

Sustainability Report 2013-2015





The Spira Mirabilis, is a Fibonacci sequence that defines continuity in nature. It allows organisms to grow in size without changing their essential form. Dalmia Bharat Group's values embody the structural harmony and equilibrium represented in this spiral. Shown on our cover page as emanating from the elements—fire, earth, water and air— this spiral symbolizes our continual growth while we stay firmly rooted in our commitment to sustainability.

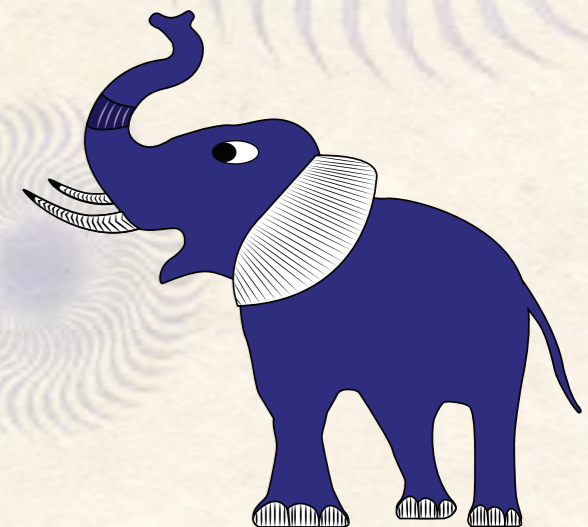


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DCBL

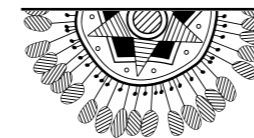
(Dalmia Cement Bharat Limited)



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DBSIL

(Dalmia Bharat Sugar & Industries Limited)



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MESSAGE FROM MANAGING DIRECTORS



A Sustainable Article of Faith

We are pleased to share our first sustainability report. It is the first formal report, but is neither new nor a watershed document. It reiterates, reflects and reports a core philosophy and belief we have abided by since 1939. A simple but vital belief in respecting the environment, operating with a sense of responsibility towards our several stakeholders and enhancing intrinsic value of the business, of our people and country. For over 75 years we have internalized and consistently demonstrated our commitment to the environment. This has stayed true for our journey from a 1.2 million ton cement producer to over 24 million tonnes; our cane crushing capacity from 2,500 TCD to 29,250 TCD. As we grew in scale of production, we grew in our green quotient. We have incrementally increased our focus on replacing conventional fuels and raws with alternative solutions, expanding our overall renewable energy portfolio, blended cements and investment in technology to minimize impact. In sugar, we have focused on green power by increasing bagasse based co-generation capacity to 102 MW, improving recovery rates and working with our suppliers to overcome price fluctuations and raw material availability.

Like any organization, we face opportunities as well as challenges. To best address them we have incorporated a robust risk management framework at the core of our operations.



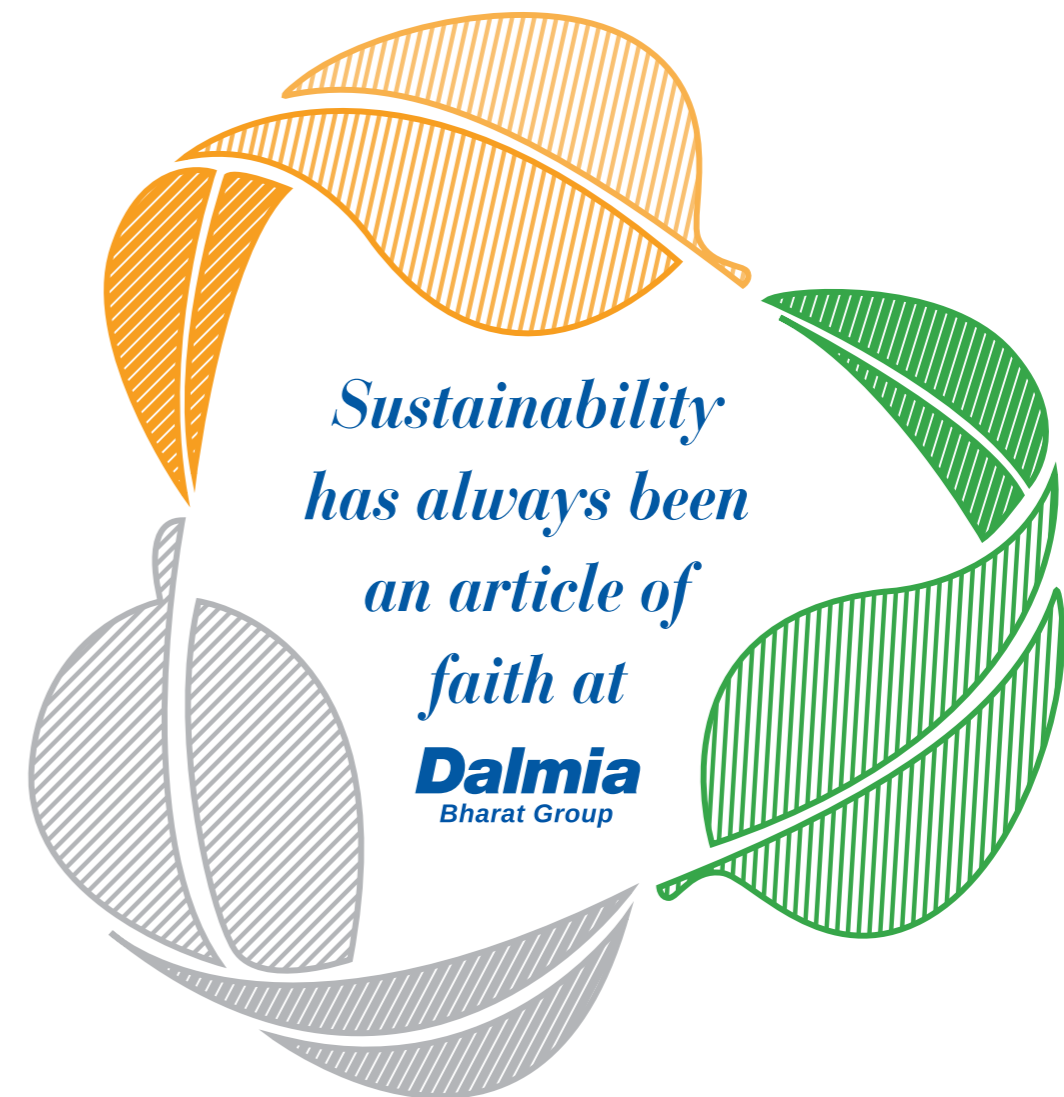
“ *For over 75 years we have internalized and consistently demonstrated our commitment to the environment.* ”

We work hard to make a significant socio-economic contribution to society. Employing 6000 people directly and many more indirectly, we focus on local communities with a view to value adding to their lives with enduring value through skill development, economic assistance, healthcare etc.

This sustainability report takes stock of our present position, reflect and reports it accurately. It seeks to identify areas we need to gather speed on and audits material issues pertinent to our business and our multiple stakeholders.

Gautam Dalmia

Puneet Dalmia



ॐ सर्वे भवन्तु सुखिनः
सर्वे सन्तु निरामयाः।
सर्वे भद्राणि पश्यन्तु
मा कश्चिद्दुःखभाग्भवेत् ।



*May all be happy
May all be without disease
May all enjoy prosperity
May none suffer any misery*

Upanishad

ABOUT THE REPORT



This report is Dalmia Bharat Group's first sustainability report (for cement and sugar business). It has been prepared in accordance with "Core" option of the Global Reporting Guidelines (GRI G4), which reflects the latest GRI guidelines on sustainability reporting. The report is a glimpse of our overall performance, best practices, plans and success stories in cement and sugar businesses.

Report Boundary

Cement Business

The report includes data and information of last two financial years i.e. FY 2014-15 and

FY-2013-14. For FY 2013-14, the scope of reporting boundary includes three southern plants of Dalmia Cement Bharat Limited (DCBL). In FY 2014-15, six more units, which came under full control of DCBL and became fully operational are included. Data provided in the report includes data from mines, cement plants, captive power plants (under operational control of DCBL) and excludes data from housing colonies unless otherwise stated specifically.



Reporting Boundary for FY 2013-14		Reporting Boundary for FY 2014-15	
Cement Plants	Captive Power Plants	Cement Plants	Captive Power Plants
Dalmiapuram Cement Plant, Tamil Nadu	45 MW Power Plant, Dalmiapuram, Tamil Nadu	Dalmiapuram Cement Plant, Tamil Nadu	45 MW Thermal Power Plant, Dalmiapuram, Tamil Nadu
Ariyalur Cement Plant, Tamil Nadu	27 MW Power Plant, Ariyalur, Tamil Nadu	Ariyalur Cement Plant, Tamil Nadu	27 MW Thermal Power Plant, Ariyalur, Tamil Nadu
Kadapa Cement Plant, Andhra Pradesh		Kadapa Cement Plant, Andhra Pradesh	
		OCL India Limited, Rajgangpur, Odisha	2x27 MW Thermal Power Plant, Rajgangpur, Odisha
		OCL Bengal Cement Works, Medinipur, West Bengal	
		Dalmia Cement East Limited, Bokaro, Jharkhand	
		OCL Kapilas Cement Works, Cuttack, Odisha	
		Adhunik Cement Limited, Thangskai, Meghalaya	25 MW Thermal Power Plant, Thangskai, Meghalaya
		Calcom Cement Limited, Lanka, Assam	

Apart from the nine cement plants stated above, two Integrated plants located at Belgaum (Karnataka) and Umrangso (Assam) were commissioned in March, 2015 and thus, are kept outside the reporting boundary.

Sugar Business

This report covers data from our sugar, distillery and co-generation plants for FY 2013-14 and FY 2014-15.

Reporting Boundary for FY 2013-14			Reporting Boundary for FY 2014-15		
Sugar Plants	Co-generation Power Plants	Distillery Plants	Sugar Plants	Co-generation Power Plants	Distillery Plants
Ramgarh Plant, Uttar Pradesh	25 MW Co-generation Plant, Ramgarh, Uttar Pradesh		Ramgarh Plant, Uttar Pradesh	25 MW Co-generation Plant, Ramgarh, Uttar Pradesh	
Jawaharpur Plant, Uttar Pradesh	27 MW Co-generation Plant, Jawaharpur, Uttar Pradesh	90 KLD Jawaharpur Distillery Plant, Uttar Pradesh	Jawaharpur Plant, Uttar Pradesh	27 MW Co-generation Plant, Jawaharpur, Uttar Pradesh	90 KLD Jawaharpur Distillery Plant, Uttar Pradesh
Nigohi Plant, Uttar Pradesh	27 MW Co-generation Plant, Nigohi, Uttar Pradesh		Nigohi Plant, Uttar Pradesh	27 MW Co-generation Plant, Nigohi, Uttar Pradesh	
			Kolhapur Plant, Maharashtra	23 MW Co-generation Plant, Kolhapur, Maharashtra	

Reporting Principles

We are committed to measuring and reporting our material environmental and social challenges and opportunities. Our report covers aspects material to our business and our stakeholders. In this respect, we also conducted materiality assessments which re-affirmed the most important issues that we continue to focus on as an organization. The assessment included analysis of identification and prioritization of issues that can pose risks to business in short term and long term. This was conducted in consultation with management, and our stakeholders to ensure holistic business interests are accounted. Our effort has been to maintain the quality of the report in such a manner so as to ensure information presented to stakeholders is unbiased, comparable, accurate, reliable and comprehensive.

Data Management Approach

We have an internal mechanism to collate, analyse and manage data required for sustainability reporting. Since we are in our first year of reporting, these mechanisms are being further strengthened at corporate and plant level to improve upon the scope and quality of the data.

Assumptions and standard calculation methodologies for estimation and quantification of data have been used. For calculation of carbon emissions, emission factors provided by IPCC and Central Electricity Authority, Ministry of Power, Government of India have been used. The figures related to water, fuel, raw materials and electricity have been reported on actuals.

कर्मण्येवाधिकारस्ते
मा फलेषु कदाचनः ।
मा कर्मफलहेतुर्भूर्मा
ते सद्गोऽस्त्वकर्मणि ।



*You have the right to work
only but never to its fruits.
Let not the fruits of action
be your motive, nor let your
attachment be to inaction.*

Bhagavad Gita


ORGANIZATIONAL PROFILE



An Overview: Dalmia Bharat Group

Dalmia Bharat Group is a prominent player in India's core manufacturing sector. It is a leading conglomerate of India with strong presence in Cement, Sugar, Refractories and Power since 1939. A leader in the specialty cements space and the country's largest producer of slag cement Dalmia Bharat has a significant presence in generic Sugar, with a nationwide presence, it caters to an enduring and growing customer base in refractories and has forayed into sustainable power/energy.

Cement Business: In the past decade, our cement business has grown manifold in terms of capacity. This is activated by expansion of capacitization in existing units, developing new units and through strategic acquisitions. Today, we are one of the leading cement

Cement production capacity
 over **24**
million tons/annum

producers in India with an aggregate capacity of over 24 million tonnes per annum. With presence in Southern, Eastern, Western and North Eastern parts of India, we are dedicated to manufacturing high quality cement across categories and applications using the energy efficient technology in our production processes.

Sugar Business: Our foray into the sugar business began in mid-nineties and the

first unit of 2,500 TCD was set up at village Ramgarh in Sitapur district of Uttar Pradesh in 1994. We are an integrated sugar manufacturer, engaged in manufacturing sugar



Cane Crush Capacity
29,250
tons/day

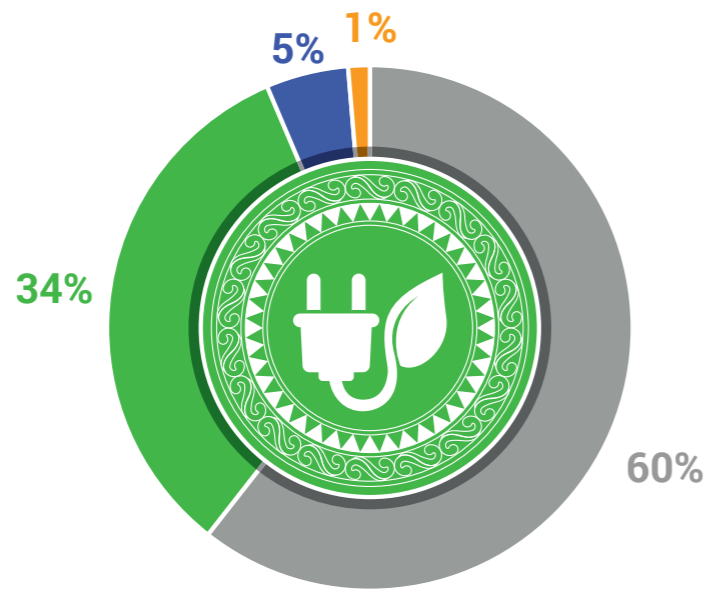
and downstream products (ethanol, distillery products and power). Our five sugar plants have cane crushing capacity of 29,250 TCD.

Refractory Business: Our Dalmia Refractories Limited, is one of the oldest companies in India with one of Asia's biggest refractory plant. A pioneer in Alumino-Silicate refractory products, with about 40 years of operations, it has market share of more than 50% and manufacturing facilities in South, East, West and Central India.

Power Business: The power business of Dalmia Bharat Group started out to meet power requirement of our cement and sugar plants reliably and cost effectively. We have installed coal based power plants with combined capacity of 178 MW in Dalmiapuram, Ariyalur, Rajgangpur, Adhunik and Belgaum. With our focus on renewable power and expanding portfolio of electricity mix, we have also installed co-generation capacity of 102 MW to meet

requirements of our sugar plants and we export excess power to the grid. The primary fuel for co-generation is bagasse. The group also has 16.5 MW wind farm at Muppandal

(Tamil Nadu) and 2.5 MW solar power generation capacity at Kapilas Cement Works (Odisha).

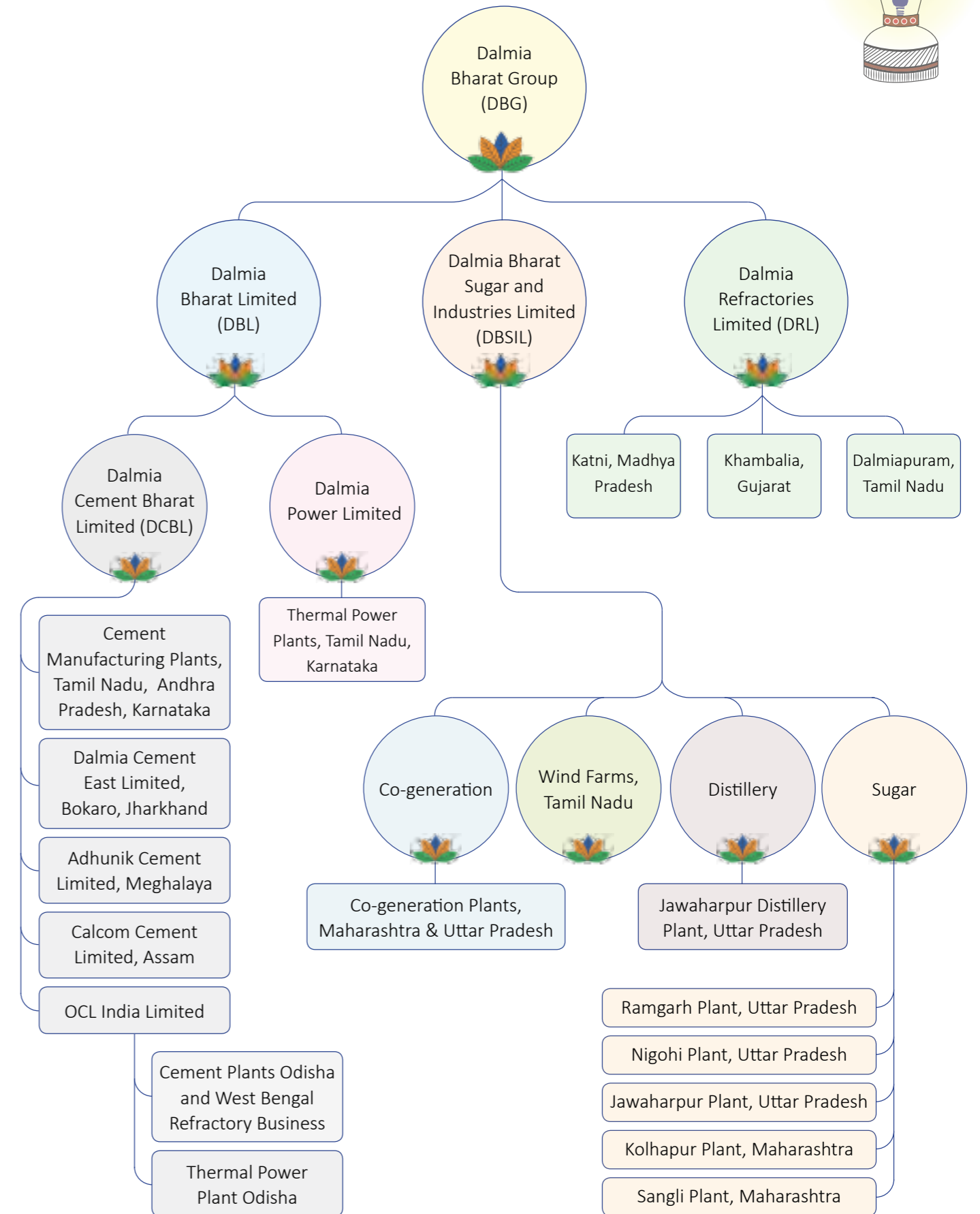


● Coal ● Co-generation (Bagasse Based) ● Wind ● Solar PV

Representation of Installed Power Generation Capacity by category (Total of 299 MW)

40% of Dalmia Bharat Group's total installed power generation capacity is green power.

An Overview of Dalmia Bharat Group



Our Journey

- **2015** ••• Increased stake in OCL India Limited to become majority stakeholder
Belgaum (Karnataka) and Umrangso (Assam) cement plants got commissioned
Total cement capacities reach 24 Million tonnes
- **2014** ••• Acquired Slag cement grinding unit at Bokaro
Acquired Naini Devi Sakhar Karkhana Ltd., Sangli
- **2012** ••• Acquired Adhunik Cement & Calcom Cement in north-east region of India
Adopted Cement Sustainability Initiative Charter
Acquired Shri Datta Sahakari Sakhar Karkhana Ltd., Kolhapur and increased cane crushing capacity
- **2011** ••• Set-up 2x27 MW captive thermal plant at Rajgangpur
- **2010** ••• Commissioned 27 MW captive thermal power plant at Ariyalur
- **2009** ••• Set-up 2 greenfield projects in Kadapa and Ariyalur with cement production capacity increased to 9 million tonnes
- **2008** ••• OCL India Limited commissioned Kapilas Cement Works in Odisha
18 MW captive thermal power plant commissioned at Dalmiapuram
- **2007** ••• Commissioned distillery, co-gen plants and increased cane crushing capacities
Commissioned co-gen plants at Ramgarh, Nigohi, Jawaharpur in Uttar Pradesh with total capacity of 79 MW.
- **2005** ••• Commissioned 27 MW captive power plant at Dalmiapuram
- **2000** ••• Launched Dalmia Vajram Cement at Dalmiapuram
Ramgarh sugar plant capacity increased to 5,000 TCD
- **1997** ••• Introduced energy efficient cement vertical roller mill at Dalmiapuram
- **1994** ••• Started sugar plant at Ramgarh
- **1993** ••• Set-up wind farms in Tamil Nadu
- **1986** ••• Pioneered oil well cement at Dalmiapuram
- **1973** ••• OCL developed concrete sleepers for Railways
- **1951** ••• OCL India Limited installed cement plant at Rajgangpur
- **1939** ••• First cement plant installed at Dalmiapuram

Dalmia Bharat Group Corporate Mission and Vision

Our Vision

To unleash the potential of everyone we touch.

Our Mission

To be in top two in all our businesses on the strengths of our people and innovation.



Integrity

Be true to your self and to others.

Trust & Respect

Believe in one another and hold each other in high esteem.

Humility

Be open to accept and willing to learn.

Commitment

Always deliver against a promise.

Our Values

The Board (DBL)

Among other the Board has the responsibility to ensure sustainable improvements in corporate valuations by providing strategic guidance and oversight regarding management decisions.

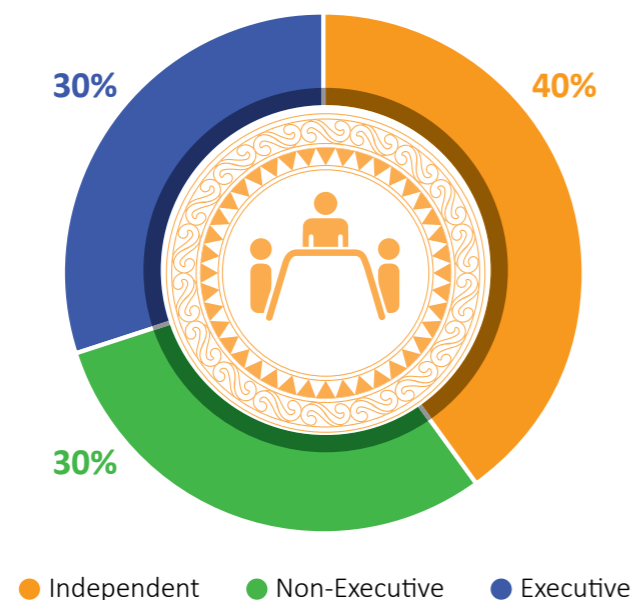
Considering the dynamics of business, our Board understands the imperative of including best-in-class members with diverse backgrounds, perspectives and expertise. The Board comprises individuals from a variety of regions, experiences, training, education and cultures who bring the ideas, intellect, resources and networks to optimise shareholder value.

The Board is apprised on sustainability related details including resource optimization, energy efficiency, fatal or serious accidents, significant labour problems and their proposed solutions, etc. The Board periodically ensures compliance of all laws applicable to the Company. It is also

informed about the materially important show cause, demand, prosecution, penalty notices, non-compliance of any regulatory, statutory nature or listing requirements etc.

Composition of Board

As on 31st March, 2015, the board comprised nine members — three Executive Directors, six Non-executive Directors (of which three are Independent) and a Woman Director. Mr. P. K. Khaitan, a Non-executive Independent Director is appointed as the Chairman of the Board of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.



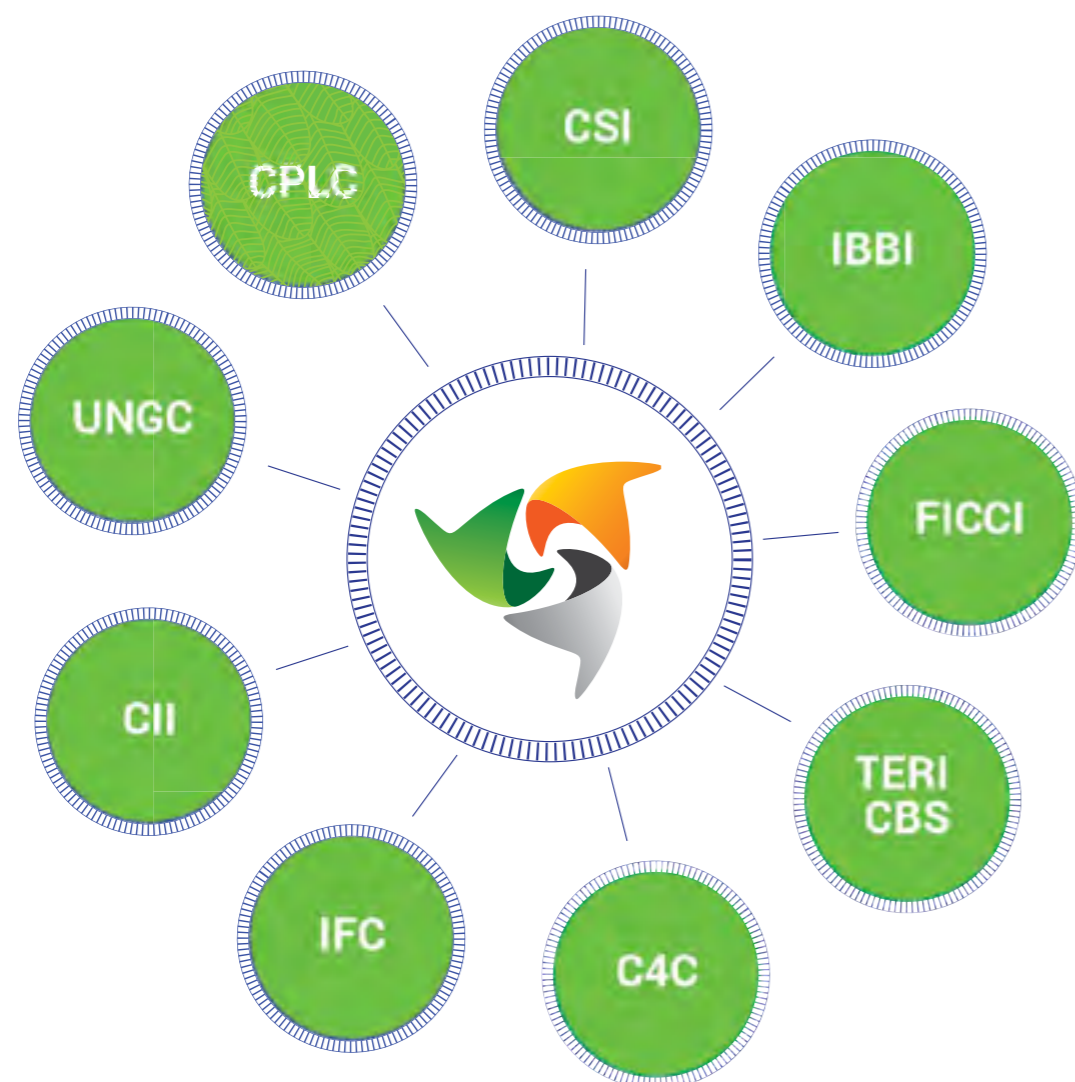
Committees of Board

We have formed six Board-level Committees for Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility, Risk Management and Investment.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for committee members are taken by the Board of Directors.

Board Committee	Composition	Key functions
Audit Committee	Three members All independent members Chairman is an Independent Director	<ul style="list-style-type: none"> Primarily dealing with appointment of auditors, monitoring their performance, examination of the auditors' report etc. Reviewing financial statements, performance, and related functions Review of transactions, internal controls, risk management systems
Nomination and Remuneration Committee	Three members All independent members Chairman is an Independent Director	<ul style="list-style-type: none"> Identify persons who are qualified to become directors and persons who may be appointed in senior management based on the formulated criteria Evaluation of Directors' performance
Stakeholders' Relationship Committee	Total members: 4 Independent members: 2 Executive members: 1 Non-Executive members: 1 Chairman is an Independent Director	<ul style="list-style-type: none"> Address the stakeholders
Investment Committee	Total members: 4 Executive members: 1 Non-executive: 2 Independent members: 1	<ul style="list-style-type: none"> Financial performance of the company
Risk Management Committee	Total members: 3 Independent directors: 2 Non-executive: 1 Chairman is an independent director	<ul style="list-style-type: none"> Identify and address key risks that the company may face
CSR Committee	Total members: 3 One independent, non-executive, and executive director each. Chairman is an independent director	<ul style="list-style-type: none"> Identify, monitor, review CSR activities and provide strategic direction

Memberships and Associations



In our efforts to minimise our environmental footprint and adopt the industry best practices followed globally, we have partnered with industry associations and forums. We are a member of Cement Sustainability Initiative (CSI), a cement sector project of the World Business Council for Sustainable Development (WBCSD). We have partnered with International Finance Corporation (IFC) to promote sustainable business by adopting low carbon technologies. We are also an active member of TERI Council for Business Sustainability (CBS) and are represented in the

Thematic Advisory Groups (TAG) on Energy, Water, Sustainability Reporting and Corporate Social Responsibility. We have joined Carbon Pricing Leadership Coalition (CPLC), an initiative by the World Bank, to support carbon pricing through market based mechanisms. We are also members of Confederation of Indian Industry (CII) Sustainability Council, United Nations Global Compact (UNGC), India Business and Biodiversity Initiative (IBBI), C4C (Caring for Climate) and WBCSD's WASH Pledge.

Our Economic Performance

Our most significant positive contribution to national and local economies is through the business we do with our suppliers, the wages and salaries we pay, the taxes we contribute, and the long-term capital investments we

make. Along with our continuous focus on addressing customers expectations and meeting the market demand, we are also able to maintain our economic performance.

Consolidated Financials (in INR crores)*	Cement		Sugar	
	FY 2013-14	FY 2014-15	FY 2013-14	FY 2014-15
Economic value generated				
Revenues	3,085.47	6,178	1,166	1,211.21
Economic value distributed				
Operating costs	2,551.09	5,500	1165.72	1,208.62
Employee wages and benefits	225.68	399	74.65	65.16
Payments to providers of capital				
Finance Cost	315.14	497	78.01	75.64
Dividend	15.9	39	-	2.32
Payments to government				
Tax Paid	64.43	89.42	1.2	0.44

* Figures mentioned in the above table are disclosed as per audited Annual Reports of Dalmia Bharat Limited, OCL India Limited and Dalmia Bharat Sugar and Industries Limited. Since our reporting boundary includes OCL India Limited in FY2014-15, the same has been considered in the financial figures for the last financial year only.



