ANNUAL* REPORT 2018-19

*Prepared as per the Integrated Reporting Framework

Disclaimer/forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Unless defined/provided otherwise elsewhere in this Annual Report, the term "Dalmia Bharat"/"the Group" mentioned in this Annual Report refers collectively to the Company, its subsidiaries, step down subsidiaries, joint venture companies and associate companies.

Contents

Dalmia Bharat. Responsible corporate citizen.

Contributing to infrastructural growth

1. Chennai Metro, Tamil Nadu

2. Subansiri Hydro Power Project, Arunachal Pradesh

3. Advanced landing ground, Pasighat, Arunachal Pradesh

4. Tata Steel, Kalinganagar, Odisha

Premium and innovative products

1. Premium quality cement with best-in-class compressive strength

2. Craft Beton encapsulates the beauty and versatility of cement

Focus on people, profit and planet

1. Nurturing talent and creating growth opportunities

2. Structured initiatives for local community development

3. Dalmia Bharat has created a cumulative water recharge potential of approximately five times of its annual water consumption

4. Safety and development of talent is of the utmost priority

Performance snapshot

26.5
(MT)
Capacity

9,484
(₹ in Cr.)
Revenue

1,942
(₹ in Cr.)
EBITDA

18.68
(MT) Sales volume

19,000*
(₹ in Cr.)
Market capitalisation

13
Cement plants

5,634
Regular talents

16.4
Intervention hours per regular talent

11,000+
Customers

>8.5 lakhs
Population outreach through CSR activities

195 MW*
Captive power generation capacity

*Including solar and Waste Heat Recovery System

33.5%
Reduction in net carbon dioxide per tonne of cementitious product

*Compared to base year 1990

ZERO
Waste water discharge

3
R&D centre

3
Robotic labs

4
Patents filed

All the above figures are pertaining to FY19.

*As on 31st March, 2019

Dalmia Bharat.

Inherited the values of the past.
Embracing the opportunities of the future

Natural capital

- First global cement company to join EP100 and committed to double our energy productivity by 2030
- First cement company to join RE100; we aim to use 100% renewable energy by 2030
- In line with our commitment to environment and climate change, we aim to become a carbon-negative cement group by 2040

Intellectual capital

- We are one of the pioneers in manufacturing composite cement (using slag and fly ash), which helps in reducing carbon footprint and operating cost
- Our innovative product line of Craft Beton comprises more than 100 products designed by eight international designers, defining a new user base for cement
- InfraGreen, our advanced and environment-friendly cement variant, delivers high performance and requires only three days of curing while using 30% less cement and a lower water consumption
- Our new wall finishing product does not require primer and reduces paint consumption by about 15-20%, leading to a cost saving of approximately 30%

Human capital

- Dalmia Bharat, in association with National Council of Cement & Building Material (NCCBM), launched training programs for masons on better construction practices
- Dalmia Bharat undertook leadership training initiatives like Nalanda, Lakshya, Shikhar and Prarambh, during the year under review

Social and Relationship capital

- We became the first Indian cement company to obtain an assurance on the alignment of our corporate social responsibility activities with ISO 26000
- Our efforts are centred around four focus areas of Soil and Water Conservation, Access to Clean Energy, Livelihood Skill Intervention, and Social Development
- We possess an excellent SROI (Social Return on Investments) for all our CSR interventions

Manufactured capital

- Both acquisitions and greenfield expansions have been key for the Group to scale the business as well as venture into new geographies
- Dalmia is the only company with at least one plant in each of the four key eastern states of West Bengal, Bihar, Jharkhand and Odisha
- We have a wide product portfolio comprising PPC, PCC, PSC, OPC, Railway Sleeper and Oil Well Cement etc.

Financial capital

- We are investing ~₹3,200 Cr. in brownfield projects in Eastern India over a span of three years
- We reduced our gross debt by a substantial ₹1,368 Cr. in FY19
- Fitch upgraded our long-term rating to IND AA+ from IND AA during the year under review

The integrated value chain at Dalmia Bharat

Resources	Inputs
Financial capital	• 1.6 net debt-to-EBITDA ratio • 8.2% average cost of debt • ₹635 Cr. incentives received in FY19 from the government
Natural capital	• 11.8 MT of clinker consumed • 1,314 gigawatt-hours of electricity consumed • 1.98 million cubic metres of fresh water withdrawn • 1.82 MT of fuel consumed in kiln
Human capital	• 5,634 regular talents • 16.4 intervention hours per regular talent • Technical skills and knowledge upgradation • Focus on health and safety management • ₹648 Cr. invested in wages and benefits
Intellectual capital	• Three R&D centres; three robotics labs • Knowledge partnerships • ₹7 Cr. invested in R&D • 4 patents filed
Manufactured capital	• Seven integrated cement plants • One split clinkerisation plant • Five split grinding units • Eight captive power plants (195 megawatts including solar and WHRS)
Social and relationship capital	• Engaging with the community • Forging enduring supplier relationships • Broadening the customer base • Building investor confidence • ₹8 Cr. spent on corporate social responsibility activities

Value creation activities

- Optimising capital allocation
- Maintaining a robust finance control system

- Enhancing energy efficiency
- Attaining water positivity
- Optimising waste utilisation
- Shifting to renewable energy
- Strengthening complete compliance with environmental regulations

- Engaging talent
- Enhancing skills
- Providing personal development opportunities
- Fostering workforce diversity
- Ensuring talent wellness and safety

- Organising workshops with knowledge partners
- Undertaking robust R&D activities

- Carrying out mining activities responsibly
- Blended cement production
- Power generation (solar and WHRS)
- Rehabilitating mines
- Digitalisation of supply chain (logistics)

- Providing need-based products
- Ensuring customer satisfaction
- Periodic engagement with suppliers
- Communicating transparently with investors
- Contribution through CSR activities

Output and outcomes

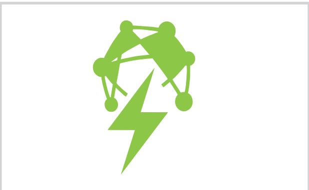
- Revenues increased by 11% to ₹9,484 Cr. in FY19
- ₹2,091 Cr. cash flow generated from operational activities
- ₹19,000 Cr. of market capitalisation as on 31st March, 2019
- ₹349 Cr. in net profit
- One of the lowest carbon footprint cement producer globally
- Top ranked cement group on business readiness for a low carbon transition (CDP Report April 2018)
- Employment and income generation#
- Growing customer base
- Excellent customer service
- 8.5 lakhs population outreach via CSR
- Income generation for vendors
- 9.2 megawatts of WHRS installed
- 4% of fuel mix comprised alternative fuel
- 28% alternative raw material consumption rate
- Rehabilitation of used mine areas
- 99.3% of customer grievances resolved
- 10% reduction in specific SOx emission*
- 6% reduction in specific PM emission*
- Minimising impact on biodiversity, soil and noise
- Minimising impact on local communities
- Dalmia Bharat has created a cumulative water recharge potential of approximately five times of its annual water consumption
- Consolidated freshwater withdrawal reduced by 38% in four years; water recycling increased by 4 times

#Two fatalities (Contractual talents) **Excluding data for Umrangshu and Meghalaya site* *All figures pertaining to FY19*

Dalmia Bharat. Committed to Sustainable Development Goals (SDG).

Yesterday. Today. Tomorrow.

Four focus areas



Scale operations towards bulk transportation system through long-term contracts and redistribution of operational sites and supply chain

Partnership with transportation and logistic providers towards incorporation of low carbon alternatives

Scale R&D efforts to develop a climate-resilient infrastructure and sustainable building product portfolio

Incorporate initiatives to increase energy efficiency and the use of renewable energy

Increase production of blended cements using alternative raw material and fuel

Promote sustainable construction practices and awareness towards carbon building solutions

Scale R&D efforts for the identification and utilisation of alternative materials

Develop and implement biodiversity and ecosystem management plans across operational sites

Strengthen awareness and the capacity of stakeholders on the conservation of natural resources

Strengthen systems towards a better utilisation of natural resources

Collaborate with academic and industrial entities to foster advanced skills training program to meet the demand-supply gap in skilled workforce

Promote diversity and inclusion across the value chain through change in business model and policies

Strengthen the transportation system through capacity building and adoption of next generation technologies to improve vehicle tracking and promote desired safety behaviours

Priority Sustainable Development Goals (SDG) for the cement sector as per World Business Council for Sustainable Development (WBCSD)

- Providing preventive healthcare services
- Undertaking driver safety programmes to enhance transportation safety (people and products)

- Ensuring quality education through schools, technical institutions and skill development programmes for local communities

GENDER EQUALITY

- Committed to offer equal opportunities to talents across locations and backgrounds
- Committed to the protection of women at the workplace through policy enunciation and implementation
- Supporting and mentoring self-help groups engaged in empowering women

CLEAN WATER AND SANITATION

- Providing safe water, sanitation and hygiene at the workplace, implementing the WASH pledge of WBCSD
- Conducting periodic appraisals of drinking water quality and construction of sanitation blocks and toilets for local communities
- Water-positive cement group through extensive water conservation and harvesting

AFFORDABLE AND CLEAN ENERGY

- Enabling access to clean energy solutions
- Installed 8 MW solar power generation capacity

DECENT WORK AND ECONOMIC GROWTH

- Recruiting talents from the nearby community
- Remunerating fairly - in accordance with the rules and regulations of the Government of India

INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Invested in research & development to develop next-generation ‘green’ cement brands
- Collaborated with international organisations to assess and implement new low-carbon manufacturing technologies

REDUCED INEQUALITIES

- Significant employer in pockets of remote India; providing merit-based employment (regardless of age, sex, ethnicity, religion and other affiliations)
- Member of United Nations Global Compact; adopted 10 principles of United Nations Global Compact

SUSTAINABLE CITIES AND COMMUNITIES

- Conducting road safety awareness activities near our manufacturing facilities
- Training truck drivers in enhanced road discipline
- Conservation and optimum utilisation of water; providing the community with sustainable and clean energy solutions for cooking and lighting

RESPONSIBLE CONSUMPTION AND PRODUCTION

- Increasing the use of industrial waste (slag and fly ash) as raw materials
- Supporting the ‘polluter to pay’ principle; enhancing the efficient utilisation of industrial waste

CLIMATE ACTION

- Reinforcing our position as one of the world’s lowest carbon footprint cement companies
- Sustaining our efforts to consistently reduce emissions
- Ranked number one by CDP for business readiness to a low carbon transition

LIFE ON LAND

- Engaging deeply with India Business and Biodiversity Initiative as an active member
- Investing in rainwater harvesting and biodiversity conservation (in and around our manufacturing plants)
- Planting native plant species (in and around our manufacturing facilities and mining locations)

About this Integrated Report

Vidyasagar Setu, Kolkata
(Constructed using Dalmia Cement)

Overview

Dalmia Bharat is committed to enhancing value for all stakeholders in a sustainable manner. We believe that endeavours of the present influence the stability of our future. In line with this, we undertake bold (and occasionally contrarian) interventions with the objective to accelerate value-creation. Our second Integrated Report provides a holistic view of our professed values, vision, strategy and business model. Besides, this Report explains the industrial landscape against which our financial and non-financial performance were achieved. The Report also addresses various material issues, resulting in a balanced presentation of our performance for the period under review.

Boundary and scope

The non-financial data and information presented in the report pertain to FY18 and FY19 while the financial data pertains to FY19. The performance review aggregated information from our 13 manufacturing locations (Dalmiapuram, Ariyalur, Kadappa, Belgaum, Rajgangpur, Kapilas, Medinipur, Bokaro, Lumshnong, Umrangshu, Lanka, Guwahati and Rohtas) and from our mines and plants (cement, clinkerisation and captive power). Our materiality assessment guided the reporting process, which was revisited this year. The issues included in the report represent the highest importance for our operations (reflected in our Materiality Map).

We followed a robust and progressively strengthening process for data collection, analysis and management. This warranted assumptions and standard calculation methodologies aligned with global estimation and data quantification standards (wherever applicable). For the computation of GHG emissions, we utilised emission factors provided by Inter-governmental Panel on Climate Change and Central Electricity Authority (Ministry of Power, Government of India).

Frameworks

Our constant endeavour is to present information in an unbiased, comparable, accurate, reliable and comprehensive manner to our stakeholders. To enhance reporting transparency, we followed various global reporting frameworks: International Integrated Reporting Council (IIRC), Global Reporting Initiative (GRI) Standards, Global Concrete and Cement Association (GCCA), United Nations Global Compact (UNGC) and Sustainable Development Goals (SDGs).

Assurance

Ernst & Young Associates LLP provided external assurance for the analysis of non-financial data used in the Integrated Report. This independent organisation conducted limited assurance and verified the information, data and calculation protocols for indicators associated with CO_2 and other emissions, health, safety, water and other social and environmental parameters disclosed in this Report. The assurance on financial statements was provided by our Independent Auditors (S.S. Kothari Mehta & Company) The digital version of this report is available at www.dalmiacement.com.

This Report would be of interest to stakeholders who wish to make informed decisions regarding our capability to not only create value over time but also to sustain it. We are committed to enhance the quality of our reporting process and would be grateful for any feedback you may have, which you could send to the following address:

Corporate Communications,
Dalmia Bharat Group
Hansalaya Building, 11th and 12th floor
15, Barakhamba Road, New Delhi - 110001
Phone: 011 – 23310121 /23/24/25
Fax: 23313303
E-mail: corpcomm@dalmiabharat.com
Website: www.dalmiabharat.com

The environmental disclosure does not include the Kalyanpur Plant at Rohtas (Bihar)

From the Managing Director's desk

The year FY19 represented a watershed year wherein we successfully completed the restructuring and amalgamation of our multiple subsidiaries into one listed entity – Dalmia Bharat Limited – to present our stakeholders with a structure that enhances simplicity and clarity. Having a single listed entity will strengthen our principal objective of constantly enhancing stakeholder value.

