitments		
i)	Commitment towards forestry department as per the Forest (Conservation) Act, 1980	0	32
ii)	Corporate guarantee given by the Group to a bank for issuance of bank guarantee towards grant of mining lease	12	12
iii)	Estimated future investments in Alternative Investment Fund in terms of agreement with the fund	-	4
iv)	Contractual and other payments, which does not have any bearing on the results for the current and previous year	31	31

C) The Resolution Plan (RP) filed by one of the subsidiary namely DCBL for revival of Murli Industries Limited (MIL) has been approved by the National Company Law Tribunal (NCLT), Mumbai Bench pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 ('IBC'). The necessary actions have been initiated to make the RP effective.

RP provides for payment of ₹402 to creditors of MIL by 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.

34. Contingent liabilities / Litigations in respect of :

A. Not provided for:

(Amount in ₹)

Particulars		March 31, 2020	March 31, 2019
i)	Claims against the Company not acknowledged as debts	282	292
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	51	67
	- Customs	18	39
	- Sales tax/ Entry tax/ Purchase tax/ Market fee	130	110
	- Income tax matters	50	42
iii)	Other monies for which Group is contingently liable	-	2

iv) 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 Office of the Superintendent of Taxes, Jowai, Meghalaya has issued notice dated March 12, 2020 seeking justification of gaps found for use of coal procured through legal sources in production of clinker / power as mentioned in the Report of the Independent Committee constituted by the National Green Tribunal. In the notice, it has been mentioned that the gap seems to be due to illegally procured coal and hence the Group is liable to pay enhanced royalty and electricity duty on such coal. The Group has been asked to provide its reply on the issue and the same is under process as the Group is evaluating the effect of the report. No provision is considered necessary in the financial statements based on the legal opinion taken by the Group as the demand has not yet crystallised.

C) Dalmia Cement (Bharat) Limited (DCBL), subsidiary of the Group, holds 76% shares in one of its subsidiary company Calcom Cement India Limited (Calcom), where Bawri Group (BG), other shareholder, holds 21% (approx.) voting rights. During the year 2015-16, DCBL in view of the fact that BG had defaulted in completion of certain obligations under the Shareholders Agreement/ Articles of Association (referred as Inter-se Agreement or 'ISA'), sent notice to BG seeking remedies under the terms of ISA. In response thereto, BG denied the responsibility of completion of the said obligations and further filed a petition before the Company Law Board, Kolkata (CLB) / NCLT under Sections 397 and 398 of the Companies Act, 1956 alleging oppression and mismanagement by DCBL. NCLT Guwahati, has concluded in response to an application filed under Section 8 of the Arbitration and Conciliation Act 1996 by DCBL, vide its order dated January 5, 2017, that the said 397/398 petition is dressed up petition and therefore, disposed of the said petition and vacated all the interims orders. Further, NCLT referred both the parties to arbitration for settlement of their disputes.

BG has challenged the order of NCLT Guwahati before the Hon'ble High Court, Guwahati and the same is pending adjudication. The disputes between the parties are pending adjudication before the Arbitral Tribunal. Pending final disposal of the disputes, no adjustments are considered necessary in the financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

34. Contingent liabilities / Litigations in respect of :(Contd.)

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 Pvt. Ltd. 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 Pvt. Ltd. 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) The Parent Company has given guarantee as under: (Amount in ₹)

Particulars	2019-20	2018-19
Guarantees * given to a bank on behalf of others of ₹21 (March 31, 2019: ₹ Nil) – Loan outstanding	9	-

* These are covered by first pari pasu charge created in favour of the Parent Company's bank by way of hypothication of current assets and receivables.

F) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Group will evaluate its position and act, as clarity emerges.

35. Details of dues to micro and small enterprises as per MSMED Act, 2006

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	14	6
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 MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	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 Micro Small and Medium Enterprise Development 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.

36. Related party transactions

A) **List of related parties along with nature and volume of transactions is given below:**

Related Parties where control exists:-

(i) **Subsidiaries**
1. Dalmia Cement (Bharat) Limited,
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 Global Limited,
6. OCL China Limited,
7. Alsthom Industries Limited,
8. Bangaru Kamakshiamman Agro Farms Private Limited,
9. Chandrasekara Agro Farms Private Limited,
10. Cosmos Cement Limited,
11. D.I. Properties Limited,
12. Dalmia Bharat Refractories Limited (formerly known as Sri Dhandauthapani Mines & Minerals Limited),
13. Dalmia DSP Limited (w.e.f July 10, 2018),
14. Dalmia Minerals & Properties Limited,
15. Dalmia OCL Limited (formerly known as Ascension Commercio 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 (w.e.f. December 21, 2018),
20. Ishita Properties Limited,

36. Related party transactions (Contd.)

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

Other related parties:

(i) Associates
1. Dalmia Renewables Energy Limited (upto May 31, 2018)

(ii) Joint ventures
1. Khappa Coal Company Private Limited,
2. Radhikapur (West) Coal Mining Private Limited

(iii) Key management personnel of the company
1. Shri Gautam Dalmia - Managing Director (w.e.f October 30, 2018)*,
2. Shri Puneet Yadu Dalmia - Managing Director (w.e.f October 30, 2018)*,
3. Shri Jayesh Doshi - Whole time Director & CFO,
4. Dr. Sanjeev Gemawat – Executive Director (Legal) and Company Secretary,

* Director (upto October 30, 2018)

(iv) Directors
1. Shri Jai Hari Dalmia - Non- Executive Director (w.e.f October 30, 2018)* ,
2. Shri Yadu Hari Dalmia - Non- Executive Director (w.e.f October 30, 2018)* ,
3. Shri D.N. Davar - Non- Executive Director (upto August 30, 2019)
4. Shri Niddodi Subrao Rajan - Non- Executive Director (w.e.f. August 30, 2019),
5. Shri P.K. Khaitan - Independent Director,
6. Shri N. Gopalaswamy - Independent Director (upto September 25, 2019)
7. Shri V.S. Jain - Independent Director,
8. Smt. Sudha Pillai- Independent Director,

* Managing Director of erstwhile Dalmia Bharat Limited upto October 30, 2018.

Related parties with whom transactions have taken place during the year:

(v) Relatives of key management personnel
1. Smt. Bela Dalmia
2. Smt. Kavita Dalmia
3. Smt. Anupama Dalmia
4. Ku. Sukeshi Dalmia
5. Ku. Vaidehi Dalmia
6. Ku. Sumana Dalmia
7. Smt. Chandana Jayesh Doshi

(vi) Enterprises controlled/ jointly controlled by the key management personnel of the Parent Company
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. Kanika Investment Limited,
9. Shree Nirman Limited,
10. Shri Chamundeswari Minerals Limited
11. Rama Investment Company Private Limited
12. Sita Investment Company Limited
13. Himgiri Commercial Limited
14. Himshikhar Investment Limited
15. Valley Agro Industries Limited
16. MAJ Textiles Private Limited
17. Khaitan & Co. LLP
18. Khaitan & Co.
19. Khaitan & Co. AOR