DALMIA CEMENT BHARAT LIMITED

Sustainability Approach & Performance



DALMIA CEMENT BHARAT LIMITED



24 MILLION
TONNES
Cement Capacity

11*
Cement Plants

18 STATES
Market Presence

4,291**
Permanent Employees

INR **6,178** CRORES
Revenues FY 2014-15

* Including Belgaum and Umrangshu Plant | ** Including Subsidiaries and Joint Ventures

DCBL is a significant player in cement manufacturing since 1939 with a double digit market share and a pioneer in super specialty cements used for oil wells, railway sleepers and air strips. We are an integrated cement manufacturer with 180.5 MW of power generation capacity that accounts for 75% of our captive requirement.

Our cement capacity has grown manifold through expansion and strategic acquisitions of plants to increase the volume and market presence in India. We have invested in aggressive capacity expansion (organic and inorganic) across the last decade, one of the highest capacity accretions by any cement group in India. Our cement production capacity of 1.2 million tonnes in 2006 grew to 24 million tonnes in 2014-15. Of the incremental capacity growth, 52% was achieved through the acquisitions route across East and North-East India in the last three years, virtually transforming the scale and scope of the organisation. A strategic

partnership with Kohlberg Kravis Roberts and Co. LLP (KKR), a leading, global, private equity player, has assisted this growth, transforming our Group from a regional player to a national conglomerate in cement business.

As one of the oldest business houses in India, our Group practices the responsibility of upholding sustainable practices in all its businesses. Currently, our endeavour is to substitute conventional fuels and raw materials with alternative solutions to minimise carbon emissions and lessen the burden on our planet. We have also partnered with Carbon Pod India Limited to encourage eco-driving and reduce logistics fuel consumption. Our Corporate Social Responsibility (CSR) interventions have benefitted more than 2,00,000 people under various programmes, and these benefits are further being extended to communities living around newly acquired plants and greenfield cement projects.



Key Awards & Recognition (FY 2013-14 and FY 2014-15)

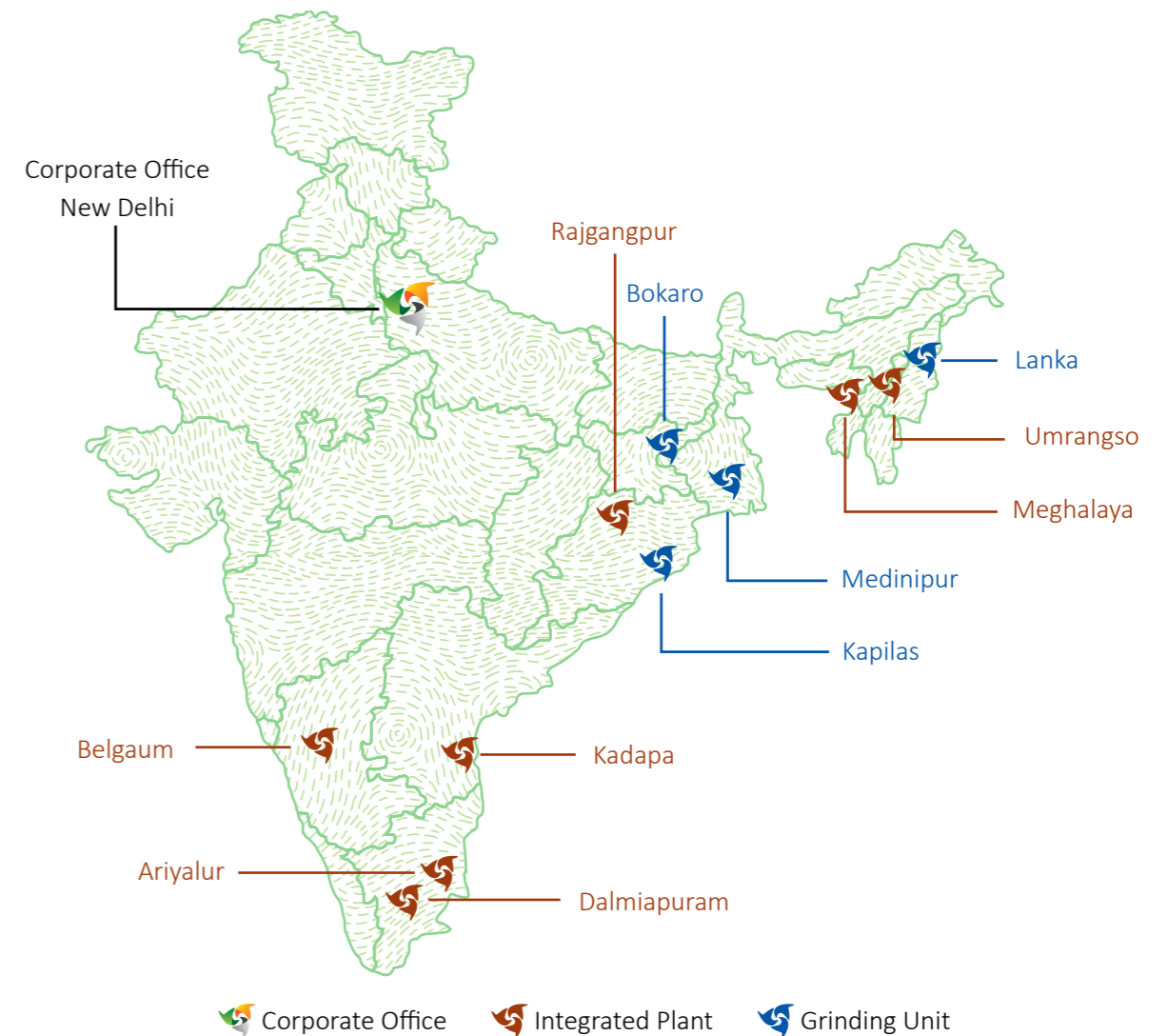
- Dalmiapuram Unit – Best Environment Excellence in plant operations FY 2014-15, NCCBM
- *
- Dalmiapuram Unit – 2nd Best Environment Excellence in plant operations FY 2013-14, NCCBM
- *
- Dalmiapuram Unit – CII-ITC Sustainability Award
- *
- Ariyalur Unit – 1st Safety Systems Excellence Awards for Manufacturing-FICCI
- *
- Ariyalur Unit – CII National Energy Management Award
- *
- Ariyalur Unit – Greentech Silver Award, 'Safety Category'
- *
- Kadapa Unit – Excellent Energy Efficient Unit Award, CII
- *
- Dalmiapuram Unit – 2nd prize in Best safety practices by CII & Directorate of Factories
- *
- Kadapa Unit – Greentech Gold Award, 'Environment Category'
- *
- Kadapa Unit – Greentech Gold Award, 'CSR Category'
- *
- Dalmiapuram Unit – Greentech Silver Award – Environmental Category
- *
- Ariyalur Unit & Dalmiapuram Unit – CII EHS Award – 4 Star Rating
- *
- Best Employer of the Year, World HRD Congress



Our Geographical Presence

The Company is headquartered at New Delhi with 11 cement manufacturing plants located across East, West, North East and South India. Until recently, our geographical presence of cement manufacturing plants was restricted to southern states of Tamil Nadu (Dalmiapuram and Ariyalur) and Andhra Pradesh (Kadapa) with a capacity of 9 million tons per annum. The accelerated capacity creation strengthened our competitiveness through corresponding advantages of geographic entry, market leadership, resource linkage and distribution region. We hold majority stake in

OCL India Ltd., a major cement player in the Eastern Region. Also, we acquired the slag cement grinding unit at Bokaro in Jharkhand, Adhunik Cement in Meghalaya and Calcom Cement in Assam. Today, we are the second-largest player in Eastern India (including North East) markets with a 13% market share and among the top-five in the Southern region with an 8% market share. We also commissioned a green field plant at Belgaum (Karnataka), to cater to new markets of Maharashtra and North Karnataka.



DCBL's Plant Locations



Our Supply Chain

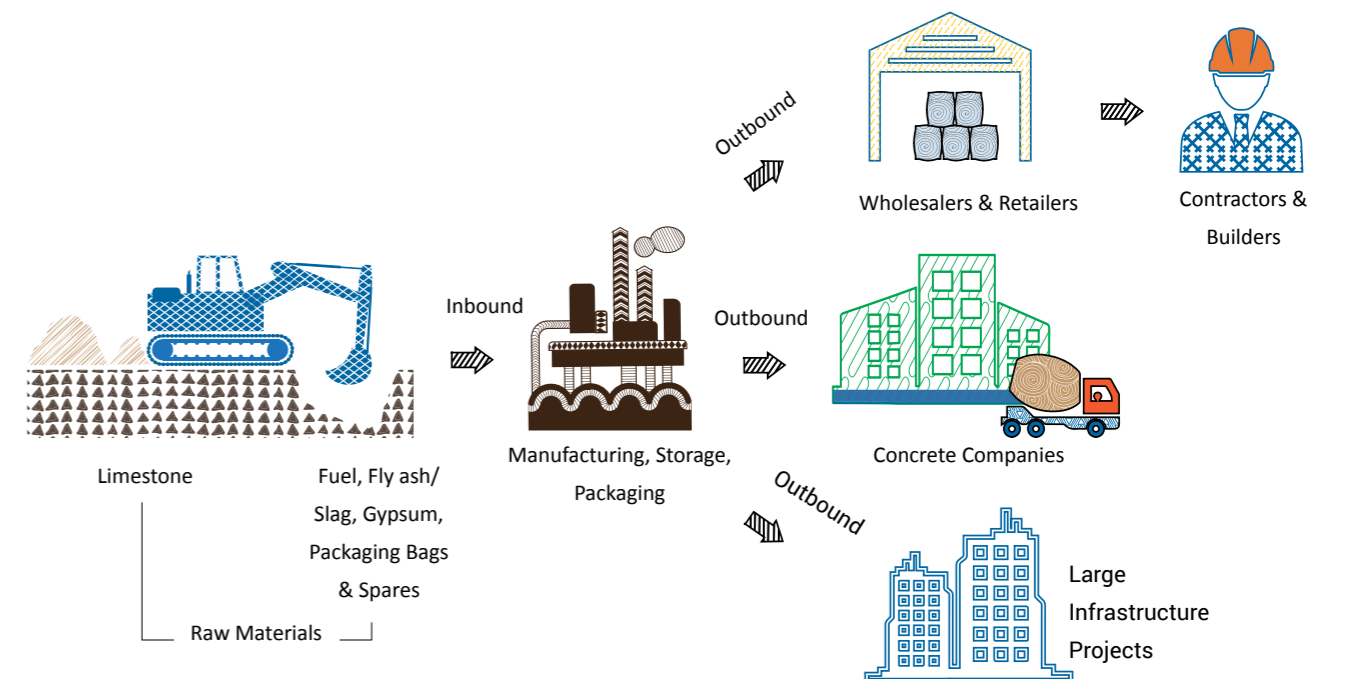
The current business environment provides a dynamic and complex mix of different factors which affect our business. These evolving factors lead the way to a competitive resource constrained world that we operate in. It is vital to provide our products to the customers as per demand while keeping our inventories minimal, optimizing resource consumption and sourcing. All these make supply chain a very important aspect of business sustainability. The drivers on creating sustainable and robust supply chains arise from three primary areas:-

- Risk perspective: associated with supply chain impacts and disruptions.
- Operational perspective: which always encourages us to seek better efficiency levels across the supply chain to improve value created at different phases.
- Stakeholder perspective: which provides us inputs based on our communication with local and global stakeholders such as customers, CSI, GRI, etc.

DCBL works towards addressing these concerns at different levels of the supply chain. The key raw material, limestone risks are addressed through captive mining which ensure its constant supply and business continuity.

We also see supply chain as an important factor for improving operational efficiencies through the use of business analytics, mobility, cloud and real time information availability.

Our supply chain includes procurement of fuel, gypsum, fly ash, packaging bags, spares and mining of limestone, inbound transportation to plants, cement manufacturing, outbound transportation and end use of cement. Cement, being a high-volume and relatively low-value item, all our units have been strategically placed close to raw material resources as well as major cement markets. This also ensures that our freight and transport costs are low, thus, giving us a sustainable business model.



DCBL's Supply Chain

OUR KOMMITMENT TO THE NATION

NOW IN NORTH EAST



www.dalmiacement.com

Brand Reputation

We have invested extensively in our brands, generating a distinctive recall based around strength and reliability that enhanced realizations. At DCBL, we continue to reinforce the overarching Dalmia brand across regions, marked by brand building initiatives specific to geography, reinforcing awareness and realizations.

With the tagline 'Mera Bharat Bada Ho Raha Hai' projecting a self-actualising India, we

reiterated our brand commitment of being intrinsic to India's growth through its pre and post-Independence eras.

We unveiled our maiden corporate advertisement campaign in FY 2014-15. The campaign, coinciding with the Group's platinum jubilee, continues to emphasise its commitment to nation-building and demonstrated philosophy of 'new think'.

Expanding Our Brand Footprint

- Dalmia Cement Brand emerged as a strong brand in North East India with a 15% market share.
- The Konark DSP brand was launched in April 2014 in the markets of Odisha, Bihar and Jharkhand and in October 2014 in the markets of West Bengal.
- The association with Olympian athlete and Asian Games gold-medalist Mary Kom continued through its third year, the sports person being our brand ambassador.

Products

Super specialty cements and Dalmia Cements have been synonymous for a very long time in India. With a modern plant and R&D backup, we have created a brand name for ourselves all

these years. To ensure consistent high quality production, we follow stringent processes to produce all major types of cements and specialty cement. We market cement through

the following brands – Vajram and Konark (legacy brands), Dalmia Super Roof, Dalmia Ultra and Konark DSP.

Dalmia PPC/ Vajram

Dalmia PPC is highly impermeable to prevent corrosion of steel reinforcement used in construction. Standard fly ash is employed in manufacturing Dalmia Vajram, protecting the



buildings from harmful effects of chemicals such as sulphates and chlorides. Although the 28-day compressive strength as per BIS specifications are 330 kg/cm² but we at DCBL have developed Vajram with a 28-day compressive strength of 480 kg/cm², about 46% higher than ordinary cement standards.

Oil Well cement (OWC)

DCBL is the largest producer of oil well cement in India. Oil well cement is employed for cementing the walls of ‘on-shore’ and



‘off-shore’ oil wells of reputed companies such as ONGC and Oil India Ltd. With stringent adherence to quality control system standards, oil well cement is the first cement in India to receive the esteemed American Petroleum Institute certification. DCBL also holds a coveted position in the select list of international OWC manufacturing companies that have met the strict API standards.

Dalmia SUPEROOF

Dalmia SUPEROOF is specifically designed for house and building roofs, with the aim of providing extra strength and protection compared to ordinary cements. This renders



an optimal particle size distribution in the cement, making the concrete denser and enabling protection of roofs against cracks and water leaks, ensuring longer durability of the roofs.

Dalmia Sulphate Resisting Portland Cement (SRPC)

Sulphate resisting portland cement was developed by DCBL for the purpose of providing its customer with unique cement that can withstand adverse environments. The proportion of sulphate in the SRPC has been limited to 3% to make it chemically resistant as sulphate infested soil conditions can cause disintegration of concrete structures,



reducing the life of the construction by 5-7 years. Dalmia SRPC also has the distinction of achieving twice the specification of the BIS standards for all ages viz. 3 days, 7 days and 28 days strength.

Konark Portland Slag Cement (PSC)

It is manufactured by inter-grinding clinker, gypsum and blast furnace granulated slag from steel industry. It is also manufactured by blending OPC with ground granulated blast furnace slag using mechanical blenders. It is used in general civil engineering construction works but mainly preferred for construction of marine structures and in coastal areas where



excessive amount of chloride and sulphate are present. It is ideal for mass concrete works like dams and embankments.

Airstrip Cement

For the purpose of manufacturing airstrips or building roads and flyovers, we specifically

manufacture Dalmia Airstrip Cement with a high impact load bearing capacity. The fact that this cement is ordered specifically from Dalmiapuram to Punjab for cementing defence airstrips by the Indian government testifies to its quality.

Dalmia Railway Sleeper Cement

DCBL has developed a specialty cement for the railway sector. Dalmia Railway Sleeper Cement is uniquely designed for railway sleepers keeping the special specification and requirements of railways in consideration. The Southern Railways employed Dalmia Railway Sleeper cement for the Chennai-Trichy Broad-Gauge conversion project, it has also been supplied to other major railway sleeper manufacturers in India.

Konark Portland Pozzolana Cement (PPC)

It is manufactured by inter-grinding clinker, gypsum and fly ash from thermal power plants. It is ideal for denser and more durable concrete. It is useful for general construction works and especially suitable for works in aggressive environmental conditions, employed for water



retaining structures, marine works, mass concreting such as dams, retaining walls and sewage pipes.



Mera Bharat bada ho raha hai

Young thinkers are bringing in a fresh wave of change, shaping a new India. We celebrate this wisdom and the spirit of *newthink!* For a new India. A better India.

Dalmia
Bharat Group

newthink! cement! sugar! refractories! power!



Group CEO's Message

It gives me immense pleasure to announce the publication of our first sustainability report. We endeavour to become a leading industry benchmark for sustainability through engagement of all our stakeholders. We are developing processes to bring the key economic, social and environmental indicators into regular management, standardization and reporting processes. We are also striving to achieve resource efficiency resulting in financial savings which forms a fundamental part of operational excellence.

At Dalmia Bharat, sustainability is not just a programme; it's a way of life and we have rooted sustainability in our corporate vision itself. Being one of the oldest business houses in India, the Group acknowledges the responsibility of upholding sustainable practices. Way back in 1974, DBG helped Indian Railways replace wooden sleepers with concrete, a remarkable achievement for the period when 'sustainability' was unknown in the Indian subcontinent.

Our commitment to sustainability led us to join CSI, a cement sector Initiative of World Business Council for Sustainable Development (WBCSD). The initiative helps us to monitor our performance on key sustainability aspects and their benchmarking with global peers. As a group, we produce cement with carbon intensity lower than global and Indian averages. Our eastern operations produce one of the lowest carbon intensity blended cement.



“Clean and Green - our foundations for a profitable and happy growth story.”

We also believe efficient waste utilisation is an area that has huge potential and can contribute tremendously to the cement sector in India, where alternative fuel consumption rate of Indian Cement Industry is negligible as compared to the global average. In our efforts to reduce environmental impact, we are also focusing heavily on clinker factor improvement in blended cements. We are undertaking projects that aim to improve our performance in areas such as carbon footprint reduction, alternative fuel use, water conservation and occupational health and safety.

To foster our human capital and increase happiness quotient at our workplace, we are also involving our employees through

awareness generation, capacity building, training and bringing them to the forefront as we work on delivering solutions together

Our vision is to become a leader in building materials and evoke pride in all stakeholders through customer - centricity; innovation, sustainability and our values.

Over the past years, we have fulfilled our social responsibility and fostered relations with communities. Our CSR Programmes primarily focus on Soil and Water Conservation, Energy Conservation and Climate Change Mitigation, Livelihood Skills Training and Social Development with an aim to create a multiplier effect. In coming years, our structured CSR Programmes will be further

strengthened in new geographical areas of acquisitions and green field installations.

We have recently become a signatory to additional initiatives such as United Nations Global Compact (UNGC), Caring for Climate Initiative, India Business and Biodiversity Initiative (IBBI), Carbon Pricing Leadership Coalition (CPLC) and WBCSD's WASH Pledge. We have also responded voluntarily to CDP's Climate Change Programme for FY 2014-15. Moving forward, the 10 principles of UNGC and other initiatives will further shape our business operations on this sustainability journey through knowledge sharing, performance monitoring and benchmarking. We will also align our social interventions in such a way that our programmes help in fast realisation of relevant sustainable development goals near our manufacturing locations. We hope our initiatives will motivate stakeholders to drive change and create a clean, green and happy globe.

Mahendra Singhi

Group CEO and Whole Time Director, DCBL
CEO and Whole Time Director, OCL India Limited

Corporate Governance

We believe corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's growth. Being a professionally run enterprise, effective board oversight and sound Corporate Governance practices are fundamental to the quest of our Group in delivering long-term value to all its stakeholders. We understand that robust

corporate governance is critical for enhancing and retaining investor trust and hence we ensure that our goals are met with integrity. In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India ("SEBI") through Clause 49 of the Listing Agreement with the Stock Exchanges.

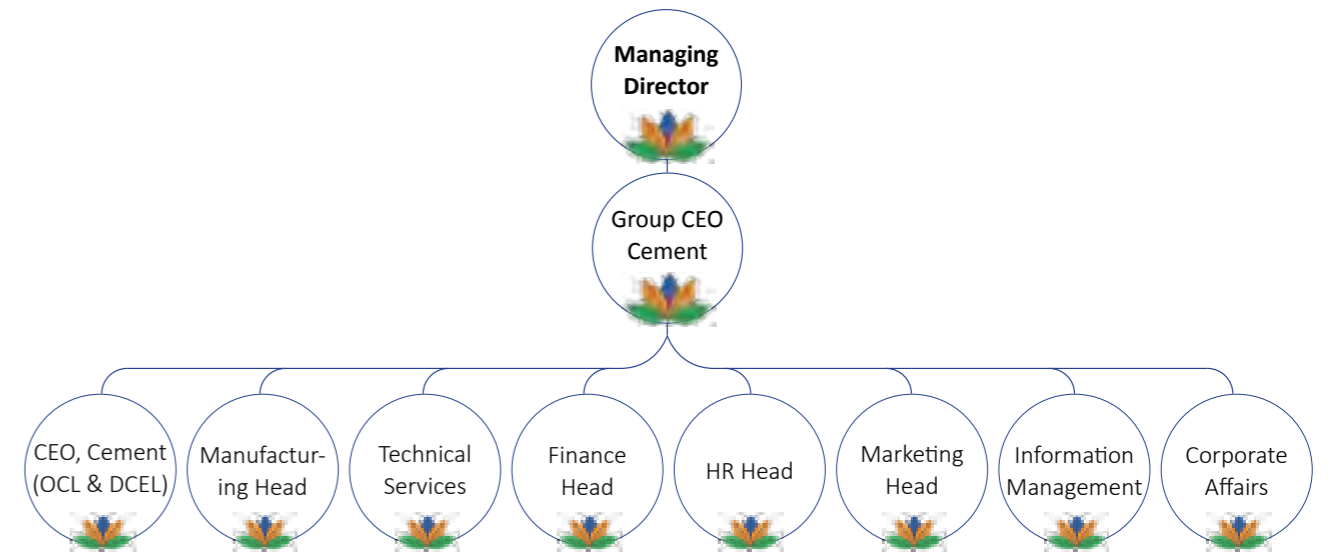


We ensure our corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making.

The Board (DCBL)

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that if the Chairman is Non-executive, and is not related to the promoters or persons occupying management positions at the Board level or at one level below the Board, one-third of the Board should be independent, or else, 50 per cent of the Board

should comprise independent Directors. As on 31st March, 2015 the Company's Board comprised twelve members - four Executive Directors, eight Non-executive Directors of which four are Independent and one Woman Director. Mr. G.N.Bajpai, a Non-Executive Independent Director is appointed as the Chairman of the Board of Directors.



Organization structure, DCBL

Committees of the Board

The Company has four Board-level committees for Audit, Nomination and Remuneration, Corporate Social Responsibility and Risk Management. All decisions pertaining to the

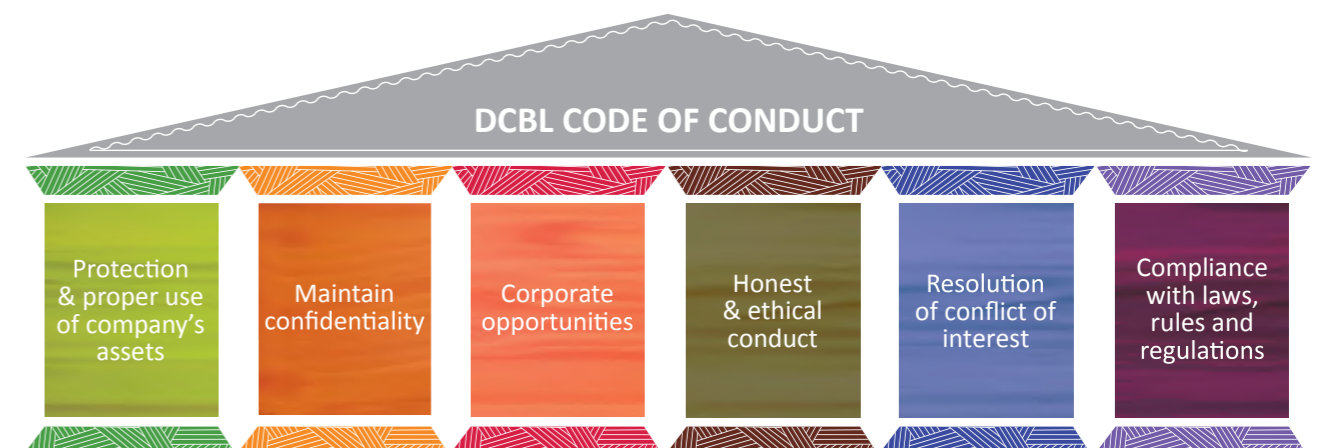
constitution of Committees, appointment of members and fixing of terms of service for Committee members is taken by the Board of Directors.

Policies and Code of Conduct

Our Board, senior management, shareholders, employees and other stakeholders have helped us in conducting our operations in an ethical manner. We have put in place several policies and frameworks to ensure ethical conduct of our business, both among our employees and with our business associates.

The company follows the code of conduct as laid down for the group as a whole for

all board members and designated senior management of the company.



Our Group has put in place a whistle blower policy which provides a platform to stakeholders for raising their voice about any breach of Dalmia Code of Conduct or of company's policy. We have also introduced an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. Our quality policy helps us maintain legal compliance, meet our customer's expectations and develop our engagement with our stakeholders in supply chain. We have also realigned our CSR policy to focus on issues material to our business and stakeholders with the objective to make

significant and sustainable improvement in the lives of beneficiaries. As part of ISO/OHSAS management systems, we have also implemented environmental and safety policies at unit level to ensure safe workplace for our employees and mitigate the environmental impact due to our operations.

De-Risking the Business

As a leading player in the cement business, we incur several types of economic risks and have risk mitigation strategies in place to withstand various types of business risks. We have engaged professionals to assist us in framing a comprehensive risk management policy and framework document and it is expected to be in place by the end of the current financial year.

	Exposed Risk	Risk Mitigation
Industry Growth	Cement demand is cyclic in nature and witnesses seasonal reduction in consumption during the monsoon season.	In view of growth in demand for cement, we have been ramping up capacities. A thorough evaluation is conducted to identify regional variations and in managing increased capacities to minimize cyclical risks.
Commodity Price	Risk of price fluctuation on raw materials, energy and finished goods.	Our multi-fuel kilns and power plants help in optimizing our fuel mix and hence offset the rise in prices of certain fuels.
Interest Rate	Any increase in interest rates can affect our financing costs.	Use of interest rate swaps in forex borrowings, regular monitoring of interest rate trends and judicious use of fixed and floating rate debt can mitigate the interest rate risk.
Foreign Exchange	Any volatility in currency market can impact our performance and profitability.	We follow a policy of hedging our long-term and short-term foreign exchange exposure. Also our differential short-term exposure between exports and imports is suitably hedged, which enables us to mitigate forex risks.
Project Execution	Large scale expansion projects to expand our business exposes us to the risk of time and cost overrun, affecting project implementation which in turn impacts our revenue and profitability.	An efficient and capable Project Execution Team reviews project execution on a continuous basis and help mitigate such risk.

Every business is marked by a variety of risks. DCBL identifies and assesses risks associated with its business, correspondingly undertaking strategic measures to minimise losses and maximise realisations.

Anti-Corruption

We have set correct tone at the top and ensure that anti-corruption is on the agenda of senior executives. We have also set-up ethics helpline service to encourage our employees to report any illegal or unethical issues they might come across. We also review our existing communication and training programmes to help ensure that the desired corporate culture is achieved on the ground, especially in more remote and higher-risk locations. During the reporting period, there were no cases registered with regard to anti-corruption at our DCBL units.

Regulatory Compliance

Meeting applicable requirements to achieve compliance is one of the key focus areas of our organization. At corporate level, we use legal compliance management software to monitor compliance application and renewal

process applicable for all the locations. At the same time, third party management system audits also help in strengthening of compliance management system at manufacturing locations.

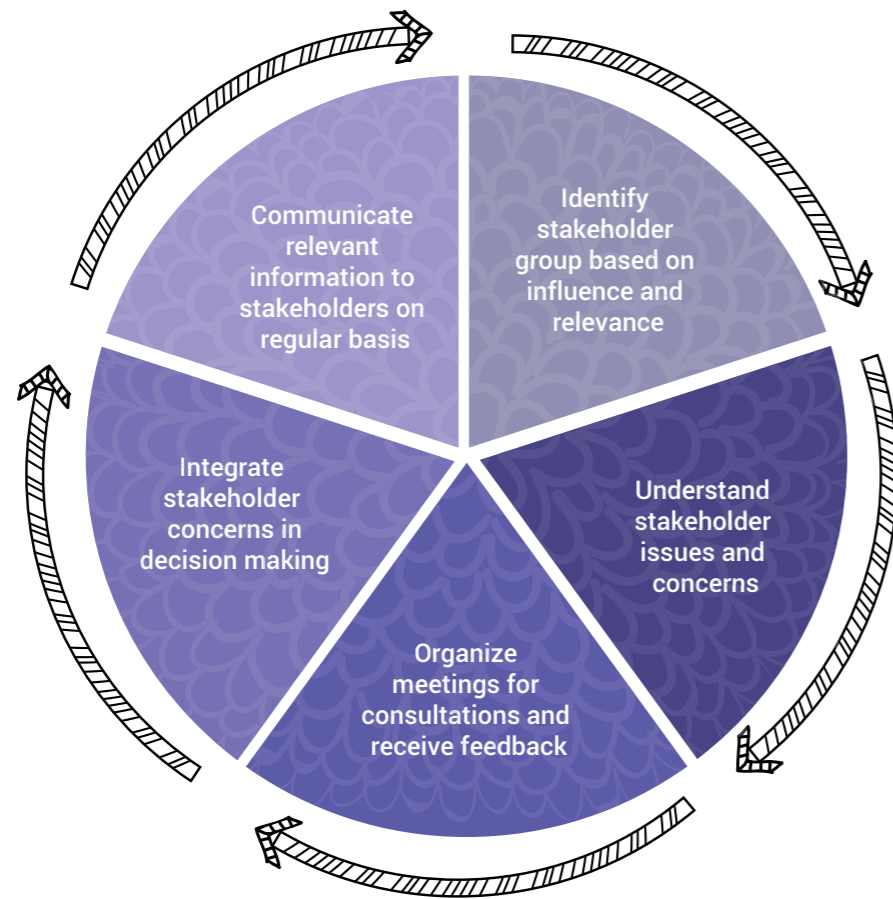
We have complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years. With regards to compliance of products, we have ensured that products sold by us are not subject to market restrictions. Similarly, there have been no incidents of non-compliance with respect to regulations and voluntary codes concerning health and safety impacts of products and services, marketing communications, including advertising, promotion and sponsorship.



Voice of our Stakeholders

Stakeholder engagement is an important aspect of sustainability and achieving the triple bottom line. We engage with our stakeholders in dialogue to find out what matters most to them, in order to improve decision-making and accountability.

We have identified stakeholders who are impacted by our business based on peer review, internal expertise, past experiences, surveys and influence on organization. In order to develop a strong relationship with our stakeholders and to create a win-win situation for every stakeholder we work with, we have adopted various communication channels for each stakeholder group.