In 2004, when we embarked on a journey to disrupt our steady multi-decade growth journey with an aspiration to emerge as one of the largest cement groups in India, we recognised that we would need to completely transform ourselves, keeping our core values and culture as the nucleus.

A vision as challenging as this needed us to passionately work towards our stated objective with a precision in execution to transform ourselves into a pan-India company possessing scale; from a staid brand recall, we would need to enhance our brand excitement; from a simple manufacturing positioning we needed to evolve to being seen as community catalysts; from being perceived as a company delivering against regional standards, we were required to evolve to global benchmarks; from being seen as a mere cement manufacturer, to be recognised as a responsible corporate citizen.

Our foundation during this phase has been our enduring sense of values: a respect for human dignity, engagement in nation-building, addressing the larger good, high ethical standard, complete regulatory compliance and commitment to enhance stakeholder value.

Dalmia Bharat increased its manufacturing capacity from 1.2 MTPA in 2004 to 26.5 MTPA in 2019 and simultaneously attained a leadership position in profitability per tonne over the last decade. The Company achieved one of the fastest growth rates in the Indian cement sector. We will endeavour to sustain this growth appetite on the back of an integrated organisational framework that is simplified, more transparent and invested with stronger processes and controls. We believe that this complement will continue to enhance value for our employees, vendors, customers, community and environment.

We have erred a few times but have accepted, learnt and improvised to emerge stronger. The recent instance of fraud related to the Company's mutual fund units was unexpected and unfortunate as, despite reasonable internal controls and diligence, a third party outsider perpetrated the fraud through a blatant forgery of base documents. While a responsible investigation is presently in progress, we reassure our stakeholders that there was no malafide intentions nor internal employee involvement. As a responsible organisation, we are extensively reviewing our systems with the objective to strengthen our operating environment and reinforce internal controls.

Operational review

On the business front, there was a steep escalation across cost parameters that impacted annual profitability for the cement industry in 2018-19. We limited the impact of this slowdown through proactive initiatives like use of multiple fuel, pioneering the Portland Composite Cement category and strengthening cost management. The Company's commitment to achieve sectoral cost leadership continues to be driven by an ongoing process reassessment, deeper employee empowerment, investments in technology as well as strengthening vendor and customer relationships.

The 10% annual volume growth reported by the Company in 2018-19 was well in line with the broad industry growth. Net sales rose 11% to ₹9,484 Cr; EBITDA was ₹1,942 Cr. As a company, we continue to seek opportunities and undertake capacity expansions for enhancing market share and diversifying locations. With that objective we had bid for Binani Cement's assets but with the IBC law still evolving and our insistence on maintaining financial discipline, we were unable to acquire the asset despite higher initial bids.

Dalmia Bharat's acquisition strategy has been integral to its accelerated growth aspiration and nearly 57% of its present installed capacity was acquired inorganically over the last decade. We are pleased to communicate that the hearing of Murli Industries at NCLT with regards to the resolution plan is concluded and the final order is awaited. This acquisition will strengthen our overall competitiveness: it will extend our presence to a state where we are not fully present; widen our presence; empower us to enter new markets and is a step further towards a pan-India presence. In view of the fact that the Murli Industries facilities had been shut for the last few years, we are estimating that following initial capital expenditure, we should be able to commence commercial production of the acquired facility within one year of the actual acquisition.

The Company's planned capacity expansion in East India is well on schedule. We expect to commission the clinker line and almost half the grinding capacity by March 2020 with the entire capacity on stream by March 2021. We believe that with an enhanced capacity, we will consolidate our position deeper in the eastern market, potentially leading to leadership across the foreseeable future.

This capacity growth will ensure our participation in addressing the country's growing cement requirement. Even as we grew our manufacturing capacities at a CAGR of 15% over the last decade, we intend to add almost 40% to our existing capacity over the next two years. As a result of disciplined capital allocation, the cost of capacity addition is below the industry average. We intend to fund this capital expenditure primarily through internal accruals and minimal borrowings.

At Dalmia Bharat, we believe that sustainability across market cycles is derived from a position of disciplined leverage. In line with this conviction and stakeholder feedback, we focused on debt moderation and paid down more debt than was scheduled in the last couple of years, a commitment we would sustain. We are optimistic that our disciplined resource management will continue to provide us with a steady stream of surplus cash flows.

Technology

As a future-focused company, Dalmia Bharat has progressively invested in technology on a continuous basis. Technology has continued to play a key role across the breadth of our operations. At our Company, a three-pronged technology approach is directed towards improving efficiency, moderating costs and creating a better experience for our dealers and customers. We recognise that in an increasingly digitising world, we need to replace the mechanical with the digital.

Environment

Having a committed and consistent focus on the environment, Dalmia Bharat has evolved as a powerful and distinct brand that commands respect as an environmentally responsible company. The sustainability of our business

As a future-focused company, Dalmia Bharat has progressively invested in technology on a continuous basis model is defined by our commitment to challenge the status quo every single day with the objective of retaining our leadership as a cement company with the lowest global carbon footprint.

During the year under review, we became the first Indian cement company to commit to science based targets. We made a commitment during Global Climate Action Summit to emerge as a carbon-negative cement group by 2040 with an impetus on carbon capture and utilisation.

We continue to invest in community building, covering education, skill development, job creation, agriculture, health & sanitation, and clean energy. We became the first global cement company to have our CSR processes assured by BSI for following the ISO 26000 guidance.

Knowledge capital

At Dalmia Bharat, our business sustainability has been reinforced through the passion of our people. Their commitment, skill, knowledge and loyalty represent the building blocks of our Company. We value their contributions and are working on a measurable plan to grow their intellectual capital, comprising increased empowerment, training, career growth, leadership capabilities and interest alignment with the organisation.

We embark on the foreseeable future with increased optimism. In FY20, we expect that India's GDP growth will be catalysed by increased government investments in infrastructure and affordable housing. We believe that the country's cement industry is at an inflection point, marked by incremental demand exceeding incremental supply after more than a decade. In this environment, we also foresee more industry consolidation following the Reserve Bank of India's focus of non-performing assets and strict IBC enforcement. We are well capitalised and structurally equipped today to take advantage of all opportunities and address any challenges in our journey.

I wish to express my gratitude to all our stakeholders who have reposed their confidence in our management. We remain committed to enhance value for all our stakeholders in a sustainable way.

Sincerely,
Gautam Dalmia and Puneet Yadu Dalmia

Managing Director(s)
Dalmia Bharat Limited

Renewable energy capacity by FY21

~50 MW

Manufacturing capacity by FY21

37 MT

Operational review

Dear stakeholders,

It is our constant endeavour to create the enterprise of tomorrow in today's environment. Corporate capability is measured by integrated value creation and strongly linked to creating a future-ready business enterprise.

By following a business philosophy of Clean & Green is Profitable and Sustainable, our purpose is to transition towards a zero carbon company, enabling the building material segment to become carbon-negative.

Moving away from a heritage of fossil fuel-based power and thermal energy generation, our new flexible approach focuses on switching to alternative fuels, biomass-based fuels (such as agro-waste, bamboo), waste heat-recovery based power generation and renewable power to create positive environmental and social impacts. We will continue to build on this approach, capturing markets and creating a low carbon future for India.

In FY19, we continued to focus on achieving inclusive growth and excelling in products manufactured, services rendered and operations managed. We engaged in capacity expansion, product diversification cum innovation, thermal substitution and digitalisation. The result was improved efficiency, enhanced competitiveness and corporate growth. As a prominent Indian cement manufacturer and thought leader, we continued to aspire to enhance value in a sustainable way for all our stakeholders.

Our commitment towards environmental protection was reflected in our achievements: we were ranked #1 in the global cement manufacturing sector by the Carbon Disclosure Project (CDP) for our achievement in transitioning into a low-carbon footprint business. We increased the proportion of alternative materials used, replacing conventional kiln fuels with alternative fuels and bio-fuels. We moderated our emissions in line with the International Energy Agency's (IEA) 2-degree scenario mandated for 2030. We became the first global organisation committed to RE100 and EP100 campaigns. This commitment was reinforced through various ground level initiatives across plants and functions. We also increased resource efficiency across our manufacturing and logistics operations.

India possesses 4% of global freshwater while accounting for almost 18% of the world's population. Keeping this in mind, Dalmia Bharat is focused on reducing water consumption across all functions. Owing to this increasing focus and several water conservation initiatives, we moderated our freshwater consumption by 38% and quadrupled our water recycling quantum in four years. Further, over the course of four years, we saved ~40 million cubic meters of water through rainwater harvesting inside and outside our Group premises through the recycling of waste water and drip irrigation. Through these efforts, Dalmia Bharat has created a cumulative water recharge potential of approximately five times of its annual water consumption.

Even as occupational health and safety have always been our priority, we suffered two unforeseen fatalities in FY19. Learning from these mishaps, we are working relentlessly to ensure a safer environment for our talents and deliver a zero-accident workplace.

We interact periodically with all stakeholder groups to reconcile their needs, interests and grievances. Our stakeholders are at the heart of everything we do and their unwavering trust has enabled us to overcome challenges in transforming our organisation and realising long-term goals. To enhance customer proximity, we seek to digitalise legacy processes that will make it possible to efficiently reach customers. Interventions like Suvidha, geo-tagging and Dalmia dhabas, among others, enabled us to harmonise engagements with customers, dealers and talents. We remain committed to progressing on 10 principles of United Nations Global Compact (UNGC) in our business operations and the value chain.

We believe in growing with communities. Our corporate responsibility initiatives are focussed on nation building and we are committed to creating long-term shared value for all our stakeholders. We believe that growth in social and relationship capital corresponds to an increase in the value of intangibles like brand and reputation in the long run. At Dalmia Bharat, our objective is to touch the lives of all our stakeholders, create win-win opportunities and make a meaningful positive difference in the lives we touch.

Since the inception of our Company, we invested in two human resource pillars - 'Building a strong and sustainable business foundation' and 'Growth for tomorrow'. We created a high-performing workplace marked by open discussions and our value system helped align individual goals with organisational objectives. We believe that the vast untapped potential in each individual can be unleashed by challenging, connecting and coaching individuals.

I would like to thank the Dalmia Bharat team for its continued support. We acknowledge that the path towards sustainability and inclusive growth requires relentless passion and commitment and this is reflected in our culture and the way we conduct business.

Mahendra Singhi
Managing Director and CEO, Dalmia Cement (Bharat) Limited

We interact periodically with all stakeholder groups to reconcile their needs, interests and grievances.

The word **'Technology'** and how it helped Dalmia Bharat reinvent the Group

At Dalmia Bharat, the operative drift that you pick up in conversations is the word **'Technology'**.

'Technology' standing for a better ways of doing things. **'Technology'** standing for innovation. **'Technology'** standing for a superior application that translates into enhanced competitiveness.

As this culture deepened within, a business manager presented a long-standing problem that he faced and wondered if the **'Technology'** experts at Dalmia Bharat could provide a solution.

Each time he attempted to address a localised increase in cement demand, he found competitors beating him to it. They would reach their material faster to distributor warehouses (and hence retail shelves).

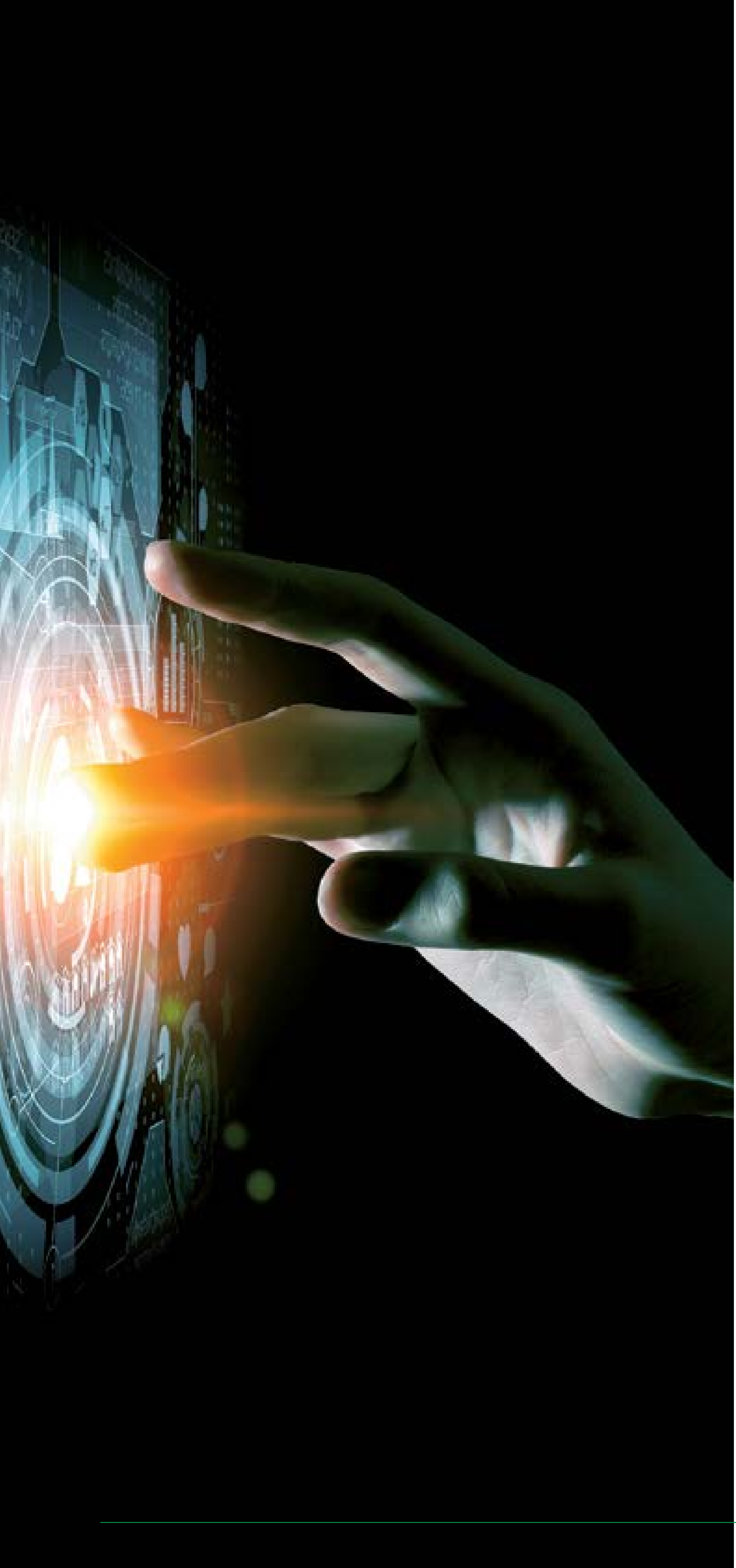
He reconciled. He said he would have to live with this. He said 'No point trying.' Until the whisper of the word **'Technology'** got to him.