(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

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	Managerial Remuneration *	Directors sitting fees	Directors commission	Professional fees	Sale of goods and services	Sale of Assets	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Rent received	CSR
Dalmia Bharat Sugar and Industries Limited	KMP Controlled	1	5	-	-	-	-	-	13	-	12	-	0	-	-
		(0)	-	-	-	-	-	-	(18)	(0)	(10)	-	(0)	-	-
Dalmia Refractories Limited	KMP Controlled	0	-	-	-	-	-	-	24	-	45	-	0	-	-
		(0)	-	-	-	-	-	-	(8)	-	(24)	(0)	(0)	-	-
Antordaya Commercial and Holdings Private Limited	KMP Controlled	-	-	-	-	-	-	-	0	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	-	-	-	-	-	-
Alirox Abrasives Limited	KMP Controlled	0	-	-	-	-	-	-	0	-	-	-	-	-	-
		(0)	-	-	-	-	-	-	(0)	-	-	-	-	-	-
Shri Chamundeswari Minerals Limited	KMP Controlled	-	-	-	-	-	-	-	0	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	-	-	-	-	-	-
Keshav Power Limited	KMP Controlled	0	-	-	-	-	-	-	0	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vishnu Charitable Trust	KMP Controlled	-	-	-	-	-	-	-	0	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Bharat Foundation	KMP Controlled	-	-	-	-	-	-	-	0	-	-	-	-	-	6
		-	-	-	-	-	-	-	-	-	-	-	-	-	(6)
Shri Nirman Limited	KMP Controlled	-	-	-	-	-	-	-	0	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	-	-	-	-	-	-
Kanika Investment Limited	KMP controlled	-	-	-	-	-	-	-	-	-	-	-	-	0	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Arjuna Brokers & Minerals Limited	KMP controlled	-	-	-	-	-	-	-	0	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rama Investment Company Private Limited	KMP controlled	32	-	-	-	-	-	-	-	-	-	-	-	-	-
		(14)	-	-	-	-	-	-	-	-	-	-	-	-	-
Sita Investment Company Limited	KMP controlled	6	-	-	-	-	-	-	-	-	-	-	-	-	-
		(2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Khaitan & Co. LLP	KMP controlled	-	-	-	-	-	-	3	-	-	-	-	-	-	-
		-	-	-	-	-	-	(2)	-	-	-	-	-	-	-
Khaitan & Co.	KMP controlled	-	-	-	-	-	-	1	-	-	-	-	-	-	-
		-	-	-	-	-	-	(1)	-	-	-	-	-	-	-
Khaitan & Co. AOR	KMP controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	(0)	-	-	-	-	-	-	-
Others	KMP controlled	1	-	-	-	-	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Radhikapur (West) Coal Mining Private Limited	Joint Venture	-	-	0	-	-	-	-	-	-	-	-	-	-	-
		-	-	(0)	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

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	Managerial Remuneration *	Directors sitting fees	Directors commission	Professional fees	Sale of goods and services	Sale of Assets	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Rent received	CSR
Shri Jai Hari Dalmia	Non- Executive Director	0	-	-	7	0	-	-	-	-	-	-	-	-	-
		(1)	-	-	(7)	(0)	-	-	-	-	-	-	-	-	-
Shri Yadu Hari Dalmia	Non- Executive Director	-	-	-	10	0	-	-	-	-	-	-	-	-	-
		(0)	-	-	(9)	(0)	-	-	-	-	-	-	-	-	-
Shri Puneet Yadu Dalmia	KMP	-	-	-	20	-	-	-	-	-	-	-	-	-	-
		-	-	-	(49)	(0)	-	-	-	-	-	-	-	-	-
Shri Gautam Dalmia	KMP	0	-	-	15	0	-	-	-	-	-	-	-	-	-
		(0)	-	-	(20)	(0)	-	-	-	-	-	-	-	-	-
Shri D N Davar	Non- Executive Director	-	-	-	-	0	-	-	-	-	-	0	-	-	-
		(0)	-	-	-	(0)	(0)	-	-	-	-	-	-	-	-
Shri Niddodi Subrao Rajan	Non- Executive Director	0	-	-	-	0	0	2	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shri Jayesh Doshi	KMP	0	-	-	4	-	-	-	-	-	-	-	-	-	-
		(0)	-	-	(4)	-	-	-	-	-	-	-	-	-	-
Shri P.K. Khaitan	Director	-	-	-	-	0	0	-	-	-	-	-	-	-	-
		-	-	-	-	(0)	(0)	-	-	-	-	-	-	-	-
Shri N. Gopalaswamy	Director	-	-	-	-	0	0	-	-	-	-	-	-	-	-
		-	-	-	-	(0)	(0)	-	-	-	-	-	-	-	-
Shri V.S. Jain	Director	-	-	-	-	0	0	-	-	-	-	-	-	-	-
		-	-	-	-	(0)	(0)	-	-	-	-	-	-	-	-
Smt. Sudha Pillai	Director	-	-	-	-	0	0	-	-	-	-	-	-	-	-
		-	-	-	-	(0)	(0)	-	-	-	-	-	-	-	-
Dr. Sanjeev Gemawat	Executive Director (Legal) and Company Secretary	-	-	-	2	-	-	-	-	-	-	-	-	-	-
		-	-	-	(2)	-	-	-	-	-	-	-	-	-	-
Others	Relatives of KMP	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	Other related parties	2	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-

All figures in ( ) represent amount for the year ended March 31, 2019

* KMP are covered under the Parent Company's 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.

C) Balance outstanding at year end:

(Amount in ₹)

Name of Related Party	Nature of related party	Interest payable	Borrowings	Directors' commission payable	Directors' sitting fee payable	Remuneration payable	Trade payables	Trade receivables
Dalmia Bharat Sugar and Industries Limited	KMP Controlled	-	-	-	-	-	0	1
		-	-	-	-	-	(0)	(4)
Dalmia Refractories Limited	KMP Controlled	-	-	-	-	-	3	9
		-	-	-	-	-	(3)	(6)
Glow Home Technologies (P) Limited	KMP Controlled	-	-	-	-	-	-	-
		-	-	-	-	-	-	(0)
Radhikapur (West) Coal Mining Private Limited	Joint Venture	1	5.00	-	-	-	-	-
		0	(5.00)	-	-	-	-	(0)
Dalmia Bharat Foundation	KMP Controlled	-	-	-	-	-	-	0
		-	-	-	-	-	-	(0)
Shree Nirman Limited	KMP Controlled	-	-	-	-	-	0	-
		-	-	-	-	-	(0)	-
Shri Chamundeswari Minerals Limited	KMP Controlled	-	-	-	-	-	-	0
		-	-	-	-	-	-	-
Antordaya Commercial and Holdings Private Limited	KMP Controlled	-	-	-	-	-	-	0
		-	-	-	-	-	-	(0)
Khaitan & Co. LLP	KMP Controlled	-	-	-	-	-	2	0
		-	-	-	-	-	(0)	(0)
Khaitan & Co.	KMP Controlled	-	-	-	-	-	1	0
		-	-	-	-	-	-	(0)
Khaitan & Co. AOR	KMP Controlled	-	-	-	-	-	-	0
		-	-	-	-	-	(0)	(0)
Mr. N. Gopalaswamy	Director	-		0	-	-	-	
		-	-	(0)	-	-	-	-
Mrs. Sudha Pillai	Director	-	-	0	0	-	-	-
		-	-	(0)	-	-	-	-
Shri P.K. Khaitan	Director	-	-	0	0	-	-	-
		-	-	(0)	-	-	-	-
Shri V.S. Jain	Director	-	-	0	0	-	-	-
		-	-	(0)	-	-	-	-
Shri Jai Hari Dalmia	Non- Executive Director	-	-	-	0	0	-	-
		-	-	-	-	-	-	-
Shri Yadu Hari Dalmia	Non- Executive Director	-	-	-	0	1	-	-
		-	-	-	-	(0)	-	-
Shri Puneet Yadu Dalmia	KMP	-	-	-	-	1	-	-
		-	-	-	-	(0)	-	-
Shri Gautam Dalmia	KMP	-	-	-	-	1	-	-
		-	-	-	-	-	-	-
Shri D N Davar	Non- Executive Director	-	-	-	-	-	-	-
		-	-	(0)	-	-	-	-
Shri Niddodi Subrao Rajan	Non- Executive Director	-	-	0	-	-	1	-
		-	-	-	-	-	-	-
Total		**1**	**5**	**0**	**0**	**3**	**7**	**10**
		0	(5)	(0)	-	(1)	(3)	(10)

All figures in ( ) represent balance outstanding as at March 31, 2019.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

36. Related party transactions (Contd.)

D) Transactions with key management personnel

Compensation of key management personnel of the Parent Company:- (Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Short-term employee benefits	37	44
Termination benefits	4	2
Post- employment benefits	-	37
Share-based payment transactions	0	0
Total compensation paid to key management personnel *	**41**	**83**

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:

(Amount in ₹)

Grant Date	Expiry Date	Exercise Price ₹		March 31, 2020 Number outstanding*	March 31, 2019 Number outstanding*
January 29, 2015	January 29, 2021	108.62		36,000	66,000
February 03, 2016	February 03, 2022	191.77		16,500	22,500
Total				52,500	88,500

* Refer note 31.