Stakeholder Engagement Process

	Concerns	Communication Channels
Customers	<ul style="list-style-type: none"> • Timely Delivery • Quality • Pricing • Post-sale support • Product related certifications 	<ul style="list-style-type: none"> • Customer feedback • Customer Satisfaction Survey • Phone calls, Emails and Meeting • Signed Contracts • Exhibitions, Events • Websites and Social Media
Employees	<ul style="list-style-type: none"> • Work Life Balance • Training & Skill development • Career Growth • Occupational Health and Safety • Job Security • Transparent Communication 	<ul style="list-style-type: none"> • Emails • Intranet Portals • Employee Satisfaction Surveys • Training Programmes • Performance appraisal reviews • Grievance Redressal Mechanisms • Publications and Newsletters
Suppliers	<ul style="list-style-type: none"> • Timely Payment • Continuity of orders • Transparency 	<ul style="list-style-type: none"> • Emails and Meetings • Vendor Assessment & Review • Signed contracts
Communities	<ul style="list-style-type: none"> • Local Employment • Environmental pollution control • Infrastructure development • Training & Livelihood programmes • Participation in social services 	<ul style="list-style-type: none"> • Training & Workshop • Regular Meetings • Need Assessment & Review • Surveys • CSR Reports
Investors	<ul style="list-style-type: none"> • Sustainable Growth & Returns • Risk Management • Corporate Governance • Market Share • Operational Performance 	<ul style="list-style-type: none"> • Board Meetings • Annual Reports • Website • Green Portfolio Programme
Government & Regulatory Bodies	<ul style="list-style-type: none"> • Tax and Royalties • Compliance to laws & regulations • Employment • Pollution Prevention • Local Economy Growth 	<ul style="list-style-type: none"> • Annual Reports • Communication with regulatory bodies • Formal Dialogues

Stakeholder concerns and communication channels, DCBL

Supplier Engagement

Our supply chain and procurement procedures detail list of issues which need to be considered while evaluating new and existing suppliers. We recognize our dependency on the quality products offered by our suppliers to meet the expectations of our customers in the long-term and therefore take utmost care while screening new and existing suppliers. Going forward, we plan to revise our supply chain and procurement procedures to also include additional environmental, labour, safety related criteria for screening and evaluation of suppliers.

Local Sourcing

We have 11 manufacturing locations and diversified market presence in India. Thus, it is always preferred to source the raw materials and equipment from India. This way we ensure that our major spending on sourcing is distributed within the country, thereby, contributing to the economic growth of our local supply chain. For instance, during FY 2014-15, our OCL India Limited spent 87% of its total procurement budget within India.

Customers

We have dedicated helpline number for our customers to address their concerns and it is ensured that the call logs are well-documented so that appropriate action can be taken at the earliest. During FY 2013-14 and FY 2014-15, we received 343 and 525 numbers of customer concerns respectively. Out of these, 343 and 517 numbers of concerns were addressed within the year. We also organize our annual dealer and sub-dealer meets on cluster basis wherein our senior management directly interacts with our dealers who provide feedback or concerns and discuss future plans. In addition, we also publish our technical newsletter "Tech Think" dedicated

to engineers and architects on a quarterly basis and "Unnati" in English and Vernacular languages for masons.

Customers are always encouraged to give a feedback on the product quality or service to our marketing team. We also conduct our customer satisfaction surveys once in 2-3 years wherein the areas of improvement are identified and actions are taken around the feedback by each department. An external survey was conducted February 15 - March 15 to measure the dealer satisfaction level on our sales and marketing activities for Andhra Pradesh, Kerala, Karnataka and Tamil Nadu region. The survey results, with response from 696 dealers, have helped us to identify our performance and improvement areas against various pillars such as interaction with sales team, our outdoor media, trade engagement and technical services.

Investors & Shareholders

The Board of Directors of the Company approves and takes on record the unaudited financial results in the format prescribed by the Stock Exchanges within 45 days of the close of every quarter and such results are published in one financial newspaper, viz., *Business Standard/Financial Express* and one Regional Newspaper, *Dinamani*, within the stipulated time. We also publish our annual audited results in these newspapers within the stipulated period. All the data related to quarterly and annual financial results, shareholding pattern, etc is provided to the website of the Stock Exchanges within the time frame prescribed. The Annual General Meeting (AGM) helps us to interact with shareholders and respond to their queries. During the current reporting period in DCBL, 66 complaints were received from investors and all were resolved.

Participation in KKR's Green Portfolio Programme

KKR & Co. LP, an American multinational private equity firm, has significant shareholding in Dalmia Cement (Bharat) Limited. In 2011, we participated in KKR's Green Portfolio Programme with the aim of improving our environmental performance. Since then, we have been reporting our environmental performance annually in KKR's green portfolio Programme. Over these years, the programme has helped us manage our environmental impacts by assessing and tracking improvements across several key environmental performance areas, such as greenhouse gas emissions, thermal and electrical efficiency, where improving performance can bring about measurable business benefits.

Employees

Open and regular communication is fundamental to employee engagement. Employee communication is one of the vital ingredients for building employee engagement. At DCBL, to encourage collaboration and knowledge sharing among employees, we have launched 'SPARSH' communication platform. Recently, we have also created a dedicated section of sustainability under 'SPARSH' which helps employees to share best practices across units. We also publish our quarterly in-house magazine called as "Pragati" and monthly e-zine "Insider" across all units highlighting the business strategy and sustainability initiatives taken by the organization. We also celebrate our Founder's Day as Day Of Service, to communities at all 22 locations. We have also launched

'Saksham' programme to include families of our employees with focus on values of love, integrity, positivity and focus. More details on employee engagement are provided under Fostering Human Capital section of this report.

Communities

We firmly believe in the power of partnerships and thus work closely with a diverse set of stakeholders. All our Programmes start with a needs assessment and taking feedback from the local community and village leaders. We also involve the local leaders both at the time of formulation and implementation of the Programmes. Our Programmes and mode of engagement are further highlighted in later sections of the report.



Materiality Assessment

During FY 2013-14, we conducted our materiality assessment to understand the aspects that are most relevant to our business operations and stakeholders. The assessment was again reviewed to assess the relevance and validity of these issues as well as identify new issues in FY 2014-15.

We looked at our stakeholder expectations, identified common issues in cement sector, analysed issues from the Cement Sustainability Initiative guidelines and also considered the regulatory, social and environmental risks

that affect our operations. We also conducted a series of workshops with representations from various functions to discuss how we can manage the risks of sustainability and capitalise on the opportunities, to achieve long-term, commercial success.

Through formal and informal meetings and discussions with senior management, we formulated a materiality matrix to drive the creation of this report and our overarching corporate responsibility goals and activities.

Our approach to materiality assessment



DCBL Materiality Matrix

RELEVANCE TO STAKEHOLDERS	<ul style="list-style-type: none"> • Water Conservation • Community Development 	<ul style="list-style-type: none"> • Occupational Health & Safety • Air Emissions • Governance & Reg. Compliance • Raw Materials • Alternative Fuels & Raw Materials • Energy Efficiency
		<ul style="list-style-type: none"> • Product Innovation • Transportation & Logistics • Branding & Reputation
	IMPORTANCE TO DCBL	



यस्याश्चतस्रः प्रदिशः पृथिव्या
यस्यामत्रं कृशटयः संबभूवुः ।
या विभर्ति बहुधा प्राणदेजत्सा
नो भूमिर्गोशवप्यत्रे दधातु ॥



*In her resides the four direction
of the World; in her is contained
Food which she manifests when
ploughed, she sustain the various
lives living in her; may she, the
Mother Earth, bestow on us the
ray of life present even in Food.*

Bhagavad Gita

ENVIRONMENTAL STEWARDSHIP



Our Approach

Our deep faith in “Clean and Green is Profitable” encourages us to take actions which benefit the environment and improve our profitability.

Dalmia Cement (Bharat) Limited is a member company of Cement Sustainability Initiative (CSI), a sector project of World Business Council for Sustainable Development (WBCSD) since 2012. We recently became a signatory to United Nation’s Global Compact (UNGC), Caring for Climate initiative of United Nations and disclosed our climate performance to CDP (Carbon Disclosure Project) for FY 2014-15.

We have been following third party certified and internationally accepted PDCA Cycle

based systems (ISO 14,001 and ISO 50,001) for environment and energy management. Our manufacturing units are setting best practices in energy efficiency, alternative fuel utilisation, incremental waste utilisation and water conservation. While our Eastern India operations are setting benchmarks on producing one of the lowest carbon footprints for cement in India, our Southern India operations are gaining national recognitions over energy efficiency, alternative fuel utilisation and water conservation.

530 kg CO₂
Net GHG
Emissions/ Ton of
cem. product

64.1%
Clinker/
Cement Factor

7.5%
Alternative
Fuel Rate

Figures mentioned above highlights performance in FY2014-15

We recognize the usage of AFR as one of the environment friendly methods to reduce our input costs, decrease the burden on waste generators and produce a low carbon intensity cement.



Alternative Fuels and Raw Materials (AFR)

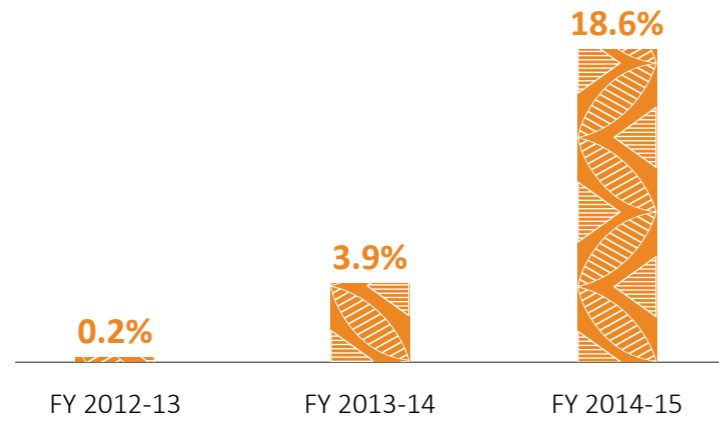
Alternative Fuels

We utilize industrial waste and by-products with recoverable calorific value in cement kilns. We have been using various types of alternative fuels which include paper waste, paint sludge, rubber waste (carbon

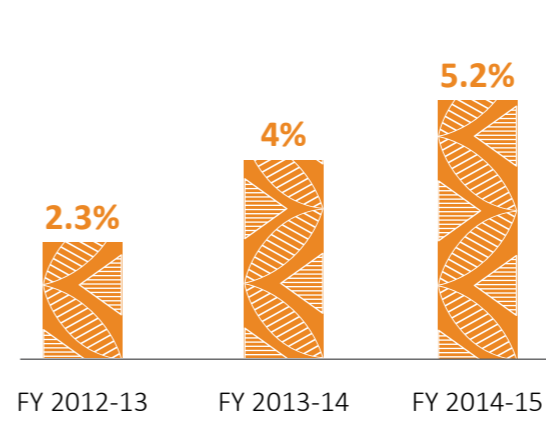
black powder), spent carbon, dolachar etc. As a result, we achieved significant reduction in costs along with a low carbon footprint which further strengthened our Green Quotient.

Alternative Fuel utilisation at our Kadapa plant

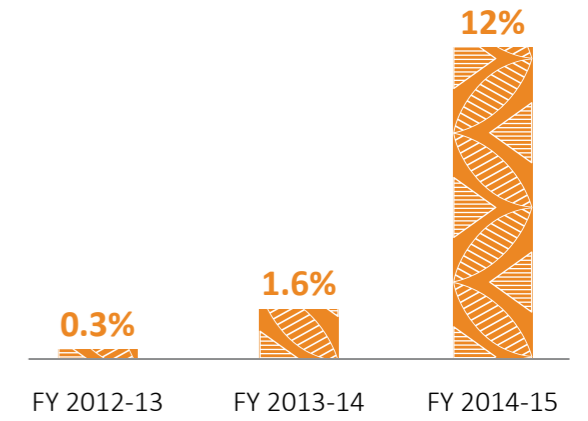
Our Kadapa unit took an initiative to replace conventional fuels in the pre-calciner by developing an in-house fuel handling mechanism for Carbon Black at Kadapa. The cost-effective system consists of an unloading system, dust control system and feeding system. The project resulted in utilisation of waste rubber (Carbon Black) in the pre-calciner with feeding rate up to 14 ton/hour. The initiative also helped in reducing coal mill operating hours and power consumption.



Thermal Substitution Rate (TSR) of Alternative Fuels, Kadapa



Thermal Substitution Rate (TSR) of Alternative Fuels, Ariyalur



Thermal Substitution Rate (TSR) of Alternative Fuels, Dalmiapuram

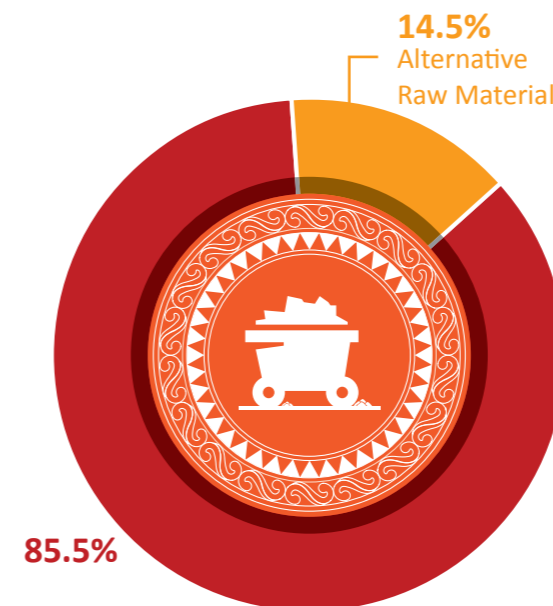
Alternative Raw Materials

We have undertaken various interventions to replace natural resources used in the production of cement by utilisation of the waste generated from other industries.

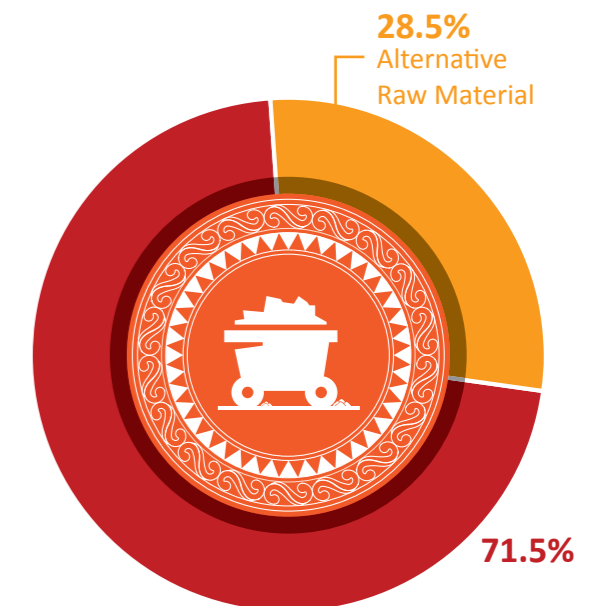
We are utilizing fly ash from thermal power plants as blending material in Portland thermal power plants as blending material in Portland Pozzolana Cement (PPC) besides slag from steel industry as blending material in Portland

slag Cement (PSC). Using blended cements for making concrete, significantly improves the product properties in terms of strength, workability, durability and heat of hydration.

Similarly, we have used chemical Gypsum, Red Mud, Cinder, etc as alternative raw materials to replace natural minerals. Our overall alternative raw material consumption in FY 2014-15 was improved to 28.5%.



Alternative Raw Materials Usage (FY 2013-14)



Alternative Raw Materials Usage (FY 2014-15)



Alternative Raw Materials Use (in MT)

FLY ASH

FY 2013 - 14 | 841,965
 FY 2014 - 15 | 1,223,637

SLAG

FY 2013 - 14 | 27,624
 FY 2014 - 15 | 2,433,440

OTHER ALTERNATIVE RAW MATERIALS

FY 2013 - 14 | 267,008
 FY 2014 - 15 | 406,844

Chemical Gypsum, Red Mud etc.

State of the Art Robo Lab at Ariyalur Plant

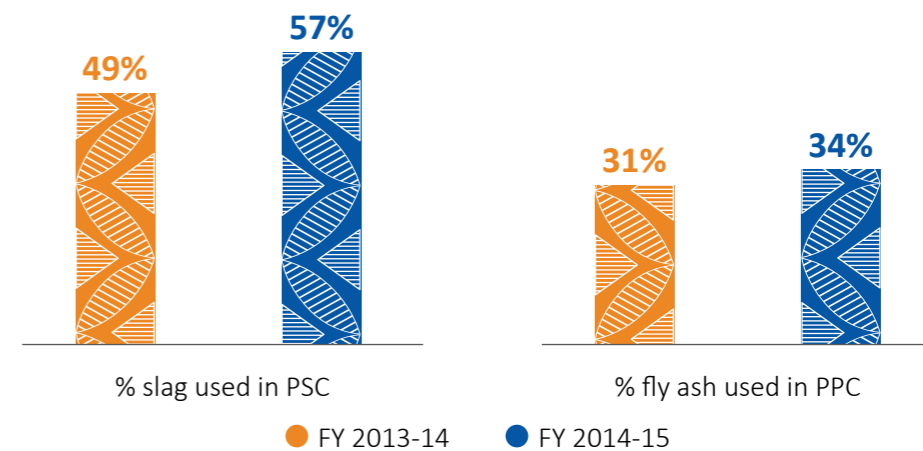


Incremental waste utilisation in our eastern India operations

Although, our Rajgangpur, Medinipur and Kapilas units were producing 100% blended cements, there was potential for incremental addition of fly ash in PPC and blast furnace slag in PSC. To harness this opportunity, we made concerted efforts to add higher percentages of slag and fly ash while maintaining the product quality.

This resulted in a significant clinker factor improvement in FY 2014-15 as compared to FY 2013-14. The initiative helped in safe disposal of additional 3,38,326 ton blast furnace slag from steel industry and 9,620 ton fly ash from our captive power plant. After accounting the landed slag price and handling costs, the project resulted into substantial cost saving along with avoidance of 3,16,630 tons CO₂ emissions in FY 2014-15.

Incremental Waste Utilisation (Rajgangpur and Kapilas)



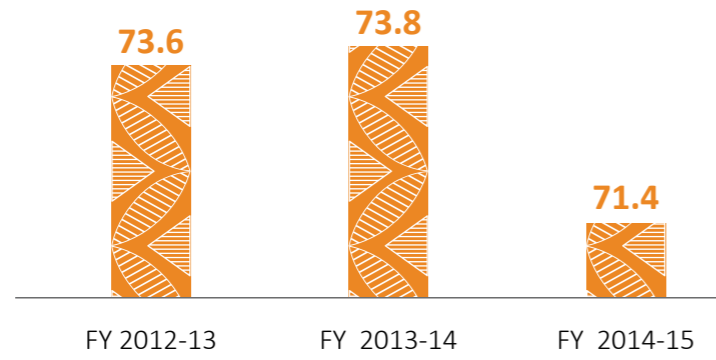
Energy Efficiency

We have established the internationally recognised energy management system (ISO 50,001) in our cement plants in southern India with a focus on continuous improvement and implementation of identified energy efficiency measures. Our Kadapa plant is being operated with only 7-8% false air leakage in raw mill

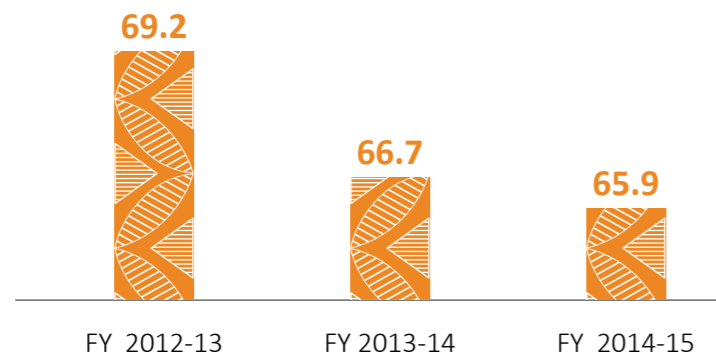
which is one of the best in Indian cement industry. Our Dalmiapuram and Ariyalur plants are utilising most of the available heat in the vent gases in cement mill, coal mill and raw mill. We have taken several energy efficiency initiatives to reduce our energy consumption during the reporting period.

Key Energy Efficiency Initiatives

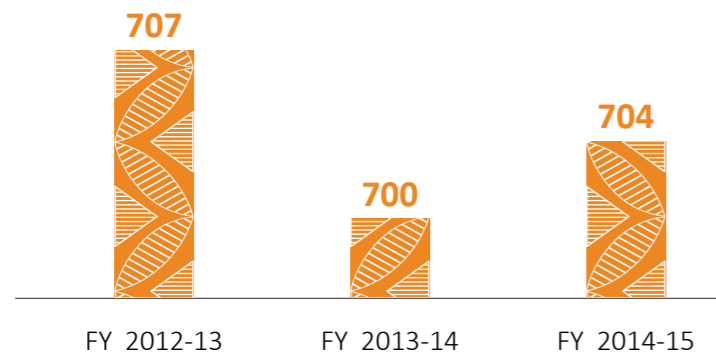
- Replaced old equipment with energy efficient equipment such as energy efficient blowers, low primary air burners, energy efficient fans, etc.
- False air-arresting in preheater and mills.
- Ensuring high utilisation of rotary kiln while in operation
- Utilisation of waste heat for moisture removal in raw material and fly ash.



Specific Power Consumption, Dalmiapuram (in kWh/ton of cement)



Specific Power Consumption, Ariyalur (in kWh/ton of cement)



Specific Heat Consumption, Kadapa (in kCal/kg of clinker)

Energy Efficiency Initiatives at Ariyalur Unit

At our Ariyalur unit, we reduced the specific power consumption of Cement Vertical Roller Mill (CVRM) by dam ring and nozzle ring modification. The false air entry was reduced by around 2% thereby reducing the fan power. This resulted in overall savings of 9,56,548 kWh/annum and avoided CO₂ emissions of 908 t CO₂/annum.

Similarly, we identified an opportunity to reduce the power consumption of the compressor. Measures such as correction of airline leakages, removal of unwanted valves and optimization of purging air time were taken under this energy saving initiative at Ariyalur.





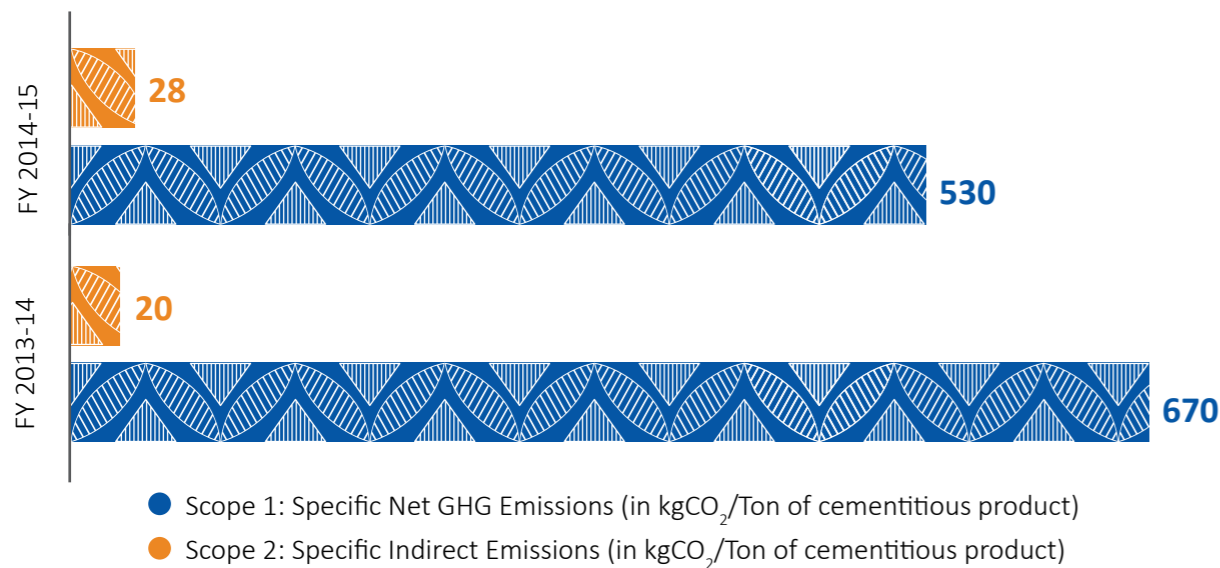
Minimizing CO₂ Emissions

Our eastern operations (OCL India Limited and Dalmia Cement East Limited) produce 100% blended cements with carbon intensity of 394 kg/ton of cement (FY 2014-15). This is very low compared to the Indian average of about 586 kg/ton cement and global average of 660 kg/ton¹ of cement .

We aim to mitigate GHG emissions by employing alternative fuels, energy efficiency and clinker factor improvement. In order to further improve our performance, we are continuously partnering with various associations and institutions. For instance, DCBL became a member of the Cement Sustainability Initiative (CSI) in 2012.

Technology is a key pillar in the cement industry's drive to reduce emissions and

energy consumption. One of the key enablers of DCBL's low carbon growth is blended cements – helping the company reduce energy consumption and GHG footprint per tonne of cement. The co-ordinated efforts of Quality Control, R&D and Process Optimisation teams led to the increase in production of blended cements using higher percentage of fly ash and slag as clinker substitutes. As a result, DCBL reduced the clinker factor to 0.64 in FY 2014-15.



Specific GHG Emissions

The enhanced production of blended cements, use of alternative fuels and energy efficient technology have resulted in reduced CO₂ intensity to 530 kg/ton of cement.

We also partnered with World Bank's Carbon Pricing Leadership Coalition (CPLC) to support emissions reduction and investments in

cleaner technologies. We are engaging with Carbon Pod India Limited to encourage eco-driving and reduce logistics fuel

¹ Technology Roadmap, Low-Carbon Technology for the Indian Cement Industry by WBCSD and IEA

Carbon Footprint Scenario in Cement Sector



Net CO₂ emissions in kg/ton of cement (2014-15)

consumption. This project is planned to kick-start on a pilot basis, in which select drivers will be identified to understand their behaviour and vehicle efficiency through an online GPS system which shall provide real time updates. Recently, we partnered with International Finance Corporation (IFC) to implement CSI India Roadmap recommendations for low carbon technologies.

Currently, we are capturing and monitoring emissions data of all our cement plants, captive power plants and mines under Scope-1 and Scope-2 emissions, GHG emissions associated with purchased clinker are counted under Scope-3 emissions based on Cement CO2 and Energy Protocol of Cement Sustainability Initiative. Going forward, we are also developing processes and systems to capture emissions from logistics and transportation under Scope-3 emissions so that further emission reduction opportunities can be identified and implemented.

Minimizing Air Emissions

We have taken various initiatives to reduce stack dust emissions by installing technologies such as reverse air bag house (RABH),

electrostatic precipitators (ESPs) and nuisance bag filters. To reduce fugitive emissions, we have taken initiatives such as installation of covered sheds for raw material storage, bag filter at transfer points, water sprinklers and road sweeping machines. Most of our plants have invested in continuous online monitoring systems (CEMS) that monitor stack emissions for SPM, SOx, and NOx at kiln stacks and SPM at other major stack. We are also in the process of installing continuous online monitoring systems in our remaining units. In addition to stack emissions, we also monitor ambient air quality through our ambient air quality monitoring systems.

Conserving Water

Cement manufacturing is not a very water intensive process. However, we assign high priority to water conservation, re-use and ensure zero liquid discharge.

Our commitment in creating sustainable business practices helped us meet the challenge of water scarcity and resulted in

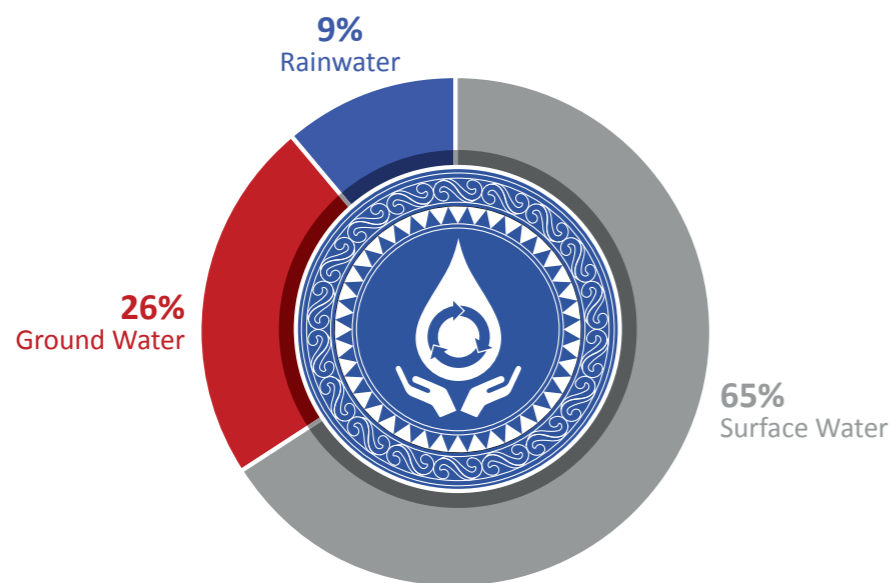
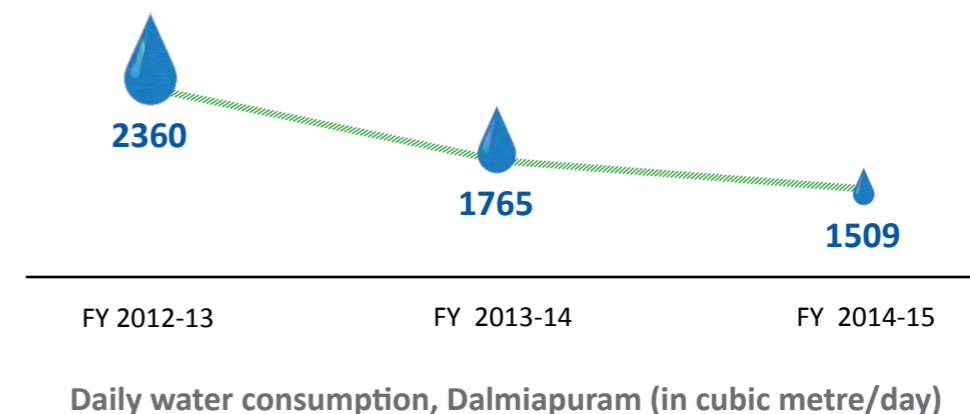
significant water conservation. We have made enormous efforts for rain water harvesting and creating water storage systems in our plants. For example, our Ariyalur unit created a rainwater harvesting potential of 5,000 cubic metres; Kadapa unit created a rainwater harvesting and storage capacity of 2,35,000 cubic metres.

Other water conservation initiatives include installation of air cooled condensers in our captive power plants, automated float valve

provisions to avoid water overflow from tanks, air flap system instead of water cooling in clinker coolers and ensure zero leakages. In our effort to conserve freshwater resources, we have achieved zero water discharge systems at our cement plants. By doing so, we use treated water for various purposes such as gardening, dust suppression and cement spray to reduce fresh water consumption. Our total water withdrawal was 10,19,824m³ for three locations in FY 2013-14 and 40,29,456 m³ for nine locations in FY 2014-15.

Water Conservation Measures at Dalmiapuram

We undertook a water conservation project at Dalmiapuram plant, wherein a dedicated team was constituted for identifying water conservation potential and taking appropriate measures. In order to reduce daily water consumption, various initiatives were taken which include water awareness drive in colonies, air cooling instead of water cooling for clinker cooler, installation of auto valve system preventing water leakages. These measures resulted in 36% reduction in daily water consumption within two years of time at Dalmiapuram plant.