Dalmia Bharat's technology engineering planted the seed of an idea in his mind: if you cannot reach your material as fast as the others, why don't you start out earlier?

The word 'earlier' became the lead on which the Group built a predictive solution: on sales that were likely to happen. This transformed the game: based on forecasting capability, the Group began to dispatch cement to a 'virtual depot' near the customer's location. As soon as the customer placed the order, the cement was immediately dispatched.

That one word decisively transformed ground realities across five years. Dalmia Bharat has moderated its delivery time from an average eleven hours to four hours.

The Dalmia Bharat distributor is pleasantly surprised. *'Abhi phone kiya nahi aur maal aa pahuncha!'*



Technologies at Dalmia Bharat

Artificial Intelligence for HR solutions

Predictive analytics

Leveraging social media for effective talent acquisition

Oracle and SAP for a real-time performance mapping

Technology-enabled tools for sales professionals

Low carbon technologies to reduce carbon footprint

Analytics for precise micro-details of the business

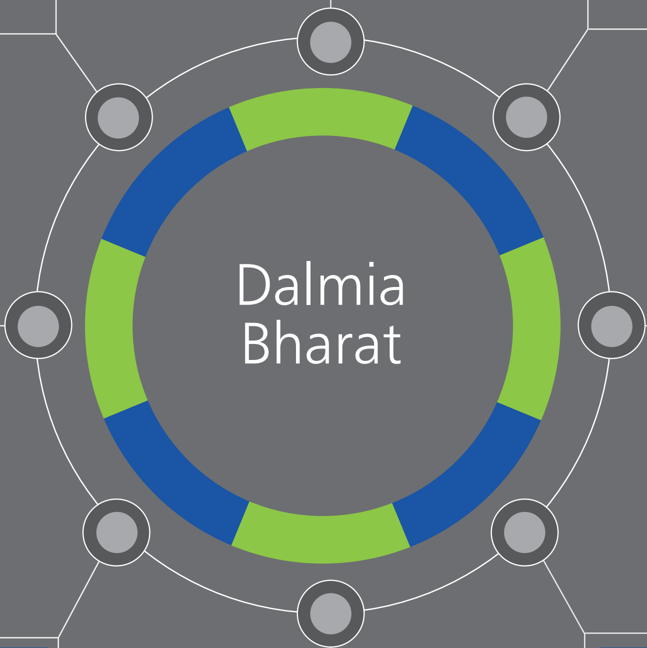
Apps offering a one-tap option to help dealers improve their order lifecycle management, help transporters with instant electronic proof-of-delivery, aid influencers (engineers, architects and masons) with construction estimates and tips, help sales managers with customer satisfaction and secondary sales, assist instant senior management approvals for purchase requisitions, help transporters track delivery tenures and empower logistics executives exercise stronger control across the logistical value chain

What Dalmia Bharat stands for

Values
Dalmia Bharat's organisational values are subtle, Indian and timeless.

Stakeholders
Dalmia Bharat aspires to help unleash the potential of everyone it touches. Our culture and value system go beyond our professional life.

Background
Since 1935, Dalmia Bharat has contributed towards nation-building through a gamut of value-added products.



Sustainability
In line with the Paris Agreement, Dalmia Bharat transformed its business to emerge as one of the world's greenest cement manufacturing companies. It was ranked in business readiness for low carbon transmission, which helped it to emerge as a water-positive cement group.

Performance
Dalmia Bharat reported consolidated net revenue of ₹9,484 Cr., net profit of ₹349 Cr. and total assets of ₹20,538 Cr. for FY19.

Brands
Dalmia Bharat is working to increase its asset utilisation and building capacity through brownfield expansions. Its portfolio of brands and product portfolio (DSP, Ultra, Superproof, Konark and SRPC, InfraGreen, Oil Well, Air Strip & Railway Sleeper Cement) serves the need of 22 States across Eastern, North-Eastern and Southern India.

Leadership
Dalmia Bharat is a leader in the super-speciality cement segment, which enjoys downstream demand among manufacturers of railway sleepers, oil wells and airstrips. It is the country's largest producer of slag cement.

Capacity
Dalmia Bharat is India's fourth largest cement group with an installed capacity of 26.5 MTPA, accounting for ~5% of the all-India capacity share. It possesses manufacturing facilities across 13 locations and nine Indian states.

Our values

Trust and respect

Respect is earned, trust is gained.

Commitment

Commitment is what transforms a promise into a reality.

Humility

Perfection is impossible without humility.

Integrity

Integrity is the quality of being honest and having strong moral values.

Dalmia Bharat's history

A view of the cement factory at Dalmiapuram
(Dalmia Cement (Bharat) Limited, Dalmiapuram, Tamil Nadu)

1930-50

Entered the cement industry by setting up its first manufacturing facility in Dalmiapuram (Tamil Nadu) with an installed capacity of 1.2 MTPA

1950-80

Launched specialised cement variants for constructing airstrips and railway sleepers

1980-2000

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

2000-10

- Established greenfield projects in Ariyalur and Kadappa
- Scaled its manufacturing capacity to 9 MTPA
- Commissioned captive power plants in Dalmiapuram and Ariyalur
- Set up Dalmia Bharat Foundation to further its commitment to corporate citizenship

2010-15

- Expanded rapidly in Eastern and Southern India through organic and inorganic initiatives (Calcom and Adhunik in North-Eastern India and Bokaro in Eastern India)
- Published its first sustainability report
- Became a Cement Sustainability Initiative member
- Became a WASH Pledge signatory
- Undertook a target to become a water-positive cement group

2015-17

- Acquired OCL in Eastern India
- Scaled its capacity to 25 MTPA
- Became the first to commit to EP100 and RE100 campaigns
- Launched Craft Beton
- Published its first Integrated Report
- Became one of the few companies to have its CSR processes assured on ISO 26000 and publish its 1st CSR report, based on ISO 26000 guidance
- Commits to science- based targets
- Become water positive cement group

2017-19

- Acquired Kalyanpur Cement (Bihar)
- Announced capacity additions of 7.8 MT in the eastern region
- Completed restructuring to emerge as a single listed entity, reducing the number of subsidiaries
- Introduced Dalmia Determined Contributions (DDC) directed towards increasing environment-friendliness on the back of superior technologies

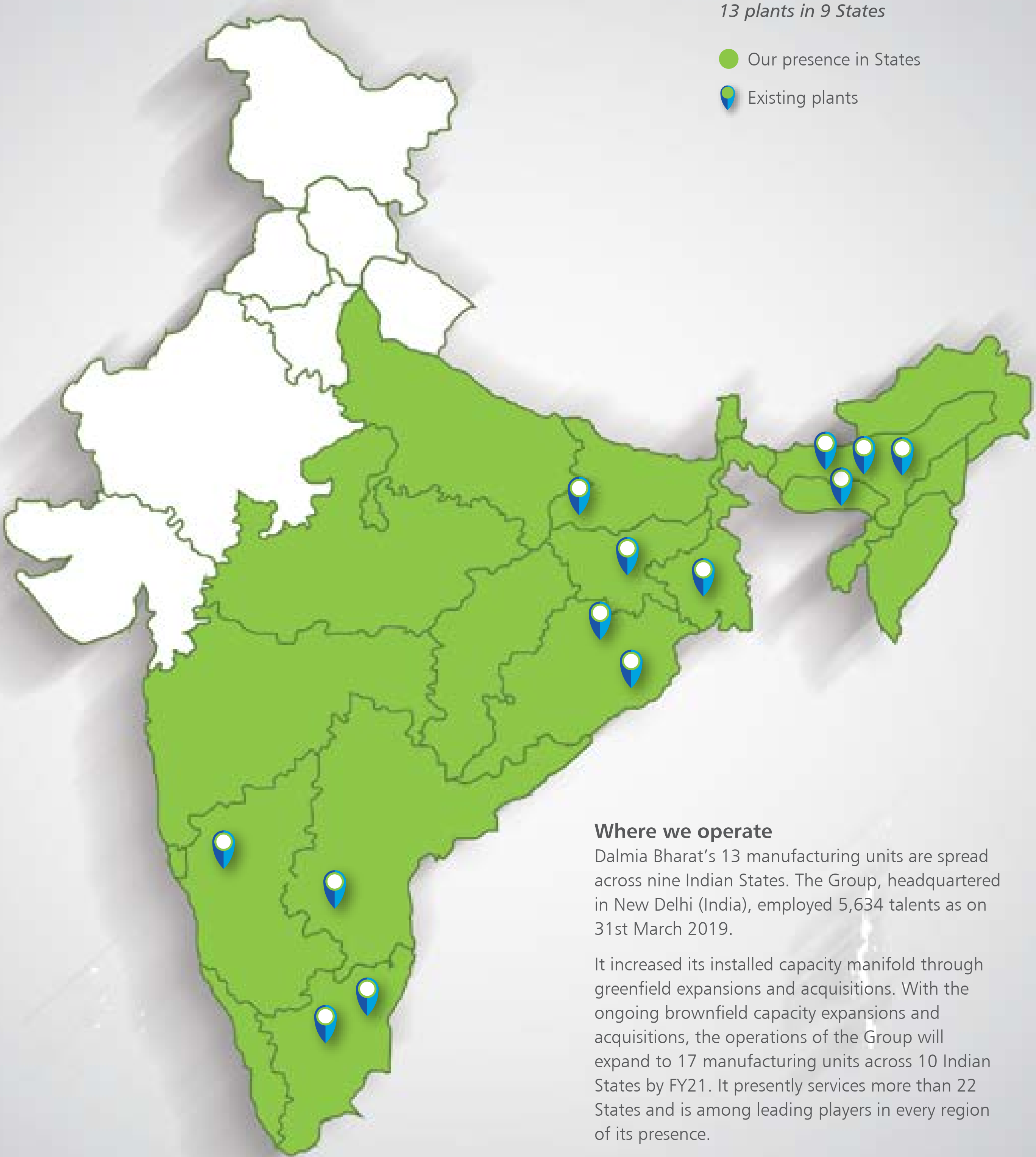
How our operations have grown over the years

FY04: 1.2 MT

1 plant in 1 State

FY19: 26.5 MT

13 plants in 9 States



Where we operate

Dalmia Bharat's 13 manufacturing units are spread across nine Indian States. The Group, headquartered in New Delhi (India), employed 5,634 talents as on 31st March 2019.

It increased its installed capacity manifold through greenfield expansions and acquisitions. With the ongoing brownfield capacity expansions and acquisitions, the operations of the Group will expand to 17 manufacturing units across 10 Indian States by FY21. It presently services more than 22 States and is among leading players in every region of its presence.

Accelerated capacity development strengthened Dalmia Bharat's competitive advantage, making it possible to leverage economies-of-scale, carve away first-mover advantages, build on its existing market leadership, improve resource linkages and increase distribution efficiency.

Dalmia Bharat.

A holistically positive experience

Our products and services

For nearly eight decades, Dalmia Bharat has delivered value-added products and reliable after-sales service. It has played a catalytic role in India's infrastructural growth. Its superior expertise has resulted in the commissioning of landmark national infrastructure projects – the Dhola-Sadiya Bridge (longest bridge in India), Chennai Metro, Kochi Metro and Advanced Landing Ground in Pasighat (Arunachal Pradesh), among others.

Dalmia Bharat commissioned a research lab named Dalmia Research Centre (DRC) to address emerging market needs. DRC is engaged in ongoing product analysis to enhance product quality. Its product range comprises super-premium brands (Dalmia DSP) and premium brands (Dalmia).

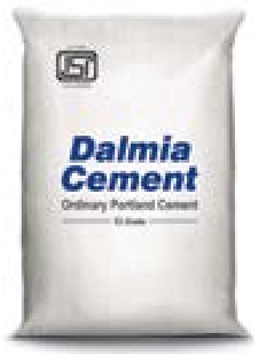
Dalmia OPC – 43 & 53

Dalmia 43 and 53 grades are manufactured using advanced CVRM technology, which provides cement with balanced particle size distribution, resulting in denser concrete.

With Dalmia 53 grade's denser concrete, roofs are guarded against cracks and water leaks, making it durable for decades.

With Dalmia OPC 43 grade cement, compressive strength is 25% higher than the specified requirements of BIS.

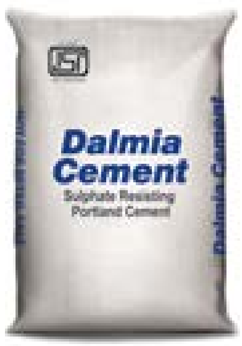
Dalmia 43 grade comprises minimal free lime and magnesia, enhancing volume stability that prevents construction from cracks and damages. The low chloride content in the 43 grade OPC cement provides corrosion resistance to embedded steel in RCC.



Dalmia Sulphate Resisting Portland Cement (SRPC)

The Sulphate Resisting Cement of Dalmia is a unique product designed to resist the challenges of aggressive environment impact, leading to long concrete construction life. The salient features, which sets it apart, comprise:

- Effective for harsh environments
- Higher volume stability
- Extensive corrosion resistance
- Higher compressive strength



Konark Portland Slag Cement (PSC)

Manufactured by inter-grinding clinker, gypsum and blast furnace granulated slag from the steel industry. Blends OPC with ground granulated blast furnace slag using mechanical blenders.
Used in general civil engineering construction. Preferred in the construction of marine structures and in coastal areas (where excessive chlorides and sulphates are present). Ideal for mass concrete structures like dams and embankments.