The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

37. 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:

(Amount in ₹)

Particulars	Carrying value		Fair value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial assets				
Financial assets carried at amortised cost				
Loans to employees	23	18	23	18
Loans to others	33	33	33	33
Security deposits	86	75	86	75
Subsidies/ Incentives receivable	707	888	707	888
Deposit with banks having remaining maturity of more than twelve months (refer note 6(iii))	16	12	16	12
Investment in commercial papers (refer note 9(i))	-	139	-	139
Financial assets carried at fair value through profit or loss				
Foreign currency forward / option contracts (refer note 6(iii) and 9(vi))	55	62	55	62
Investment in equity shares (refer note 9(i))	0	39	0	39
Investment in mutual funds (refer note 9(i))	888	516	888	516
Investment in certificate of deposits (refer note 9(i))	74	-	74	-
Investment in alternative investment fund (refer note 9(i))	10	22	10	22
Investment in tax free bonds (refer note 6(i))	0	0	0	0
Investment in venture capital fund (refer note 6(i))	2	2	2	2
Investment in corporate bonds (refer note 9(i))	958	599	958	599
Financial assets carried at fair value through OCI				
Investment in equity shares (quoted) (refer note 9(i))	384	500	384	500
Invetsment in limited liability partnership (refer note 9(i))	384	500	384	500
Investment in compulsorily participative convertible preference shares (refer note 6(i))	23	14	23	14
Investment in equity shares (unquoted) (refer note 6(i))	-	0	-	0
Financial liabilities				
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	5,950	5,878	5,950	5,878
Security deposits received	497	404	497	404
Other non current financial liabilities	1	5	1	5
Financial liabilities carried at fair value through profit or loss				
Foreign currency option contracts/ Interest rate swap contract	2	3	2	3

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

37. Fair values (Contd.)

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 :

(a) 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.

(b) 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.

(c) 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.

(d) The fair value of Group's unquoted investment in limited liability partnership (LLP) is determined using the latest available financial statements of that LLP.

(e) 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.

(f) 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, 2020 was assessed to be insignificant.

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: (Amount in ₹)

Particulars	**Investment in compulsorily convertible preference shares (At FVTOCI)**
As at April 1, 2018	-
Re-measurement recognised in OCI	-
Purchases	14
Sales	-
As at March 31, 2019	**14**
Re-measurement recognised in OCI	7
Purchases	2
Sales	-
As at March 31, 2020	**23**

38. 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:

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

38. Fair value hierarchy (Contd.)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020: (Amount in ₹)

Particulars	Total	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 37)				
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 (refer note 6(iii))	16	-	16	-
Liabilities for which fair values are disclosed (note 37)				
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 (refer note 6(iii) and 9(vi))	55	-	55	-
Investment in equity shares (refer note 9(i))	384	384	-	-
Investment in mutual funds (refer note 9(i))	888	-	888	-
Investment in certificate of deposits (refer note 9(i))	74	74	-	-
Investment in alternative investment fund (refer note 9(i))	10	-	10	-
Investment in tax free bonds (refer note 6(i))	0	0	-	-
Investment in venture capital fund (refer note 6(i))	2	-	2	-
Investment in corporate bonds (refer note 9(i))	958	958	-	-
Investment in limited liability partnership (refer note 9(i))	384	-	384	-
Investment in compulsorily participative convertible preference shares (refer note 6(i))	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.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019: (Amount in ₹)

Particulars	Total	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 37)				
Loans to employees	18	-	-	18
Loans to others	33	-	-	33
Security deposits	75	-	-	75
Subsidies/ Incentives receivable	888	-	-	888
Deposit with banks having remaining maturity of more than twelve months (refer note 6(iii))	12	-	12	-
Investment in commercial papers (refer note 9(i))	139	-	139	-
Liabilities for which fair values are disclosed (note 37)				
Borrowings (including current maturity of long term borrowings)	5,878	-	5,878	-
Security deposits received	404	-	-	404
Lease liabilities	-			
Other non current financial liabilities	5	-	-	5
Assets measured at fair value				
Foreign currency forward / option contracts (refer note 6(iii) and 9(vi))	62	-	62	-
Investment in equity shares (refer note 9(i))	539	539	-	0
Investment in mutual funds (refer note 9(i))	516	-	516	-
Investment in alternative investment fund (refer note 9(i))	22	-	22	-
Investment in tax free bonds (refer note 6(i))	0	0	-	-
Investment in venture capital fund (refer note 6(i))	2	-	2	-
Investment in corporate bonds (refer note 9(i))	599	599	-	-
Invetsment in limited liability partnership (refer note 9(i))	500	-	500	-
Investment in compulsorily participative convertible preference shares (refer note 6(i))	14	-	-	14
Liabilities measured at fair value				
Foreign currency option contracts/ Interest rate swap contract	3	-	3	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2019.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

39. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise borrowings, trade payables 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:

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. There is no outstanding loans at year end.

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, 2020		
₹	+ 50 BPS	(13)
₹	- 50 BPS	13
USD	+ 50 BPS	(2)
USD	- 50 BPS	2
EURO	+ 50 BPS	(2)
EURO	- 50 BPS	2
March 31, 2019		
₹	+ 50 BPS	(14)
₹	- 50 BPS	14
USD	+ 50 BPS	(3)
USD	- 50 BPS	3
EURO	+ 50 BPS	(2)
EURO	- 50 BPS	2

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.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

39. Financial risk management objectives and policies (Contd.)

(Amount in ₹)

	Change in foreign currency rate	Effect on profit before tax March 31, 2020	Effect on profit before tax March 31, 2019
USD	5%	(33)	(24)
	-5%	27	24
EURO and Others	5%	(34)	(4)
	-5%	13	4

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 reporting date on an individual basis for major customers.

An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. 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, 2020			
Gross carrying amount (A)	339	129	468
Expected credit losses (B)	-	71	71
Net carrying amount (A-B)	**339**	**58**	**397**
As at March 31, 2019			
Gross carrying amount (A)	498	109	607
Expected credit losses (B)	3	55	58
Net carrying amount (A-B)	**495**	**54**	**549**

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, 2020 and March 31, 2019 is the carrying amounts of each class of financial assets.

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. 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.

The table below summarises the maturity profile of the Group's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

(Amount in ₹)

Ageing	Less than 1 Year	1 to 5 years	More than 5 years	Total	Carrying value
As at March 31, 2020					
Borrowings	2,064	1,869	2,129	6,062	5,950
Lease liabilites	48	58	180	286	99
Trade payables	829	3	-	832	832
Other financials liabilities	798	3	-	801	801
As at March 31, 2019					
Borrowings	1,871	2,345	1,741	5,957	5,878
Trade payables	878	-	-	878	878
Other financials liabilities	721	6	-	727	727

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

40. Capital management

For the purpose of the Group's capital management, equity 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 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.

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Long term borrowings	3,505	4,015
Short term borrowings	1,246	908
Current maturities of long term borrowings	1,199	955
Less : Cash and cash equivalents	(266)	(280)
Less : Bank balances other than cash and cash equivalents	(137)	(189)
Less : Current investments	(2,698)	(2,315)
Less : Interest accrued on current investments	(40)	(35)
Net debt	**2,809**	**3,059**
Equity	10,561	10,639
Capital and net debt	**13,370**	**13,698**
Gearing ratio	**21.01%**	**22.33%**

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, 2020 and March 31, 2019.