Water Withdrawal by Source, FY 2014-15

Water Conservation Measures at Ariyalur

At our Ariyalur plant, opportunity was identified to increase the utilisation of waste water from captive power plant in cement mill and coal mill operations. To implement this opportunity, water tanks were created for CPP reject water storage and piping network was developed from the water tank to utilize it in internal water spray system of cement mill and coal mill. Another key drive of this initiative was to synchronize CPP reject water generation cycle and operation of the cement mill. An auto start of the reject water logic was linked to the internal water spray system in the cement mill through a dedicated PLC based communication channel. Due to this initiative, the CPP reject water use in cement plant increased by 1,785 cubic metres/month in FY 2013-14 and further increased to 2,352 cubic metres/month in FY 2014-15.

Water Positivity, Kadapa

Our Kadapa Unit is located in a semi-arid climatic zone with average annual rainfall of around 550 mm. Water availability goes down drastically in summer season. As there is no ground water aquifer, we are dependent on dynamic water re-charge based on the rainfall. To meet our water requirements, in addition to water conservation measures in

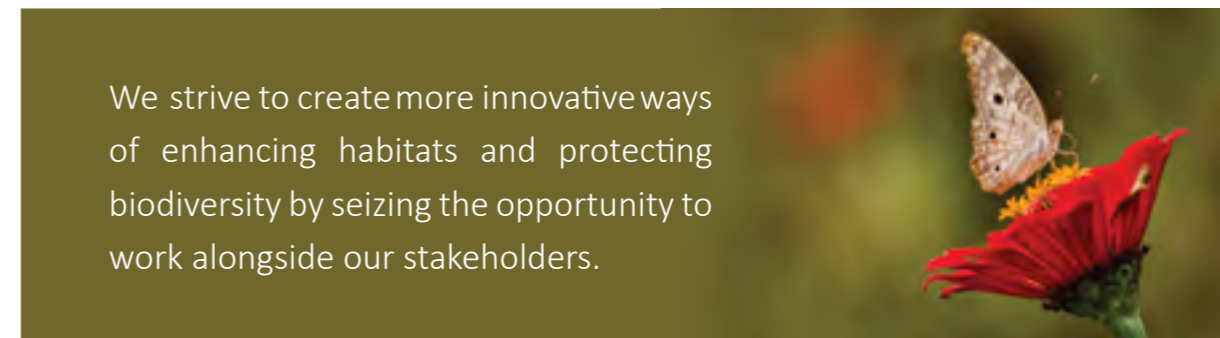
our process, we have made water harvesting ponds in mines area with garland drains for water storage and use. We have also built roof-top water harvesting structures in plant and colony. Due to these measures, we have been able to store the water, avoid water purchase and achieved positive water balance.



Conserving Biodiversity

When we plan to open a new plant or mine, we go through a rigorous preparation process which includes a thorough assessment of the potential impacts of the new plant on local people, nearby ecosystems and habitats, as well as water and soil erosion. We also consult openly and sensitively with our local stakeholders, so that we can achieve a balance between their needs and our own. Once the site becomes operational, we work in partnership with the local community to monitor and protect local biodiversity. As per the environmental impact assessment

study conducted for our operations, none of our operations are located near areas of high biodiversity value or protected areas. We have also enhanced our responsibility quotient through our drive for environmental conservation that has resulted in cumulative plantation of over 8,60,000 trees. Recently, we joined India Business and Biodiversity Initiative (IBBI) of Confederation of Indian Industry (CII). The initiative will help us in mapping, understanding, sharing of our best practices and implementing other's best practices on biodiversity management.



We strive to create more innovative ways of enhancing habitats and protecting biodiversity by seizing the opportunity to work alongside our stakeholders.

Transportation & Logistics

At DCBL, we continue to undertake decisive measures to guarantee efficient and cost-effective inbound and outbound movement of materials.

We have a network of plants, depots and markets spanning a vast area from the northeast, eastern to southern India locations. We also export to Sri Lanka, Maldives and Myanmar. We have streamlined our operations which has not only impacted profitability but has also ensured a sustainable supply chain.

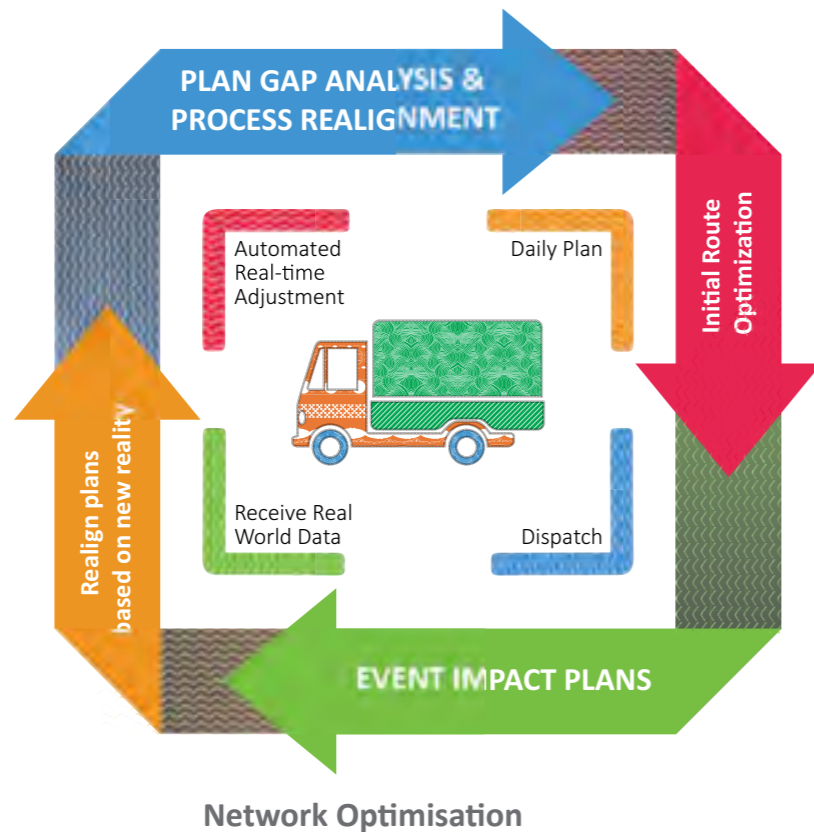
To handle complexity involving variables such as number of plants, stock keeping units (SKUs), modes, regions, etc., we modeled our entire outbound supply chain comprehensively into a powerful tool which is globally acclaimed for efficiently solving complex mathematical optimization models.

The tool helps us prepare an optimized dispatch plan by suggesting best possible routes, conducting sensitivity analysis and highlighting the financial impact from deviation of optimal plan. In our endeavour to bring down the dispatch cost, we have ensured that we focus on sustainable changes rather than short term fixes. We increased the utilisation of high capacity trucks and greater utilisation of inbound trucks which not only resulted in financial savings but also reduced our carbon footprint by reducing fuel usage.

Under our transport management, we have also installed vehicle tracking system which

enables the geo-fencing of trucks, improves logistics management and integrates our supply chain with transport system. We intend to improve the logistics operations and optimise delivery networks through cutting-edge analytics and tracking solutions

that move towards proactive, predictive and preventive model of logistics delivery. It also intends to move beyond vehicle tracking and fleet management systems to focus on fuel saving, driver safety and eco-friendly driving solutions.



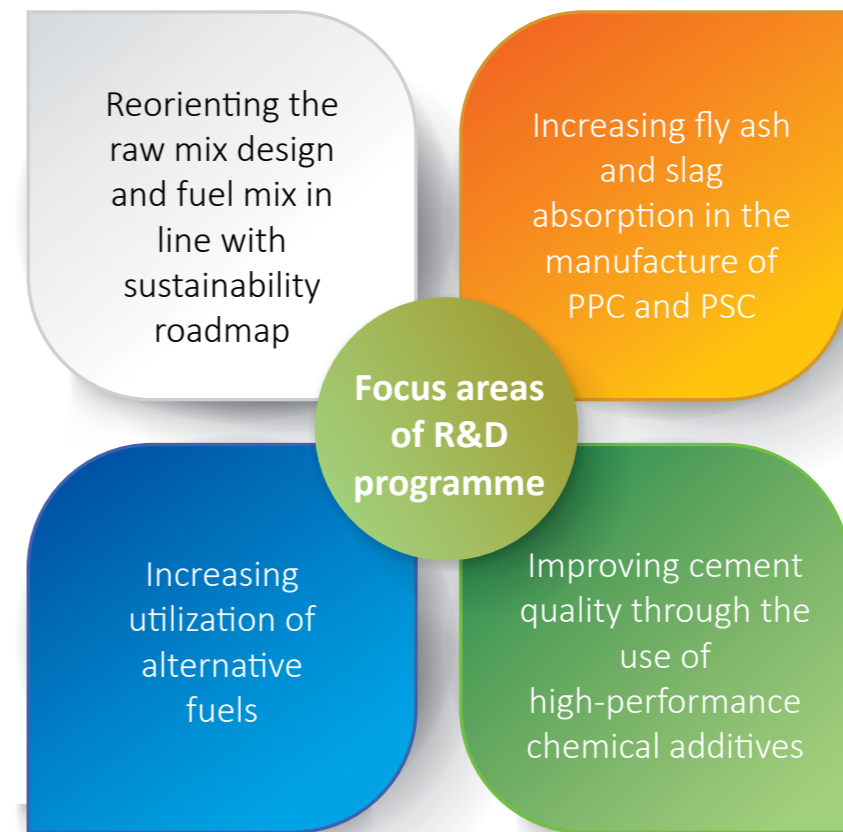
Product Innovation

Our Research & Development (R&D) has strengthened competitiveness in terms of operational and manufacturing efficiency which has led to the generation of superior returns, cost reduction and sustainable stakeholders' value.

During the year, we engaged in relentless R&D to improve the quality of cement at plant locations and develop new products which suit the growing demand for green infrastructure and affordable housing. We collaborated with a host of premier institutes for conducting scientific research to reconcile top-notch construction with environment friendliness. We continue to conduct tests to evaluate the suitability of re-using waste and contributing substantially towards sustainable development. We have now made R&D

facilities operational for making clinker in the laboratory by simulating kiln conditions to explore innovative ways in improving productivity and quality.

Going forward, we plan to continue conducting research to improve cement quality and increase fly ash and slag addition in PPC and PSC, increase the usage of alternative fuels and raw materials and devise innovative approaches by taking into account socio-economic and environmental imperatives.



Sustainable product development to utilise low-grade limestone

Understandably the onus of exploring newer eco-friendly cements along with fulfilling the need of ever increasing demand for cement and concrete lies on market leaders especially in developing countries as opposed to players in developed countries which are not yet as hard pressed for resource crunch due to near saturation condition in cement consumption and relative abundance of high grade raw materials. Being a market leader in India, our cement business can afford to experiment with such products in a calibrated manner for leading the way towards effective sustainability.

High-Belite cements are those in which there is a reversal in the preponderance of Alite by Belite without sacrifice of early age strength

in mortar and concrete. Since this implies higher levels of early reactivity in Belite, such cements are also known as Reactive Belite Cement. When, however, the silicates pair of Alite and Belite are broken and replaced by Calcium Sulfo-Aluminate (CSA) and Belite, a modified Portland cement known as Calcium Sulfo-aluminate cement is obtained. We have produced high Belite cement in FY 2014-15 at one of our plants whose evaluation is under progress. The aim is to produce cement with low heat of hydration, higher later age strength, higher chemical resistance and suitable for mass construction, bridges and dams. Upon successful production and achieving the desired cement and concrete quality, we may plan this as special cement suitable for dams and bridges construction.

Disclosure on Cement Sustainability Initiative (CSI)

Aspects	KPIs	3 Locations		9 Locations
		FY 2013-14	FY 2014-15	FY 2014-15
CO₂ and Climate Protection	Total CO ₂ emissions - gross (million tonnes)	4.46	3.94	6.91
	Total CO ₂ emissions - net (million tonnes)	3.73	3.27	5.71
	Specific CO ₂ emissions - gross (kg/ton cementitious material)	675	658	540
	Specific CO ₂ emissions - net (kg/ton cementitious material)	670	637	530
Fuels and Raw Materials	Specific Heat Consumption (SHC) of clinker production (MJ/ton of Clinker)	3135	3117	3239
	Specific Heat Consumption (SHC) of clinker production (Kcal/Kg clinker)	749	745	774
	Alternative Fuel Rate (%)	2.3	10.1	6.2
	Biomass Fuel Rate (%)	0.3	2	1.3
	Total Alternative Fuel Rate (%)	2.6	12.1	7.5
	Alternative Raw Materials Rate (%)	14.50	13.44	28.48
	Clinker / Cement Ratio (%)	81.20	79.40	64.10
Health & Safety	Number of fatalities (directly employed)	0	0	0
	Number of fatalities per 10,000 directly employed	0	0	0
	Number of fatalities (indirectly employed)	1	0	1
	Number of Lost Time Injuries (directly employed)	5	4	10
	Lost Time Injuries per 1 million manhours (directly employed)	0.50	0.41	0.48

Aspects	KPIs	3 Locations		9 Locations
		FY 2013-14	FY 2014-15	FY 2014-15
Emission Reductions	Coverage rate continuous measurement: percentage (%) of clinker produced with continuous monitoring of main pollutants, dust, NOx and SOx	77	100	61
	Absolute emissions for dust pollutants (in tonnes/annum)	465	369	567
	Specific emissions for dust pollutants (in grams/tonne of clinker)	102.5	90.3	84.6
	Absolute emissions for NOx (in tonnes/annum)	4656	3711	*
	Specific emissions for NOx (in kg/tonne of clinker)	1.03	0.91	*
	Absolute emissions for SOx (in tonnes/annum)	208	198	*
	Specific emissions for SOx (in kg/tonne of clinker)	0.05	0.05	*
Local Impacts & Biodiversity	Percentage (%) of sites with quarry rehabilitation plans in place	100%	100%	100%
	Percentage (%) of sites with community engagement plans in place	100%	100%	100%
	Number of quarries within, containing or adjacent to areas designated for their high biodiversity value.	As per Government of India regulations, our quarries do not fall in or adjacent to areas with high biodiversity value.		
	Percentage (%) of quarries with high biodiversity value where biodiversity management plans are actively implemented	Not Applicable		

* Only three locations have reported air emissions for 2014-15. We are implementing reporting systems in the remaining locations.

यत्सांख्यैः प्राप्यते स्थानं
तद्योगैरपि गम्यते ।
एकं सांख्यं चयः पश्यति । ।



*Karma Yoga or Gyan Yoga,
both have the same objective,
but it is those who balance
both that follow the path of
true knowledge.*

Bhagavad Gita

FOSTERING HUMAN CAPITAL



Our Approach

At DCBL, we believe in fostering happiness through providing a safe, nurturing and progressing workplace to ensure enduring engagements with our employees.

Although, happiness may seem like an intangible variable, we strongly believe that encouraging and fostering workplace happiness offers significant benefits in terms of productivity, better health of employees, efficient teams, improved retention and healthy work atmosphere. Such high performing workforce forms the baseline of our success and enables us to play a significant role in establishing competitive advantage.

We believe that training and development are the foundation of successful careers and successful businesses. By providing opportunities for growth and development, we strive to improve the quality of our employees'

work experience and reap the benefits of developing workers to their full potential. We have undertaken several initiatives to facilitate our employees' career growth such as training and leadership programmes, employee recognition forums, capacity building workshops and most importantly ensuring their health and safety at the workplace.

We are deeply committed to the people of our organization as they account their success to the integrity and effort shown by them. We are working towards increasing the pride of our employees for working with DCBL to ensure a long-lasting working relationship.

0.53

Lost Time Injury
Frequency Rate

15.34

Average Training
Hours/Employee

No case
of Child
or Forced
Labour

8.93%

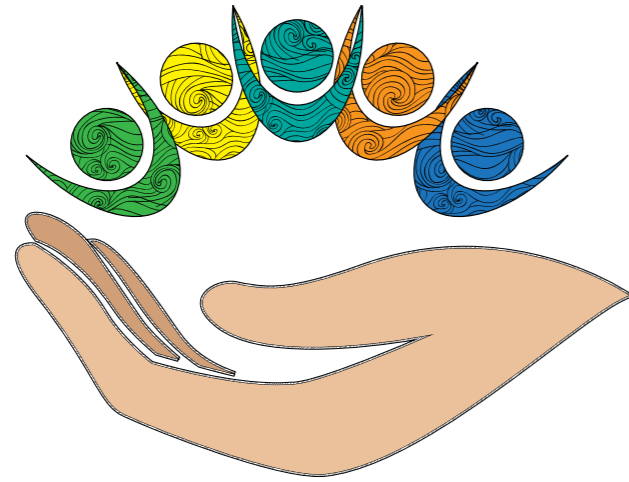
Turnover Rate

Employee Diversity

We encourage our employees to grow professionally and personally to their highest capabilities regardless of their race, colour, gender, age, religion or nationality.

We believe that diversity and inclusion bring fresh ideas, perspectives and experiences to our business, thereby enabling an innovative and stimulating environment where everyone

has the opportunity to grow and deliver value. We are therefore committed to providing a workplace that is diverse, encouraging and enabling every employee to fully contribute.



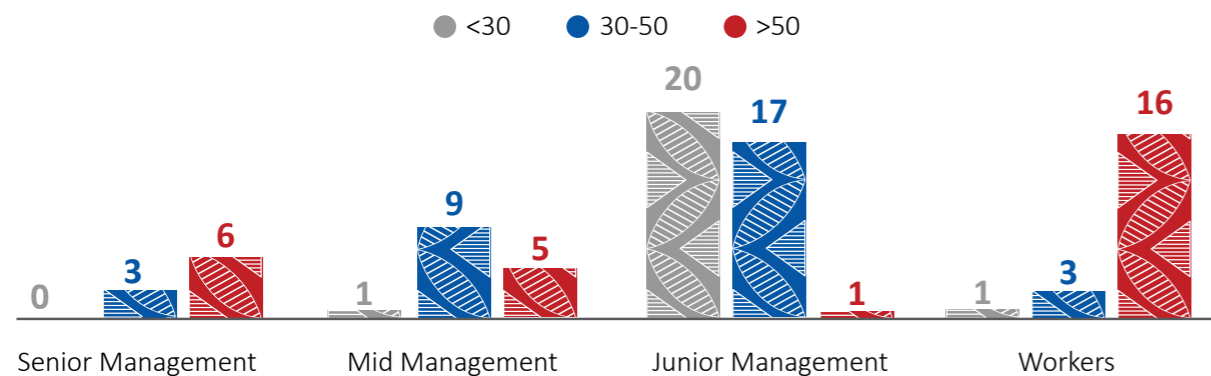
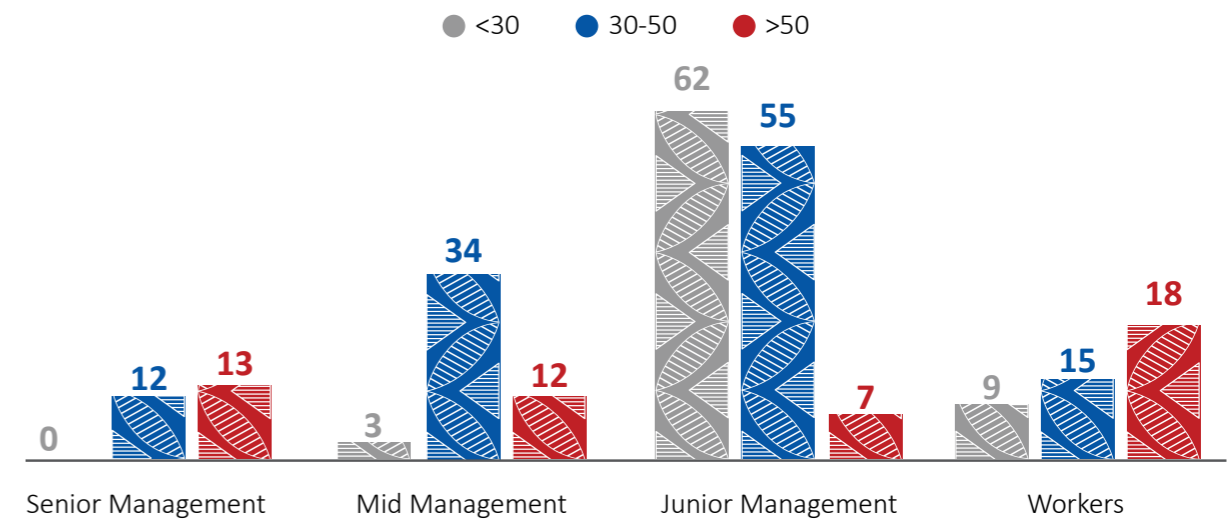
Total Workforce by Age Group	FY 2013-14 (3 locations)			FY 2014-15 (9 locations)		
	<30yrs	30-50yrs	>50yrs	<30yrs	30-50yrs	>50yrs
Senior Management (GM & Above)	0	23	21	0	63	52
Mid Management (Manager & Above)	13	100	20	60	309	79
Junior Management (Executive and Above)	139	197	19	402	515	56
Workers (Staff and Workmen)	46	257	220	214	614	473
Contractual Labour	363	1066	68	510	2128	298

Total Workforce by Gender	FY 2013-14 (3 locations)		FY 2014-15 (9 locations)	
	Male	Female	Male	Female
Permanent Employees	1,037	18	2,752	85

Employee Relations

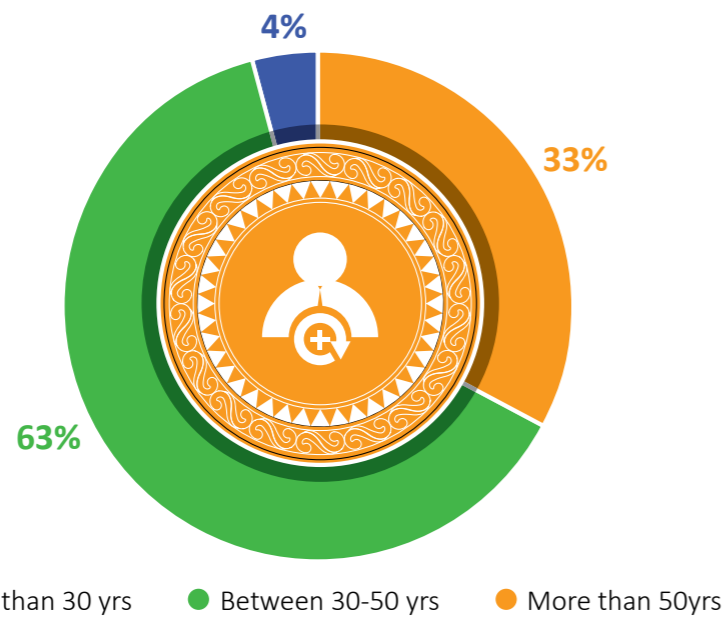
We respect the right of all employees to form and join a union. Our Dalmiapuram and Rajgangpur units have trade unions to cover employees under collective bargaining. The employees are given liberty to join any union. As and when required, the union is given freedom to assemble and discuss their issues within plant premises. There are regular meetings between the Management and the union members to discuss about various welfare issues for the employees. Although, there are no trade unions in our other units of DCBL, we ensure periodic engagement with employees through the Works Committee. We are always open to suggestions from

union representatives; we ensure that representatives of a union are never subjected to any discrimination and ensure the union representatives have access to their members at the workplace. As a firm believer in gender equality, we have ensured that there is no discrimination in remuneration of male and female employees at any of our units. During FY 2014-15, our Rajgangpur unit entered into a long term wage settlement granting substantial increase in wages and other benefits to workmen of cement and mines at Lanjiberna (Odisha). Our relationship with our employees during the reporting period was peaceful and cordial.

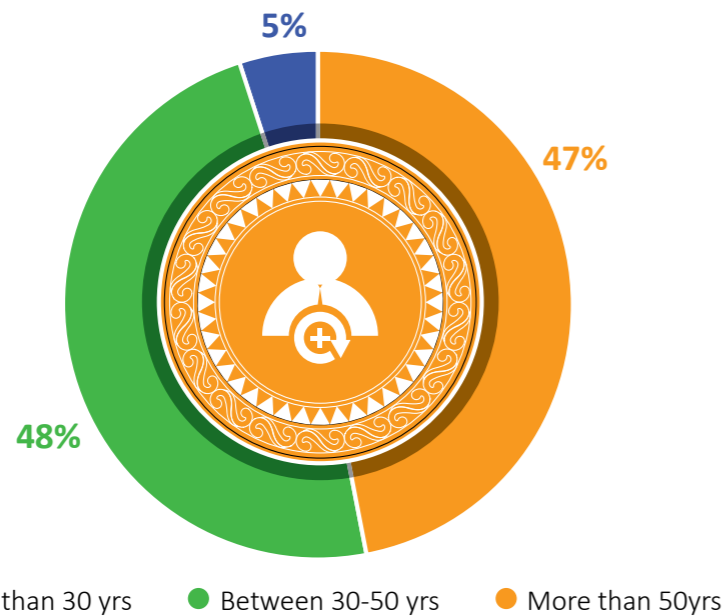


Total Turnover by Age and Category, FY 2013-14 (in numbers)





New Hires by Age Group, FY 2013-14



Percentage of New Hires by Age Group, FY 2014-15

Employee Benefits

Employee benefits play an important role in the lives of employees as well as their families. For this reason, the benefits we offer can be a deciding factor for a potential employee's decision to work with us. We contribute to the employee's provident fund, pension fund, superannuation fund and ESI as part of a defined contribution plan. We operate two defined benefit plans for our 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. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

Human Rights

We endeavour to identify, assess and manage human rights impacts within operations and amongst identified suppliers considered to have significant risks for the following viz. respect for human rights including non-discrimination, prohibition of child and enforced labour, freedom of association and the right to engage in collective bargaining.

Integrity, trust, fairness and honesty are the basic guidelines that define our approach, behaviour and relationships we build with people, both internally and externally. We have robust management policies to uphold human rights within our organizational boundaries and we continue to make our supply chain aware of the human right issues.

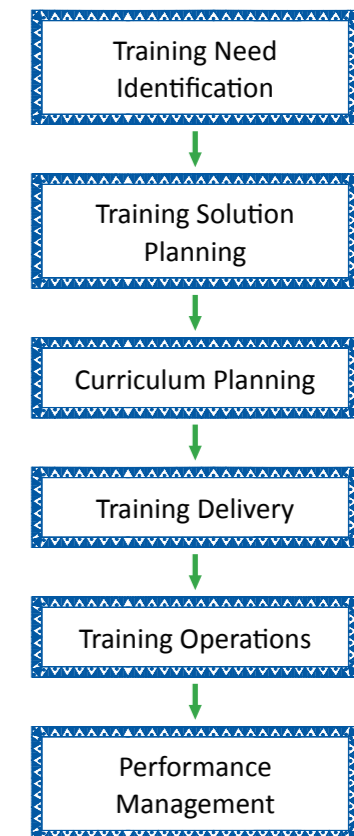
We do not engage in or support the use of forced labour. We ensure that all employees are working voluntarily. The terms and conditions relating to the employment are communicated prior to recruitment. During the reporting period, there had been no cases identified or registered related to forced labour.

Periodic inspections are held at our cement manufacturing operations to ensure that no child labour is present at any DCBL plant. In order to ensure that child labour does not prevail in our supply chain, we also screen the contractual workers prior to assigning jobs. There have been no cases identified or registered related to child labour during the reporting period.

Training & Development

Under the supervision of Human Resources Department, we have formed our Learning & Department function led by a Deputy Executive Director and a team comprising corporate and regional facilitators. The function is responsible for identifying training needs and planning the curriculum for employees with an objective to ensure career progression and developing functional expertise.

People with different level of experience and education become a part of our group and we consistently invest in the training of our employees within the company and beyond, growing the team's learning curve. We believe that our people are the most important assets providing sustained growth over the long-term.



Training & Development Process

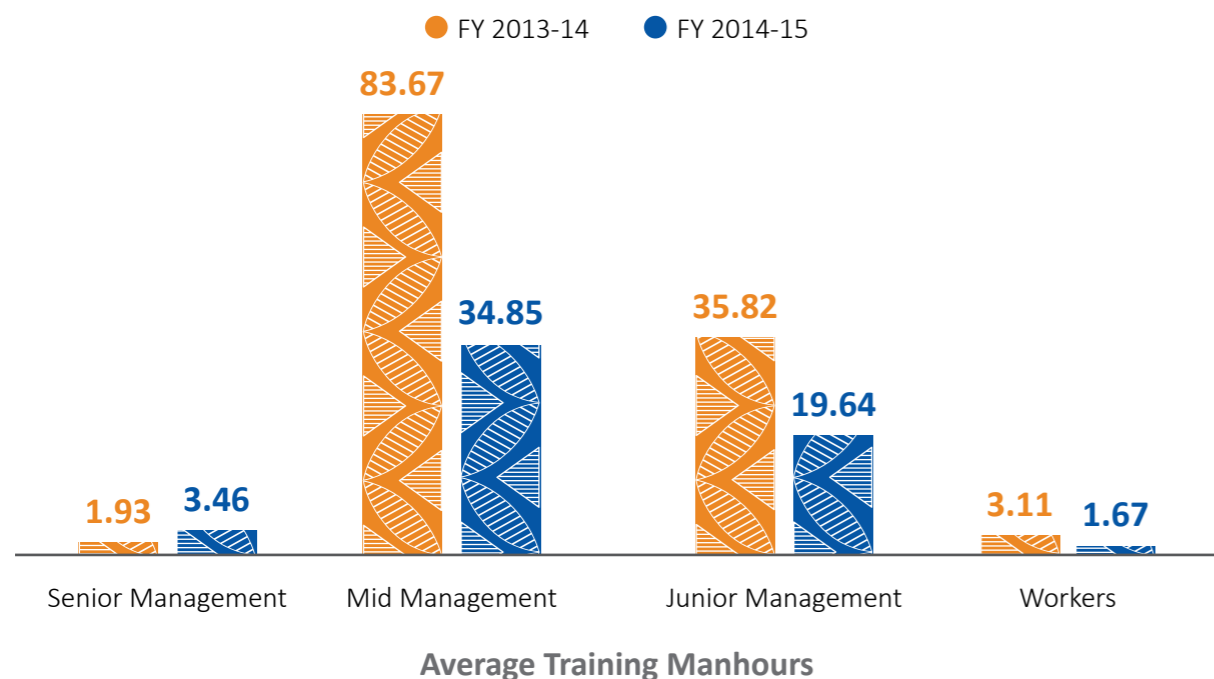
In FY 2014-15, we launched the HR Capability Building (HRCB) initiative to strengthen individual competencies. The workshop included functional areas identified through the proprietary competence framework. We introduced 'Lakshya' programme to ensure that our high potential employees are duly recognized and receive trainings that would further nurture and groom them. Dalmia Training Institute is a virtual set up where our employees can access technical trainings. In addition to technical trainings, focus is also given on imparting behavioral and leadership trainings to our employees. For our non-executive employees, we conduct bi-monthly sessions for two hours which covers various topics such as safety, management systems, certifications, total preventive maintenance, values & ethics etc.

During the reporting period, we also organized a workshop at the 'Pegasus Institute

for Excellence' for our executives that focused on lateral working, improving work dynamics, conflict resolution, helping achieve organizational goals and knowledge sharing.