Konark Composite

The latest entrant in the blended cement family. Manufactured by blending ground clinker with slag and fly ash. Enhances sustainability by reducing the clinker factor and utilising industrial by-products such as fly ash and slag.

Pozzolanic and hydraulic reaction of fly ash and slag enhances mechanical properties of concrete. The combined effect of slag and silica as plasticizers results in a higher workability at a lower water cement ratio. Offers higher compressive strength and long-term durability. Caters to all customer segments.

80%

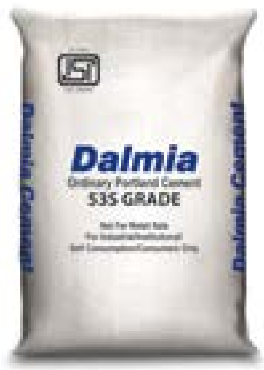
of the product portfolio comprises blended cements

Oil Well Cement (OWC)

Used for cementing in drilling oil wells subject to high temperature and pressure. Contains special organic retarders to prevent cement from setting quickly. Manufactured in line with stringent standards; received a coveted certification from American Petroleum Institute. Largest producer of this cement variety in India. Addresses needs of reputed clients (ONGC and Oil India Limited).

Dalmia Portland Pozzolana Cement (PPC)

Higher impermeability in PPC prevents corrosion in steel bars used in construction. Provides a 'home' with higher durability. Dalmia PPC Cement is the perfect cement choice of construction for home builders.



Railway Sleeper Cement

Pioneered the manufacture of this cement variety in India. Addressed demanding specifications of Indian Railways. Helped replace wooden railway sleepers for high-speed trains. Supplied to all major railway sleeper manufacturers in India. Used in the Chennai-Trichy broad gauge.

Dalmia DSP

Crown jewel in Dalmia Bharat's product bouquet. Specialised best-in-class offering in slag-based and fly ash-based variants. Premium quality cement produced from high-grade Portland cement clinker, imported gypsum and superior ground granulated blast furnace silica rich slag (GGBS) from the most reputed steel manufacturers. Quality raw materials ensure optimal particle size (fineness), ease of working, best setting time and highest strength, making it a preferred choice. Packed in Biaxially Oriented Polypropylene (BOPP) bags with nano-pores (compared to micro-pores or macro-pores), which ensure shower resistance, minimal seepage and extended freshness.

Sustainable procurement

Dalmia Bharat is committed to sustainable sourcing. The 'Sustainable Supply Chain Management Guide' ensures that material and components are sourced sustainably, sourcing relationships are comprehended thoroughly and supply chain risks identified pro-actively across organised and unorganised players of the construction value chain.

The Group optimised resource and equipment sourcing with considerable advantages cascading to local suppliers. This widened economic development across allied sectors; it reduced risks associated with globalised sourcing.

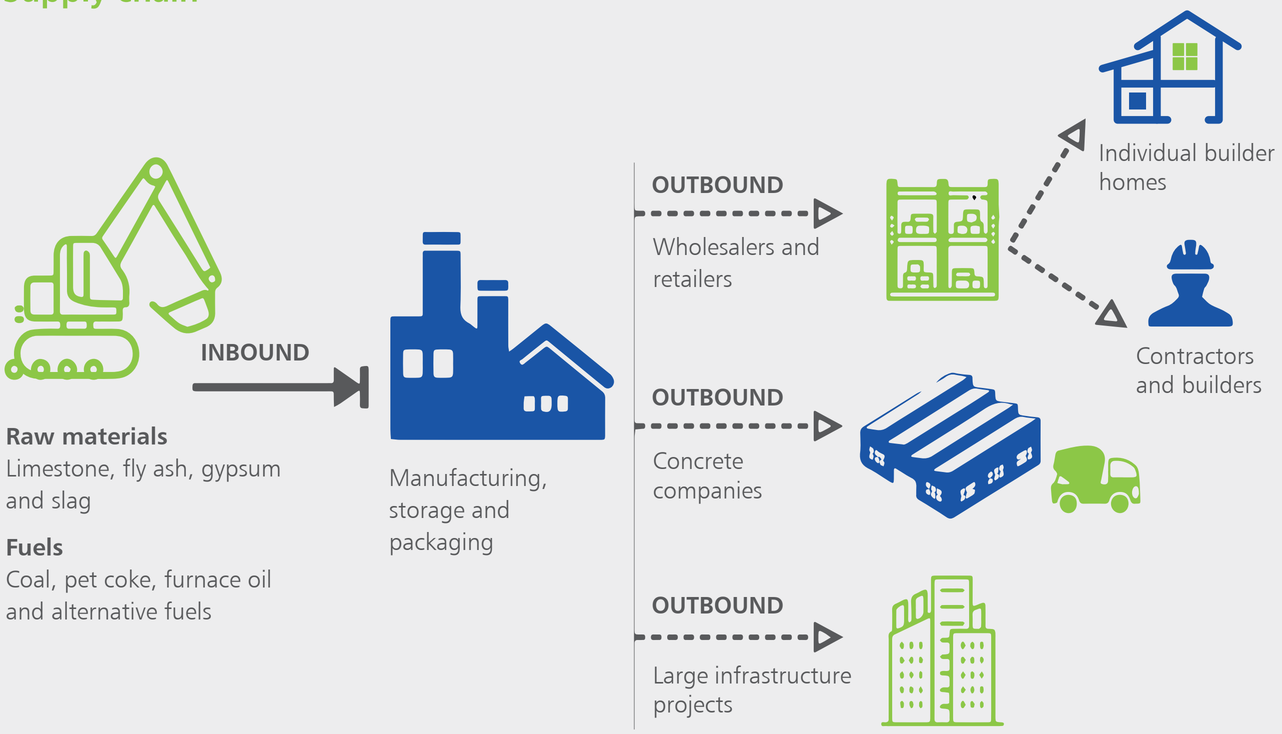
The Group promoted local sourcing, compliance with regulations and collaboration with stakeholders to build mutual dependencies. It customised incentive programs in accordance with unique needs and interest areas of vendor partners. In doing so, it moderated costs, increased suppliers, enhanced stakeholder satisfaction and minimised environmental impact.

>11,000
Supply chain stakeholders

2.5 hours
Average turnaround time

Average turnaround time at manufacturing sites

Supply chain



Strengthening the supply chain

Geo-tagging for greater transparency

Dalmia Bharat mapped its entire trade channel, including dealers, sub-dealers and customers to comprehend the customer landscape deeper. The data helped in the right placement of assets in the market and innovating the delivery model based on market access.

Digitisation of the supply chain

The mobile-based electronic proof of delivery app is used by drivers for e-delivery confirmation. Though this digitisation is in its initial stages, the benefits reaped from it would comprise superior working capital management of the transporter due to auto freight payment, better understanding of the exact location of material consumption leading to superior marketing strategies, accurate freight payment based on multi-point delivery patterns, digital closure of the order-to-cash cycle loop and an immediate transparent app-based access to the delivery rating experience. On the back of digitalisation, the Group is optimistic of reaping superior benefits.

Dalmia Driver Loyalty Programme

Dalmia Bharat's Driver Loyalty Programme provides credit points to drivers on the basis of the number of trips and the collection of electronic proof of delivery, among other parameters. Every two months, drivers' families are invited to an event where the drivers are rewarded on the basis of aggregated credit points. This initiative has promoted positive behavioural change, enhanced motivation among drivers, which, in turn, has increased customer satisfaction and driving safety.

Dalmia Bharat embarked on the job enhancement of truck drivers into long-term sales force which will empower them to assume additional responsibilities like billing and taking acknowledgments, among others.

Dalmia Bharat. Engaged in helping the world moderate its carbon footprint

In Dalmia Bharat's race of excellence, there is virtually no finish line.

Fittingly, it selected to promote adventure sport in North East India (Arunachal Pradesh) with the objective to promote eco-tourism in Arunachal and attract visibility for the region, sport and company.

Dalmia Bharat's decision to promote this marquee event was in line with its conviction to promote talent, celebrate performers, enhance regional visibility and encourage the youth of the region to turn to sport as an expression of their personality.

The gruelling eight-day November mountain biking race - Dalmia MTB Arunachal Hornbill's Flight International Race 2018 – commenced from Itanagar and ended in Mechuka, a distance of 730 kms. The race attracted 100 riders.

Dalmia Bharat not only sponsored the event but also sponsored five deserving youngsters to participate, strengthening its connect with the regional community. These youngsters participated alongside prominent international cyclists from Portugal, Canada, USA, Germany, UK and India.

At Dalmia Bharat, we believe that our consistent support will provide this competition an international stature that attracts a larger number of global cyclists and helps build a thriving community that enhances awareness for fitness, outdoor sport and environmental integrity. At our Group, we believe that this initiative, directed at moderating the world's carbon footprint, is an extension of our commitment to make the world a better place to live in.

The competition's flag-off had a surprise visitor in Indian film icon Salman Khan (following his unveiling the official race jersey in Mumbai earlier).

Stakeholder engagement process

Dalmia Bharat engages with customers, talents, suppliers, dealers, communities, investors as well as governmental / regulatory bodies. The stakeholders of the Group expect respect, transparency, integrity and fairness. To address their expectation, Dalmia Bharat built a robust stakeholder engagement process. Stakeholders were identified based on peer reviews, expertise, experiences, surveys, influence and periodic engagement with all relevant stakeholders to understand their concerns leading to their resolution, improved decision-making, lower environment impact and better societal relations.

Stakeholder engagement process

- Identifying stakeholder group, based on influence and relevance
- Understanding stakeholder issues and concerns
- Organising meetings for consultation and receive feedback
- Integrating stakeholder concerns in decision-making
- Communicating relevant information to stakeholders on a regular basis

Stakeholder
Customers
Talents
Suppliers
Communities
Investors
Governmental and regulatory bodies

Focus areas	Communication channels
• Timely delivery • Quality • Pricing • Post-sale support • Product-related certifications	• Customer feedback • Customer satisfaction surveys • Phone calls, e-mails and meetings • Signed contracts • Exhibitions and events • Websites and social media
• Work-life balance • Training and skill development • Career growth • Occupational health and safety • Job security • Transparent communication • Sustainable lifestyle choices	• Intranet portals • Talent satisfaction surveys • Training programmes • Performance appraisal reviews • Grievance redressal mechanisms • Publications and Newsletters • Ethics helpline
• Timely payment • Continuity of orders • Transparency • On-time delivery • Environment and safety-related activities by suppliers	• Vendor assessments and reviews • Signed contracts • Purchase orders • Exhibitions and events • Social media/websites
• Local employment • Environmental pollution control • Infrastructure development • Training and livelihood programme • Participation in social services • Social responsibility	• Training workshops • Regular meetings • Need assessments and reviews • Surveys • CSR reports • Social media/websites
• Sustainable growth and returns • Risk management • Corporate governance • Operational performance • Low carbon emission	• Board meetings • Annual reports • Websites • Investor Meetings • Participation in conferences • Integrated report • Third party reports such as CDP
• Compliance with laws and regulations • Employment generation • Pollution prevention • Regional development	• Annual reports • Communications with regulatory bodies • Formal dialogues • Monthly forms • Status reports

Materiality

Methodology to determine material issues

Dalmia Bharat conducted its first materiality assessment in FY14. Since then, the material aspects have been reviewed each year to stay relevant to the evolving external environment and changing stakeholder expectations. In FY19, the Group reviewed its material issues in accordance with the GRI sectoral guidance, Sustainability Accounting Standards Board (SASB), Global Cement and Concrete Association (GCCA) and other aspects identified by peer organisations. In addition to the assessment, multiple formal and informal interactions with the senior management led to the finalisation of 12 material aspects. The identified material issues were incorporated into Dalmia Bharat's business model.

Broad list of aspects identified for materiality exercise

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

Finalised material aspects

Knowledge partnerships and associations

Dalmia Bharat is a member of Federation of Indian Chambers of Commerce and Industry (FICCI), PHD Chamber of Commerce, Associated Chambers of Commerce & Industry of India (ASSOCHAM), Confederation of Indian Industry (CII), Cement Manufacturers Association (CMA), Federation of Indian Mineral Industries (FIMI), International Chamber of Commerce (ICC), Federation of Industry & Commerce of North Eastern Region (FINER) and Public Affairs Forum of India (PAFI).

Awards and accolades

It is also a member of Global Cement and Concrete Association (GCCA), India Business and Biodiversity Initiative (IBBI), Caring for Climate initiative of UN. The Group is also a UNGC participant, TERI Council for Business Sustainability (TERI CBS), Carbon Pricing Leadership Coalition (CPLC) and a signatory to WBCSD's WASH Pledge, EP100 and RE100.

1. ET NOW Social Responsibility Leadership Award
   February 2018
2. EY Entrepreneur Of The Year Award (manufacturing category) 2017
   February 2018
3. Gold Award in the 16th ABK AOTS CUMI 5S Competition
   January 2018
4. Fastest Growing Cement Companies - Large Category by ASAPP Publications
   December 2018
5. Sustainability Award by ASAPP Publications
   December 2018
6. Logistics team won the Adaptive Supply Chain Award by CII
   December 2018
7. Craft Beton won the Contemporary Design Award by Ace Luxe Design Show 2018
   November 18
8. Best CSR Report by ET Now CSR Leadership Award
   February 2019
9. CII CAP 2.0 Climate Resilient category award
   February 2019

Management discussion and analysis

Indian economic overview

India retained its position as the sixth-largest economy and the fastest-growing trillion-dollar economy through a major part of the year under review (except in the last quarter of 2018-19). After growing 7.2% in 2017-18, the Indian economy is estimated to have grown 6.8% in 2018-19 as per the Central Statistics Office release, May 2019.