41. Movement of provision during the year:

(Amount in ₹)

Ageing	Mines reclamation	Export promotion capital goods	Contingencies
As at April 1, 2018	**31**	**28**	**36**
Additions during the year	12	3	7
Utilised during the year	-	-	(4)
Interest on unwinding	3		-
As at March 31, 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**

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)

Based on the favourable decision from Director General of Foreign Trade (DGFT) during the year, one of the step-down subsidiary of the Group has filed redemption applications before DGFT showing completion of export obligations and same are under process. Accordingly, provision created in earlier years of ₹30 is no longer required and an amount of ₹7, ₹10 and ₹13 has been 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. The Group has, during the current year as well as previous year, settled most of such cases. During the year, Group has written back excess provision of ₹15 by settling disputed liability with one of its financial creditor and paid the agreed amounts of principal and interest.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

42. Remuneration paid to statutory auditors (included in Miscellaneous Expenses):

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
As an auditor		
i) Statutory audit fee	2	2
ii) Tax audit fees	0	0
iiii) Limited review fee	1	1
In other capacity		
i) Company law matter/ Other matters	-	0
ii) Certification Fee (including certification of financial statements arising out ofmerger scheme)	0	1
iiii) Taxation matters	0	0
Reimbursement of expenses	0	0

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:

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Brought forward from last year	**147**	**46**
Expenditure incurred during the year		
Cost of raw materials consumed	13	14
Employee benefit expenses		
a) Salaries, wages and bonus	84	68
b) Contribution to provident and other funds	2	3
c) Gratuity expense	1	3
d) Employee stock option scheme	2	-
e) Workmen and staff welfare expenses	1	2
Interest cost *	83	17
Depreciation and amortisation expense	3	14
Power and fuel	29	57
Freight charges	3	16
Other expenses		
a) Consumption of stores and spare parts	2	19
b) Repairs and maintenance - Plant and machinery	2	18
c) Rent	1	1
d) Rates and taxes	1	0
e) Insurance	0	1
f) Professional charges	34	38
g) Travelling and conveyance	3	2
h) Miscellaneous expenses	22	46
Total expenditure during the year	**286**	**319**
Less : Trial run production transferred from inventory	(9)	(12)
Less : Revenue from operations during trial run	(35)	(88)
Net expenditure	**242**	**219**
Less : Capitalised during the year	(2)	(118)
	387	**147**
Carried forward as part of Intangible asset under development	**18**	-
Carried forward as part of Capital work-in-progress **	**369**	**147**

* Interest comprises of:

(i) ₹4 (March 31, 2019: ₹ Nil) on specific borrowings taken for new cement plants in Odisha along with new grinding capacity in eastern part of India; and

(ii) ₹77 (March 31, 2019: ₹10) on general borrowings for new cement plants in Odisha along with new grinding capacity in eastern part of India, using the weighted average interest rate applicable during the year which is 8.46% p.a (March 31, 2019: 8.13% p.a.).

** includes ₹313 (March 31, 2019 : ₹113) for new cement plants in Odisha along with new grinding capacity in eastern part of India (refer note 51).

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

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& fuel and other expenses as under:

(Amount in ₹)

Particulars	2019-20	2018-19
Cost of raw materials consumed	374	340
Power and fuel	82	26
Other Expenses:		
Repairs and maintenance - Plant and machinery	104	74
Miscellaneous expenses	5	5
Total	**565**	**445**

These expenses if reclassified on 'nature of expense' basis will be as follows:

(Amount in ₹)

Particulars	2019-20	2018-19
Employee benefit expenses	37	33
Power and fuel	27	12
Other Expenses :		
Consumption of stores & spare parts	178	153
Repairs and maintenance - Plant and machinery	59	62
Repairs and maintenance - Buildings	1	0
Repairs and maintenance – Others	7	9
Rent	1	4
Rates & taxes (including royalty on limestone)	218	215
Insurance	0	-
Miscellaneous expenses	39	24
Professional charges	1	-
Other operating revenue:		
Sundry sales / income	(3)	(67)
Total	**565**	**445**

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.

(Amount in ₹)

Particulars	March 31, 2020		March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Fair value of foreign currency forward /option/ interest rate swap contracts measured at fair value through profit or loss	55	2	62	3

46. (i) In 2011-12, Dalmia Cement (Bharat) Limited (DCBL), a subsidiary of the Group, had initially acquired 14.59% stake in Calcom Cement India Limi ted (Calcom), ultimately extendable to 50% of the Equity Share Capital of Calcom by entering into definitive agreements with Calcom, Saroj Sunrise Private Limited ('SSPL') (a company owned by Bawri Group (BG), other shareholder of Calcom) and BG. During the year 2012-13, revised agreements were entered to increase DCBL nominal stake up to 66.26% (and voting stake up to 75.63%) ultimately extendable to nominal stake of 66.70% (and voting stake of 76.00%) of the Equity Share Capital of Calcom – including keeping shares representing nominal stake of 14.23% (and voting stake of 16.24%) of the Equity Share Capital of Calcom in escrow, with beneficial ownership being with DCBL, to be released at a future date upon satisfaction of certain conditions. DCBL invested a total amount of ₹260 (March 31, 2019: ₹260) and ₹59 (March 31, 2019: ₹59) respectively in the equity shares of Calcom and Optionally Redeemable Convertible Debentures ('OCDs') of SSPL.

The OCDs are non-interest bearing and are secured by the pledge of equity shares of Calcom held by SSPL. If certain conditions for performance by promoters 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.

(ii) During the earlier years, DCBL had advanced ₹0 crore (Rupees One lac) to Calcom as application money towards share warrants. In terms of the agreement dated January 16, 2012 between DCBL and BG, the share warrants, in case of non-fulfilment of project conditions by BG, would be converted into such number of equity shares that post conversion, the share holding of DCBL in Calcom becomes 99%. DCBL vide letter dated May 15, 2015 gave notice to BG for non-fulfilment of project conditions. The disputes between the parties are pending adjudication before the Arbitral Tribunal (also refer note 34(C)).

47. The Group reviews trade receivables, advances and subsidies receivables on regular intervals and takes necessary steps (including legal action wherever required) for the recovery 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), it believes that such amount is sufficient to cover for any possible loss.

48. During the financial year ended March 31, 2019, certain mutual fund units ("Securities") appearing as current investments, valued at ₹374 as on March 31, 2020, were illegally and fraudulently transferred by one of the Depository Participant ("DP"), from demat accounts of DCBL, subsidiary of the Group. Based on the complaint filed by DCBL and after conducting preliminary enquiry, the Economic Offences Wing, Delhi (EOW) directed the Clearing Agent of DP (i.e. ISSL) not to deal with the Securities and also freezed all such Securities till further orders.

SEBI after complaint by DCBL also directed the DP, its promoters/directors, its related associates and other noticees mentioned in the order, not to dispose of, alienate or encumber any assets, except with the prior permission of SEBI/ National Stock Exchange (NSE).

No final order has yet been passed by SEBI in the complaint lodged by DCBL against DP and others in respect of fraudulent transfer of Securities from its demat accounts.

In the meantime, the clearing agent/ ISSL has also sought from Security Appellate Tribunal, Mumbai ("SAT") the annulment of trade of Future & Options contract entered into by DP. Such annulment of trades sought by clearing agent/ ISSL was directed by SAT vide its order dated July 03, 2019 to be heard by SEBI including grievance of all other investors. SEBI challenged the said order of SAT before Hon'ble Supreme Court. The Supreme Court, vide its interim order dated August 27, 2019, directed NSE Clearing Corporation Limited, to honour F&O segments contract which had matured on June 27, 2019. The Supreme Court also clarified that the payments so made shall be without prejudice to the rights and contentions of the parties and subject to the final outcome and directions which would be passed in the matter. The matter is still pending before Supreme Court. The matter is currently under investigation by DCBL through an independent firm of Chartered Accountants.