During FY 2014-15, a three-day 'Breakthrough Achievement Programme' was also organised for senior members of the southern logistics team. The programme helped improve Group dynamics to eliminate barriers.

Our performance appraisal review system focuses on improving skills, motivating employees and ensuring that we have a pipeline of talent for the future. The system ensures that appropriate feedback is provided to satisfactorily performing and below average employees through regular performance and career development review. During FY 2013-14 and FY 2014-15, total of 478 and 1,266 employees from all units went through the career development review respectively.



आनंदम्

Anandam - The Art of Happiness

Happiness leads to hard work, which then leads to success and further into Happiness.

'Anandam' is a one-day session covering all employees in our cement and sugar businesses along with the corporate office. The purpose of these sessions is to experientially discover the art and science of being and staying happy. The workshop is organized for our employees with an objective to share principles and practices for holistic well-being and happiness in a way that is practical, and creates meaningful connections with our organization's purpose and values. The module covers different elements such as principles of conscious and harmonious living, emotional balance, meditation practices, sustaining joyful living and developing deep connect with each other. During FY 2014-15, a total of 913 employees participated in the programme.



सक्षम्

Saksham Programme

As parents, it has become extremely important for us to provide our children with the right kind of learning, teachers, and role models. We at Dalmia Bharat, understand the necessity of inculcating right kind of values in the minds of the young children, and provide working parents with the additional support system to help children teach values which could go a long way into making them model citizens of our country. Saksham is one of the most fun-filled and enriching experiences for children. They undergo a session spread over 2 days. We have conducted the programme in various locations and impacted a number of families.

प्रेरणा

Prerna - A journey towards Personal & Emotional Well-being

A special programme has been designed for women of Dalmia Bharat Group to help them break the mundane clutter of daily living and introspect how to live one's belief in its true measure. The workshop intends to cleanse participants' mind from the emotional baggage they are carrying through their lives, and replace it with clutter-free empowered mind. Each session spans two days comprising at least 15 members. The target audience for these sessions are employees' wives.

Safe Workplace

Employee well-being and health is one of the most important components for happy work environment and safer operations. We have established systems for medical fitness of our employees and contractors to perform their jobs. Our Occupational Health Centres (OHC) are equipped with health services and offer periodic health check-ups which includes tests like X-Ray, Audiometry, ECG, Lung Function, etc. These health related check-ups are supervised by our doctors and other external specialists on regular basis. We have also identified high risk areas of operation to ensure that such workforce undergo necessary check-ups more frequently.

As part of our incident management system, we ensure that all incidents are reported, aberrations investigated, statistics maintained, compared and improvement projects are taken up on an ongoing basis. We prioritised the need for continuous learning, innovation and creativity by drawing out an annual plan in the area of safety and environmental training for all employee categories covering all relevant subjects.

We have formed a safety committee headed by senior management personnel. The safety

plans and the action points are reviewed every month in the meetings involving the unit head, who is the Apex Committee Chairman. We have also conducted SHE (Safety, Health and Environment) audits through DuPont across our southern plants to identify areas of improvement. In addition, the formal joint management-worker health and safety committee operates at each unit in which equal representation from everyone is ensured.

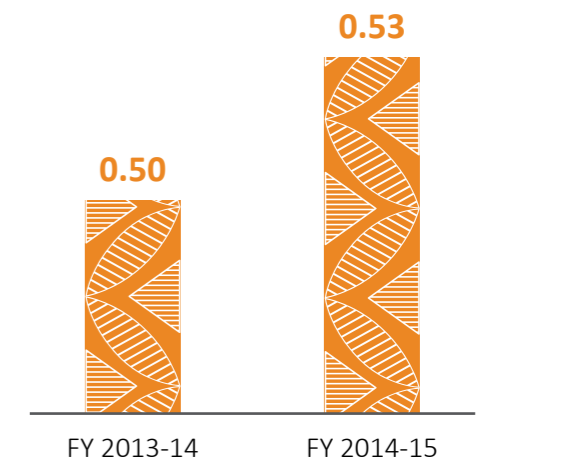
We have adopted several best practices such as line manager responsibility for safety, driver and contractor safety initiatives along with implementation of DuPont Model in southern plants. In coming years, we plan to replicate these practices in our other units as well. As a reflection of our safety management systems, our units have been recognized with safety awards on various occasions. We have taken up a new initiative to make our plants and colony tobacco free area. However, despite our efforts, unfortunately in FY 2014-15, one fatality occurred at the Bokaro Unit. Following this accident, an enquiry team was set-up to find the root cause and implement the actions to avoid such incidents in future.

Road Safety

At DCBL, we take into consideration the wellness of our stakeholders and focus on holistic social development. To this end, we have taken initiatives towards conducting awareness camps for truck drivers on best practices on oil usage, and general safety practices in vernacular languages. We provide our them with behavioral change programme through "Defensive Driving" trainings to follow best practices on road safety and minimize risk-taking behaviour among them for optimal transport operations. In addition, we also plan to conduct health campaigns for truck drivers such as HIV awareness and testing camps and occupational health and safety training programmes.

At Dalmia Bharat Group, we are committed to creating a safe and conducive work environment and continuously work towards implementing safe workplace practices. We believe that all accidents are preventable; we work towards enhancing a culture of safety excellence by establishing safety systems, supporting infrastructure, extensive employee communication and encouraging compliance with systems and good practices.

We also assess our drivers based on the CSI Road Safety Checklist, a comprehensive checklist of 31 indicators, which not only covers screening of vehicles based on efficiency, but also assesses driver's understanding on defensive driving, knowledge of road safety and speed limits.

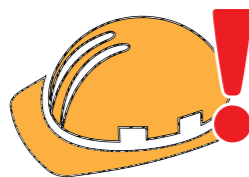


Lost Time Injury Frequency Rate (LTIFR)

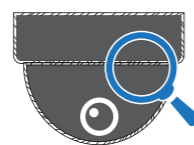
Elements of Safety



Safety observation and audit



Contractor safety management



Incident investigation



Standards and procedures



SAFETY FIRST

Safety Best Practices Adopted at our Plants

- | | |
|--|---|
| <ul style="list-style-type: none"> ✔ Behaviour Based Safety ✔ Work Permit System ✔ Worker Access Cards ✔ Gate Entry Systems ✔ Traffic Codes ✔ Contractor Safety Performance ✔ Safety Field Audits ✔ Live safety demo in monthly gate meeting ✔ Monthly SHE Newsletter ✔ Monthly Safety Campaign ✔ House Keeping Audits ✔ Drivers Safety Training ✔ Fire Mock Drills | <ul style="list-style-type: none"> ✔ Reflective jacket for loaders & cleaning workers at packing plant area ✔ Implementation of Lock-out Tag-out (LOTO) system ✔ Tracking of SHE score cards at units ✔ Handbook on safety standards ✔ Implementation of fall arrester ✔ Inter carting Vehicle Condition Checking & Monitoring ✔ Safety Quiz at monthly gate meetings ✔ Safety trainings for employees and visitors |
|--|---|

Safety Awards and Recognition

1st prize in Mines Zonal Safety Competition, Kadapa, 2014

*

CII EHS award – 4 star rating, Dalmiapuram and Ariyalur

*

Greentech Silver Award, 'Safety Category', Ariyalur

*

2nd prize in Best Safety Practices by CII & Directorate of Factories, Dalmiapuram

- The 'World No Tobacco Day' was observed at the Ariyalur Plant and its surrounding villages by conducting several workshops highlighting the potential adverse effects of tobacco consumption. The activities regarding the 'World Tobacco Day' engaged with approximately 2,500 people in Ariyalur with active involvement from the officials of the Tamil Nadu Public Health Department.

- We conduct mock drill exercises to ensure our employees are ever-ready in case of an actual situation, where a fire accident was simulated and employees were required to gather at the assembly point in a prescribed timeframe, in order to uplift safety consciousness amongst the employees.



शुनं वाहाः शुनं नरः शुनं
कृशातु लाङ्गलम् ।
शुनं वरत्रा बध्यन्तां
शुनमशद्रामुदिङ्गय ॥



*May the Oxen drawing the Plough
bring Welfare and Prosperity to all,
May the Farmer driving the Oxen
bring Welfare and Prosperity to all,
May the Plough making Furrows
bring Welfare and Prosperity to all,
May the Strap binding the Plough
bring Welfare and Prosperity to
all, and May the Goad swinging
towards the Oxen bring Welfare
and Prosperity to all.*

Rigveda

COLLABORATING WITH SOCIETY



Our Approach

We believe that our growth and that of society are mutually dependent. Therefore, Corporate Social Responsibility (CSR) must be about creating shared value for both.

Our CSR activities are carried out through our not-for-profit trust known as Dalmia Bharat Group Foundation (DBGF) with an objective to facilitate stakeholders in their social, economic and environmental progress on areas such as soil and water conservation, energy conservation and climate change mitigation, livelihood skill training and social development. Our CSR efforts in cement business are spread in various pockets of India such as Tamil Nadu, Andhra Pradesh, Karnataka, Meghalaya, Assam, West Bengal, Odisha and Jharkhand. The activities highlighted in this section of the report include programmes carried out at all 11 locations of cement business.

Our programme focuses on issues that are material, both to the communities and to us. One such issue that is relevant for several of our target communities is water. We are therefore working towards developing a

meaningful and long lasting relationship with neighbouring communities, which can help address water harvesting and utilisation concerns in the most optimal manner. Another critical issue relevant to our programme regions is the urgent requirement for energy conservation. Our intervention in this context strives to offset the carbon footprints of our programme area village communities, as well as to create lasting awareness. The third vertical of our programme, which has grown extensively in the past year, concentrates on skill development and poverty alleviation through income generating activities. Our initiative for social development aims to improve the quality of life of the people through initiatives in health, sanitation, education and infrastructure. We work to improve the quality of education through remedial coaching centres, teaching learning materials, sponsorships and infrastructure support in schools. Another aspect is

>2,00,000

People Benefitted:
Cement Business

8,500 Ha.

Integrated Watershed
Development Projects

58,000

Beneficiaries:
Energy Conservation
and Climate
Change Mitigation
Programme

>8,500

Beneficiaries:
Livelihood
Skill Training
Programme

to improve health and sanitation in the community. We organize multi-specialty health camps with focus on mother, children and elderly. We have also contributed to Swachh

Bharat Abhiyan by building school sanitation blocks and promoting low cost toilets. We also work to develop the infrastructure in the villages around us.

CSR Committee

We have constituted the CSR Committee which has approved our CSR Policy. The soft-copy of CSR policy is available on the company website. The prime objective of Dalmia Bharat's CSR policy is to hasten social, economic and environmental progress of community at large. We have re-aligned our

CSR policy to focus on issues material to us and stakeholders with the objective to make significant and sustainable difference in the lives of beneficiaries. For more details on our focus areas and CSR activities please refer to DBGF annual report available on our website.

Soil and Water Conservation

We have adopted multiple means to harvest rainwater, conserve water and also to save the top fertile layer of soil.

Soil and water are the most crucial commodities in our primarily agrarian programme regions. Many of our programme regions fall in the locations where water table is low, sometimes even 500 feet below the ground level. Besides challenges concerning water, the arable soils present in many of our programme locations have been eroded, overused and chemically altered resulting in depletion of the nutrient content. Furthermore, several families with a meager income own these plots of farm lands. This creates a vicious cycle, whereby farmers invest

less in the processes that can help improve produce such as fertilizers and irrigation systems and are left with a low crop yield, even during months with normal rainfall.

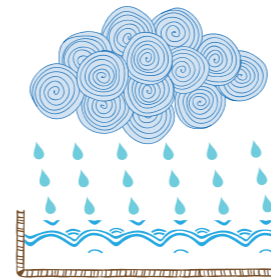
At DBGF, we realize that protection of environment plays crucial role in the sustainable development of our programme area communities and the nation at large. Our approach entails extensive community participation and we gainfully utilize local wisdom for finding suitable solutions.



Our Action Points



Joined hands with the **National Bank for Agriculture and Rural Development (NABARD)** to implement a **large scale watershed management project** in Tamil Nadu and Andhra Pradesh.



Engaged with locals to **de-silt or dig new ponds**, encouraged farmers to have **small farm ponds** and adopting other means of **harvesting water**.



Construction, repairing and restoration of check dams in our programme areas which can help make a significant difference to communities at large.



Educating people at the grassroots level, by spreading awareness and introducing them to **micro-irrigation facilities**.



Providing **clean drinking water** to our neighbouring communities by installation of **Reverse Osmosis (RO) plants** in our programme regions.

Integrated Watershed Development Project

We are working in partnership with stakeholder to take up watershed development and management projects in Tamil Nadu and Andhra Pradesh. Our watershed project team has conducted a series of meetings and discussions with the local community.

In Tamil Nadu, as a joint venture with NABARD, a watershed project has been undertaken in 13 programme villages, divided under four micro-watersheds. These micro-watersheds cover an area of 4000 hectares, evenly divided among the Kovandakurichi Watershed and the Melarasur Watershed. The Capacity Building Phase (CBP) of the Kovandakurichi and Melarasur watersheds have been completed and our watershed team is preparing a detailed project report of the activities completed during this phase, in preparation for the Full Implementation Phase.

In Andhra Pradesh, DBGF in partnership with NABARD, is commencing a five-year project with the aim of developing 4,500 hectares of land on 'Participatory Integrated Watershed Development' basis. This project directly impacts all of the farming community across nine villages of Mylavaram Mandal, in district Kadapa. During this project, the focus will be on multiple activities related to technical watershed development and management as well as community motivation, training, mobilization and participation towards sustainable development of the region. Our watershed team has been working with the villagers to prepare a development plan for 280 acres of micro-watershed.

Drip Irrigation Practices Around Southern Plants

Drip irrigation is a technique that enables regulated and optimal use of water and fertilizer in agriculture, by allowing water and nutrients to drip directly and gradually to the roots of the plants through a network of pipes and valves.

69 acres of land were converted to drip irrigation as we helped facilitate the process of availing subsidies from the Andhra Pradesh Micro Irrigation department at C Kottapalli, Talamanchipatnam and Chinnakomerla villages. Similarly, in Dalmiapuram, 10 acres of land were converted to drip irrigation, impacting 20 beneficiaries as we helped facilitate the process of availing subsidies from the National Horticulture Mission for the local farmers. This has enabled in substantial increase in yearly income of farmer.

The DBGF team in Ariyalur has been working with the State Government Horticulture Department for laying cables for drip irrigation. Our team and the Government have come together making drip irrigation accessible for even the poorest, most economically marginalised farmers. We meet additional expenses not covered under the subsidy. The team at Ariyalur has converted about 20 acres of flood irrigated land into drip irrigated land. Overall, though our efforts, 1,000 people have benefitted from this activity.

Programme Highlights in FY 2014-15 (Cement Business)

Soil and Water Conservation	Number	Beneficiaries	Water Harvesting Capacity (in m ³)
Check Dam/Pond Deepening	4	7,300	32,700
Drip Irrigation (in acres)	100	1,000	28,100
Farm Pond	100	570	80,774
Village Pond	6	12,857	9,410
Irrigation Channel (in Kms)	3	0	16,000
Ring wells	6	1,900	16,900
Reservoir	1	300	11,300



Energy Conservation & Climate Change Mitigation

We formulated a multi-pronged approach, strategizing to create large-scale impact on energy conservation, keeping in mind that the Indian rural population can be a powerful instrument of change and development of the entire nation.

People living in the local communities and nearby areas rely upon both renewable and conventional forms of energy which include wood, agro wastes, cow dung, petrol, kerosene and diesel for domestic consumption like cooking, lighting, heating etc. These resources cause severe health hazards associated with exposure to the fumes that emanate from the traditional cook stoves. In addition, some regions of north India face electricity cuts due to which children are unable to study, women find it difficult to conduct household

chores and farmers are unable to carry out agricultural processes.

We believe in the mission to reduce the emanation of greenhouse gases and endeavour to assist the country in developing into a low-carbon society. We have partnered with other like-minded institutions such as New and Renewable Energy Development Corporation of Andhra Pradesh (NREDCAP) to strengthen this cause.

Our Action Points

- Encouraged the use of fuel efficient cook stoves (*chullah*) in the programme area.
- Make family sized bio gas plants regionally available which help convert resources and wastes into fuel that is renewable.
- Encouraged the use of solar home lighting equipment and installation of solar powered street lights.

Fuel Efficient Cook Stoves (*Chullah*) and Solar Lantern, Ariyalur

We provided 247 fuel-efficient cook stoves among nine target villages, covering 247 families. It was encouraging to see beneficiaries continuously using stoves in their commercial establishments such as tea shops and road side kitchens. We also promoted 300 solar lanterns harnessing 600 W of solar power in 8 target villages. Similarly, we provided fuel efficient cook stoves in various areas of Dalmiapuram, Kadapa, Belgaum, Umrangso, Lanka and Lumshnong impacting more than 4,000 beneficiaries.

Biogas Plants: Avoidance of CO₂ Emissions

A family size biogas plant with a capacity of 2m³ can meet the daily cooking and heating energy requirements of a typical rural family of 4-6 members. As part of energy conservation and climate change mitigation initiative, at Dalmiapuram and Ariyalur, we enabled setting up the plants for seven households at each region. Similarly, in Kadapa, 20 family size biogas plants of a capacity of 2m³ have been set up for 20 households in five villages. Seven of these plants are in Koanantapuram and six in Nawabpet. As a result of setting-up biogas plants, CO₂ emissions have also been avoided during this year.



Programme Highlights in FY 2014-15 (Cement Business)

Energy Conservation and Climate Change Mitigation	Number	Beneficiaries	CO ₂ Emission reduction (in Tonnes)
Fuel Efficient <i>Chullah</i>	994	4,970	3,265
Bio Gas Plants	34	170	170
Solar Home light system	25	125	10
Solar Lantern	1,375	6,875	275
Solar Streetlight	38	10,000	7.06
Solar Study Lamps	1,062	5,310	212.4
Total CO₂ Emission reduction			3,939.46

Sustainable Cotton Cultivation

During our interactions with cotton growers, it was observed that cotton production technology relies heavily on the use of fertilizers and on chemicals to control insect pests, diseases, weeds etc. However, use of chemicals on such a scale causes a lot of hazards to farmers' health, soil health and causes environmental pollution due to burning of cotton stalk. On the other hand, there are ongoing global initiatives aimed at improving the cultivation process of cotton through integrated pest management process, optimised usage of natural resources and better market linkages.

As a pilot initiative, DBGF initiated its sustainable cotton cultivation project with a charter to work with 1,200 small and marginal farmers to improve their cultivation process in harmony with the environment friendly farming practices. To ensure international licensing for sustainable market linkages. The Foundation partnered with Cotton Connect for leveraging marketing and technical support. DBGF organised the farmers into 37 learner groups consisting of 30 – 35 farmers in each group and has organised the entire learner groups in to one producer unit for ensuring collective market linkages. Activities under the project aimed at working with the learner groups in creating awareness and sharing knowledge on latest technologies through setting up demonstration plots, street plays and meetings with a focus on:

- Minimizing harmful impact of crop protection practices.
- Optimised water usage.
- Caring for soil health.
- Conserving natural habitats.
- Preserving the fibre quality.
- Promoting decent work standards and no child labour etcetera as per Global Better Cotton Initiative (BCI) standards.



Around 173 learner group meetings were conducted in respective villages to reinforce the 6 key pillars of the project and individual farmer field book was handed over to farmers for effective monitoring of the project outcomes. Due to such initiative, farmers were able to sustain the loss this year because their input cost was reduced by ₹5,150 per acre, otherwise their earning would have been less than ₹7,000 per acre.

Further to this, National Bank for Agriculture and Rural Development (NABARD) our watershed project partner, has provided a financial assistance of ₹3.50 lakh for this project in addition to the grant in aid contributed by Cotton Connect. Going forward, efforts are underway to support all the farmers on safe disposal of their cotton stalks instead of burning it on their field, which is hazardous to soil micro-organisms and to ensure this dialogue has been initiated with the growers to supply the left over cotton stalk to our plants to be used as an alternative fuel. Seeing the positive results of this intervention, The Foundation is planning to expand this project, both in terms of numbers of farmers covered and our geographical locations, next year.

Livelihood Skill Training

Billions of people in the world live at varying levels and conditions of poverty. According to the World Bank, India tops the list of five countries with the largest number of poor people in the world. As a nation, we face the dichotomous challenge of the lack of available skilled manpower and not being able to tap into the potential of our young population. There are massive numbers of people in the country who do not have food security, economic security, access to water, sanitation, electricity, education and health services. Economic growth and increased income, human development, effective delivery of public services, extending basic infrastructure networks and promoting gender equality and

women's empowerment are identified as key performance drivers for achieving reduction in poverty.

Our Livelihood Skill Training initiatives reached out to more than 8,000 direct beneficiaries and their families. We are drawing the connections across multiple layers of context. To us, the area of Livelihood Skill Training is beyond income generation and skilling. We assess the needs of a programme area in terms of existing and potential livelihood possibilities, social norms, market possibilities, gender equality and the overall resources available for use through collaborations and partnerships.

We strive to equip the populations of our focus areas with upgraded skills with the aim to enhance their income. Our focus on skill building towards the goal of enhancement of livelihood opportunities has led us to design vocational training and skill building programmes that span across our focus regions.



We have also deliberately concentrated on the creation of as many women's Self Help Groups (SHGs) as possible across districts. This has multiple benefits, of mobilization, organization, empowerment, savings and connections to financial institutions and loan products. Over 140 SHGs were promoted with a total membership of more than 1,800 individuals.

We facilitated the loan process for number of families in our focus areas for the purchase of milch animals under a NABARD Scheme. 237

Milch Cattle loans were disbursed to livestock farmers for the purchase of milch cattle. Multiple veterinary camps were also held in villages.

Our skill building initiatives are aimed at the emancipation of women. These include the setting up of training and production centres where women are trained to weave articles out of dried palm-leaves, a locally sourced and easily available raw material.



We also help in facilitating micro finance, helping beneficiaries obtain livestock insurance, training locals in the best practices of animal husbandry and facilitating the establishment of community managed fodder plants.

The Pragati Mahila Rural Development Co-operative Society

An apt choice of name, adopted by 20 women from Yadwad Panchayat in Belgaum, who took the lead, and with the facilitation of DBGF, started the first all-women's cooperative of Yadwad Panchayat, the Pragati Mahila Rural Development (PMRD) Cooperative Society. Enthused and motivated by this endeavour, another 191 women from different DBGF promoted SHG's came forward to create history. Women are the backbone of this co-operative and they have put in all of the tremendous effort that was needed, side-by-side with our co-ordinators, for completion of the registration formalities for the Bank.

The 890 strong membership of the co-operative society represents 61 SHGs from 10 neighbouring villages. These SHGs have been promoted and strengthened by us over the years, under the livelihood programmes aimed at empowering women. Through their SHGs, these women already have an additional source of income. With the realisation of the co-operative society, they aim to strengthen the SHGs, facilitate more credit facility to the members and help them increase their incomes.

Programme Highlights in FY 2014-15 (Cement Business)

Livelihood Skill Training	Number	Beneficiaries
Computer Training	3	294
Banana Leaf Product Training	1	51
Formation of new SHGs	147	1,840
Milch Animal Loan	237	1,185
Mushroom Cultivation Training	3	85
Home Based Chemical Unit	4	40
Paper Bag Making	1	6
Paramilitary Training	2	45
Security Guard Selection	2	51
Floriculture Training	1	10
Heavy Transport Vehicle Driving Training	1	28
Weaving Training	1	30

Social Development

1. Health

We strive to be an instrument of social change, for the betterment of all individuals, young and old, in and around our programme areas.

More than 200 medical camps were organized across locations including general, multi-specialty, immunization, maternal and child health and eye care camps. Our health initiatives reached out to almost 40,000 beneficiaries during the year. Bridging the gap between health service delivery and access to services, we conducted multiple medical camps.

Our team identified and monitored potential high risk mothers, registering pregnancy with the PHC, periodical check-ups and nutrition supplements. With the help of doctors from PHCs and local hospitals, we organized ante-natal care camps. We also organized regular nutritional awareness Programmes

across number of villages with both pregnant and lactating mothers participated in these programmes. Knowledge and information was disseminated on nutrition and low cost home recipes. Gynecological and pediatric camps, eye and cataract camps and surgeries formed the rest of the bulk of our efforts in health services outreach.

Free consultations and demonstration sessions on food and nutrition have helped improve the health profile of many women. Medicines were supplied through the government hospital as per requirements. IEC posters and pamphlets on health and hygiene were displayed and distributed.

Health & Medical Facilities, Kadapa

Based on needs assessment, we have been focusing particularly upon 4 villages, Nawabpet, Chinnakomerla, Dugganpalli and Thalamanchipatnam. In these villages 48 medical camps were conducted where over 17,000 people were able to register and use camp services.

With an aim to have every child covered under the immunization programme and to have pregnant women receive the care they require, we organised 32 Ante Natal and Post Natal care camps covering 235 pregnant women and 436 infants.

As part of our health awareness campaigns, we also conducted an event focusing on Swineflu at schools in two villages, Talamanchipatnam and S.Uppalapadu, covering 600 students.

Health & Medical Facilities, Lanka

We conducted 2 free medical camps covering about 400 persons in collaboration with Lanka PHC. Medicines and follow-up was provided to patients for 5 to 7 days. Resource persons included PHC doctors, pharmacist, ophthalmologist, dental surgeon and a doctor of homeopathy. The village headman, teachers, PRI representatives and other notable persons were present to support the camp. Ten hospital beds have been provided to Lanka PHC. This was based upon a request from the community and the hospital authorities.

Programme Highlights in FY 2014-15 (Cement Business)

Social Development - Health Camps	Number	Beneficiaries
Maternal & Child Health	68	1,199
Immunization	73	4,479
Eye Camps	2	350
General Health Camps	83	27,866

2. Sanitation

Sanitation and hygiene comprise a huge quantum of our work and investments. We perceive sanitation as a foundational issue impacting everything. In this year under review, we constructed 38 school sanitation blocks and the repaired some others that were unusable and in disrepair.

Social Development: Swachh Vidyalaya Abhiyan

The Government of India's Swachh Bharat Abhiyan (Clean India Mission) launched on 2nd October 2014, has taken up the issue of sanitation intensively, across the country. Within the mission, the government has launched the Swachh Bharat Swachh Vidyalaya Abhiyan, a national campaign focusing on schools - Clean India: Clean Schools. The purpose is to ensure that every school in India not only has a set of functioning and well maintained sanitation facilities, but that these facilities are used. Overall, 38 school sanitation blocks were constructed which benefited 4,820 students.

We have put great focus on sanitation projects, particularly in schools. All schools for intervention were chosen after discussions and analysis of feedback and responses of school staff, villagers, village panchayats and school children regarding the issue of unusable or non-existent school

toilets. We have installed DRDO approved Bio-digester tanks for safe disposal of human fecal matter, going a few steps beyond compliance towards a desirable, not just a minimal facility.

Bio-digester technology has been developed for the management of solid waste, through eco-friendly biodegradation processes. We have been working extensively with Information Education and Communication (IEC) tools. In the course of our programme, we initiated a village sanitation campaign 'Clean India Programme' across all our programme locations, in partnership with the local village panchayats and school children.



Swachh Vidyalaya Abhiyan, Kadapa

We constructed one School Sanitation Block for Girls in a Government School in Chinnakomerla. We initiated the Clean Village Campaign in Kadapa, in alignment with the Swachh Bharat Abhiyan. Three camps have been organized at Peddakomerla, Chinnakomerla and Talamanchipatam villages. Over 450 school children and other members of the community participated in these events. They undertook the cleaning of schools and of village streets and helped spread awareness on sanitation related health issues.

School Sanitation, Dalmiapuram

At Dalmiapuram, 6 new school sanitation blocks have been constructed at 6 villages benefitting more than 1,000 school children. The St. Joseph Girls Higher Secondary School, Vadugarpet is a government aided school with 169 adolescent girls on its rolls. The school was unable to meet the standards set by Ministry of Human Resource Development on sanitation facilities. Our team assessed the situation and came forward with a proposal of constructing a sanitation block with separate facilities demarcated to ensure privacy for girls. On completion, the key to the sanitation block was officially handed over to the head mistress of the school.

Similarly, World Toilet Day was observed at Varakuppai village in which major events included cleaning of an unused public toilet in the village, awareness creation and putting banners on sanitation and hygiene at prominent places.

3. Education

School upgradation and infrastructure development has been undertaken in more than 25 schools; this includes the introduction of exciting concepts such as BaLA – Building as Learning Aid.

Efforts are being made to incorporate value based education into the system. We have reached out to over number of students across villages and engaged them in dialogue on themes such as good values, the teacher-student relationship, leadership, women's issues, societal changes and relationships between teachers and parents.

A number of school events, both sporting and academic were organized through the year across different locations. Our Quality Education Initiative for children with learning disability was also implemented in the south. We provided 25

Teaching Learning Materials (TLMs) to schools and Anganwadis. Our Functional Literacy Programmes for adults was launched from Kovandakurichy village near Dalmiapuram. This is going to be a regular growing Programme covering all our locations.

We also constructed shed for the Panchayat Union Middle School. The shed is being used for multiple purposes such as meal time space, audience hall, rest and recreation and sometimes for conducting classes outside of the routine class rooms.



4. Infrastructure Development

We strive to improve the lives of the people we work with wherever possible, by identifying areas that need an intervention.

At the request of local community, we have been involved in various constructions to improve or add to infrastructure that includes roads and bridges, water tanks, overhead storage reservoirs, bore wells, community hall, ring well sheds, a diesel generator set for a remote village in the north-east and hospital beds for a Primary Health Centre (PHC).

A community hall of 2,000 square feet was constructed in Langcherui village, Assam. There is no other facility which can serve as a venue for organizing meetings and gatherings on cultural occasions and during the festival season. This community centre will become a common hub and multipurpose hall in times to come, where people from the neighbouring 5 villages can assemble and participate in any happy occasion. Being the host village, Langcherui will be entrusted with the responsibility of maintaining this asset.

A water pipeline was embedded in the village of Lumshnong, Meghalaya, to ensure a smooth

and continuous supply of water. A population of 3,000 locals has benefitted from this endeavour, and the pipeline has proven to be helpful during the winter months.

Moreover, we also contributed on an ongoing basis to the development of infrastructure in the villages of Dorbar Shnong, Nongshning, Mynkre, Wahijer, Umlong, Dorbar and Norpoh, having a combined population of over 10,000 people. For example, damaged water pipelines are repaired as needed, the supply of electricity is regulated and community related programmes are conducted.

5. Other Development Initiatives

Across all programme locations, our teams enthusiastically celebrate events marking national and international commemoration days. These celebrations serve many useful purposes. They improve and strengthen our relationship with people. They provide an opportunity to serve and support communities. They help spread awareness of key social development issues. Depending on the location specific needs assessed or expressed wishes of community members, some other development activities are also carried out by us.