The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, steadying interest rates and weakened consumer sentiment from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which, in turn, resulted in slower GDP growth that declined to 5.8% by the fourth quarter of 2018-19, the slowest growth in a single quarter in years.

In 2018, the country attracted ~US$ 42 billion in FDI inflows as per the World Investment Report, 2019. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured the performance of 190 countries.

The commencement of the US-China trade war opened a new opportunity for India, particularly in the agro sector. Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitalisation, renewable energy capacity generation and infrastructure building.

Indian economic outlook

The Indian economy appears to be headed for sluggishness in FY20. Even as a new government is expected to remain pro-investment and pro-business resulting in a larger spending on infrastructure build-out, an economic revival appears some quarters away. The long-term outlook of the country appears to be positive on account of various economic reforms, increasing aspirations, sustained consumption momentum and a national under-consumption across a range of products appearing to correct. (Source: CSO, Business Standard)

Key government initiatives

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

Bank recapitalisation scheme

In addition to infusing ₹2.1 lakh crores in public sector units, the Indian Government announced a capital infusion of ₹70,000 Cr. to boost credit and create a strong impetus in FY19. (Source: Hindu Business Line)

Expanding infrastructure

India's proposed expenditure of ₹5.97 trillion (US$ 89.7 billion) towards infrastructural development in Union Budget 2018-19 is expected to strengthen the national economy. As of November 2018, the total length of projects awarded under Bharatmala Pariyojana (including residual NHDP works) was 6,460 kms for a total cost of ₹1.52 trillion (US$ 21.07 billion). The Government announced an investment of ₹10,000,000 Cr. (US$ 1.5 trillion) in infrastructure over the next five years in Budget 2019-20. (Source: IBEF)

Ujjwala Yojana and Saubhagya Yojana

With the help of this initiative, the Government has transformed the lives of every rural family, dramatically improving ease of their living by providing electricity and clean cooking facility to all willing rural families by 2022.

UDAN

This Scheme is directed towards providing air connectivity to smaller Indian cities, enabling the common citizens to avail the option of travelling via air. Under this scheme, a number of airports are likely to be constructed.

Under the scheme, some selected airlines are expected to enjoy a three-year exclusivity period on specified routes, which will ensure no price cutting. Further, aviation turbine fuel tax rates have been reduced in collaboration with States.

The Insolvency and Bankruptcy code (Amendment), Ordinance 2018

Passed in June 2018, the ordinance provides a significant relief to home-buyers by recognising their status as financial creditors. The major beneficiary comprised MSMEs, empowering the Indian Government to provide them a special dispensation under the code. (Source: PIB)

Pradhan Mantri Kisan Samman Nidhi

The Indian Government announced in February 2019 the Pradhan Mantri Kisan Samman Nidhi, a scheme promising an annual assured income of ₹6,000 (US$ 84.5) for any farmer owning ≤2 hectares of farmland. The budget for fiscal year 2020 allocated ₹75,000 Cr. for the scheme, benefiting ~120 million land-owning farmer households.(Source: PIB)

Direct Benefit Transfer

The Direct Benefit Transfer initiative re-engineered the cash disbursement process in welfare schemes through simpler and faster flow of information / funds to ensure the accurate targeting of beneficiaries, de-duplication and reduction of fraud. In FY19 alone, this scheme is estimated to have transferred >₹3,00,000 Cr. and the gains to have accrued since scheme implementation (upto March 2019) was estimated at ₹1,41,677 Cr. (Source: www.dbtbharat.gov.in)

Indian cement industry overview

India is the second largest producer of cement in the world (after China) with an annual installed capacity of ~500 MT. The industry accounts for ~8% share of the global cement capacity. The real estate sector (including housing) is cement's biggest demand driver, accounting for ~65% of the total national consumption. The other cement consumers comprise public infrastructure at 20% and industrial development at 15%. The cement industry employs ~20,000 people across downstream sectors for every million tonne of cement produced.

Following the momentum generated in the previous year, cement demand grew 13% in FY19 on account of a low sales base of the previous year (following GST impact in H1FY18) and healthy growth rates coming out of Eastern and Southern India. Looking ahead, demand growth could be catalysed by investment growth in affordable housing, rural development and infrastructure expansion.

The key regional drivers of India's cement demand are expected to be Eastern, Central and Southern India. Further, cement prices are expected to stay stable. There was a growth in input costs during the year under review that is beginning to moderate following a decline in crude oil costs and cheaper slag and pet coke availability.

India's cement industry is skewed towards the larger producers, indicating an impact of scale, brand and Balance Sheet strength. The country's top 20 cement companies accounted for ~70% of the cement production in the country. Some 210 large cement plants accounted for a cumulative installed capacity of >350 MT while 350 smaller plants accounted for the rest. Of these 210 plants, 77 were located in Andhra Pradesh, Rajasthan and Tamil Nadu. (Source: CMA, IBEF)

Cement industry catalysts

Infrastructure development

There was steady growth in the implementation and completion of large infrastructure projects. The Central Government-backed mega-infrastructure projects like Bharatmala, Sagarmala and Smart Cities are beginning to report increased traction in terms of project award and implementation, a trend likely to sustain.

Affordable housing

The Indian housing and real estate segment is being driven by the demand emerging from India's affordable segment across rural and urban geographies. ~1.54 Cr. rural houses were constructed under the Pradhan Mantri Awas Yojana in the last five years. (Source: PIB)

Highways

In FY19, highway construction and expansion reached its highest pace at ~30 kms per day. The Central Government has estimated that 65,000 kms of highways will be constructed at a cost of >₹5.35 lakh crores by 2022. (Source: TOI)

Rural roads

Over the last 1000 days, the pace of highway construction increased to around 28 kms per day. PMGSY-III envisages to upgrade 1,25,000 kms of road length over the next five years at an estimated cost of ₹80,250 Cr. (Source: PIB)

Metro railways

Currently, 10 cities in India have a functional metro rail network, spanning >500 kms. The construction of >660 kms across 15 cities is under consideration. (Source: Economic Times)

Airports

The projected passenger traffic (to, from and within India) for 2040 is estimated to be ~ 1.1 billion passengers. On the back of this estimated growth, the number of operational airports are estimated to reach 200 by 2040. (Source: Ministry of Aviation)

Ports

The country focused on the development of the Sagarmala programme to develop and modernise ports along the country's 7,500 kms long coastline. (Source: Moneycontrol)

Commercial and industrial development

While much of India's residential real estate sector remained sluggish, the green shoots of the sector comprised a demand for larger office spaces. Gross leasing of office space was a record 48.1 million square feet in 2018 across eight major cities. Investments in India's commercial real estate sector reached a decadal high of ~US$ 2.6 billion during the first three quarters of FY19. Bengaluru, Mumbai and Delhi NCR accounted for 70% of the total office space demand. (Source: Economic Times)

Railways

The capex of Indian Railways for 2019-20 was fixed at ₹1,60,175 Cr. in Budget 2019-20, the highest-ever, surpassing the previous year's allocation of ₹1,48,528 Cr. Under the proposed outlay, ₹7,255 Cr. was allocated for the construction of new lines, gauge conversion received ₹2,200 Cr., gauge doubling attracted ₹700 Cr., rolling stock attracted ₹6,114 Cr. and signalling and telecom received ₹1,750 Cr. The allocation for passenger amenities increased by ₹1,000 Cr. to ₹3,422 Cr.

Bharatmala Pariyojana

The Bharatmala Pariyojana (the second largest highway development project after the National Highway Development Project) was launched with an outlay of ₹5.35 lakh crores over a five-year period, envisaging the construction of 65,000 kms of roads in the first phase. Additionally, ₹1.57 lakh crores is likely to be spent on existing projects, taking the total expenditure to ₹6.92 lakh crores.

The salient features of this initiative comprised:

- Identification of corridors in a scientific manner
- Commodity-wise survey of freight movement across 600 districts, mapping shortest routes across 12,000 routes, carrying 90% of India's freight volumes, technology-based automated traffic surveys at 1,500+ points and the satellite mapping of corridors to identify upgradation requirements

The initiative aims to create of a network of ~42,000 kms of economic corridors, inter-corridors, and feeder routes across the country, comprising:

- 44 economic corridors spanning ~26,200 kms and connecting economically important nodes
- 66 inter-corridor routes spanning ~8,400 kms of inter-corridor routes connecting economic corridors
- 116 feeder routes spanning ~7,600 kms of shorter feeder routes for ensuring first/last-mile connectivity

The initiative also seeks to decongest 185 choke points across the existing corridor network with a complement of 28 ring roads, 45 bypasses, 34 lane expansions, 12 other interventions and 60+ points (yet to be finalised).

Cement industry challenges

- In 2018, pet coke prices remained on the higher side (US$ 100-110 per tonne) coupled with an increase in the total cost of imported coal by 28.7%. This also reduced the scope for manufacturers to offset feedstock costs. An upward movement in US$ vis-à-vis INR in the early part of the financial year under review increased the delivered cost of imported feedstock
- Spot power prices remained high and non-captive power users were required to pay higher power tariffs. The surge in tariffs was owing to coal scarcity during the peak-demand period. Fuel and power prices on average increased 15-18% during H1FY19 over the corresponding period in the previous year
- Although cement is a high-volume and low-value product, it is also a highly-taxed commodity, higher than luxury goods (excluding freight transportation, which is ~20% of the operating cost). The levies and taxes in India are higher when compared to the Asia-Pacific or developing economies like Pakistan and Sri Lanka
- Rise in diesel prices could have a direct impact on the margins of cement manufacturers. Cement manufacturers with a higher dependence on road freight for the transportation of raw materials and supply of finished cement to markets could be impacted in the case of increased diesel prices
- The operating margin for the industry declined due to the Impact of fuel, freight, currency and power costs. Clinker and slag, key raw materials for cement, encountered an increase in cost in some regions, impacting margins that could not be passed due to increasing competition

Cement industry opportunities

The demand growth led by the affordable housing segment is expected to sustain on the back of increased governmental allocations. Fair monsoons should lead to a sustained improvement in rural prosperity. With the focus of government on building national highways and freight corridors, a significant contribution to the incremental cement demand is expected from these sectors.

Budgetary allocations

Indian Railways was allotted a capital support of ₹65,837 Cr. (US$ 9.08 billion) in 2019-20

Pradhan Mantri Gram Sadak Yojana was allocated ₹19,000 Cr. (US$ 2.67 billion) for FY20

PMGSY-III is envisaged to upgrade 1,25,000 kms of road length over the next five years with an estimated cost of ₹80,250 Cr.

North East infrastructure initiatives

The Indian Government's 'Act East' focus on strengthening relations with neighbouring countries helped enhance connectivity through various transportation, telecom and power projects.

Airports

- The North Eastern Council is a nodal agency entrusted with the responsibility of fostering economic and social development in the North East. The North Eastern Council, whose key members include the Governors and Chief Ministers of eight States, is funding the infrastructural upgradation of 12 airports
- The Ministry of Road Transport and Highways completed the construction of a greenfield ₹300 Cr. airport at Pakyong (Sikkim), one of the five highest airports in India
- The Tezu Airport (Arunachal Pradesh) ensures connectivity to districts like Lower Dibang Valley, Anjaw, Namsai and Dibang Valley, among others
- Runway extension works will be taken up by the North Eastern Council at Umroi (Shillong) Airport. Work is underway to allocate hangars at Lokpriya Gopinath Bordoloi International Airport in Guwahati

Roads

- Recently inaugurated projects include the 17.47 kms Doimukh-Harmuti Road, which links Assam and Arunachal Pradesh; the 1.66 kms Tura-Mankachar Road connects Assam and Meghalaya. The 17.47 kms Doimukh-Harmuti Road (₹58.25 Cr.) provides an important link across the rivers Gumto and Gulajoly
- An express highway project along the Brahmaputra River spanning across 1,300 kms (estimated outlay of ₹40,000 Cr.) is expected to resolve road connectivity issues in Assam
- The North East Road Sector Development Scheme, launched in FY16 is a centrally-sponsored scheme for the construction/upgradation/ improvement of 433.7 kms of roads in Assam, Manipur, Meghalaya, Mizoram, Sikkim, Arunachal Pradesh, Nagaland and Tripura

Railways

- There are plans to provide a railway link for the North Eastern states through 20 major railway projects, encompassing 13 new lines, two gauge conversions and five doublings, stretching ~2,624 kms
- All the capitals of North Eastern Indian states are expected to be connected by a broad gauge rail link by 2020
- 43 projects are underway within the jurisdiction of the North East Frontier Railway
- Assam and Meghalaya will be connected through the Byrnihat-Shillong line whereas Manipur will be connected to Jiribam, a bridge with a pier height of 141 metres, making it the tallest rail bridge in the world

Cement industry outlook

Domestic cement demand is estimated to grow at ~8% in FY20, driven by housing development, primarily in the rural and affordable segments and infrastructural development (roads, metro, railways, airports, ports and irrigation projects). The incremental demand of ~22-26 MT was estimated to be greater than incremental supply, resulting in an expected growth in capacity utilisation. (Source: Hindu Business Line, ICRA)

Global refractory industry overview

The global refractories market was estimated at US$ 23.3 billion in 2018 and projected to reach US$ 26.3 billion by 2023, clocking a CAGR of 2.5% between 2018 and 2023. Refractory demand is closely tied to global demand patterns of industries, like steel, non-ferrous metals, cement, glass and petrochemicals.

Overall market growth is expected to be fuelled by acceleration in iron and steel production in emerging economies such as China, India and Brazil and a high growth rate witnessed by the non-metallic minerals industry. The growth is primarily due to infrastructural development, industrial expansion, construction activity in economically developing areas and improved prospects for these industries in developed economies, creating a growing demand for high-grade refractories.

India refractory industry overview

India is an attractive refractory market. Given the continuous momentum in expected growth in the end-user industries, the refractory market is estimated to grow above 6% in FY20 and FY21. India is already the second largest producer of steel with 106 MT crude steel production in 2018, targeted to grow to 300 MT by 2030. Steel consumption grew by 5.7% y-o-y and reached 92.1 MT in 2018.