Further, EOW has filed charge sheet against the said DP, its promoter, ISSL and its business head for committing various offences under Indian Penal Code. The charge sheet is accusing them of forging the Delivery Instruction Slips to effect fraudulent transfer of Securities from the demat accounts of DCBL. After filing of charge sheet, DCBL has filed an application before the Jurisdictional Court for release of mutual fund units and the same is currently pending.

Consequent to this, DCBL, during the year, has valued these Securities at the fair market value existing on the reporting date and an amount of ₹30 has been credited to the statement of profit and loss under the head Other income. DCBL is fully confident of recovering its Securities based on the legal opinion obtained in the matter. Hence, no provision is considered necessary in these financial statements.

49. 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, and the same was continued in the second policy issued on April, 2007.

In the year 2008, 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'). Department started refunding excise remission as per notified rate but not 100 % of excise duty paid from PLA.

The Group approached Guwahati High Court for sanction of 100 % remission on principal of promissory estoppel along with other petitions and the same was allowed vide order dated November 20, 2014. Accordingly, the Group had accrued 100 % remission income in the books. Against the order of High Court, department filed a SLP(C) before the Hon'ble Supreme Court, for stay of the order of Guwahati High Court. The Supreme Court stayed order of High Court ('Interim Order') with a condition to refund 50% of the disputed amount on December 07, 2015.

Finally, the Supreme Court pronounced decision on April 22, 2020 and held that amendment in notification is in continuance of earlier policy. Accordingly, the Group have, during the current year, written off an amount of ₹8 which was pending for refund and has, further, during the current year made provision of ₹5 being amount already refunded in lieu of Interim Order passed by the Hon'ble Supreme Court both of which are over and above said notified rate ('disputed amount').

50. The Government of Assam in their high power committee meeting in February 2019 had granted Mega Project status to one of the step down subsidiary of the Group, under the Industrial and Investment policy of Assam 2014 for the investment done for establishment of clinkerisation unit at Umrangshu ("USO") of Calcom for 15 years in the state of Assam. The said unit would be entitled to 100% reimbursement of net SGST paid for a period of 15 years from the date of commercial production on account of which 100% remission of SGST of ₹51 was recognized as income in the previous year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

51. The Group is setting up new cement plants in Odisha along with new grinding capacity in eastern part of India with total capacity of 8 MnTPA. The clinker manufacturing plant of 3 MnTPA has been commissioned and is under trial run. The cement grinding plants are under construction and part of the capacity is likely to be completed by December 31, 2020.

    The expenditure incurred on commissioning of the project, including the expenditure incurred on trial runs (net of trial run receipts), which is under progress of ₹1,437 as at March 31, 2020 (March 31, 2019 : ₹328) is included under capital work-in-progress.

52. The Board of Directors of Parent Company's subsidiary i.e. DCBL and step-down subsidiaries i.e. Dalmia Bharat Refractories Limited (DBRL) (formerly known as Sri Dhandauthapani Mines and Minerals Limited) and Dalmia OCL Limited (Dalmia OCL) in their respective meetings held on November 14, 2019, approved the following:

    (a) Scheme of Arrangement amongst DCBL, DBRL, their respective shareholders and creditors in terms of 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 is April 1, 2019.

    (b) Scheme of Amalgamation and Arrangement amongst Dalmia Refractories Limited ('DRL') and its subsidiary GSB Refractories India Private Limited (GSB India'), DBRL and Dalmia OCL and their respective shareholders and creditors in terms of Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ('Scheme 2'). It involves (i) amalgamation of DRL with DBRL; (ii) amalgamation of GSB India with DBRL; and (iii) transfer and vesting of refractory undertaking of DBRL to Dalmia OCL by way of slump exchange on a going concern basis. The proposed appointed date of the said Scheme is April 1, 2020.

    The Board of Directors of DRL also in their meeting held on November 14, 2019 approved Scheme 2 as stated above. Pending necessary regulatory approvals and other compliances, no effect of the above mentioned schemes has been considered in these financial statements.

53. 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 books of accounts as at March 31, 2020.

54. The Group's operations were impacted in the month of March 2020, due to temporary shutdown of all plants following nationwide lockdown by the Government of India in view of COVID-19, a pandemic caused by the novel corona virus.

    The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

    Operations have resumed in a phased manner taking into account directives from the Government during April 2020.

55. The Group comprises of the following entities:

	Name of the Group Company	Country of Incorporation	% of ownership as at March 31, 2020	% of ownership as at March 31, 2019
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 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	100.00%	100.00%
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	99.99%	99.99%
19.	Chandrasekara Agro Farms Private Limited	India	100.00%	100.00%

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

55. The Group comprises of the following entities: (Contd.)

	Name of the Group Company	Country of Incorporation	% of ownership as at March 31, 2020	% of ownership as at March 31, 2019
20.	OCL Global Limited	Mauritius	100.00%	100.00%
21.	Dalmia DSP Limited (w.e.f. July 10, 2018)	India	100.00%	100.00%
22.	Hopco Industries Limited (w.e.f. December 21, 2018)	India	100.00%	100.00%
b)	**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. 7th Oct. 2019)	India	100.00%	100.00%
B.	**Joint ventures**			
1.	Khappa Coal Company Private Limited (JV of Dalmia Cement (Bharat) Limited)	India	36.73%	36.73%
2.	Radhikapur (West) Coal Mining Private Limited (JV of Dalmia Cement (Bharat) Limited)	India	14.70%	14.70%

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 reviewed its segment information and decided to have below segments as per Ind AS 108, 'Operating Segments':

(a) Cement division which produces various grades of cement and its related products;

(b) Others include Refractory division, Investment division and Management Services.

No other 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 directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other 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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue						
External revenue (including other operating revenue)	9,048	8,871	793	793	9,841	9,664
Less: Inter segment revenue	(8)	(8)	(159)	(172)	(167)	(180)
Total revenue	**9,040**	**8,863**	**634**	**621**	**9,674**	**9,484**
Results						
Segment results	530	582	38	76	568	658
Add: Other unallocable income net of unallocable expenditure					204	232
Less: Finance costs					(415)	(551)
Profit before tax					**357**	**339**
Other disclosures						
Segment assets	16,931	17,262	729	981	17,660	18,243
Unallocable assets					2,951	2,295
Total assets					**20,611**	**20,538**
Segment liabilities	2,347	2,305	182	136	2,529	2,441
Unallocable liabilities					7,521	7,458
Total liabilities					**10,050**	**9,899**
Other disclosures:						
Depreciation and amortisation	1,506	1,282	22	14	1,528	1,296
Capital expenditure	1,531	1,022	12	27	1,543	1,049

Information about geographical areas

Sale outside India is below the reportable threshold limit, thus geographical segment information is not given.

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of an entity's revenues during the current and previous year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