Key Highlights

- Water filters distributed to village households for safe drinking water
- Cattle care veterinary camps, mostly in the south
- LPG safety and awareness camps
- Child rights and child abuse awareness events
- Support to Anganwadis – including introduction of management concepts such as 5s, to sort, set and sustain organized processes and materials
- Sports Events

Programme Highlights in FY 2014-15 (OCL India Limited)*

Focus Area	Description	Number of Beneficiaries
Health	Donation, Mother & Child Health Care Project, free treatment to villagers, health & medical camps, blood donation camp, promotion of low cost sanitation napkin	60,240
Education	Running remedial education centre for students, free school bus service, financial assistance to HOPE, development of sanitary systems in college, infrastructure support to schools, running & organizing events at Akal Vidyalaya, distribution of books, management of Chhatrawas, felicitation of retired teachers	6,017
Drinking Water	Development of water supply at Dukatoli village, repairing tube wells, drinking water provision at school, installation water coolers, provision of "Jal Chhatra" during summer	21,195
Community Development	Construction of community cultural stage, maintenance of theme park, construction of culvert, construction and cleaning of drains, electrification work, material support to SHGs, distribution of winter garments	39,751
Skill Development/ Livelihood Training	Vocation trainings, career counseling Programmes for unemployed youths and students, tailoring training centre for women, training of women on income generating projects, capacity building of women SHGs members, information help desk in Haats	8,557
Games & Sports	Organized inter-village Dalmia Hockey Tournament, hockey training for boys and girls, organized football tournament, providing sports materials to youth clubs, organized inter-school athletic meet	4,266
Plantation	Plantation of 6,000 trees	4,022
	Total	1,44,048

* Dalmia Cement (bharat) Ltd. acquired OCL India Ltd. in FY 15. Moving forward, the Programmes of DBGF will be the focus area in OCL India Ltd. as well.

Performance Data and GRI Index - Cement Business

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		Packaging Bags Consumption (in Nos)	95,282,392	209,928,998	-
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Energy	G4-EN3	Conventional Fuel Consumption in Kiln (TJ)	13,855	20,109	-
		Alternative Fuel Consumption in Kiln (TJ)	366	1,611	-
		Total Fuel Consumption including CPPs (TJ)	21,740	35,654	-
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	G4-PR4	Surveys measuring customer satisfaction	Customers		42
Product Compliance	G4-PR9	Fines for non-compliance with laws and regulations concerning products and services	Regulatory Compliance		39



GRI - United Nations Global Compact Principles (UNGC) mapping

UNGC-GRI Mapping		
UNGC Principle	Description	GRI Disclosure
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	G4-S01
Principle 2	Business should make sure they are not complicit in human rights abuses.	-
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	G4-11, G4-LA4z
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	G4-HR6
Principle 5	Businesses should uphold the effective abolition of child labour.	G4-HR5
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	G4-10, G4-LA1, G4-LA9, G4-LA11, G4-LA12, G4-LA13
Principle 7	Businesses should support a precautionary approach to environmental challenges.	G4-EN1, G4-EN3, G4-EN8, G4-EN15, G4-EN16, G4-EN21, G4-EN27
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	G4-EN1, G4-EN2, G4-EN3, G4-EN5, G4-EN8, G4-EN9, G4-EN11, G4-EN15, G4-EN16, G4-EN18, G4-EN21, G4-EN22, G4-EN23, G4-EN27, G4-EN29, G4-EN30
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	G4-EN27
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	G4-56, G4-S05

DCBL's key targets on Sustainability -2017

Water	Strive to become water positive in 2017 with specific reference to the water consumption in our cement plants
Climate Protection	Reduce the emission of net CO ₂ /ton of Cementitious by 3 % as compared to year 2015
Alternative Fuels	Extend the use of alternative fuels to all our cement kilns apart from the three plants at present.
Health and Safety	Implement health and safety best practices in our newly acquired and greenfield manufacturing locations

Dalmiapuram Plant receives Awards from National Council for Cement and Building Materials



Best Environment Excellence in plant operations FY 2014-15

2nd Best Environment Excellence in plant operations FY 2013-14

Best Research Paper (R&D activities)

DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED

Sustainability Approach & Performance



DALMIA BHARAT SUGAR AND INDUSTRIES LIMITED



Dalmia Bharat Sugar and Industries Limited (DBSIL) ranks amongst the top sugar producers in India. We are an integrated leading sugar manufacturer, engaged in manufacturing sugar and downstream products (ethanol, other distillery products and power). DBSIL is a promoter driven entity, listed on the Bombay Stock Exchange (BSE) and on the National Stock Exchange (NSE) for more than a decade.

We have been successful in creating a strong presence in B2B markets through our sugar milling and refining units. In addition, we also have an exposure to the fast-growing renewable energy sector through our ethanol and co-generation plants. Our existing five sugar plants have cane crushing capacity of 29,250 TCD and are spread across Uttar Pradesh and Maharashtra. We have total co-generation capacity of 102 MW, out of which 79 MW is in Uttar Pradesh and the rest is in Maharashtra. We also have a distillery at our Jawaharpur plant in Uttar Pradesh with licensed capacity of 120 KLD and operating capacity of 90 KLD.

Our Journey

Dalmia Bharat Group ventured into the sugar industry in 1994 when the group forayed into the sugar business with our first sugar unit at Ramgarh (District Sitapur), Uttar Pradesh with a capacity of 2,500 TCD. Our success was further

sweetened in the year, 2006-07, when first major expansion of the Company took place by way of setting up two greenfield projects at Jawaharpur and Nigohi, Uttar Pradesh and expanding the existing facilities at Ramgarh unit.

The second phase of expansion took place in FY 2012-13 in form of geographical diversification in Maharashtra. The Company acquired a 2,500 TCD sugar manufacturing unit at Kohlapur, Maharashtra, which was our first venture outside Uttar Pradesh. In less than three years since then, the crushing capacity has been raised and stabilized at 5,000 TCD and a co-generation plant of 23 MW has been added. To leverage the power of integrated sugar operations, setting up of a 60 KLD distillery is at an advanced stage with scheduled commissioning in the sugar season FY 2015-16. Second unit in Maharashtra was acquired in September, 2014. This newly acquired unit is located in Sangli and has a capacity of 1,750 TCD. Sangli unit is under commissioning and full capacity is expected to be realised in the marketing year FY 2015-16.

These state-of-the-art facilities serve as a role model for the industry and have achieved excellence in plant operational metrics and also have a technological leadership position in the industry.

90 KLD
Distillery Capacity

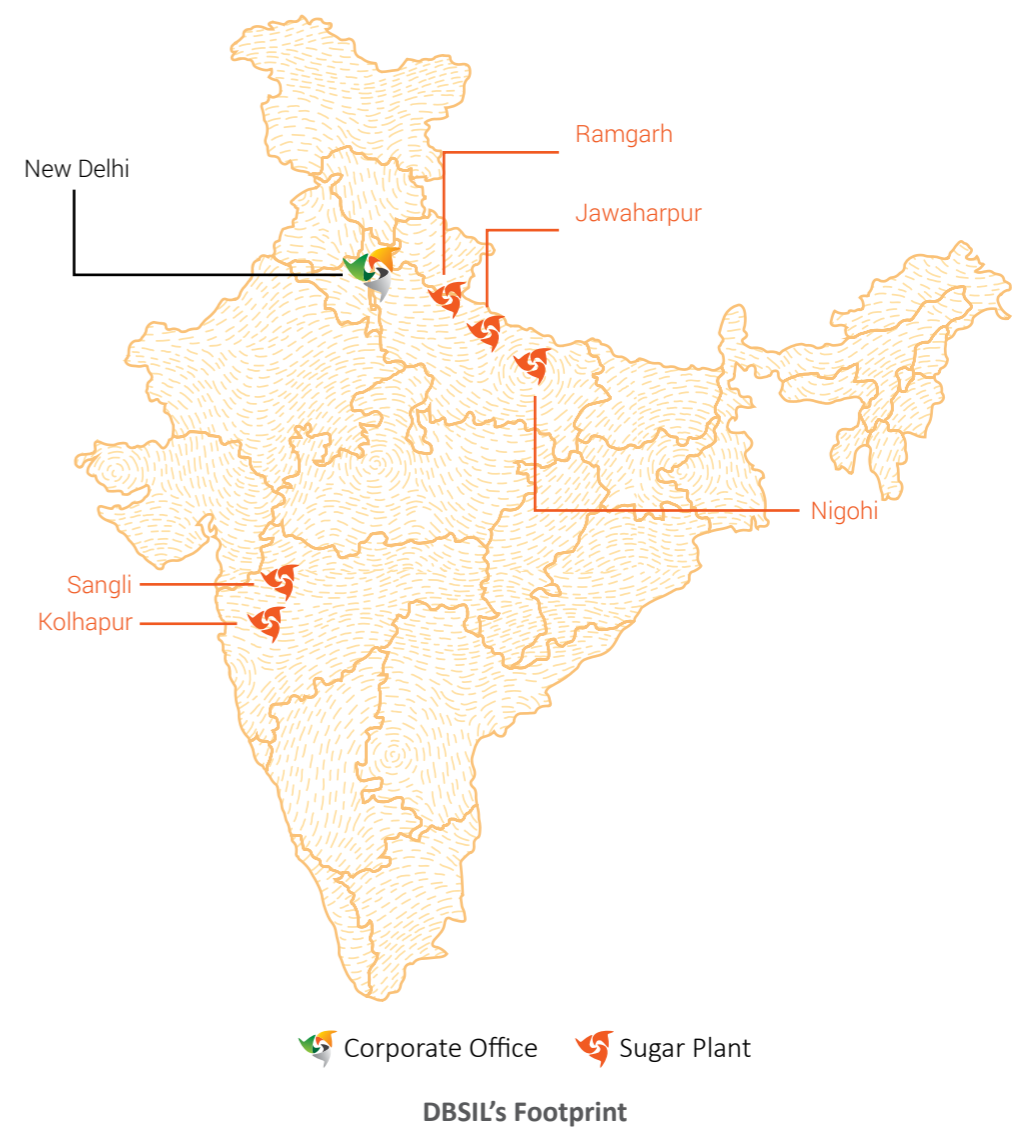
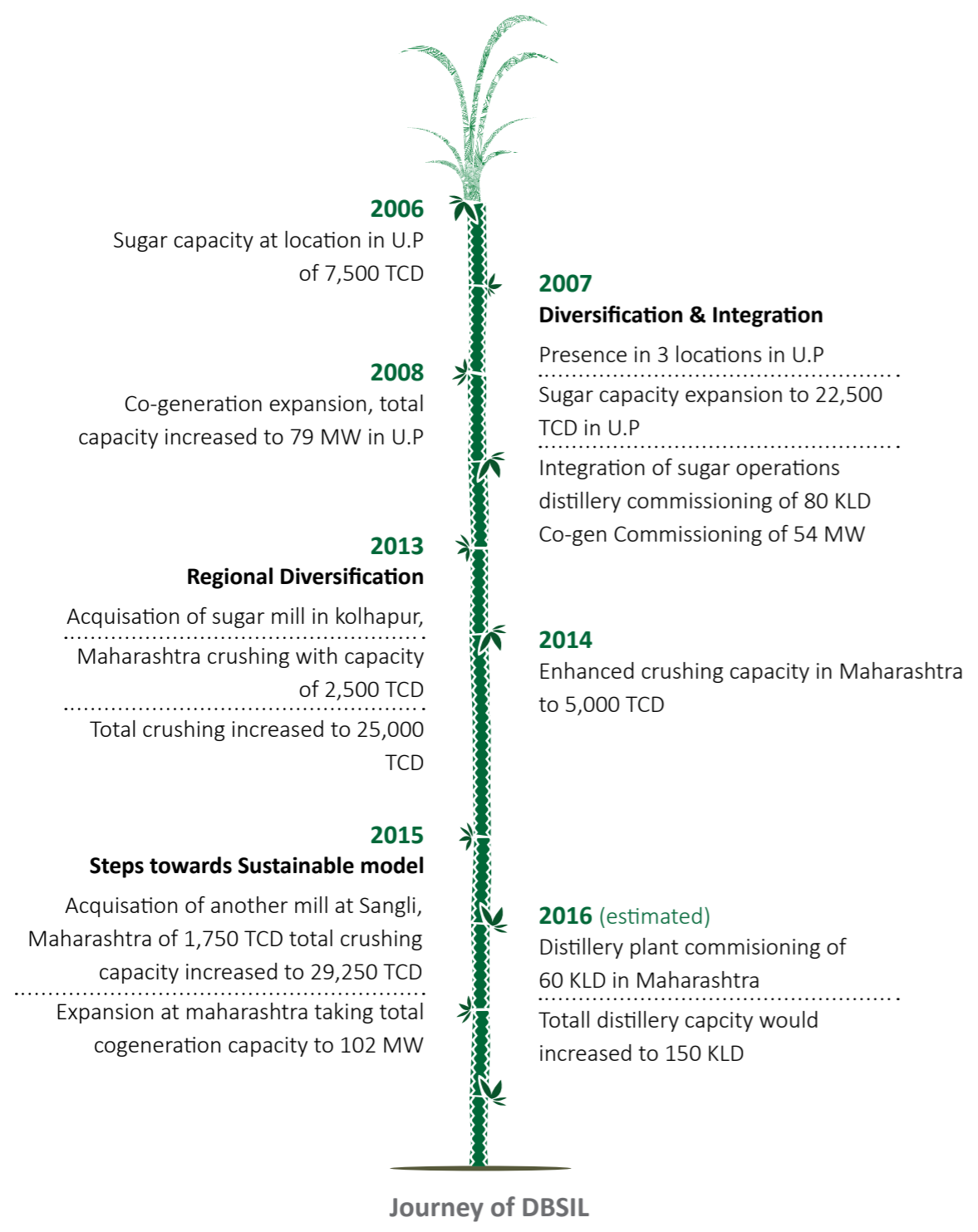
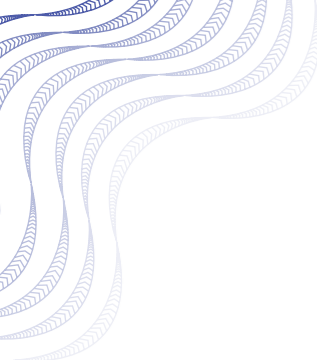
29,250 TCD
Cane Crushing Capacity

102 MW
Co-generation Capacity

1,190 Crores
Revenue FY 2014-15

5
Sugar Units

2,116
Permanent Employees



Maintaining High Quality

We have implemented robust quality systems and have also embarked upon quality initiatives such as 5S and total process management to create world-class systems and processes. Due to this emphasis on world class systems, we produce sugar of high quality which has found wide acceptance in markets in U.P, eastern India and institutional buyers. Today we serve global customers.

and believe that it is not just our duty but a business need to conserve and optimize our resource consumption. With this in mind, our team has taken a number of initiatives to drive sustainable growth, lasting competitive advantage and efficiencies in all aspects of operations. We have also taken on a proactive role at industry level and have been instrumental in driving many policy and regulatory changes in the sugar and renewable energy sector.

By virtue of our business, we are engaged in the processing of natural resources (cane)





Product mix

Today, we operate four integrated plants with a product portfolio which extends beyond sugar to include molasses, alcohol, and power. We have a sugar crushing capacity of 29,250 TCD, co-generation capacity of 102 MW and a distillery at Jawaharpur of 90 KLD. These

revenues. Currently non-sugar businesses contribute to over a fifth of the revenues.

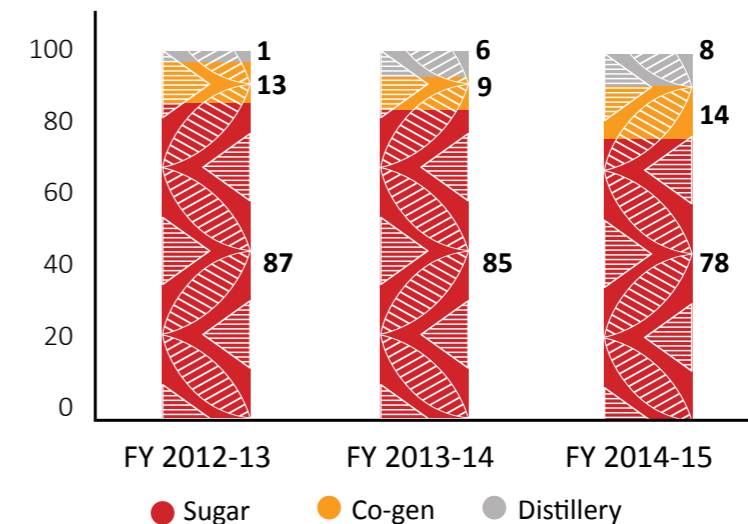
Our co-generation projects are also registered with UNFCCC (United Nations Framework Convention on Climate Control) under CDM (Clean Development Mechanism) and contributing to reduction of greenhouse gases.



new businesses have not only helped us gain additional profits but also remain sustainable by lowering the impact of sugar cyclicality. There has been a steady increase in share of co-generation and distillery business in total

Sugar Business

In terms of operational performance, our sugar production stood at 3.38 lakh tonnes during FY 2014-15, an increase of 16% as compared to 2.92 lakh tonnes in the previous year. This improvement was mainly due to higher cane crushing volumes and improved recoveries. We achieved cane crush of 30.9 lakh tonnes during the year as against 27.8 lakh tonnes in FY 2013-14, up by 11%. The increase in cane crush is on account of expanded sugar crushing capacity at Maharashtra with benefits of full year of its operations accruing in FY 2014-15. We recorded an overall average recovery of 10.9%, the highest ever in the history of our Company. This has been possible on account of higher crush in Maharashtra mill with higher recovery as well as improved recovery in Uttar Pradesh as compared to last year.



Percentage distribution of revenue across business segments



Snapshot of Sugar Business

Particulars	Units	2014-15	2013-14	2012-13	2011-12	2010-11
Cane Crushed	Lakh MT	30.9	27.8	27.9	23.6	20.5
Sugar Recovery	%	10.90%	10.50%	9.90%	9.10%	9.30%
Sugar Production	Lakh MT	3.38	2.92	2.77	2.15	2.07
Realisation	INR/MT	29,424	29,707	30,860	27,649	26,682
Sales Quantity	Lakh MT	2.87	3.19	2.44	2	1.94
Total Income	In INR crore	1,166.05	1,211.25	1,013.88	742.15	691.62

Our Primary Products

DBSIL produces M 31 grade of sugar which is highly popular in the northern India. Besides M 31, we also produce L 30 and L 31 grade of sugar which has its core market in Haryana and Punjab. We also produce S 31 grade sugar used

by institutional buyers manufacturing biscuit and bakery goods. We comply with various quality standards of Food Safety and Standards Authority of India (FSSAI) and the codes of conduct laid down by our institutional buyers.

Co-generation Business

We recorded growth in revenue and EBITDA by 48.04% & 51.09% respectively as compared to FY 2013-14. The increase is mainly on account of expanded co-generation capacity at

Kolhapur. Out of total power generated, about 70% is supplied to the distribution companies in U.P. and Maharashtra.

Snapshot of Co-generation Business

Particulars	Units	2014-15	2013-14	2012-13	2011-12	2010-11
Power generation	Lakh kWh	4,174	3,536	3,644	3,203	2,806
Power export	Lakh kWh	2,923	2,378	2,603	2,247	1,978
Power Export Realisation	INR / Unit	5	4	4	4	4
Revenue	In INR crore	151	102	109	96	86
EBIDTA	In INR crore	139	92	100	93	84

Distillery Business

We recorded growth in distillery sales volume and revenue by 18% & 28% respectively as

compared to FY 2013-14. Our Jawaharpur plant has a distillery capacity of 90 KLD,

producing different grades of alcohol like Ethanol, Rectified Spirit, and Extra Natural Alcohol. The market price of ethanol is INR 40.20/ litre (ex-mill price) compared to INR 36.38/ litre in FY 2014 and INR 33/ litre in FY 2012-13. Net revenue from distillery sales stood at INR 92 crore with a contribution of 8% to overall revenue as compared to INR 72 crores in the corresponding previous year.

It is expected that with further impetus by the Government in the ethanol blending with petrol, there will be improvement in realization of distillery products in future. With this in mind, we are setting up a 60 KLD distillery plant at Kolhapur which would take total distillery capacity to 150 KLD. The plant is expected to be commissioned by November, 2015.

Snapshot of Distillery Business

Particulars	Units	2014-15	2013-14	2012-13	2011-12
Production	KL	22,142	22,082	20,684	10,486
Distillery Sales	KL	23,621	20,066	23,508	6,744
Distillery Realisation	INR/KL	38,866	35,844	30,682	28,655
Revenue	In INR crore	92	72	7	19
EBITDA	In INR crore	29	29	28	10

Addressing Stakeholder Needs

We strive to support the advancement of all stakeholders who are involved with us at different stages of the value chain. Dalmia Bharat Group plays an important role as a creator of wealth by contributing to the economic development and wellbeing of its stakeholders and the communities in which it operates. For us, wealth creation goes beyond transforming raw material to usable products for customers and providing employment in the process. Today, we create wealth for our suppliers, contractors, distributors, service providers.

We have also accrued significant economic benefits to Governments through taxes and also through provisions of common use such as infrastructure, healthcare, etc.

Shareholders & Investors

We understand that all investors seek to gain maximum returns for minimal risks. We

undertake several initiatives based on the need and on a periodic basis to assess and mitigate risks. DBSIL, on a consolidated basis, has gross revenue of INR 1,190 crore in FY 2014-15, as compared to INR 1,235 crore in FY 2013-14. Operating EBITDA on consolidated basis stood at INR 112.87 crore for FY 2014-15 as compared to INR 107.80 crore in FY 2013-14. Depreciation and interest for the current year were at INR 50.58 crore and INR 78.01 crore respectively. We have recorded Profit After Tax (PAT) of INR 1.49 crore during FY 2014-15 as against the PAT of INR 3.05 crore in FY 2013-14.

Across our businesses we have witnessed a growth trajectory in the past few years. Our sugar production values have been increasing over the years helping us maintain our position as one of the leading sugar manufacturers in India. Our sugar production for FY 2014-15 was the highest at 3,38,000 metric tonnes. However, our sugar sales declined slightly by 1.71% in the same period. This is primarily

due to the fact that the sugar industry has been facing over production since the past few years. However, we expect that this trend would be managed through change in import / export policy from the Government which would not only lead to increased sales but also stabilize the domestic prices. Cane crushing at our locations has been increasing consistently and registered an increase of 10.7% in FY 2014-15. This is also due to increased capacities with the addition of new facility at Kolhapur. We expect it to increase in the coming years with the addition of Sangli unit.

With respect to our distillery sales realisation (as a factor of sales in rupee per litre), we registered a growth of over 8% in FY 2014-15. Co-generation realization (as a factor of sales in rupee per kWh) increased by about 21% in the same period. Even though this had remained almost steady over the last four years, with the addition of new facility at Kolhapur unit, we have successfully increased our capacities. We are committed to the wellbeing of the society, community and our partners such as suppliers and customers. We work in a manner that as we grow, our partners, society and environment also grows with us.

Suppliers

Our suppliers play the most important role in our growth without whom we cannot feed our manufacturing units. We take several initiatives with the farmers to “grow more with less”. We help our farmers in reducing the consumption

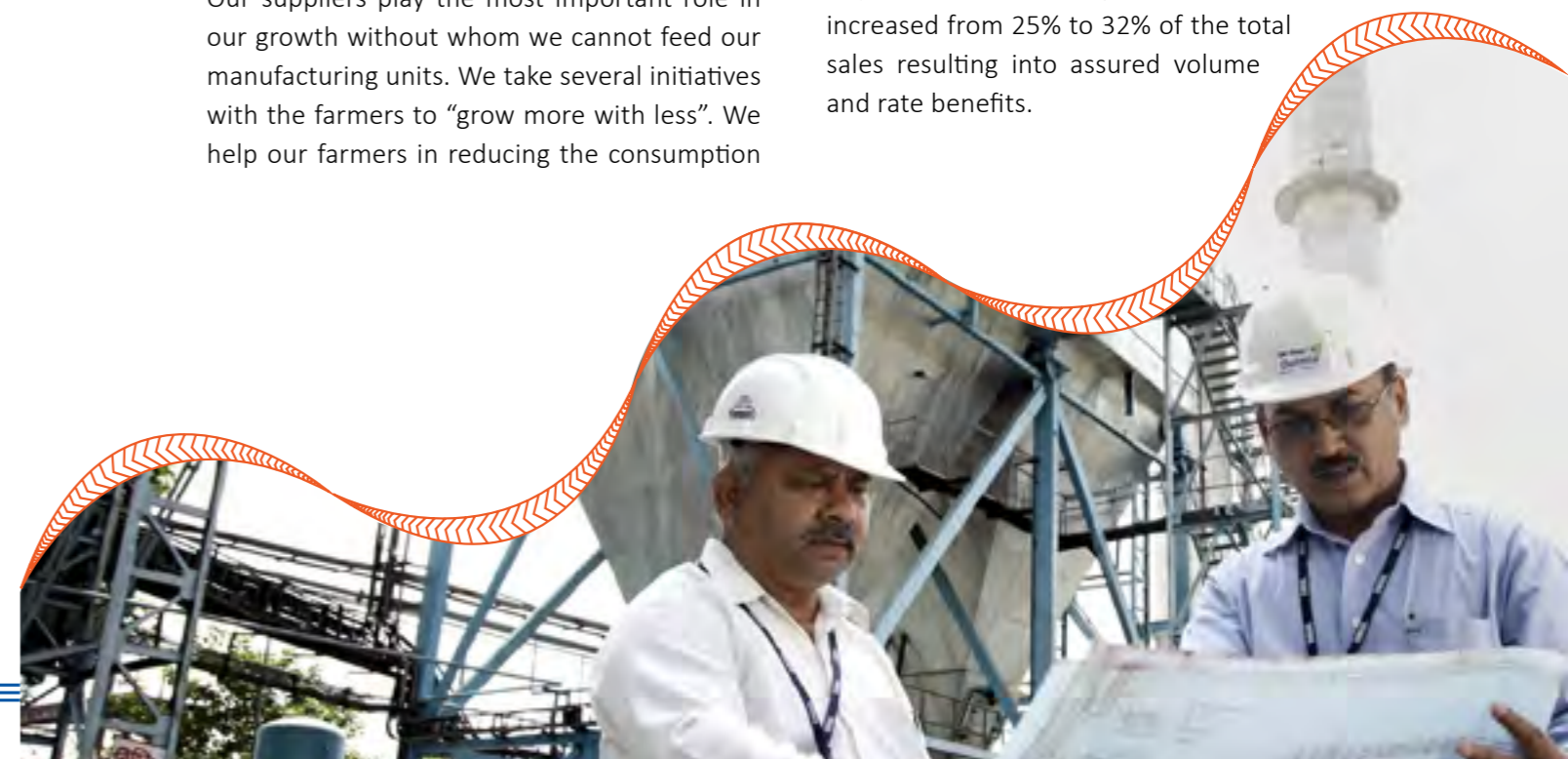
of water, conserving soil, using the optimal amount of pesticides and supplying high quality seeds. Over the years these efforts have paid dividends. During the year sugar recovery has improved to 11%, which is the highest ever.

Communities

The prime objective of our CSR interventions 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.

Customers

Over the years we have reached a number of key customers through our initiatives. We have a thrust on institutional buyers which is - a paradigm shift from the tradition of selling to wholesale market. We serve some of the top brands in the food and beverage industry and other companies who rely on alcohol for manufacturing their products (such as pharma and liquor companies). Apart from this we have a strong customer base of wholesale agents in state of U.P, Delhi, Haryana, Bihar and West Bengal for regular supply of sugar. In FY 2014-15, sugar sales to Institutional customers has increased by adding more buyers. Institutional sugar sales volume has increased from 25% to 32% of the total sales resulting into assured volume and rate benefits.



GOVERNANCE & STRATEGY



CEO's Message

Dear Stakeholders,

It is a matter of pride as I present to you our first sustainability report. This report is an attempt to become more transparent and open towards the different stakeholder groups we cater to and establish another channel of communication with them. I am also pleased to share that it is for the first time that a sugar company in India is coming out with a sustainability report.

At Dalmia Bharat Sugar, sustainability has not only been a mere buzzword but is something which we have integrated within our daily operations; be it sugarcane sourcing from farmers or efficient operations to minimize waste or optimize energy consumption or our community initiatives – we have been working on all such aspects. This report provides us a platform to present these initiatives to the public at large.

In the past few years, DBSIL has been successful in sailing through tough times through our resilience and robust growth. This is a result of creating business without compromising on sustainability principles. Our, relatively new, downstream businesses have not only added to our economic bottom line but also contribute towards improved environment and social performance. The waste from sugar industry which was earlier disposed of is now utilized in our distillery and co-generation businesses.



Today, we utilize all bagasse produced from the sugar plant to generate electricity whereas molasses is used in distillery to produce alcohol. We have further managed to close the loop by using press mud as organic manure to improve fertility of the soil. We have also been trying to inculcate environmental consciousness at the design phase. As a result our newly acquired unit at Kolhapur, Maharashtra has been designed to be more water efficient and we are on our way to make this unit a zero discharge facility.

On the social front, we value the contribution of people who have worked with us to create what DBSIL today is. We remain committed to providing best facilities

and improving working conditions for our employees. With this in mind, we have implemented occupational health and safety management system at three units. Cross-functional safety teams have also been formed at units which comprise of management and workers.

Inclusivity forms an important part of our commitment to sustainability. We work with the communities around and beyond our operations with the aim of improving the living standard of people. One of our most important stakeholders is the farmer community from where we source sugarcane. We work continuously with these farmers even before the cropping season starts, to upgrade them with latest knowledge, seeds, etc. We have also been working towards leveraging technology to make our transactions with farmers more transparent and effective.

Our partnership with the communities extends in the domains of energy conservation, climate

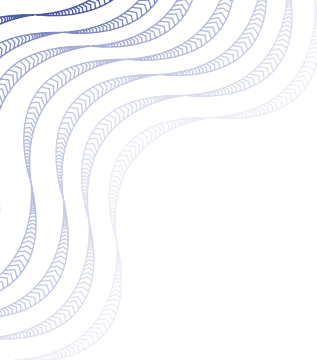
change, livelihood, skill development, health camps, sanitation, disability, social and cultural events. Our association with the communities have not been new but has extended over the past few decades. We conduct all CSR activities through Dalmia Group's CSR arm – Dalmia Bharat Group Foundation. During the reporting year, over 40 Self Help Groups have been formed and about 2,000 people have benefitted from the maternal and childcare services provided through the Foundation.

Moving forward, we expect our initiatives to play a vital role in improving the lives of the different stakeholders in our value chain, while remaining profitable. The Company intends to leverage the growth in sales in downstream businesses co-generation and distillery to improve its operating margin and profitability. The path forward will be driven by the continued growth in Sales Optimization, Operational Efficiency and our People Management.

B B Mehta

CEO and Director, DBSIL





Corporate Governance

Our 3G growth generating value attitude

Sustainability Principles

We believe that in order to realize a sustainable future, a robust and all inclusive governance structure needs to be in place. Our governance practices reflect the culture of the trusteeship, deeply ingrained in our value system and reflected in our strategic thought process.

Sustainability has different interpretations for different organizations based on their philosophy, business areas, leadership, and other factors. For us at Dalmia Bharat Sugar, sustainability is based on the 3G principle of Growth, Generating value, and Gratitude. This is reflected in the way we conduct our business.

enhancing the accountability, professionalism and transparency within the organization. Our corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making. Our governance is completely in line with the applicable rules and regulations (such as Clause 49 of SEBI's listing agreement).

We believe in the principles of corporate governance and have worked towards

Composition of the Board

Our Board is comprised of eight members — two Executive Directors and six Non-executive Directors, of which three are Independent and one is a Woman Director. Shri J.S. Bajjal, a Non-executive Independent Director, is appointed as the Chairman of the Board.