The other large refractory consumer was the country's cement sector. India is the second largest producer of cement with the capacity of 500 MT expected to grow to 550 MT by 2020.

The growth in the end-user industry was primarily driven by growing urbanisation, infrastructure development and Housing for All by 2022 initiative. The growth was also due to an increase in the middle-class population leading to a sharp upswing in the consumption of goods requiring steel.

Company overview

A leader in cement manufacturing since 1939, Dalmia Bharat is a prominent cement player and one of the fastest growing in the country's cement sector. Dalmia Bharat's state-of-the art plants are spread across 13 locations, servicing the growing cement appetite of 22 States. It is the fourth largest cement manufacturing group in India and arguably among the fastest growing from a decadal perspective. Dalmia Bharat accounts for 5% of all Indian capacity share in the areas of its presence. It carved out its reputation as a pioneer in the super-speciality cement niche used in oil wells, railway sleepers and air strips.

Dalmia Bharat is a responsible custodian of manufacturing assets, operating at 72% capacity utilisation in FY19.

The refractory business of the Group dates back to 1954, when OCL commissioned its first refractory plant. The business has grown into one of the largest composite refractory plants, manufacturing silica, basic-burnt, magnesia carbon, fireclay and high alumina bricks, monolithics, continuous casting, slide gate refractories, castable and pre-cast blocks, basic and high-alumina silica ramming masses/mortars and other process specific refractories such as nozzles, snorkel and lances, among others.

Human resources

Dalmia Bharat believes that its inherent strength lies in a dedicated and motivated workforce. It has created a holistic working environment and urged its talents to go beyond their predetermined scope of work, so that they could come up with innovative ideas that brighten long-term growth prospects.

Dalmia Bharat reduced its talent headcount but did not replace the people who left the organisation. Instead, it chose to re-skill and assign new roles to existing talents, enhancing productivity. As on 31st March 2019, the total number of people employed directly were 5634 and >9000 people were employed through contracts.

Manufacturing operations

From a current installed capacity at 26.5 MT, Dalmia Bharat intends to reinforce this sectoral status through a planned increase in installed capacity by 40% to 37 MTPA by FY21 (brownfield and acquisitions). This expansion is likely to enhance the Group's market share to an estimated 7% of the total cement capacity in the country at that time.

During the year under review, Dalmia Bharat encountered the challenge of rising power costs in response to which it increased the proportion of alternative fuels within its fuel mix. The Group continued using alternative fuels where the fuel cost differential was more than the efficiency differential, strengthening the value proposition.

Dalmia Bharat developed a network optimisation tool to optimise transportation and logistics costs, analysing processes and dispatch routes in addition to conducting a sensitivity analysis. This helped generate a financially viable dispatch plan from its plants to delivery destinations. Dalmia Bharat strengthened its manufacturing process through the proactive use of cutting-edge technologies and timely debottlenecking. This allowed the Group to moderate its electricity consumption to 70 kilowatt-hours per tonne of cement produced, estimated to be ~38% lower than the global sectoral average; the Group also reported thermal power consumption 12-15% lower than the global average.

Mobile connect

Dalmia Bharat strives to reinforce its sectoral position by strengthening its supply chain, automating plants and deploying best-in-class business analytics, mobility and cloud solutions to enhance real-time information availability. Several related initiatives were taken to forge stronger ties with talents, partners, dealers and customers.

Suvidha app

This app was designed to help dealers improve their order lifecycle management. The app offers dealers easing order placement and tracking, one-tap access to their accounts and ePOD.

Driver Saathi app

This app provides transporters with instant electronic proof-of-delivery, expediting payment and feedback generation. It helps the Group track delivery times when there are multiple points of delivery and ensures secure delivery by generating OTPs.

Smart-D app

This app provides a one-stop solution for assessing consumer needs, allowing the Group's sales team to stay in control across the lifecycle by enabling them to track customer satisfaction indices and secondary sales information.

Dalmia Purchase Requisition app

This app enables the senior management to provide instant approvals on purchase requisitions.

Analytics

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

Plant Logistics Management app

This app helps the Group exercise control across the logistical value chain from gate-in to gate-out, helping plug weak links and moderating the average turnaround time.

Internal control systems and their adequacy

The internal control framework is designed to ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information and other data. This system is supplemented by internal audit, reviews by the management and documented policies, guidelines and procedures.

Dalmia Bharat has a well-defined organisation structure, authority levels, internal rules and guidelines for conducting the business transactions. It intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines and regulations as applicable in a transparent manner. Internal audit department of the Group carries out the internal audit of the Group operations and reports its finding to the audit committee. In this process the internal audit also evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness through periodic reporting. Internal audit is carried out as per risk based internal audit plan which is reviewed by the audit committee. The committee periodically reviews the findings and suggestions for the improvement and is apprised on the implementation status in respect of the actionable items.

Sustainability

Reducing carbon emissions has been a longstanding Dalmia Bharat priority, resulting in proactive investments in low-carbon technologies. Dalmia Bharat increased the proportion of environment-friendly blended cement in its product mix to ~80%. It implemented strategies in line with its long-term vision of achieving enhanced prosperity through sustainable value creation. Dalmia Bharat's plants are ISO 14001-certified, validating its environmental commitment. Most of the Group's integrated plants and grinding units are certified with the coveted EnMS 50,001 (Energy Management System) accreditation, indicating the Group's ability to moderate energy use, reduce costs and improve energy-efficiency.

Dalmia Bharat utilises industrial wastes like charcoal, saw dust and shredded tyres as alternative fuel and resources with the following advantages: moderated raw material costs and carbon footprint. Dalmia Bharat has commissioned ambient air quality monitoring systems to monitor ambient air quality outside its manufacturing facilities. It has also engaged external accredited labs to validate that its compliance is in line with National Ambient Air Quality Standards (NAAQMS).

Company outlook

Riding on the back of a projected industry growth (~8% during FY20) and low Indian per capita cement consumption (210 kilograms compared to a global average of 580 kilograms), the Group remains optimistic of prospects.

Dalmia Bharat is undertaking the following initiatives to strengthen its business:

- Undertaking ~7.8 MT of brownfield capacity expansion in East India
- Taking ownership of roadside eateries within 60 kms of its plants and use these as dispatch centres, strengthening its logistical infrastructure without significant costs
- Increasing its renewable energy share as a percentage of electricity consumed by 4x between 2015 and 2030
- Developing synthetic slag compliant with the stringent IS: 455-1989 norms, using low-grade limestone in collaboration with the National Council for Cement and Building Materials, Haryana, allowing the Group to optimise costs and increase offtake

Risk management

Dalmia Bharat is subject to risks and uncertainties that may affect its financial performance. Its business, results of operations or financial conditions could be adversely affected by the risks described below. These are not the only risks that Dalmia Bharat faces. Additional risks and uncertainties not presently known to Dalmia Bharat or considered immaterial could also impair its business and operations.

Economic risk	Mitigation
A slowdown in the economy could reduce infrastructure investments, decelerating growth for Dalmia Bharat.	Assuming no major global and domestic political shocks, India's markets are expected to perform better due to projected earnings revival in 2019. The Indian economy is expected to remain sluggish during FY20 but revive across the medium-term, benefiting from structural reforms.

Cost risk	Mitigation
Increasing costs could adversely impact Dalmia Bharat's margins.	Dalmia Bharat started using alternate sources of fuel like carbon black to cut fuel costs.

Environmental risk	Mitigation
Production of cement impacts the environment severely and could lead to sanctions being levied against Dalmia Bharat.	Dalmia Bharat was the first Indian cement manufacturer to join the RE100 and is committed to 100% renewable electricity use. Looking ahead, the Group expects to emerge as carbon-negative by 2040. As a means to this end, it is increasing the share of low-carbon products in its portfolio, enhancing the use of green power and judicious sourcing of raw materials.

Competition risk	Mitigation
Intensifying competition could reduce Dalmia Bharat's market share.	Dalmia Bharat has been strategically adding capacities and improving footprint across the country, allowing it to maintain its growth momentum.

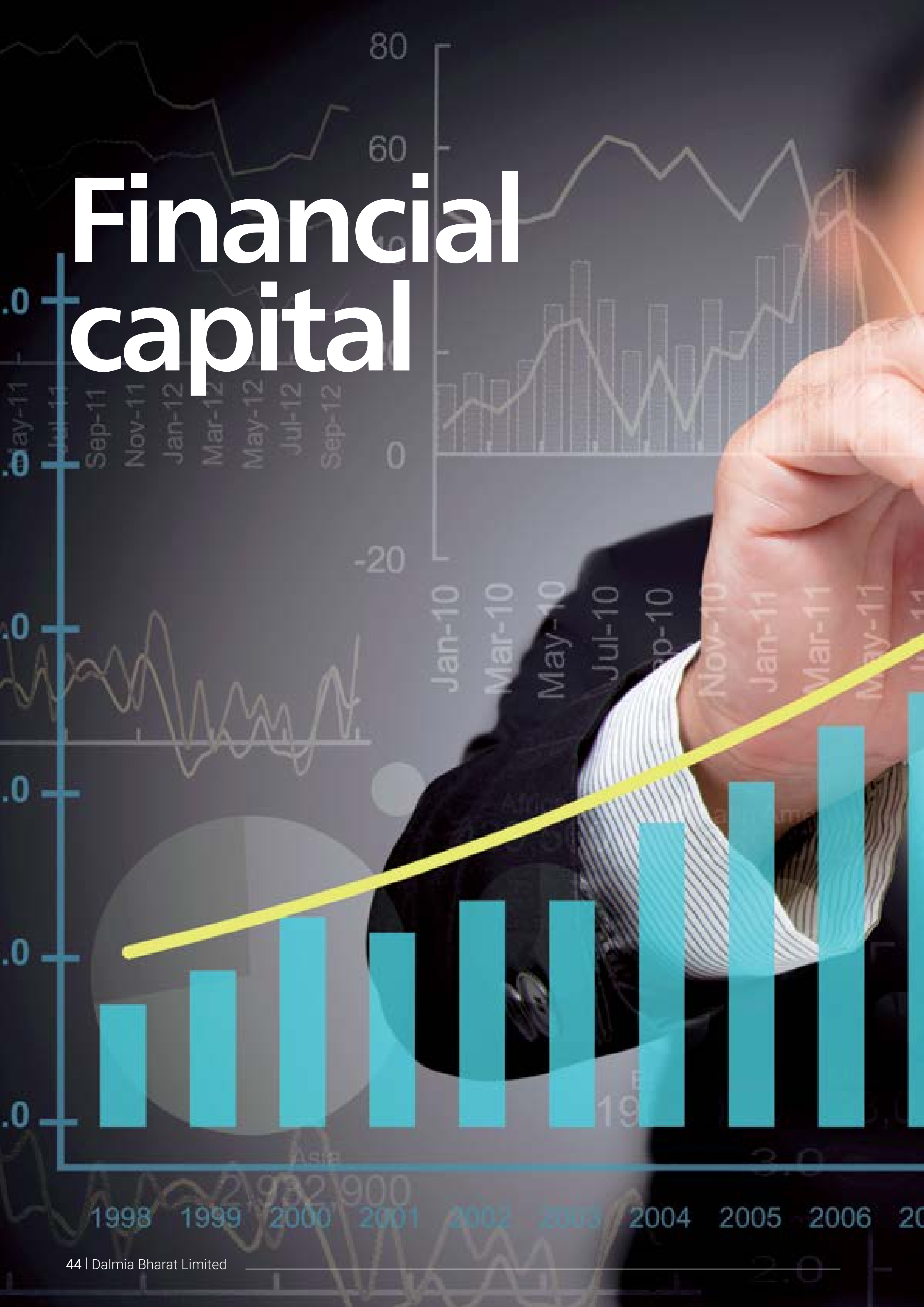
Debt risk	Mitigation
Inability to secure capex funding at competitive rates could jeopardise Dalmia Bharat's growth.	A debt-equity ratio of <1 has not only enhanced Dalmia Bharat's solvency but also credit rating, resulting in enhanced access to low cost debt.

Talent risk	Mitigation
Inability to retain talents could unfavourably impact Dalmia Bharat in the long run.	Dalmia Bharat offers various professional development and growth opportunities to drive organisational retention. It enjoyed a retention of 89% as on 31st March 2019, one of the best within its sector.

Disclaimer

Statements in management discussion and analysis describing Dalmia Bharat's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those either expressed or implied. Important factors that could make a difference to the Group's operation include among others, economic conditions affecting demand/supply and price conditions, variation in prices of raw materials, changes in governmental regulations, tax regimes, economic developments and other incidental factors.

Financial capital



The management's approach

Dalmia Bharat's holistic approach to generate inclusive financial growth for all stakeholders empowered its growth into India's fourth-largest cement producer within a compressed period of time. It emerged as one of the fastest growing cement groups in India during the last decade.

Dalmia Bharat's performance was derived from financial prudence, disciplined capital allocation and proactive investments in alternative and green energy. On one hand, some initiatives strengthened realisations and revenues, while on the other, some initiatives helped moderate production costs – a complement that enhanced overall profitability.

Dalmia Bharat intends to increase cement realisations through a multi-pronged strategy encompassing the introduction of value-added products, adding premium product brands, strengthened efficiency in trade and non-trade pricing and targeted discounts, among others. It will continue to optimise fixed and variable costs through a low-cost fuel mix, increasing the share of alternative fuels, moderating cost centres and encouraging the use of lateral alternatives.

Restructuring the business units into a cohesive corporate structure has enhanced tax efficiency, accounting for intangibles like goodwill and assimilating technical know-how. It has also resulted in concessional agreements while procuring resources like raw material, fuel and other assets. The consequent knowledge-sharing across different sites has led to cost optimisation.