57. 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)	
	Amount	As % of consolidated net assets **	Amount	As % of consolidated profit / loss	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income
A. Parent								
Dalmia Bharat Limited	7,642	42.74%	135	44.78%	0	(0.07%)	135	149.93%
B. Subsidiaries								
Indian								
Dalmia Cement (Bharat) Limited	9,168	51.28%	97	32.44%	(4)	2.13%	93	103.43%
Dalmia Power Limited	463	2.59%	(11)	(3.71%)	(217)	103.19%	(228)	(254.31%)
Calcom Cement India Limited	504	2.82%	109	36.18%	(1)	0.28%	108	120.37%
Alsthom Industries Limited	64	0.36%	28	9.20%	5	(2.54%)	33	36.71%
Dalmia DSP Limited	(8)	(0.05%)	(19)	(6.30%)	(1)	0.35%	(20)	(21.90%)
RCL Cements Limited	4	0.02%	(4)	(1.46%)	(0)	0.01%	(4)	(4.92%)
SCL Cements Limited	(52)	(0.29%)	(10)	(3.35%)	(0)	0.00%	(10)	(11.20%)
Vinay Cements Limited	(172)	(0.96%)	(34)	(11.26%)	(0)	0.14%	(34)	(37.99%)
Bangaru Kamakshi Amman Agro Frams Private Limited	4	0.02%	(0)	(0.02%)	-	0.00%	(0)	(0.08%)
Chandrasekara Agro Farms Private Limited	2	0.01%	(0)	(0.01%)	-	0.00%	(0)	(0.04%)
Cosmos Cements Limited	12	0.07%	(0)	(0.07%)	-	0.00%	(0)	(0.25%)
D.I. Properties Limited	2	0.01%	(0)	(0.02%)	-	0.00%	(0)	(0.05%)
Dalmia Minerals & Properties Limited	52	0.29%	0	0.02%	-	0.00%	0	0.08%
Geetee Estates Limited	7	0.04%	(0)	0.00%	-	0.00%	(0)	(0.01%)
Golden Hills Resorts Private Limited	1	0.01%	(0)	(0.01%)	-	0.00%	(0)	(0.03%)
Hemshila Properties Limited	7	0.04%	(0)	0.00%	-	0.00%	(0)	(0.01%)
Ishita Properties Limited	(2)	(0.01%)	0	0.11%	-	0.00%	0	0.36%
Jayevijay Agro Farms Private Limited	3	0.02%	(0)	0.00%	-	0.00%	(0)	(0.00%)
Rajputana Properties Private Limited	(0)	0.00%	(0)	0.00%	-	0.00%	(0)	(0.01%)
Shri Rangam Properties Limited	10	0.06%	0	0.01%	-	0.00%	0	0.02%
Dalmia Bharat Refractories Limited	1	0.01%	(0)	0.00%	-	0.00%	(0)	(0.01%)
Sri Madhusudana Mines & Properties Limited	7	0.04%	(0)	0.00%	-	0.00%	(0)	(0.00%)
Sri Shanmugha Mines & Minerals Limited	9	0.05%	0	0.00%	-	0.00%	0	0.00%
Sri Subramanya Mines & Minerals Limited	6	0.03%	(0)	0.00%	-	0.00%	(0)	(0.01%)
Sri Swaminatha Mines & Minerals Limited	3	0.02%	(0)	0.00%	-	0.00%	(0)	(0.01%)
Sri Trivikrama Mines & Properties Limited	7	0.04%	(0)	0.00%	-	0.00%	(0)	(0.01%)
Sutnga Mines Private Limited	2	0.01%	0	0.05%	-	0.00%	0	0.17%
Hopco Industries Limited	(0)	0.00%	(0)	0.00%	-	0.00%	(0)	(0.01%)
Dalmia OCL Limited	0	0.00%	(0)	(0.01%)	-	0.00%	(0)	(0.02%)
Foreign								
OCL Global Limited	104	0.58%	17	5.78%	6	(2.82%)	23	25.95%
OCL China Limited	55	0.31%	7	2.33%	1	(0.71%)	8	9.45%
Non-controlling interests in subsidiaries	(25)	(0.14%)	(14)	(4.77%)	(0)	0.02%	(14)	(16.02%)
C. Joint ventures (Investment as per equity method) *								
Indian								
Radhikapur (West) Coal Mining Private Limited	0	0.00%	0	0.12%	-	-	0	0.39%
Khappa Coal Company Private Limited	-	-	-	-	-	-	-	-
Sub-total	**17,880**	**100.00%**	**301**	**100.00%**	**(211)**	**100.00%**	**90**	**100.00%**
Less: Elimination / adjustments	(7,319)		(77)		-		(77)	
Total	**10,561**		**224**		**(211)**		**13**	

* 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.

All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

58. 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	2019-20	2018-19
Revenue expenditure charged to statement of profit and loss		
- Salary and other benefits	4	4
- Raw materials & stores	0	1
- Others	1	2
Total	**5**	**7**
Capital expenditure shown under fixed assets schedule	-	-
Grand Total	5	7

59. The Group has spent amount on corporate social responsibility expenses as below:

(Amount in ₹)

Particulars	2019-20	2018-19
Gross amount required to be spent during the year	5	5
Amount spent during the year:		
- Construction/acquisition of any asset	-	-
- On purposes other than above	10	7

60. 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	March 31, 2020	March 31, 2019
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, 2020 and March 31, 2019:

(Amount in ₹)

Particulars	2019-20	2018-19
Revenue	886	911
Profit for the year	60	175
Other comprehensive Income/(loss)	(1)	(0)
Total comprehensive income	**59**	**175**
Attributable to:		
Non-controlling interest	**13**	**41**

Summarised Consolidated balance sheet of Calcom Cement India Limited as at March 31, 2020 and March 31,2019:

(Amount in ₹)

Particulars	March 31, 2020	March 31, 2019
Current assets	302	375
Current liabilities	724	716
Net current assets	**(422)**	**(341)**
Non-current assets	930	976
Non-current liabilities	381	567
Net non-current assets	**549**	**409**
Net assets	**127**	**68**
Attributable to		
Non-controlling interest	**22**	**9**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020
All amounts stated in ₹ are in ₹ Crore except wherever stated otherwise

Summarised consolidated cash flow information of Calcom Cement India Limited as at March 31, 2020 and March 31, 2019:

(Amount in ₹)

Particulars	2019-20	2018-19
Operating	346	286
Investing	(106)	17
Financing	(245)	(306)
Net (decrease) in cash and cash equivalents	**(5)**	**(3)**

61. 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

(Amount in ₹)

Particulars	2019-20	2018-19
Profit for the year	2	2
Other Comprehensive Income	-	-
Total Comprehensive Income	2	2
Group's share of profit for the year	**0**	**0**

62. 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: -

   i) 80% reimbursement of state goods and service tax (SGST) for a period of 7 years from the date of commencement of operations.

   ii) Interest subvention scheme for an amount of ₹25 over three years.

   iii) Exemption from payment of electricity duty for a period of 5 years in respect of electricity consumed by the step down subsidiary.

   iv) 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.

63. The date of incorporation of the Parent Company was July 17, 2013 which is after the date of declaration of dividend of unclaimed dividend of ₹0.25 declared by erstwhile Dalmia Bharat Limited on August 18, 2012 as final dividend for the Financial Year 2011-12, unclaimed dividend of ₹0.14 and ₹0.18 declared by erstwhile OCL India Limited on September 17, 2012 and February 02, 2012 as interim and final dividend respectively for Financial Year 2012-13. These dividends are due for transfer to the Investor Education and Protection Fund (IEPF). Due to the above anomaly of dates which is a more of technical error, the challan(s) could not be generated for deposit of said unclaimed amount(s) and the requisite forms could not be filed with the e-governance portal of Ministry of Corporate Affairs. This technical error in transfer of above amounts has been taken up with the IEPF Authorities to facilitate generation of challan and its subsequent transfer on resolving the technical issues. Pending the resolution of the issue, the said unclaimed dividends could not be transferred to the IEPF. Said three unclaimed dividends are outstanding for transfer to the IEPF for 196 days, 167 days and 28 days respectively as on March 31, 2020. As soon as the requisite approvals/ challans are received, the said amounts will be deposited with the IEPF.