The Board is provided insights on all Company information such as annual operating and capital plans, budgets and any update thereof, quarterly results broken down at operating divisions and business segment levels, substantial transactions, etc. In addition, our Board is also apprised of non-financial information on environmental and social issues

such as energy efficiency, safety performance and labour practices so as to make an informed decision on upcoming risks and opportunities. In addition, the Board also reviews the compliance report of applicable laws to the Company and take necessary steps to address instances of non-compliances, if any.

Board Committees

Board Committee	Composition	Key functions
Audit Committee	Three members All independent members. Chairman is an Independent Director	<ul style="list-style-type: none"> Primarily dealing with appointment of auditors, monitoring their performance, examination of the auditors' report etc. Reviewing financial statements, performance, and related functions Review of transactions, internal controls, risk management systems
Nomination and Remuneration Committee	Three members All independent members. Chairman is an Independent Director	<ul style="list-style-type: none"> Identify persons who are qualified to become directors and persons who may be appointed in senior management based on the formulated criteria Evaluation of Directors' performance
Stakeholders' Relationship Committee	Total members: 4 Independent members: 2 Executive members: 1 Non-Executive members: 1 Chairman is an Independent Director	Address the concerns of the stakeholders
Finance Committee	Total members: 3 Executive members: 2 Independent members: 1	Financial performance of the company
Risk Management Committee	Total members: 3 Independent directors: 2 Non-executive: 1 Chairman is an independent director	Identify and address key risks that the Company may face
CSR Committee	Total members: 3 One independent, non-executive and executive directors each. Chairman is an independent director	Identify, monitor, review CSR activities and provide strategic direction

The above table maps only an indicative list of functions of the respective committee. For exhaustive list of functions of the committees, please refer to the Annual Report.

Code of Conduct

Our Board, senior management, shareholders, employees and other stakeholders have helped us take leaps in conducting our operations in an ethical manner.

To remain continuously vigilant and ensure ethical conduct of our operations, we have designed and implemented the Code of Conduct for all Board members and senior management. It is disseminated to all members and is publicly available for all stakeholders to view. The Code can be accessed on the website. All Board members and senior management personnel provide affirmation in compliance with the Code of Conduct on a periodic basis.

DBSIL Code of Conduct

- Resolution of conflict of interest
- Confidentiality
- Honest and Ethical Conduct
- Protection and proper use of Company's Assets
- Corporate Opportunities
- Compliance with laws, rules & regulations

Risk Management

We believe that to be successful we need to outpace the risks that may affect our business. The risk profile to a great extent depends on economic

We have incorporated a strong risk management system at the core of our operations. Our risk management policies are based on the philosophy of achieving substantial growth, while mitigating risks and managing them.

Risk management is given its due importance at the Board level. This is evident from the fact that a Risk Management Committee has been formed by the Board in order to assist

Whistle-blower Policy and Vigil Mechanism

We have put in place the Whistle-blower Policy which is applicable across all locations and operations DBSIL. The policy aims to protect whistle-blowers and encourage them to report all violations to the Chairman, Audit Committee. The policy safeguards the whistle-blower and ensures that employees can report all matters without any fear of revenge / retaliation / retribution or victimization. Whistle-blower policy is available to all stakeholders and can be accessed through the Company website (<http://www.dalmiasugar.com/upload/policies/DBSIL-Whistle-Blower-Policy-Vigil-Mechanism.pdf>).

and business conditions as well as the markets and customers we serve.

the Board to frame, implement and monitor the risk management plan of the Company. The Committee has engaged professionals to assist them in framing a comprehensive risk management policy document and it is expected to be in place by the end of the current financial year.

Our risk management framework is reviewed on a periodic basis to recognise and reduce the exposure to risks, wherever possible. We

identify risks associated with the business and take adequate measures to strike a balance between risks and rewards. The Company uses a combination of forward contract, hedging on exchanges and other such methodologies

to minimize the price fluctuation in sugar. Power prices are regulated on long term basis hence having negligible impact. Some of the risks associated with our businesses are enumerated below:

Industry Risk

An adverse industry scenario such as fluctuation in demand and price for finished products of sugar, ethanol and power can impact revenues and profitability.

Risk Mitigation: Company uses a combination of forward contract, hedging on exchanges and other such methodologies to minimize the price fluctuation in sugar. Power prices are regulated on long term basis hence having negligible impact.

Policy Risk

Unfavourable or adverse changes in government policies can affect the sugar industry in India or globally and can impact our performance.

Risk Mitigation: Progressive decontrol in the industry, based on findings of Rangarajan Committee, can translate into stronger cash flows for sugar mills. DBSIL produces quality products, has efficient marketing network and overall management bandwidth to capitalise on partial decontrol.

Raw Material Risk

Not being able to procure adequate raw material to sustain production or lower cane output can translate into lower sugar production and affect our profitability. There is also the risk of fluctuation in the price and availability of key raw materials of sugarcane, raw sugar and energy prices.

Risk Mitigation: We work hand-in-hand with a large number of farmers and cane-growers and provide them with adequate training to enhance yield and procure the entire sugarcane crop.

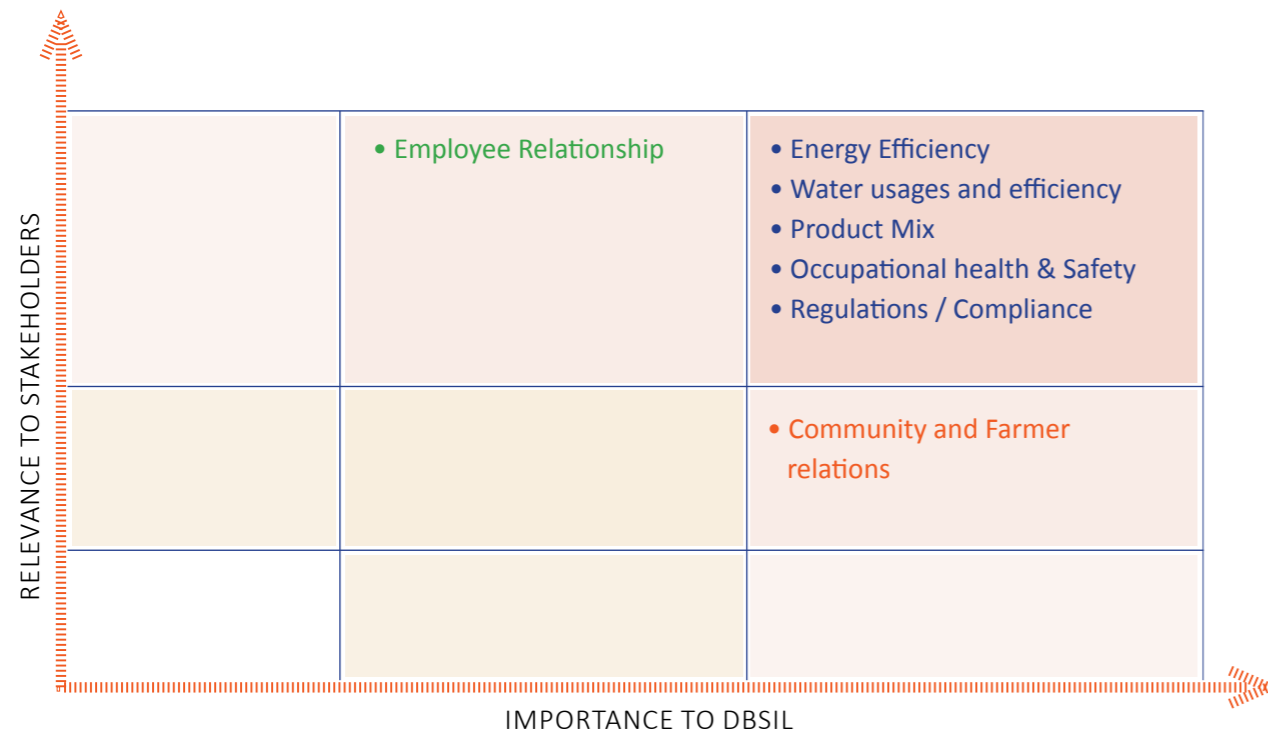
Key Impacts and Risks, DBSIL



Materiality Assessment

We also conduct the materiality assessment exercise internally to identify issues that are relevant to our stakeholders as well as business which resulted in seven issues. Senior

management including the Chief Operating Officer (COO), DBSIL was involved in this assessment. Key results of the exercise are presented below:-



Materiality Assessment, DBSIL

Internal controls

The Company has well established internal control frameworks for managing its operations. We have a dedicated internal audit team which is responsible for conducting the internal audits and facilitating the same. Our Internal Auditors determine whether adequate controls are in place to mitigate risks. We also conduct special audits as directed by the Management.

Our Audit Committee reviews observations made by internal auditors on the control mechanisms and adequacy of internal control systems. It also suggests recommendations for corrective actions and implementations thereof, compliance-related matters, and adherence to laid down processes and

guidelines. We have also put in place an effective IT security and systems, ensuring real-time availability of information at various locations. The Company is also working extensively to make sure that the internal financial control reporting framework that is prescribed as per Companies Act, 2013 is complied with as per the satisfaction of the certifying authorities.

Regulatory Environment & Compliance

Given the nature of our business, regulations have a significant impact on our operations. These regulations are related to fair and remunerative prices, environmental norms

etc. Complete deregulation of the industry can expose the stakeholders to significant risks including risk of sugarcane off take, sugarcane availability and sugar availability making it important to facilitate effective operation of the industry.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. DBSIL has complied with all the requirements of regulatory authorities. No penalties / strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Environmental Conscience at Design Stage

Within our campuses, we take up initiatives to reduce water consumption, energy consumption and waste management. Planning optimized usage of these resources starts at the design stage itself.

At the Kolhapur Plant we have implemented few water conservation scheme as follows:

- Uses of water in power plant is reduced drastically by installing Air Cooled Condenser (although with a higher capital expenditure) instead of water intensive cooling tower operation hence reduction in demand of fresh water.

- The Company has chosen state-of-the-art best available boiler configuration of high pressure i.e. 125 kg/cm². This resulted in reduction of water top up for the same amount of energy generation as compared to low pressure boiler.
- Complete waste water generated from water treatment plant is being used in ash quenching instead of sending it to ETP hence reduced load on ETP.

At the Jawaharpur unit major focus was to establish high-tech and energy efficient plant by implementing complete automation and energy efficient equipment at the planing stage itself. Hydraulic cane unloader of 5 Ton capacity and 80 Ton capacity truck tippler was installed for cane unloading, direct coupled 595 RPM LT motor at cutter and HT motor of 1 MW is used at shredder for cane preparation. Hydraulic drive was used at milling tandem where hydro motor of 1600 MB is direct mounted over mill roller shaft. All the milling control is connected with centralized distributed control system. Jawaharpur plant has achieved lowest auxiliary power consumption by incorporating energy efficient equipment like VFD, Energy efficient motor, CFL lighting, LDR Lighting control device and complete automation.



आपो हिशठा मयोभुवस्था
न ऊर्जे दधातनः
महे रणाथ चक्षसेः



*O Water, because of your presence,
the atmosphere is so refreshing,
imparting us with vigour and
strength. We revere you who
gladdens us by your pure essence.*

Rigveda

ENVIRONMENTAL STEWARDSHIP



Our Approach

Our environmental impacts are primarily associated with the manufacturing operations and farming of sugarcane. As one of the largest sugar players of the country, we aim

to reduce our impact across the supply chain through developing a culture of consciousness, monitoring environmental performance and reducing our environmental footprint.

30,000 MT

Waste bio-composting
capacity at Jawaharpur

95%

Direct energy needs
met through agro-waste

102 MW

Installed Co-generation
capacity

At our manufacturing locations, we have implemented Environment Management Systems and put in place measures to ensure that our operation do not impact the environment in which we operate. Our attempt to reduce our impacts have resulted in developing a closed loop and reusing most agri-waste as compost.

In power-deficit India, we are not only self-sufficient in terms of power needs but also export surplus power to the national grid. Our power being green, we also help reduce the

burning of fossil fuel. Likewise, we are making our own humble contribution in reducing the import of crude oil through production and supply of ethanol.

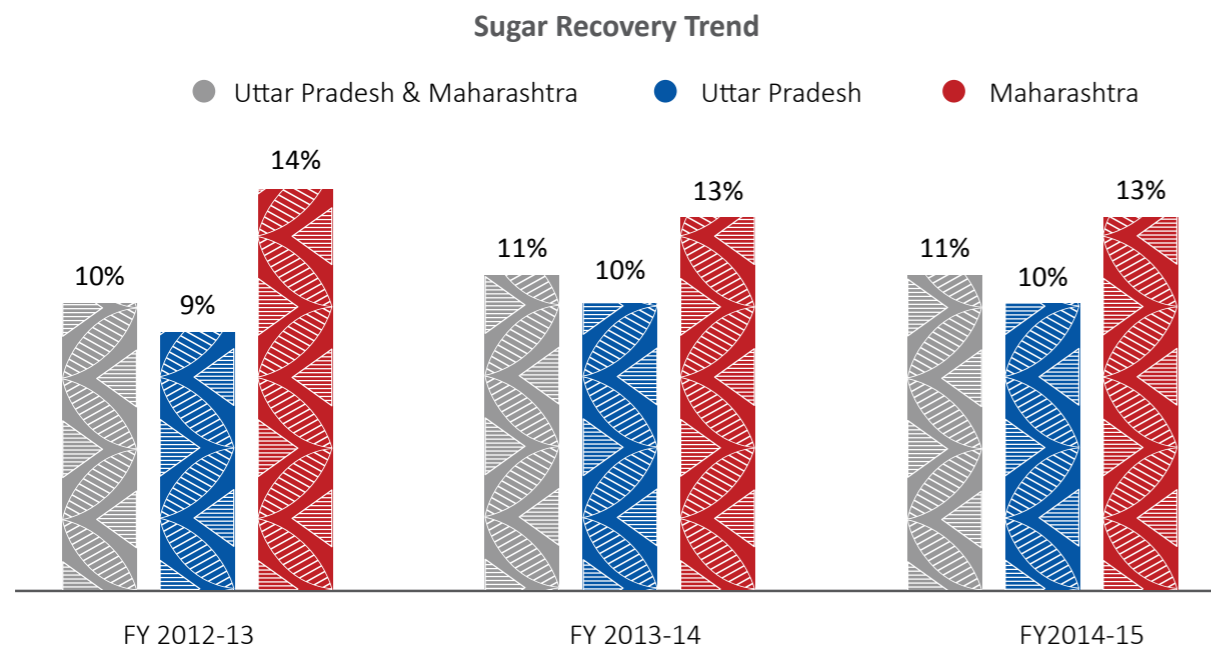
Our interventions for reducing environmental impact across supply chain include CSR programmes. We understand that sugarcane is a water intensive crop and thus work in the domain of water conservation. Our Unnati project caters to this objective which helps farmers in growing more with fewer resources.



Resource Efficiency

We have taken initiatives in optimizing costs through bringing efficiencies in all spheres of business, ranging from procurement of raw

material to marketing of finished product. We have embarked on extensive use of technology in operations to achieve efficiencies.



Improved Resource Efficiency Across the Supply Chain

DBSIL has recorded an overall average recovery of 10.9%, the highest ever in the history of our Company. Our sustained efforts for all round enrichment have reaped fruit in making FY 2014-15 as the year of best ever, recording our best ever crushing volumes, best ever sugar recovery, best ever distillery sales and best ever power sales.

Our cane development initiatives are focused at sustainable tie-up with farmers through mutually beneficial propositions. This is achieved by supporting farmers with high yielding variety of seeds and consistently educating them about innovative farming techniques. The results are evident with higher cane crushed, higher sugar recovery and lesser rejected varieties of cane. Our Kisan Sewa Kendras, located in the vicinity of our sugar mills, educate farmers on the best farming practices besides pesticides and farm equipment at subsidised prices. We took a major initiative on operational standardization. "Project Udaan" was started last year where functional templates got created for business management system, in which our processes, codes, controls, KPIs and MIS are standardized on best practices. A functional template was deployed using SAP platform, with a successful go live on May 1, 2015, where in all modules like Financial Accounting, Materials Management, Sales & Distribution, Plant Maintenance, Project Systems & Product Planning ensured tight integration with other key applications like Cane Management, Lab Management and Payroll.

Operations, Quality Control and Sales in FY 2015-16.

To overcome the challenge of reliability of data on availability and quality of raw material, we have deployed a unique solution using hand held device along with GPS technology to capture cane planting area, varietal information, procurement planning, weighment and transportation. The solution is successfully deployed for all manufacturing plants providing online auditable information on sugar cane availability. This has helped the organisation in correct procurement planning, reduced turnaround time and transit losses with improved efficiency in terms of sugar recovery.

In another IT enabled initiative, a pilot introduction of GPS based vehicle tracking system got introduced at our Nigohi unit. It has resulted in significant reduction of loading/unloading time and faster turnaround of cane carrying vehicles. We plan to roll it out at all our units over coming quarters.

Ensuring Efficiency Through Improved IT Systems and Data Controls

Availability of key analytics was ensured by creating dash boards for sugar business in critical area of cane management, where in varietal composition, maturity wise supply planning of sugar cane is available "Anytime Anywhere" to the decision makers in form of Key Process Indicators (KPI). The Management Information System plays a key role in the enhanced profitability of the business. Analytics will be a major thrust area in years to come and will get extended to other areas of Finance, Inventory Management, Plant

Improving Operational Efficiency

During the year, we remained focused on enhancing our capabilities and increasing the capacity utilisation of our plants. This helped us in lowering our operational cost. With the homogeneous nature of our sugar operations and an improved performance in our downstream business segments, we insulated our bottom line from the inherent cyclicity of the sugar business.

For FY 2015-16, efficiency improvement in plant operations will be a focus area. Proof of Concept (POC) is being done for Kolhapur unit by deploying Plant Technical Information Management System (PTIMS). Key operational parameters are captured online and real-time

KPI's and alerts are made available to decision makers to ensure preventive measures are taken before it breaks. This will help in

Conserving Water

Sugarcane is a crop which is known to be water intensive. About 75 percent of the total weight of the sugarcane plant is water. This results in greater effluent generation during sugar manufacturing processes.

At Dalmia Sugar, we see this as an opportunity to re-cycle and re-use greater amounts of water. Fresh water is required for our units primarily for distillery operations and domestic consumption.

Most of the water is re-cycled / re-used in the sugar unit. We have installed re-circulation system for recovery of cooling water. Some treated water is provided to farmers for irrigation purpose.

enhanced plant efficiency and improved capacity utilisation.

Through continued efforts, we have been successful in reducing our fresh water intake. At Nigohi, there has been a reduction in the amount of water that was sourced for our plant operations as well as in the release of effluents. A total of 1,000 m³/day is saved through various conservation initiatives at our plant.

We have been working on developing our Kolhapur distillery as a zero discharge unit. One of the major initiative is concentration of spent wash and using it as a fuel for the boiler. A state of the art water recycling plant is being set up to use treated water into process.

The Company operates all its units in line with the applicable guidelines including payment of water cess as specified by Ministry of Environment, Forest and Climate Change (MoEFCC) and Central Pollution Control Board (CPCB) from time to time.

Energy Efficiency

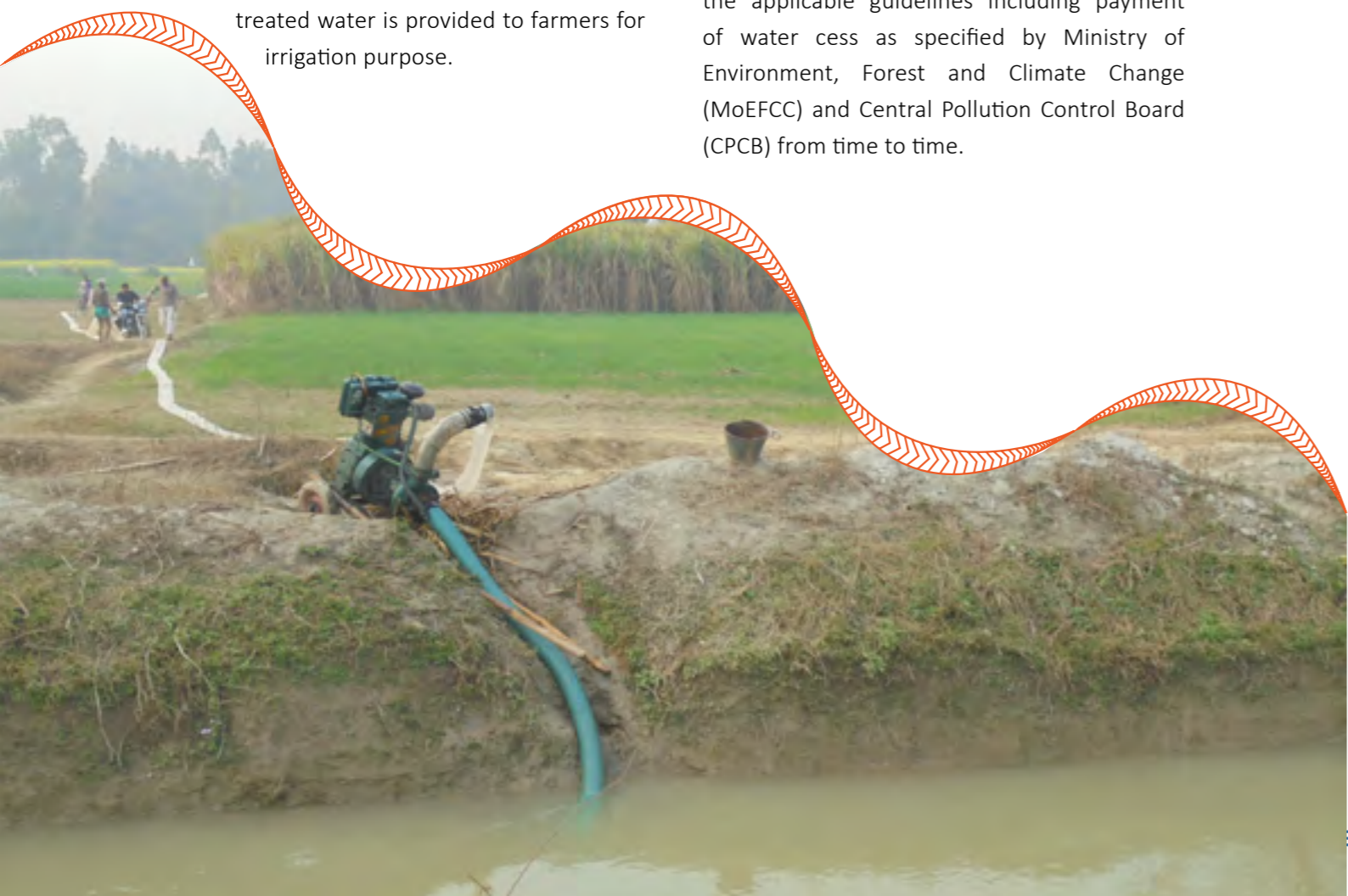
We have multiple co-generation plants of 102 MW installed capacity at our DBSIL sugar mills, which has enabled us to meet a large part of our energy requirements and earn

revenues from the excess power sold to the grid. Presently, about 70% of the total power generated is supplied to the distribution companies in Uttar Pradesh and Maharashtra.

Energy Conservation Initiatives

The table below presents various energy conservation initiatives taken up during the reporting year:

Location	Description of energy savings initiative	Nature of initiative	Estimated savings in FY2014-15
Jawaharpur	Evaporator soda boiling with 1 st vapour in place of 3 ATA steam	3 ATA Steam saving	75 T/ Cleaning Cycle
Kolhapur	Corrective engineering & project work 2013	Operational	814.82 INR Lakh
Nigohi	Aux. Power Consumption	Less running of MCW Pump	1,000 kWh per day
Nigohi	Heat Energy saving	Process condensate directly to De-aerator	720 MT steam of 3ata to be saved monthly
Nigohi	Aux Power Consumption	Feed Transfer pump less running	200 kWh per Day
Nigohi	Aux Power Consumption	Boiler feed Pump running through pressure difference	500 kWh per Day
Nigohi	Aux Power Consumption	Setting of OFA nozzle	600 kWh per Day
Ramgarh	Replacement of Drag conveyor with belt conveyor at MBC	Previously there was Drag conveyor which was replaced with belt conveyor to reduce power consumption	248.40 INR Lakh
Ramgarh	Single pump of 90 KW in place of two parallel 90 KW pump at sulphited juice.	Replacement of 2 No. low efficient sulphited juice pumps with single high efficiency pump	352.51 INR Lakh
Ramgarh	VFD Installation at Primary Cane Carrier(PCC)	Dyno drive replaced with VFD	226.63 INR Lakh
Ramgarh	VFD Installation at GRPF of Mill # 1	Hydraulic drive replaced with VFD	616.60 INR Lakh



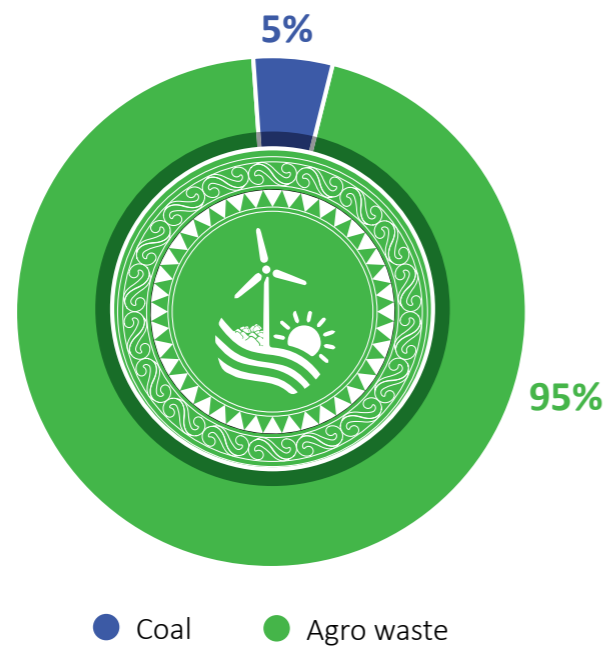
Emissions

All three co-generation projects at Jawaharpur, Nigohi and Ramgarh are registered under Clean Development Mechanism (CDM) of UNFCCC.

We use bagasse based co-generation to meet a large part of our energy requirements, resulting in reduced dependence on fossil fuel sources of

energy and thereby reducing GHG emissions from our operations.

We also conduct green drives across our locations wherein we plant saplings with the view of greening the areas and to act as carbon sinks. At Nigohi, 5,000 new saplings have been planted in residential and unused areas within the plant premises.



Major energy sources mix FY 2014-15 - Volume Based

Snap shot of our energy consumption and related GHG emissions

		Units	FY 2012-13	FY 2013-14	FY 2014-15
Coal	Quantity	MT	3,500.00	498.81	42,421.44
	Energy	GJ	52.71	9.96	847.04
	CO ₂ emissions	tons	5.06	0.96	81.32
HSD	Quantity	KL	17.31	15.09	24.76
	Energy	GJ	0.70	0.61	1.01
	CO ₂ emissions	tons	0.07	0.06	0.10
Electricity	Quantity	MWh	30,936.6	35,669.5	44,198
	CO ₂ emissions	tons	25,368.08	29,249.06	36,242.33
Agro waste	Quantity	tons	583,014.97	783,086.43	742,636.54
	Energy	GJ	5504.81	7390.63	7,009.76

Bagasse Based Co-generation

By switching to green power through bagasse, we have served three purposes:-

- Utilizing a resource which was earlier treated as waste,
- Switch to cleaner source of power and reduced carbon emissions
- Generate additional source of income

Presently, agro-waste (bagasse) accounts for 95% of our direct energy needs.

Waste management

At DBSIL, we believe that any waste is a loss of resource which can be used to create value. Based on this philosophy, we have imbibed the principles of no wastage and optimized usage. We have taken a slew of measures to extract value from waste generated across the value chain.

These initiatives have led to development of separate distillery (where molasses is fermented to produce alcohol) and co-generation (based on bagasse) business segments which now generate revenue for the organization. Press-mud is converted to usable compost for agriculture. Through these changes in our processes we have been successful to return back to nature what we borrowed from it.

Non-hazardous waste in form of PP bags and plastic drums are disposed through authorized recyclers. Hazardous waste (oil and grease) is mixed with bagasse and used for co-generation in line with the regulations of the pollution control board.

We ensure optimal waste management by adopting bio-composting method for disposing press mud, waste residue generated after extraction of juice from sugarcane. Bio-compost is soil friendly manure which also substitutes potash, a large quantity of which is imported in India, thus leading to savings in foreign exchange. Our bio-composting facility at Jawaharpur can produce about 30,000 MT (approx) organic manure per annum. We have adequate in-house availability of press mud, key raw material, from own sugar factories to ensure smooth production of good quality organic manure. Our main customers of organic manure are farmers and tea estates.

Besides reuse of waste generated as by-products and residues in the sugar manufacturing processes, we have also undertaken efforts to develop a Zero-Waste Society with waste material being segregated and disposed of as per standard norms at Nigohi unit, DBSIL.

Year	Hazardous Waste (in Tons)	Non-Hazardous Waste (in Tons)
2012-13	0.60	5.32
2013-14	1.81	2.27
2014-15	0.52	2.28

आलस्यं हि मनुशयाणां
शरीरस्था महान्निपु।
नास्त्युद्यमसमा बन्धुः कृत्वा
यं नावसीदति।।



*Laziness is the great enemy
residing within the human body.
There is no greater friend than hard
work, who never disappoints.*

Hitopadesh

FOSTERING HUMAN CAPITAL



Our Approach

At Dalmia Sugar, we are deeply committed to the people of our organization. We believe that our people are actually the ones who drive us to new heights of success through their continuous efforts and diligence.

30 Executives attended
HR Capability Building

>2000 Team
Size

We acknowledge that human capital is one of the most critical determinants of sustainable growth. For growth to be sustained, there needs to be an investment in human capital and skills. Unlike other natural resources, human resources, if left unutilized (due to unemployment or underemployment), deteriorate rapidly.

We foster an open environment and one - that is supportive of their personal and professional development, so that they may maximize the opportunities to achieve their career goals. We

have teams at corporate and site levels that continuously interact with the employees to understand their needs and expectations.

Like our other group companies, we derive our human resource related values and policies from Dalmia Bharat Group. We have taken initiatives to integrate employees with our organizational values and culture through a slew of communication and awareness campaigns.

Employee Benefits

Our Company offers a range of benefits to our employees. Some of these benefits are discussed below:-

- Employee benefits in the form of the Company's contribution to provident fund, pension fund, superannuation fund and ESI are considered as defined contribution plan.
- Retirement benefits in the form of gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust are defined benefit plans. Gratuity is provided for on the

basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

- Leave encashment including compensated absences are provided for based on actuarial valuation at the year end.
- The Company has defined gratuity benefit plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

Learning & Development

Our HR function has always taken the strategic business partner role. In order to ensure that the competency for the same is strengthened, a new learning mission in the form of HR Capability Building (HRCB) initiative was launched. The broad objectives were to strengthen the HR competency towards helping the business achieve its goal. The workshops follow a gruelling five month intervention covering 11 HR functional areas identified through Dalmia Functional competency frame work. A total 30 HR executives of our Company participated in this programme. We also launched a STAR leadership development programme in 2013 Lakshya – “An exciting journey to become high impact leaders” which entered its final phase.

All our learning and development initiatives are driven by “Nalanda” - the Dalmia School of Leadership, Learning & Change. We have also implemented HR4U in FY 2014-15. We are also striving to provide the best learning environment

to our employees. We have conducted assessment centres for all our employees from middle management upwards. On the basis of such assessment, we have carved out career and development plans for each and every individual to take them forward in life and work.