The result is that during FY19, Dalmia Bharat's revenues increased 11% from ₹8,580 Cr. to ₹9,484 Cr., while the net debt-to-EBITDA ratio declined from 1.73 to 1.61. During FY19, the Group generated an EBITDA/tonne of ₹1,009 and strengthened its PAT by 20% to ₹349 Cr.

Objectives

Short Term

- Reduce 'cost of capital'
- Higher realisation with regard to the industry average
- Cost optimisation

Medium Term

- Reduce the average cost of capacity expansion ($/tonne of cement)
- Strengthen contract management

Long Term

- Achieve higher EBITDA/tonne of cement
- Mitigate financial risks by transitioning into a more sustainable portfolio of products and services

Risks and opportunities

Risk: Availability of quality fuel

The recent ban on pet coke has led to a reliance on imported coal

Mitigation strategy

- Dalmia Bharat expects to mitigate this risk by increasing the use of alternative fuels and engaging in capex to get operational sites technically-ready for using additional quantities of alternative fuels

Risk: Forex fluctuations

The Group is exposed to forex fluctuations that could affect its earnings.

Mitigation strategy

- The organisation mobilised most of its debt in INR and hedged most of its foreign currency borrowings.
- Mobilising loans at the lowest possible costs on a best effort basis
- Hedging through the 'Seagull option trading strategy'

Opportunity: Government and private infrastructure projects

Utilisation strategy

- A series of organic and inorganic expansions enabled Dalmia Bharat to address increasing demand.
- Sustain one of the highest operating leverages and cost optimisation

Strengthening Financial Capital

The Dalmia Bharat finance team addresses day-to-day accounting, cash flow management, investor relations, fund-raising (debt and equity), tax planning, treasury management as well as mergers & acquisitions. The team incorporates social and environmental checks-and-balances to ensure a minimal impact while maximising inclusive growth.

Focus areas			
• Reduce financial risk to improve credit rating	• Reduce net debt-to-EBITDA ratio	• Realise government-related subsidies	• Integrate newly acquired Group sites into Dalmia Bharat

During the reporting period, Dalmia Bharat was able to achieve the desired corporate structure that enabled it to optimise operations and tax efficiency. Its focus on asset management helped reduce its net-debt-to-EBITDA ratio. As a culmination of all efforts, Dalmia Bharat continued to retain its premier position with one of the highest EBITDA per tonne of cement in the country.

Key financial indicators

As on 31st March, 2019

Sales volume (In MT)

FY17	15.3
FY18	16.9
FY19	18.7

Revenue generated (₹ in Cr.)

FY17	7,447
FY18	8,580
FY19	9,484

Market capitalisation (₹ in Cr.)

FY17	17,488
FY18	25,623
FY19	19,000

EBITDA/tonne (In ₹)

FY17	1,261
FY18	1,198
FY19	1,009

Net debt/EBITDA (x)

FY17	2.76
FY18	1.73
FY19	1.61

Cost of debt (%)

FY17	9.1
FY18	8.1
FY19	8.2

Profit after tax (₹ Cr.)

FY17	44
FY18	291
FY19	349

Earnings per share (₹)

FY17	2.29
FY18	15.18
FY19	15.96

Net Debt-equity ratio (x)

FY17	0.54
FY18	0.34
FY19	0.29

Long-term issuer rating upgraded to IND AA+ from IND AA by Fitch

De-risking the business

Internal audit
The Dalmia Corporate Audit Team (ISO 9001:2015-certified department) undertook periodic audits (internal) to ascertain the sanctity of processes and implement remedial measures wherever necessary. All reporting entities were audited by the Corporate Audit Team except for 'Calcom Cement India Limited', which was audited by PwC.

Business processes were categorised as Tier-I and II and subsequently monitored at regular predetermined intervals. The system was complemented by an external audit of select functions (SAP – IT ERP system and IT general controls). The deployment of a large and capable internal audit team ensured seamless coverage and the timely closure of audit findings through regular support. All audit team members complied with the audit code of conduct.

Legal & Secretarial

Dalmia Bharat's legal & secretarial department is a business horizontal that aids project risk management through a series of services related to litigation, compliance, licenses, approvals, policy management, documentation and day-to-day advisory. To stay a step ahead of the industry, the legal system and processes were periodically revamped based on new regulations and evolving regulatory landscapes. Any change in the regulatory framework was discussed in individual and collective reviews during weekly joint meetings. Daily reports, generated on the basis of relevant newspaper reports, were circulated. Fortnightly updates on changes in laws or notifications were obtained from gazetted officers. Detailed reports were released to enhance subject matter understanding among team members.

Dalmia Bharat organised regular workshops and training camps to build awareness on various aspects (including competition laws). The workshops were attended by department and legal representatives to enhance subject matter sensitisation. Talents were exposed to periodic awareness programmes (insider trading and competition laws, among others) to enhance acquaintance with legal day-to-day nuances. All talents were updated on the 'Dalmia way of life' comprising references to the Code of Conduct and Sexual Harassment Policy, among others. Legal processes and documentations were standardised and formalised across sites, harmonising high-value international transactions.

The team engaged in public advocacy (at an individual level and through associations such as FICCI, CII and CMA, among others) as a means of mitigating risks from upcoming governmental regulations. Neither Dalmia Bharat nor its material subsidiaries received any show cause/legal notices from Central or State Pollution Control Board. It was not subjected to significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area. No complaints were received by Dalmia Bharat and/or at the Group-level relating to child labour, forced labour, involuntary labour or sexual harassment in the last financial year.

Stakeholder complaints	Received	Closed	%
Complaints received through the ethics helpline	44	32	73%
Investor complaints	99	98	99%
Show-causes / legal notices received from CPCB/SPCB	5	4	80%
Number of complaints relating to	Nil	Nil	Nil
Child labour	Nil	Nil	Nil
Forced labour	Nil	Nil	Nil
Involuntary labour	Nil	Nil	Nil
Sexual harassment	Nil	Nil	Nil

No penalties / strictures were imposed on Dalmia Bharat by the Stock Exchanges or SEBI or any statutory or regulatory authority on any matter during the reporting period. There were no significant orders passed by Regulators or Courts which would adversely impact Dalmia Bharat and its future operations. The product information is displayed as per the standards prescribed by the Bureau of Indian Standards (BIS). It is ensured that the products meet the necessary compliance. There were no incidences of significant fines levied or non-compliance with respect to the regulations concerning aspects related to environment, labour, health and safety impacts of products and services, marketing communications, and product information disclosure and labelling. All emissions and waste generated were within the limits defined by the Pollution Control Board.

Public advocacy for the greater good

At Dalmia Bharat, we believe in collaborations for achieving the collective goal of shared value creation. We make periodic suggestions and recommendations to the Central Government Ministries and Niti Aayog on aspects including (but not limited to) Ease of Doing Business, Make in India, Regulatory changes, business clearances/approvals, rationalisation of taxation / levies among others. Some proposals for amendments, change in laws/policies were as follows:

Governance and administration

Use of Composite Cement in Reinforced Concrete Construction (RCC)

The case was taken up with the Promotion of Industry and Internal Trade for inclusion of Composite Cement in RCC, highlighting the benefits of Ground Granulated Blast Furnace Slag (GGBS) and fly-ash in composite cement as well as suitability for construction work in RCC and underground construction.

Going by the Reduce, Reuse and Recycle principle, Composite Cement reuses and recycles fly ash and Ground Blast Furnace Slag, leading to sustainable growth and mineral resource saving.

Unregulated on-site mixing, defying the BIS control mechanism, led to poor infrastructure quality for which Dalmia Bharat advocated, regulated and controlled mixing through computerised batching process coupled with audit trails.

Flyash

Dalmia Bharat represented to Niti Aayog our concern related to fly-ash being exported by traders, leading to lower supplies for domestic cement manufacturing units resulting in inflation.

The matter was taken up with Ministry of Environment, Forest and Climate Change to address the anomaly in the prices of fly ash. The Ministry constituted an expert committee to develop a focused strategy for the most judicious utilisation of fly ash and recommended a preference for end users like the country's domestic cement industry over traders. This is expected to address concerns related to a shortage of fly ash.

Open areas reserved for PSUs

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

Permission to use pet coke in cement manufacture

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

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

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

Economic reforms

Regulation for Grant of Mineral Concessions

Dalmia Bharat advocates the New Mineral Policy (NMP) 2019, which emphasises the creation of a regulatory environment conducive to the ease of doing business. It recommended that procedures for the grant of mineral concessions should be transparent with seamless transition, and blocks for auction should have pre-embedded statutory clearances in line with the vision of NMP-2019 to double production in seven years.

Rationalisation of levies and taxes

To combat a rise in costs due to levies and taxes, Dalmia Bharat advocated that Stamp Duty charges be restricted on a royalty basis only. The State Government cannot devise/introduce a factor other than what is governed by the Mines and Minerals (Development and Regulation) Act (MMDR) Act. Besides, all reserves are not extractable and are significantly less than the mineable resources. Therefore, such payments are to be linked to the mineable reserves rather than the resources.

Dalmia Bharat advocated the cause of additional transparency and reduced financial implications in transferring mining leases by allowing transfers for PL and LOI cases. The transfer of ML needs to be allowed without financial implications (0%) as was prevalent prior

to the enactment of MMDR Amendment Act, 2015. The proposal is in sync with NMP 2019, which promotes the merger and acquisition of mining entities and the transparent transfer of mining leases.

Dis-incentivising import of cement from Pakistan and Bangladesh

While cement can be imported duty-free into India from Pakistan and Bangladesh, these countries levied significant customs duty (20%-25%) on cement exports from India. The result is that imports have risen, leading to disturbances for domestic cement manufacturers. Dalmia Bharat advocated that the Government consider dis-incentivising cement imports by levying a Basic Customs Duty and formulate a mechanism wherein entry points of imported cement be capped (whether through land routes or sea routes or both).

Average sale price of cement grade limestone

Dalmia Bharat advocated for non-consideration of Meghalaya mines in the non-captive category in the calculation of average sales price of cement grade limestone, abiding by Rule 38 of Minerals Concessions Rules, 2016 (MCR). It recommended that these mines be considered as captive in line with the judgement of Hon'ble Supreme Court dated 6th July 2011 in WP (C) 202/1995 in TN Godavarman Thirumulpad matter of Lafarge Umiam Mining Pvt. Ltd. Vs Union of India, which could reduce the average sales price by ₹200/ tonne.

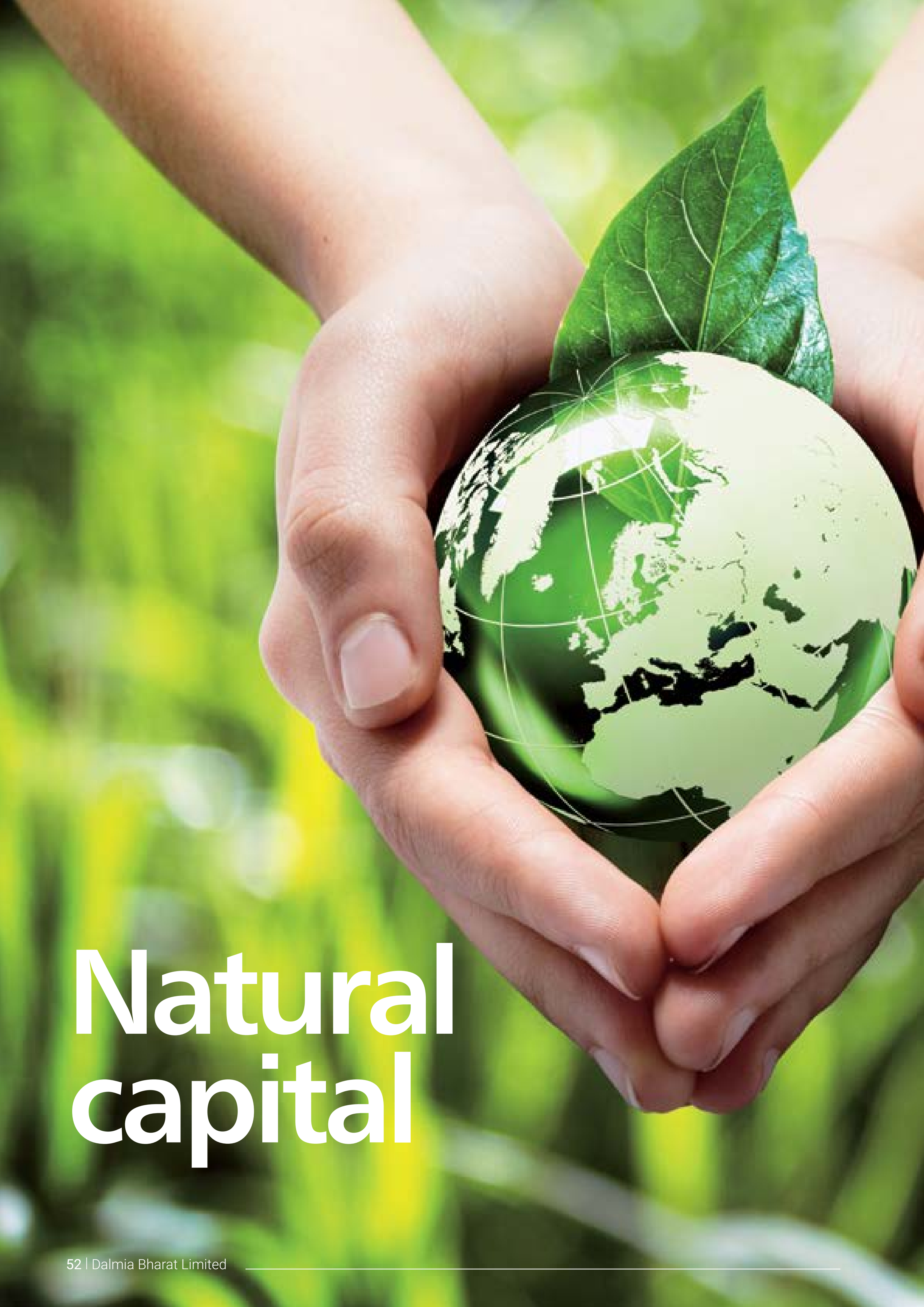
Inclusive development policy

Utilisation of District Mineral Fund

There was an issue of no infrastructural/ societal development in the villages / areas where the mines are located. Dalmia Bharat advocated that in the DMF Monitoring Committee, the managements of Mines contributing to the fund needed to be co-opted as members,ensuring that benefits reached the affected local mining community.