64. Previous year figures have been recasted/restated wherever necessary to conform to the current year's presentation.

As per our report of even date

For **S.S. Kothari Mehta & Company**
Chartered Accountants
Firm Registration No. 000756N

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Sunil Wahal
Partner
Membership No.: 087294

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Gautam Dalmia
Managing Director
DIN: 00009758

Jayesh Doshi
Whole Time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Place : New Delhi
Date : June 13, 2020

GRI Index

GRI Standards: Core option

GRI Standard No.	GRI Title	Reference Section	Page No.
Organisational Profile			
102-1	Name of the organization	Introduction	23
102-2	Activities, brands, products, and services	Manufacturing products for every need	16
102-3	Location of headquarters	Cover page (back)	-
102-4	Location of operations	Consistently growing our footprint.	15
102-5	Ownership and legal form	Company overview	54
102-6	Markets served	Consistently growing our footprint, Company overview	15, 54
102-7	Scale of the organization	Milestones, Company overview	12, 54
102-8	Information on employees and other workers	Human Capital	75
102-9	Supply chain	Our supply chain process	96
102-10	Significant changes to the organization and its supply chain	OUR DIGITALISATION ARCHITECTURE	95
102-11	Precautionary Principle or approach	Natural Capital	65
102-12	External initiatives	Networking Opportunities Nationally/Abroad	29
102-13	Membership of associations	Networking Opportunities Nationally/Abroad	28, 29
Strategy			
102-14	Statement from senior decision-maker	The Managing Directors' overview Performance Review'20	39, 41
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	Our values	6
Governance			
102-18	Governance structure	Governance and administration	62
Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder	44
102-41	Collective bargaining agreements	Relations with trade unions	80
102-42	Identifying and selecting stakeholders	Dalmia Bharat	44
102-43	Approach to stakeholder engagement	Addressing stakeholder needs	44
102-44	Key topics and concerns raised	Addressing stakeholder needs	44
Reporting practice			
102-45	Entities included in the consolidated financial statements	Director's Report	-
102-46	Defining report content and topic Boundaries	Extending beyond the conventional Annual Report. Delivering an Integrated Report to stakeholders	23
102-47	List of material topics	Our materiality aspect	46
102-48	Restatements of information	Extending beyond the conventional Annual Report. Delivering an Integrated Report to stakeholders	23
102-49	Changes in reporting	Extending beyond the conventional Annual Report. Delivering an Integrated Report to stakeholders	23
102-50	Reporting period	Extending beyond the conventional Annual Report. Delivering an Integrated Report to stakeholders	23
102-51	Date of most recent report	Extending beyond the conventional Annual Report. Delivering an Integrated Report to stakeholders	23
102-52	Reporting cycle	Extending beyond the conventional Annual Report. Delivering an Integrated Report to stakeholders	23

GRI Standard No.	GRI Title	Reference Section	Page No.
102-53	Contact point for questions regarding the report	Extending beyond the conventional Annual Report. Delivering an Integrated	23
102-54	Claims of reporting in accordance with the GRI Standards	Extending beyond the conventional Annual Report. Delivering an Integrated Report to stakeholders	23
102-55	GRI content index	Current and following page	-
102-56	External assurance	Due to Covid-19 situation, a decision was taken not to go for third party assurance this year. However, a desk review mode, similar to third party assurance was followed.	-
103	Management Approach	Financial Capital	57
GRI 200	**Financial Topics**		
GRI 201	Economic Performance		
201-1	Direct economic value generated and distributed	Financial Capital	57
201-3	Defined benefit plan obligations and other retirement plans	Human Capital	75
GRI 203	Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Social and Relationship Capital	105
GRI 205	Anti-corruption		
205-3	Confirmed incidents of corruption and actions taken	No incident of corruption in the reporting year. All other complaints received at the third party ethics helpline are listed on Page. No 62.	-
GRI 300	**Environmental Topics**		
103	Management Approach	Natural Capital	65
GRI 301	Materials		
301-1	Materials used by weight or volume	25.3 Million Tonnes	-
301-2	Recycled input materials used	7.3 Million Tonnes	-
GRI 302	Energy		
302-1	Energy consumption within the organization	Natural Capital	67
302-3	Energy intensity	Natural capital	67
302-4	Reduction of energy consumption	Natural Capital	67
GRI 303	**Water**		
303-1	Water withdrawal by source	Municipal Water supplies- 1.3% Surface water – 55.3% Groundwater – 20.8% Harvested rainwater use- 22.5% Total freshwater use – 2.1 million m3 (100%)	-
303-3	Water recycled and reused	1 million m3	68
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	Natural Capital	70
GRI 305	Emissions		
305-1	Direct (Scope 1) GHG emissions	Natural Capital	69
305-2	Energy indirect (Scope 2) GHG emissions	Natural Capital	69
305-4	GHG emissions intensity	536 kg/ton of cementitious material (refer GCCA table for details)	-
305-5	Reduction of GHG emissions	Reduction of 10 kg/ton of cementitious material compared to last reporting year and 35% since 1990.	-

GRI Standard No.	GRI Title	Reference Section	Page No.
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	The air emissions reported as per the local norms. All plants equipped with Continuous Real Time Monitoring and connected to regional pollution control boards.	-
GRI 306	Effluents and Waste		
306-1	Water discharge by quality and destination	All plants are zero wastewater discharge plants. No wastewater discharged in reporting year.	-
GRI 307	Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Stakeholder complaints	62
GRI 400	Social Topics		
103	Management Approach	Human Capital Social and Relationship Capital	76 105
GRI 401	Employment		
401-1	New employee hires and employee turnover	Human Capital	80
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital	78
401-3	Parental leave	Human Capital	78
GRI 402	Labour/Management Relations		
402-1	Minimum notice periods regarding operational changes	21 days	-
GRI 403	Occupational Health and Safety		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	GCCA Table	-
GRI 404	Training and Education		
404-1	Average hours of training per year per employee	16.44 hours per talent	-
GRI 405	Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Human Capital	80
GRI 406	Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	Stakeholder complaints	62
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	Nearly, 58% and 55% of the permanent talents were members of these recognised unions at Dalmiapuram and Rajgangpur, respectively. Around 21% of the permanent employees of the Group are members of such association(s). In the units, where there is no formal union, the Works Committee ensured periodic communication with the talents.	-
GRI 408	Child Labour		
408-1	Operations and suppliers at significant risk for incidents of child labour	No Child Labour policy in all plants. All procurement contracts ensure this condition on the supplier as well. No Child labour complaint received in the reporting year.	-
GRI 409	Forced or Compulsory Labour		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	No forced or compulsory labour policy in all plants. All procurement contracts ensure this condition on the supplier as well. No such complaint received in the reporting year.	-

GRI Standard No.	GRI Title	Reference Section	Page No.
GRI 417	**Marketing and Labelling**		
417-1	Requirements for product and service information and labelling	The product labelling and product manufacturing is carried out as per the Indian Standards laid out by the Government authorities.	-
417-2	Incidents of non-compliance concerning product and service information and labelling	Stakeholder complaints	62
GRI 419	**Socioeconomic Compliance**		
419-1	Non-compliance with laws and regulations in the social and economic area	Stakeholder complaints	62

UNGC Index

UNGC Mapping

UNGC Principle	Description	Reference Section	Page No.
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Human Capital >> Respecting human rights Support for UNGC 10 principles	75-81 39
Principle 2	Business should make sure they are not complicit in human rights abuses.	Financial Capital >> Stakeholder complaints	62,
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Capital >> Engaging with talents	75
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	Financial Capital >> Stakeholder complaints	62
Principle 5	Businesses should uphold the effective abolition of child labour.	Financial Capital >> Stakeholder complaints	62
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Human Capital >> Diversity and inclusion	75
Principle 7	Businesses should support a precautionary approach to environmental challenges.	Natural Capital >> The management's approach	65
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Natural Capital >> The management's approach	65,
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Natural Capital >> The management's approach	65
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance Report >> Risk Management Stakeholder complaints	48-49 62

SDG Index

Goal	Target	Ref. Page
Goal 3. Ensure healthy lives and promote well-being for all at all ages	3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents	Challenges and counter-measures (page 102) GCCA Table for safety performance
Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Social and Relationship Capital (page 105-117) Human capital (page 75-81)

Goal	Target	Ref. Page
Goal 5. Achieve gender equality and empower all women and girls	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Human capital (page 80)
Goal 6. Ensure availability and sustainable management of water and sanitation for all	6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all	Social and Relationship capital (Page 105-117) Natural capital (Page 65-71)
	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	All plants are zero wastewater discharge units. GCCA Table.
	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	GCCA Table
	6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate	Natural Capital – (Page 65-71) Social and Relationship Capital (Page105-117)
Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	Natural Capital (page 65-71)
	7.3 By 2030, double the global rate of improvement in energy efficiency	Natural Capital (Page 65-71)
	7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology	The integrated value we generate is derived from our engagement with some world class entities & respected institutions. (Page no. 29)