We have tied up with premier institutes such as Indian Institute of Management - Ahmedabad and international institutes such as Center for Creative Leadership, International Institute for Management Development etc. to provide the best learning opportunities to our employees and upgrade their skills and knowledge. Each year business transformational projects are identified which are then led by identified high potential members of the organization. These projects involve a team from cross functional sections of employees. Processes such as these have enabled the company to groom their talent pipeline and provide opportunities to grow within the organisation.

Occupational Health & Safety

Occupational health and safety of employees and clean environment receive utmost priority at all our locations. We have robust safety management systems which span from a policy framework and monitoring through safety committees.

We have already implemented EHS system and provides safe working environment at our plants. This is built beyond regulatory reporting purposes with three out four units being certified for OSHAS 18001.

We have formed safety committees at each of our locations which is a cross-functional team including members from engineering, production, environment, power plant etc. departments. The basis behind having cross-functional teams is that fact that we believe that safety cannot be treated in a silo and has

to be treated as a shared responsibility. The safety committee meets once every quarter to discuss safety matters and provide appropriate recommendations to the Chairman for necessary approval. DBSIL ensures positive health and safety culture by way of health and safety committees.

DBSIL has launched the new safety and housekeeping programme during the reporting year which has substantially improved the plant housekeeping. Our endeavour is to make all our plants safe and keep all its employees healthy. We have a philosophy that ‘Clean & Green’ is

more profitable. We ensure that PPEs are worn by personnel’s working in the plant, that the safety committee meeting takes place as per schedule, in which all first-aid and near miss cases are investigated and documented to avoid recurrence or mishap in future. General safety awareness briefing is given to all employees by plant head / sectional head in their respective working places.

Safety week is also celebrated to create awareness on safety related issues and best practices. Slogan and poster competition on safety was also conducted to ingrain safety habits in the employees. Visuals of good driving practices and maintaining speed limit have been displayed at different plant locations to reinforce safety habits.

A specific policy has been framed in order to ensure the safety of personnel visiting inside the plant. The health check-up of all the personnel working in the plant is being carried out periodically and special attention is given viz.

vaccination, pathological test for those involved in the food supply and catering. A fully equipped dispensary has been opened in the colony for extending better health services to the residents of the colony during odd times also. In order to maintain the continued level of awareness at the plants, several banners and posters have been placed strategically to capture the attention of employees and workers.

With respect to fire safety mock drills are regularly conducted at the units and employees are educated about firefighting skills including the handling of fire extinguishers and fire hydrants. All our units are incorporated with fire safety measures. All units are covered under fire hydrant system which is operational at all times. All the fire extinguishing media such as water, dry chemicals, CO₂, sand, dolomite, foam etc. are kept in strategic locations. Proper storage and handling precautions is taken. The storage area is maintained to be cool, dry and well ventilated and away from source of heat, flame or oxidizers.

Description	Unit	FY 13-14	FY 14-15
Near Misses	Nos	13	11
Non-reportable injuries (permanent)	Nos	52	18
Non-reportable injuries (contractual)	Nos	27	12
Reportable Injuries (permanent)	Nos	2	4
Reportable Injuries (contractual)	Nos	1	1
Lost days (permanent)	Nos	37	6077
Lost days (contractual)	Nos	24	6000
Fatalities (permanent)	Nos	0	1
Fatalities (contractual)	Nos	0	1

COLLABORATING WITH SOCIETY



Our Approach

CSR initiatives of the Company are based on the principal of Gandhian Trusteeship. We address a wholesome, co-operative, inclusive empowered community.

At Dalmia Bharat Group, social responsibility and commitment to sustainable development is a high priority with the 5000-plus professionals, pushing the limits of innovation and excellence. The approach is to make significant and sustainable difference through our programmes in the lives of beneficiaries by working in partnership with our stakeholders.

We have re-aligned our CSR actions to focus on issues material to the company and to our stakeholders. The approach is to make significant and sustainable difference through our programmes in the lives of beneficiaries by working in partnership with our stakeholders. Our stakeholder engagements and baseline studies highlighted the issues of erratic power supply, unemployment amongst rural youths and basic rural infrastructure needs in the communities we operate in. Our CSR is based

on programmes in sectors of soil & water conservation; energy conservation and climate change mitigation; livelihood skill training and Social Development and started aiming at creation of shared values for all stakeholders. These programmes are managed through Dalmia Bharat Group Foundation (DBGF) which conducts CSR activities for the Group.

We have also implemented our CSR policy with the prime objective 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 CSR Policy can be accessed on <http://www.dalmiasugar.com/upload/policies/DBSIL-CSR-POLICY.pdf>. Presently, Dalmia Bharat Sugar and Industries Limited is working in Uttar Pradesh and Maharashtra.

सर्वेषां स्वस्तिर्भवतु।
सर्वेषां शान्तिर्भवतु।
सर्वेषां पूर्णं भवतु।
सर्वेषां मगलं भवतु।



*Auspiciousness be unto all.
Perfect peace be unto all.
Fullness be unto all.
Prosperity be unto all.*

Upanishada

21,100

Beneficiaries

9,200

Beneficiaries:
Health and
Sanitation initiatives

10,775

Beneficiaries:
Energy Conservation
and Climate
Change Mitigation
Programme

43

SHGs formed with
more than 470
members in FY
2014-15

Key CSR Programmes

Energy Conservation and Climate Change Mitigation

Energy is a major concern in Indian Villages, with majority of the populations dependent on depleting fuel wood and erratic electricity supply. We are, thus, trying to promote more energy efficient and sustainable solutions in our communities. We promote smokeless *chullahs* (cooking stoves), bio gas plants, solar lighting systems like lanterns, street lights, study lamps and home lighting systems. These solutions also help in reduction of ecological footprints.

During DBGF's outreach and needs assessment work in villages in the programme area, it was observed that some of the villages effectively have no electricity while those which have access to electricity are able to utilize it for 4-6 hours / day owing to the outages. In this situation the local people use a kerosene lamp which is popularly known as 'Dibbi'. Though the *Dibbi* fulfills basic lighting needs, it has harmful effects on health. It is also a fire hazard. Upon assessing the situation, DBGF launched its Solar Energy initiative Solar

home light systems and solar lanterns were promoted to replace the *Dibbi*.

To address issues of indoor smoke pollution of traditional cooking stoves and energy supply for domestic cooking, DBGF launched its Smokeless *chullah* programme during the year. Smokeless *chullahs* were promoted among the target villages near Ramgarh. A standard smokeless *chullah* consists of a main platform with two burner points and a pipe connected to the smoke outlet. All the smoke emitted during *chullah* ignition is routed out of the kitchen through the pipe. 100 of these smokeless *chullahs* have been promoted at the Ramgarh location. Similarly, at Jawaharpur and Nigohi, 100 smokeless *chullahs* have been promoted at each location. Having used these *chullahs* the local women report that they find it more convenient and fuel efficient as compared to the traditional *chullah*.

We also provide solar study lamps to local communities. A solar study lamp is a miniature version of the solar

lantern. The major difference is in the cost and in the lighting style, which is uni-directional. A solar study lamp can cater to the lighting needs of two children together. It has been a great hit among the school going children because of its bright light and cost effectiveness. In total, 518 solar study lamps were distributed at Jawaharpur, Nigohi and Ramgarh locations.

Solar lighting homes are also being promoted in villages. These lighting systems consist of solar panel, battery, controlling unit, charging port, and LED lights. The Foundation is also considering collective solar projects by developing mini solar grids. So far two mini solar grids have been developed by DBGF which have benefited 200 persons.

Livelihood Skill Training

Unemployment amongst youth in neighbouring communities is high. Aiming at long term benefits for youths and their families, we have started many skill development programmes and provided training in areas like mobile repairing, bag making and many others. These training programmes were also facilitated by the resource person who conducted the trainings. For women, we have enabled the formation of many self-help groups (SHGs) and helped them get loans and also provided them trainings on many livelihood alternatives.

Mobile Repairing & Bag Making Training programme

In collaboration with Pt. Deendayal Upadhyay Institute for the Physically Handicapped, we established a Skill Training Centre at Ramkot in Jawaharpur under the Skill Development Training Programme of the Ministry of Social Justice and Empowerment. Sixty persons with disabilities, including men and women were identified for skill training in mobile repairing and bag making for a period of three months. The training centre has now been converted into a production centre. The candidates post training are now making bags and/or assembling mobile accessories.



Social Development

Stakeholder engagement highlighted the issue of poor basic infrastructure which hinders the daily life, as well as development of these villages. We are helping in building the basic infrastructure needs of the community like school sanitation blocks, low cost toilets, school buildings etc. Health is another concern among the community and we have pitched in by arranging general as well as specialized health camps, providing medicines, immunizations, maternal and child health care, eye camps.

• Health Camps

In our programme coverage area, we observed that the health issues of women and children are given less importance and require more attention. During the year, in total, 12 gynecological and pediatric camps were organized at Ramgarh, Jawaharpur and Nigohi wherein more than 1,800 people were checked by the gynecologist and paediatrician at the camps.

To ensure that all the school children in the area receive vision care and check-ups, we organized eye check-up camps in schools by partnering with Health & Education Officer (HEO) of Sitapur District. Six eye check-up camps in schools covered over 350 students at Ramgarh.

While organizing the school eye camps we heard from the local people that there are many in the community with vision problems that they are not able to attend to. In connect with the Sitapur Eye Hospital we organized a Cataract Identification Camp. At Ramgarh, Jawaharpur and Nigohi, there were 585 registered visitors who came for eye check-



ups. Of these 177 of them were found to be affected by cataract and all of them were then taken to Sitapur Eye Hospital for cataract surgery, kept for three days of hospitalisation and care, and dropped back home.

At Kolhapur, a multi-specialty health check-up camp was organised at the Asurle village elementary school. 165 members of the village community were registered and provided with medical services, consultations and medication as needed. DBGF partnered with Rotary Kolhapur and the PHC at Kotoli. Medical staff at the camp comprised a team of five doctors from Rotary and one doctor from the PHC.

• Children's Immunization

Polio Immunization drives were organized across locations in partnership with the local government with the aim to have every child covered under the immunization Programme and to have pregnant women receive the care they require. At Ramgarh, we organized four immunization campaigns and conducted three campaigns each at Nigohi and Jawaharpur which benefited a number of people.

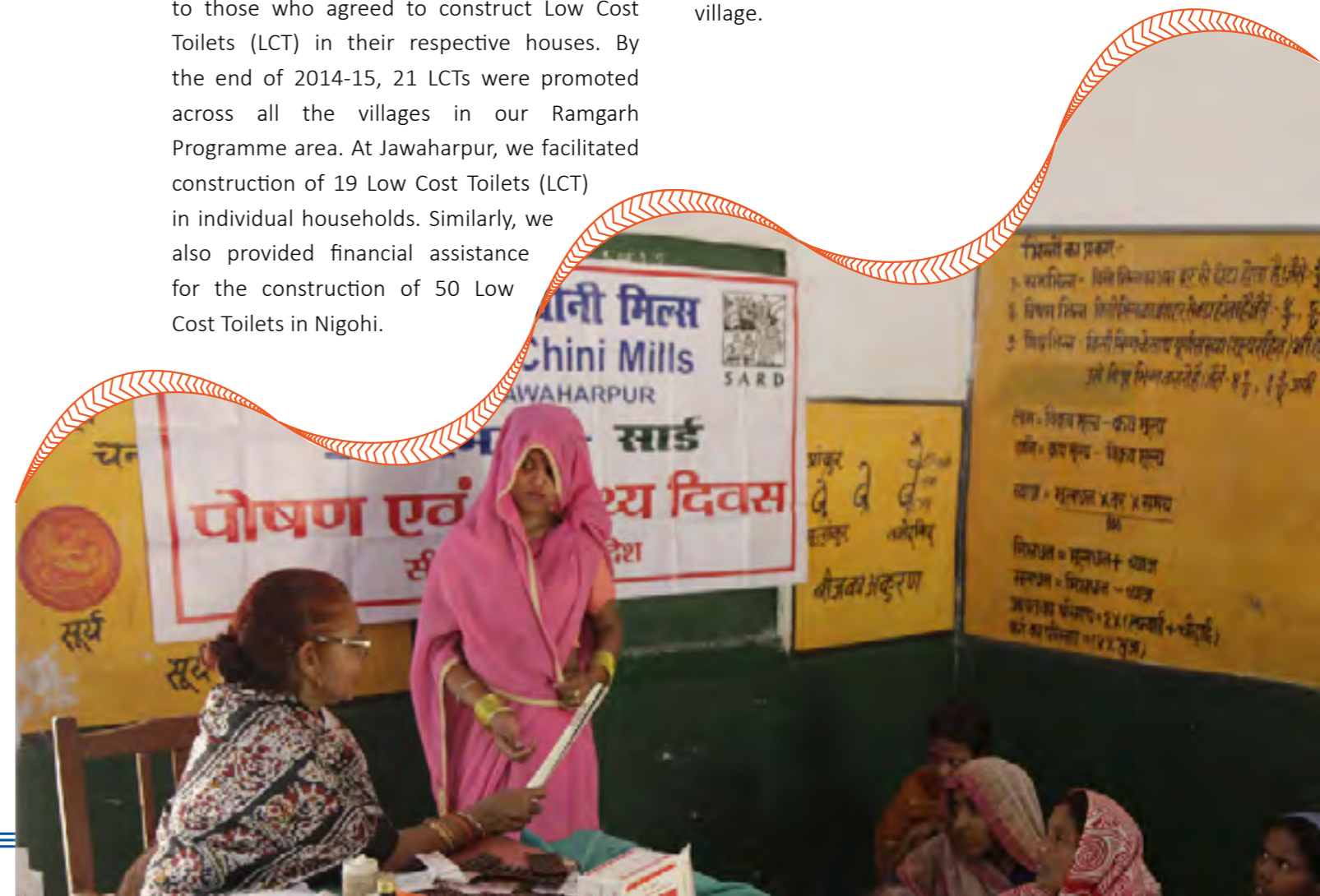
• Low-cost Toilets

Some members of the local community at our Programme villages repeatedly told us that due to the lack of awareness of the ill effects of open defecation and certainly due to the poor financial condition of most households, people don't construct toilets in their houses. To enable villagers overcome the financial constraint, we provided financial assistance to those who agreed to construct Low Cost Toilets (LCT) in their respective houses. By the end of 2014-15, 21 LCTs were promoted across all the villages in our Ramgarh Programme area. At Jawaharpur, we facilitated construction of 19 Low Cost Toilets (LCT) in individual households. Similarly, we also provided financial assistance for the construction of 50 Low Cost Toilets in Nigohi.

• School Sanitation Block

We launched our school toilet construction project under the Swachh Bharat Abhiyan. We constructed school sanitation blocks with water supply in schools of villages with technology based on bio-digester system. These sanitation blocks are now used by students, the majority being girls. To ensure continued use and maintenance of these toilets, meetings were held with the school staff, school children and villagers in advance. All users and stakeholders were briefed about the benefits of school toilets, impact on attendance and on the learning environment.

At Ramgarh, four school sanitation blocks with water supply have been constructed in schools of Bartal and Gopalpur villages, also using technology based on the bio-digester system. Similarly, at Nigohi, five School sanitation blocks, based on bio-digester technology, have been constructed at the schools in Raghapur village.



• **Artificial Limbs & Aids Distribution Camps**

Dalmia Bharat Foundation works in collaboration with the Pandit Deendayal Upadhyaya Institute for the Physically Handicapped (IPH) in the domain of empowering the physically disabled. Camps were organized for the distribution of assistive aids and devices and mobility accessories. About 600 persons with disabilities were covered by these camps.

The Foundation also conducted an assessment camp for persons experiencing disability due to physical impairment, at Mishrikh in collaboration with Pt. Deendayal Upadhyaya Institute for the Physically Handicapped. People with disabilities living in villages near the Ramgarh and Jawaharpur locations were contacted using intensive door-to-door outreach methods. As a result, over 1,100 individuals registered for the camp. Of these registered camp participants, 548 were assessed for assistance devices to be distributed during a distribution camp scheduled for a later date. 36 DBG employees volunteered from Ramgarh and Jawaharpur and helped to organize the camp.

The Artificial Limbs & Aid distribution camp was organized in the Ramgarh plant campus ground - as follow up to the assessment camp, and in continuing collaboration with the Pt. Deendayal Upadhyay Institute for the Physically Handicapped. The camp was inaugurated by the Chief Guest, the Commissioner Lucknow Range. More than 610 aids, assistance devices and accessories worth ₹ 26.9 lakh were distributed amongst participants. The camp was attended by many local influencers including the DM, SP, ADM and other District Officials from Sitapur.

Continuing our association with the Pt. Deendayal Upadhyay Institute for the Physically Handicapped, we established a Skill Training Centre at Ramkot in Jawaharpur under the Skill Development Training Programme of the Ministry of Social Justice and Empowerment. 60 persons with disabilities, including men and women were identified for skill training in mobile repairing and bag making for a period of three months. The training centre has now been converted into a production centre. The candidates post training are now making bags and/ or assembling mobile accessories.



Social and Cultural Events

We also organized social events on World Water Day, International Women’s Day, Children’s Day, World AIDS day, Independence and Republic Day with participation of over 1200 people across locations in FY 2014-15.

Programme Highlights in FY 2014-15 (Sugar Business)

Programmes	Number	Beneficiaries
Energy Conservation and Climate Change Mitigation		
Smokeless Chullah	300	1500
Solar Home light system	110	550
Solar Lantern	1182	5910
Solar Study Lamps	518	2590
Solar Mini Grid	2	200
Bio Gas Plants	5	25
Livelihood Skill Training		
Formation of SHGs	43	472
Mobile Repairing Training	1	30
Bag Making Training	1	30
Social Development - Health Camps		
Maternal & Child Health	12	1921
Immunization	10	3846
Eye Camps	13	1537
Cataract Surgeries	3	177

एषां भूताना पृथिवी
गसः पृथिव्या आपो रसः ।
अपामोषध यो गस ओषधीनां
पुरुषो रसः



The essence of all beings is the earth, the essence of the earth is water; the essence of water; plants; the essence of plants, man...

Upanishada

CREATING VALUE ACROSS THE SUPPLY CHAIN



Our Approach

The impact of our business in improving lives transcends our employees. A large pool of dependent beneficiaries of our operations includes farmers, transport service providers,

dealers, distributors, retailers, etc. DBSIL shares a close relationship with all these people

30.9 Million Tons

Cane Procured

1,00,000

Number of Cane Growers Engaged

110

Cane purchasing centres

400+

Number of villages in the core area

As part of a leading agro-based industry, we believe that our existence and growth is closely linked with the sustenance and well-being of cane growers.

Our primary route of engaging with the farmers is through Cane Development Assistant (CDA). There are currently 45-50 CDAs who are in-charge for covering the entire core area of villages (400-500 in no.) under designated area of Dalmia Bharat Sugar. CDA are responsible for all developmental activities like cane plantation, varietal improvement, yield improvement, cane survey, plant protection measures and demonstration for scientific techniques etc.

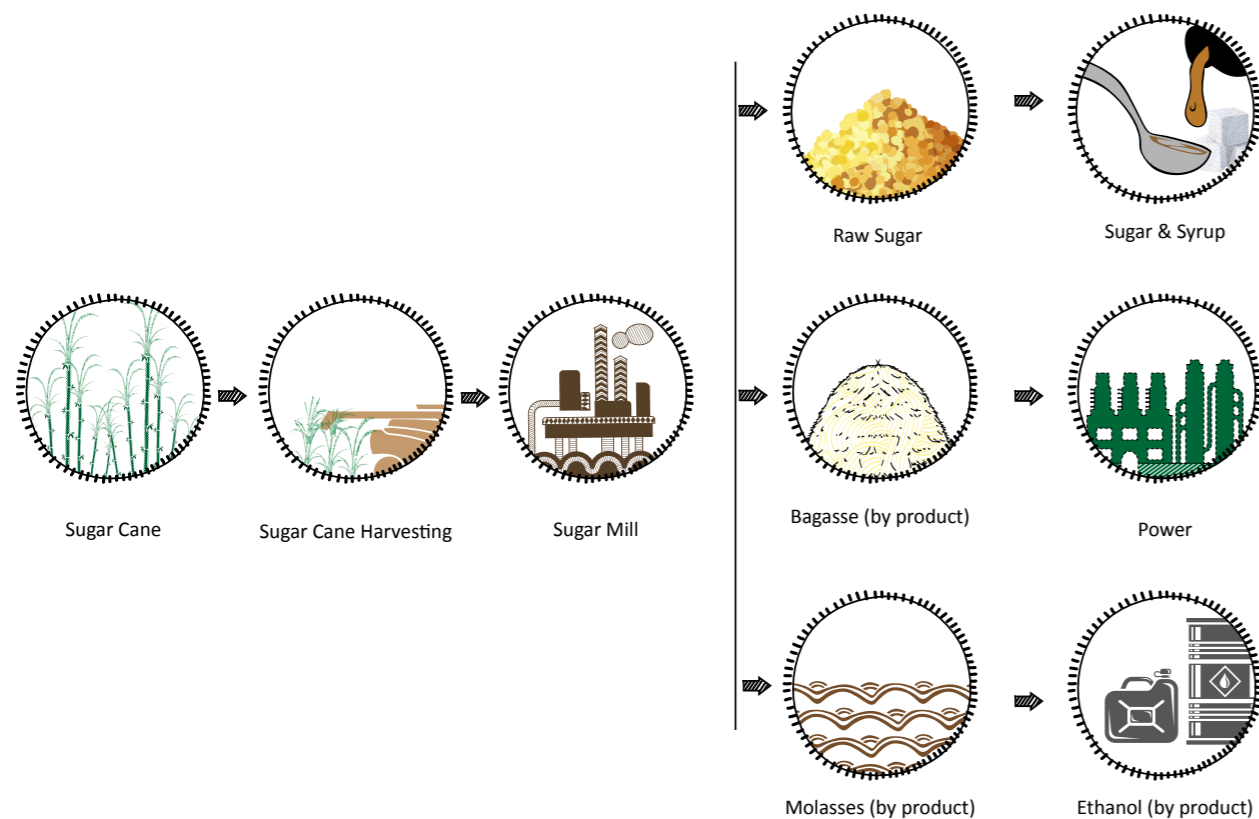
recording four dimensions of the field. Specific details such as plot owner, measurement dimensions date of sowing, condition of crop and variety of cane are documented.

CDA and officers are trained on various technical and soft skills through in-house and external experts. They also visit various research stations to get practical insights on issues such as varietal identification, improved method of plantation, peculiar symptoms of insect-pest and disease.

After spring planting season, the CDA conduct a grower wise survey of cane fields by

We remain determined to implement our long-term strategic plan in assisting farmers and increasing their returns. We have engaged with over 1,00,000 growers with the aim of improving yield, quality, and other crop parameters. Our extensive cane plantation programme helped us optimise our capacity, improve productivity from available land

and ensure better utilisation of our crushing assets. We continue to assist farmers with the best and most advanced farming practices and techniques aimed at improving their crop yield. Our IT services for cane growers and R&D efforts are also aimed towards improving farm mechanisation and the overall health of the soil.



Years	Cane Crushed (Million Tons)	Total Packing materials (No.)
FY 2014-15	30.9	63,17,494
FY 2013-14	27.8	47,79,838
FY 2012-13	27.9	44,92,465

Support Services for Cane Growers

We continue to focus on the efficiency of farms by the application of developed technologies and better farming practices. We also continue to invest in research and development at soil testing laboratories to study soil conditions and impart training to farmers.

We have two well-equipped soil testing laboratories at Jawaharpur and Nigohi Units to improve soil health and provide support to farmers and also to assist them in improving the crop by implementing well tested techniques and processes.

centres in nearby locality. These KSKs have defined proximity to serve the growers in case of distribution of agrochemicals, seeds, etc. Information is provided to growers on cane survey data. They are provided with personnel who are responsible for distribution of agrochemicals and documentation of the same. Each unit of Dalmia having a number of KSK as under:

Each of our sugar plant has set up at least four *Kisan Seva Kendra* (KSK) covering 5-10

S.No.	Ramgarh	Jawaharpur	Nigohi
1.	Sidhauli	Goria	Nigohi
2.	Maccherehta	Neri	Sindhauli
3.	Gopalpur	Mill gate	Piparia Singipur
4.	Misrikh	Sitapur(Naveen Chauk)	Satwan Khurd
5.	Atrauli(Hardoi)		
6.	Mill gate		



Performance Data & GRI Index – Sugar Business

General Standard Disclosures			
#	Disclosures	Reference	Page No.
G4-1	CEO Letter	Message from Managing Directors, CEO's Message	6,114
G4-3	Organization name	Organizational Profile	13
G4-4	Primary brands, products, and services	Dalmia Bharat Sugar and Industries Limited	105-111
G4-5	Headquarters location	Dalmia Bharat Sugar and Industries Limited	107
G4-6	Where the organization operates	Dalmia Bharat Sugar and Industries Limited	107
G4-7	Nature of ownership and legal form	Dalmia Bharat Sugar and Industries Limited	107
G4-8	Markets served	Dalmia Bharat Sugar and Industries Limited	105-111
G4-9	Scale of the organization	Dalmia Bharat Sugar and Industries Limited	105-111
G4-10	Total number of employees by type	Fostering Human Capital	131
G4-11	Collective bargaining agreements	No trade unions	-
G4-12	Supply chain description	Creating Value Across the Supply Chain	143
G4-13	Organizational changes during the reporting period	Our Journey	16
G4-14	Precautionary principle	Environmental Stewardship	123
G4-15	External charters, principles, or other initiatives	GRI, OHSAS-18001, ISO-14001	-
G4-16	Membership associations	-	-
G4-17	Entities included in financial statements	Refer Annual Report	-
G4-18	Process for defining report boundaries and content	About the Report	9
G4-19	Material aspects included in the report	Materiality Assessment	120
G4-20	Descriptions of material aspect boundaries within the organization	Defined in the sections wherever material aspects are elaborated	-
G4-21	Descriptions of material aspect boundaries outside the organization	Defined in the sections wherever material aspects are elaborated	-

General Standard Disclosures			
#	Disclosures	Reference	Page No.
G4-22	Re-statements	NA	-
G4-23	Changes from previous reports in terms of scope and/or boundaries	NA	-
G4-24	Stakeholder groups	Addressing stakeholder needs	112
G4-25	How stakeholders were identified	Addressing stakeholder needs	112
G4-26	Approach to stakeholder engagement	"General descriptions- Addressing stakeholder needs Stakeholder Specific Sections"	112-121
G4-27	Topics raised during stakeholder engagements	"General descriptions- Addressing stakeholder needs Stakeholder Specific Sections"	112-121
G4-28	Reporting period	About the Report	9
G4-29	Date of most recent report	NA	-
G4-30	Reporting cycle	Annual	-
G4-31	Report contact	Feedback	151
G4-32	"In accordance" option, GRI Index and report assurance	About the Report	9
G4-33	Policy regarding report assurance	Independent Assurance Statement	149
G4-34	Governance structure of the organization	Governance and Strategy	114
G4-56	Code of conduct	Code of Conduct	118



Specific Standard Disclosures				
#	Aspects	Indicators	Report Coverage	Pg No
G4-DMA	Economic Performance	DMA - Economic performance	Our Economic Performance	21
G4-EC1		Economic performance		
G4-DMA	Energy	DMA - Energy	Energy Efficiency	127
G4-EN3		Energy Consumption		
G4-DMA	Water	DMA - Water	There are no water sources which are significantly affected by our operations	-
G4-EN9		Water sources significantly affected by withdrawal of water		
G4-EN15	Emissions	Scope-1 GHG emissions (tCO2/annum)	Emissions	128
G4-DMA	Compliance	DMA – Compliance	"Regulatory Environment & Compliance	120
G4-EN29		Environmental fines and sanctions	No significant fines were imposed during reporting period."	
G4-DMA	Labour/ Management Relations	DMA – Labour / Management relations	Fostering Human Capital	131
G4-LA4	Occupational Health & Safety	Notice periods regarding operational changes	No trade unions; Notice period as per Dalmia Bharat Group's HR Policies.	-
G4-DMA		DMA – Occupational Health & Safety	Occupational Health & Safety	132
G4-LA5	Local Communities	Workforce represented in health and safety committees	Safety Committees consist of 50% employees (permanent and contractors) and 50% management	-
G4-DMA		DMA – Local community	Collaborating with Society	135
G4-SO1	Compliance	Local community engagement, impact assessments and development programmes	100%	-
G4-DMA		Non-compliance with laws	Regulatory Environment & Compliance	120
G4-SO8	Fines for non-compliance with laws			

Independent Assurance Statement



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Independent Assurance Statement

Ernst & Young LLP (EY) was engaged by Dalmia Bharat Limited (the 'Company') to provide independent assurance on its Sustainability Report 2013-15 (the 'Report') covering the Company's sustainability performance pertaining to their cement and sugar business operations for FY 2013-14 and FY 2014-15.

The development of the Report based on the Global Reporting Initiative (GRI) -G4 Guidelines (2013); its content and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Assurance criteria

Our assurance is in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), and our conclusions are for 'limited' assurance as set out in ISAE 3000.

Scope of assurance

The scope of our work for this assurance engagement was limited to review of information pertaining to environmental and social performance for the cement and sugar businesses for the period 1st April 2013 to 31st March 2015. We conducted review and verification of data collection/ measurement methodology and general review of the logic of inclusion/ omission of necessary relevant information/ data and this was limited to:

- Review of consistency of data/information within the report as well as between the report and source;
- Verification of the sample data and information reported at the following units/ locations:
 - Cement business:
 - Dalmiapuram (Tamil Nadu)
 - OCL, Rajgangpur (Odisha)
 - Sugar business:
 - Jawaharpur (Uttar Pradesh)
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation;
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development, so as to be able to make comments on the fairness of sustainability reporting.

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EY refers to the global organization, and/or one or more of the independent member firms affiliated with Ernst & Young Global Limited.

Limitations of our review

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2013 to 31st March 2015);
- The plants outside the reporting boundary for the respective years FY 2013-14 and FY 2014-15
- Review of the 'economic performance indicators' included in the Report which, we have been informed by the Company, are derived from the Company's audited financial records;
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention;
- Data, statements and claims already available in the public domain through Annual Report, Corporate Social Responsibility reports, or other sources available in the public domain;
- Data, statements and claims pertaining to the sites outside the sample sites chosen for verification of sample data;
- Review of the Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, was drawn from our Climate Change and Sustainability network, and undertakes similar engagements with various Indian and international companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants¹. EY's independence policies and procedures ensure compliance with the Code.

Observations and opportunities for improvement

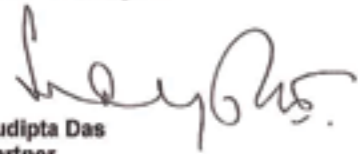
During our review process, we observed that:

- The Company has compiled the Report on the basis of 'in accordance core' criteria of GRI-G4 Guidelines of the Global Reporting Initiative;
- The Company may strengthen its system for recording and reporting data pertaining to energy, water, workforce and training;
- The Company may further strengthen its internal review mechanism for sustainability data as well as auditability of the same.

Conclusion

On the basis of our procedures for this limited assurance, nothing has come to our attention that would cause us not to believe that the Report presents the Company's sustainability issues relevant to its business.

Ernst & Young LLP



Sudipta Das
Partner

Dated: 07 December, 2015

Place: Kolkata

¹ International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants (2013) establishes ethical requirements for professional accountants.

Feedback

We appreciate your feedback and concerns for our improvement. For any comments/concerns, please send queries to following address:

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