Goal	Target	Ref. Page
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	Manufactured Capital- (Page 101-103) Natural Capital (Page 65-71)
	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead	Natural Capital (Page 65 - 71)
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Human Capital (Page 80)
Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	Natural Capital (Page 65-71) Intellectual Capital (Page 83-99)
Goal 10. Reduce inequality within and among countries	10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	Human Capital (Page 80)
	10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations	Financial Capital (Page 62)
Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	Social and Relationship Capital (Page 105-119)
	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	GCCA Table Natural capital (Page 65-71)

Goal	Target	Ref. Page
Goal 12. Ensure sustainable consumption and production patterns	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	Natural Capital (Page 65-71)
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	GCCA Table Natural Capital (Page 65-71)
Goal 13. Take urgent action to combat climate change and its impacts	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Natural Capital (Page 65-71) Social and Relationship Capital (Page 105-117)
	13.2 Integrate climate change measures into national policies, strategies and planning	Dalmia Determined Contributions and Carbon Negative Roadmap in Natural Capital (Page 65-71)
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Natural Capital (Page 65=71) Social and Relationship Capital (Page 105-117)
Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	Natural Capital (Page 65=71) Social and Relationship Capital (Page 105-117)
	15.4 By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development	Natural Capital (Page 65=71) Social and Relationship Capital (Page 105-117)

GCCA Indicators

Parameters	Unit	FY'20
Clinker production	Million Tonnes	12.0
Cement production	Million Tonnes	19.2
Cementitious production	Million Tonnes	19.0
Total number of sites	No.	13
Specific Energy consumption - Cement	kWh/ton of cement	69.3
Specific Energy consumption - Clinker	kWh/ton of Clinker	55.3
Specific Energy consumption - Clinker Thermal	MJ/ton of Clinker	3,337
Alternative fuel thermal substitution rate	% TSR	4.4
Biomass fuel thermal substitution rate	% TSR	1.1
Total alternative fuel thermal substitution rate	% TSR	6
Total Gross CO_2 emissions (Scope 1) - Absolute including power generation	Million Tonnes	11.3
Total Gross CO_2 emissions (Scope 1) - Absolute cement business	Million Tonnes	10.3
Total Net CO_2 emissions (Scope 1) - Absolute cement business	Million Tonnes	10.2
Total Renewable Biomass related CO_2 avoidance (Scope 1) - Absolute cement business	000, Tonnes	50.4
Specific Gross CO_2 emissions/ton of cementitious product	$kgCO_2$/ton of cementitious product	544
Specific Net CO_2 emissions/ton of cementitious product	$kgCO_2$/ton of cementitious product	536
Clinker to Cement ratio	Ratio	63.4
CO_2 emissions - Absolute from indirect electricity consumption (Scope 2)	Million Tonnes	0.5
Fuels and Raw Material		
Kiln fuels	Million Tonnes	1.44
Total Energy from fuels used in clinker production	TJ	39,977
Alternative fuels	Million Tonnes	.01
Energy from alternative fuels	TJ	1,744
Alternative fuel rate (kiln fuels)	%	4.4
Biomass fuels	000' tons	23.5
Energy from biomass fuels	TJ	421
Biomass fuel rate (kiln fuels)	%	1.1
Total raw materials for clinker produced	Million Tonnes	18
Total alternative raw material for clinker produced	Million Tonnes	3.1
Total Raw Materials for cement produced (ARM)	Million Tonnes	25.3
Total Alternative Raw Materials for cement produced (ARM)	Million Tonnes	7.3
Total Alternative Raw Materials for cement produced (% ARM)	%	28.7
Specific heat consumption for clinker production	MJ/tonne	3,337
Clinker/cement (equivalent) factor	%	63.4
Safety		
Number of fatalities, directly employed	Number	Zero
Number of fatalities, contractors and sub-contractors	Number	2
Number of fatalities, third parties	Number	Zero
Number of lost time injuries (LTI), directly employed	Number	Zero
Number of lost time injuries (LTI), contractors and sub-contractors	Number	3
LTIFR, directly employed	Number	Zero
LTIFR, contractors and sub-contractors	Number	0.15
LTI severity rate, directly employed	Number	Zero

Parameters	Unit	FY'20
Water		
Total Water withdrawal	million m^3/year	2.1
Water discharge	million m^3/year	Zero
Water Consumption (Total Water withdrawal-– Water Discharge)	million m^3/year	2.1
Amount of Water Consumption per unit of product	Litres/tonne of cementitious material	110*
Number of sites	Number	13
Number of sites with a water recycling system	Number	9

*This includes all freshwater consumed including harvested rainwater (CPP+Colony+Cement plant domestic and process use).

Assumptions for arriving at water conservation and harvesting potential:

1. The volume of the mining pits utilized for rain water harvesting are assumed to be static.
2. The amount of water harvested through mining pits is equal to the volume of the mining pits up to average water level.
3. The water credit generated from the CSR water projects implemented for the local communities and the rainwater harvesting structures within the plant premise is equivalent to twice the volume of the structure. (i.e., the water structures are filled twice in a year due to rainfall).
4. The water consumed at manufacturing locations from the mining pits and harvesting structures within the plant premise is considered as water debit.

Internal Review Statement for the Integrated Annual Report (FY 2019-20)

An Internal Review of Dalmia Bharat Integrated Report (FY 20) was carried out in a similar mode to a limited desk assurance exercise. The decision, of not hiring a third party assurance provider for FY 2019-20 was taken considering Covid-19 situation and the safety of the people at the plant, head office and third party professionals. The provider of this statement does not 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 this statement is entirely at its own risk. The statement should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope of review below.

Review Criteria

The basis for desk review was related to consistency and accuracy on disclosure requirements highlighted in Global Reporting Initiative (GRI), IR Framework, SEBI-BRR guidelines, Global Cement and Concrete Association (GCCA) reporting guidelines, UNGC requirements, Scope1, Scope 2 and Scope 3 GHG emissions calculations, etc., for the reported parameters. The financial capital related indicators and parameters are out of the scope of this exercise.

Scope of the review

The scope of our work for this exercise was limited to review of non-financial information as presented in the integrated report. The review includes information assessment and verification of data collection and general review of the logic of inclusion/ omission of necessary relevant information/ data and this was limited to:

- For detecting, any major anomalies between the data/ information reported in the Assessment and the relevant source;
- Verification of sample data for the manufacturing sites through virtual meetings and desk review;
- Consistency of claims and data streams to determine the level of accuracy of statements and of reported data;

Limitations of our review

- Review of the 'economic performance indicators', the financial capital, other SEBI requirements except BRR as financial capital and indicator related information has been derived from the audited financial records,
- Even though the review exercise was carried out in a similar mode to assurance, it may not be considered as an assurance statement for the scope highlighted above,
- The Covid-19 situation has not allowed the third party assurance and physical site visit as part of this process. For the safety of the people in plants, head office and the assurance provider, the third party assurance engagement has been deferred for this year and may be done in a biennial mode next year.

Conclusion

The desk reviewer is an Ex. Director General of National Council for Cement and Building Materials (NCCBM), a leading research body for cement and building materials in South Asia. With an M. Tech. degree in Chemical Engineering, reviewer has over 40 years of work experience in building material sector. As Co-inventor in 16 patents and having published more than 81 technical papers in national and international journals / proceedings, the reviewer currently serves as an Executive Director with DCBL.

On the basis of the procedures for this review, nothing has come to the attention of the reviewer that causes him not to believe that the information has been presented fairly, in material respects and in accordance to the Company's reporting principles and criteria.

Ashwani Pahuja
M Tech (Chemical Engineering)
Executive Director- DCBL
Formerly Director General- NCCBM

Date: June 13, 2020

NOTES

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