The respective industries could be permitted to take part in the development of mine-affected areas and the said funds could be adjusted against the District Mineral Fund payment to the Government.

Third clinkerisation line at Rajgangpur under construction



Natural capital

The management's approach

Dalmia Bharat's overarching focus lies in consuming less and manufacturing more while minimising environment impact. It is the Group's conviction that the most successful, profitable and sustainable companies are ones benchmarked with the most stringent environmental standards.

Dalmia Bharat has progressively been producing cement with 'greener' alternatives. It invested in low-carbon technologies that translated into enhanced resource and energy efficiency. It also increased the proportion of environment-friendly blended cement in its product mix to ~80%, reducing its carbon footprint while addressing waste disposal issues of other industries. The risk mitigation policies were outlined keeping in mind its long-term vision on the one hand and enhanced sustainability-driven prosperity on the other.

During the year under review, Dalmia Bharat's plants were ISO 14001 certified. The environmental aspects and impacts of operations were regularly evaluated and mitigation plans developed. The overall system was certified by a third-party at regular intervals. The Environmental Management System comprised provisions to cover foreseeable emergency situations (including those with an environmental impact). Most integrated plants and grinding units were certified with ISO 50001 (EnMS), an internationally-recognised management system that allows baseline development, selection of energy performance indicators, management review and continued improvements at the systemic level.

Sustainable Development Goal

13 CLIMATE ACTION

India's Nationally Determined Contributors (NDC)

- Reduce the emissions intensity of its GDP by 3,300 bps to 35% by 2030 from the 2005 level
- Renewable power target of 175 GW by 2022
- Focus on adaptation efforts, such as optimising water use efficiency while safeguarding Himalayan glaciers and the mountain ecosystem

Dalmia Determined Contributions (DDC)*

Become Carbon Negative by 2040

Reduce GHG emission intensity by 33.5% from the 2010 level

Committed to EP100: Doubling Energy productivity by 2030

Specific power consumption per tonne of cementitious material reduced to 71.1 kWh

Committed to RE100: Switch to 100% RE consuming company by 2030

- 8 MW of installed solar capacity
- 9.2 MW of installed waste heat recovery capacity
- 30 MW waste heat recovery under execution
- No new thermal installation

Become 10x water-positive by 2030

- Currently a water positive Group through water harvesting and conservation interventions implemented at site, mines and community locations
- Dalmia Bharat has created a cumulative water recharge potential of approximately five times of its annual water consumption

** Dalmia Cement (Bharat) Limited*

Fig: Mapping with India's climate change goals

Objectives

Strategic objectives

Short Term

- To optimise waste and increase the use of alternative fuels
- To become 10x water positive by 2030

Medium Term

- Encourage the adoption of EHS aspects across the supply chain
- Enhance the use of sustainable biomass to replace fossil fuels

Long Term

- Doubling energy productivity by 2030
- Switch to 100% renewable energy by 2030
- To become a carbon-negative cement group by 2040

Risks and opportunities

Risk: Air emissions
Stricter legal and regulatory norms leading to financial and operational risk

Mitigation strategy

- Investment in new technologies to reduce air and GHG emissions

Risk: Raw material
Limited availability of natural resources such as limestone

Mitigation strategy

- Research and development to recycle and reutilise waste and increase the use of alternative raw materials
- Acquisition and exploration of virgin mining lease areas

Risk: Fuel availability
Continued availability of quality fuel at reasonable prices

Mitigation strategy

- Implement a flexible approach towards fuel consumption with the implementation of suitable technologies such as multi-fuel feeding systems and burners to optimise the fuel mix; experiment with new and alternative fuels

Responsible utilisation

Dalmia Bharat emphasises material and resource efficiency: the production of the maximum cement with minimum resources. It undertook focused efforts in reducing the clinker factor and increasing the percentage of blended cement in its product mix along with the incremental addition of blending materials per tonne of cement. As clinker is an energy-intensive material and the main source of CO_2 emissions in the cement manufacturing process, a reduction in the clinker factor proved to be key in carbon footprint reduction. Dalmia Bharat achieved a clinker factor of 64% in 2018-19, among the best within its sector in the world.

1.8 MT
of Kiln fuel

2 MT
Fly ash consumed

289 million
Packaging bags

18.7 MT
Cement produced

4.3 MT
Slag consumed

11.8 MT
Clinker consumed

**The figures pertain to FY19*

From waste to alternative fuels

Cement plants act as 'industrial scavengers', profitably utilising waste from other industries. By re-purposing waste through alternative fuels and raw materials, Dalmia Bharat has strengthened its commitment to a cleaner world and minimised carbon footprint.

Dalmia Bharat engages with the iron and steel, petroleum, power, pharmaceutical and aluminium sectors to utilise their wastes. It increased the share of plastic waste in the past few years; Alternate Fuels Rate and Raw Materials (AFR) growth is expected to increase to 3x in the near future. At the Bokaro plant, Dalmia Bharat reduced diesel consumption by ≤60%, replacing it with waste wood.

At Dalmia Bharat, waste co-processing is done in an environment-friendly manner. The plant at Ariyalur was the first in India to engage in a trail burn study for co-processing tannery ETP sludge in the presence of CPCB officials.

Waste disposed to authorised recyclers

Hazardous waste
113 tonnes in FY18
109 tonnes in FY19

Non-hazardous waste
13,045 tonnes in FY18
12,654 tonnes in FY19

Other waste recycling initiatives

Waste paper, old newspapers, magazines and cardboard, among others,were aggregated by an authorised recycling agency; points were awarded in lieu of the waste collected. The points were, in turn, redeemable against recycled stationery products like pens, calendars and writing pads, among others. This drive (initiated in 2014) was an ongoing activity. It followed structured and authorised e-waste disposal to the authorised recyclers.

Dalmiapuram: Moving towards green fuel

At the Dalmiapuram plant, Dalmia Bharat uses carbon black, process waste, fibre reinforced polymer (FRP) waste, footwear waste, spent wash, GEPIL solid waste mix, refuse-derived fuel (RDF), GEPIL dry waste mix liquid, palm bunch, CPP DFA and chocolate wrapper as alternative fuel. In doing so, the plant achieved a thermal substitution rate (TSR) of 5.28% in FY19.

Rajgangpur: LD slag utilisation for clinker production

LD slag is a by-product of the Linz-Donawitz process, constantly produced as pig iron is processed into crude steel. It is already a fused material and contains phases such as C3S and C2S, which are similar to clinker. Dalmia Bharat started using LD slag for clinker production in its Rajgangpur plant in 2018-19, which resulted in the following benefits:

- 2% substitution of naturally occurring limestone
- Reduction of specific heat consumption by 10 kcal/kg of clinker
- Reduction of NOx emission by 50-70 mg/nm^3
- Superior return on investment and reduction in variable costs

Enhancing energy efficiency

Cement production is an energy-intensive manufacturing process. Dalmia Bharat has focused on increasing energy efficiency by investing in low carbon technologies. Some of its newly-commissioned plants are among the best performers in terms of energy-efficiency in India's cement industry. Its energy productivity increased substantially over the last decade; ~70% of its electric energy requirements in FY19 were met by captive power plants. Dalmia Bharat's prudent investment in cutting-edge technologies helped moderate electricity consumption across manufacturing locations.

EP100

Dalmia Cement (Bharat) Limited was the first cement company to be a signatory to EP100, voluntarily committing to doubling energy productivity by 2030.

RE100

Dalmia Cement (Bharat) Limited was the first cement company to join RE100, aiming to make a long-term transition to 100% renewable power by 2030.

Energy conservation interventions

- Compressor power optimisation
- Installation of variable frequency drives
- Operationalisation of turbo blowers instead of positive displacement blowers
- Single raw meal silo operation instead of two for raw meal blending and extraction
- Installation of occupancy sensors in load centres

977 GWh
Power produced by CPP in FY19

446 GWh
Power purchased from grid in FY19

1,314 GWh
Power consumed within the cement plant

Minimising water use

At Dalmia Bharat, prudent water management comprises an active commitment to reduce freshwater consumption and build rainwater harvesting structures. Its respect for superior water management extends beyond its operations to making a positive impact on water resources across the catchment areas of its manufacturing facilities.

Dalmia Bharat's water appetite (process and domestic) is addressed through a variety of sources comprising surface water, underground water, municipal networks, rain water and recycled water. Through various interventions, it minimises water consumption and resolves to maintain zero water discharge systems at all its plant and reuse treated water (in cement mills, coal mill water sprays, green belt development and dust suppression activities in mines and internal roads).

Water conservation interventions

- **Installation of air cooled condensers in the captive power plants**
- **Automated float valve**
- **Provisions to avoid water overflow from tanks**
- **Air cooling instead of water cooling of gas**

	FY18	FY19
Water withdrawal	1.91 mn m^3	1.98 mn m^3
Water recycled	0.65 mn m^3	0.92 mn m^3

(Excluding consumption from water harvested within plant and mines)

A water-positive company

A few years ago, Dalmia Bharat embarked on a mission to attain water-positive operations across every single integrated Dalmia Bharat cement plant. The result is that Dalmia Bharat emerged as a water-positive company in FY17. Even though it attained water-positive status at the Group-level, Dalmia Bharat's aim is to make each plant water-positive. This would help each plant provide additional water to local communities, reducing water stress for local businesses and communities. The rain water harvesting potential in our plants, mines and community initiatives is more than the annual water consumption at our cement plants, captive power plants and domestic water consumption in our colonies.

The rainwater harvested in the plants was channelised towards community initiatives, this being more than the annual water consumption at the cement or captive power plants or consumption in its residential colonies. Dalmia Bharat's CSR wing undertook various water conservation projects that enhanced water security.

08 Number of water-positive plants

11.1 million m^3 Cumulative water harvesting and conservation potential (CSR)

3.2 million m^3 Aggregate rainwater harvesting potential developed (plant and mines)

Commitment to minimising the impact of climate change

Dalmia Bharat's long-term plan addresses climate change. It is determined to convert this challenge into an opportunity, setting it firmly towards sustainability while enhancing stakeholder respect.

Dalmia Bharat emerged as a global benchmark in carbon footprint moderation. The Group-level carbon footprint was 546 kilograms of carbon dioxide per tonne of cementitious product in FY19. Its Eastern India operations regularly achieved one of the lowest carbon footprints across all the Group's plants.

Dalmia Bharat captured and monitored emissions data from all cement plants, captive power plants and mines under Scope-1 and Scope-2 emissions;greenhouse gas emissions associated with purchased clinker were counted under indirect emissions based on the cement CO_2 and Energy Protocol of the Cement Sustainability Initiative (CSI).

Dalmia Bharat also estimated carbon dioxide emissions across nine categories of Scope 3, reporting them annually to CDP. The Scope 3 carbon dioxide emissions reported for nine categories for Dalmia Bharat stood at 1.4 MT for FY19.

GHG Emission	Unit	FY18	FY19
Scope I Emission	million tCO_2/year	10.31	11.21
Scope II Emission	million tCO_2/year	0.44	0.51

Dalmia Bharat was recognised by CDP as one of the most futuristic cement groups globally

The CDP (formerly the Carbon Disclosure Project) is a non-profit organisation running a global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impact. The CDP has built the most comprehensive collection of self-reported environmental data in the world.

Dalmia Bharat was ranked #1 in FY18 in the global cement sector by CDP for our low carbon footprint cement production and business readiness for low carbon transition. The Global Cement Sector Report of CDP stated: "Dalmia Bharat comes first by a distance, performing well on a number of metrics. It scores best on Scope 1 emissions intensity with both the lowest current level and the steepest decline since 2012. It makes most use of alternative materials and has the best emission profile against International Energy Agency's (IEA) 2-degree targets out to 2030".

Dalmia Bharat at COP24

Dalmia Bharat and ING Bank were invited by the United Nations as non-party stakeholders to share climate actions before 195 national representatives in the opening of Global Climate Action.

Our presence at COP24 and taking up the sustainability challenges at the global platform reflects on the Group's vision of laying the foundation for a cleaner and greener future. In line with the commitment to environment and climate change, the Group has have taken a bold ambition to become a carbon-negative cement group by 2040.

"If you can imagine it, you can achieve it"

\- Mr. Mahendra Singhi - *MD and CEO, DCBL at COP24*

Minimising air emissions

Dalmia Bharat has equipped all its plants with Continuous Emission Monitoring Systems (CEMS) across process stacks. These CEMS provided real-time emission statuses. Other than CEMS, it installed Air Quality Monitoring Systems (AAQMS) within the plant premises. Regular ambient air quality monitoring was done at the plants as per the National Ambient Air Quality Standards (NAAQMS) by external accredited labs.

Controlling NOx emissions

- Optimisation of pyro-processing
- Control of burning zone temperature
- Homogenisation of raw material and fuel mix
- Using low-NOx burners

Controlling SOx emissions

- SOx emissions get absorbed in the lime shower in the pyro-processing. It also reduces the gypsum use in the blending process to make cement

Controlling particulate matter (dust)

- Covered conveyer belts at all plants
- Closed sheds for limestone stacking and other raw material storage
- Used pollutant emission controls such as electrostatic precipitators (ESPs) and bag filters

Controlling fugitive dust

- Used silos for raw and finished products
- Concretised hauling roads
- Swept machines and crushing ramps with tyre washers and cattle traps to avoid fugitive emissions

Meghalaya: Enhancement of ESP cooler efficiency and saving cost: Dalmia Bharat's plant at Meghalaya explored the possibility of enhancing the performance of ESPs. It installed three phase transformers instead of two phase transformers, which proved to be economical and effective in improving ESP performance.

The result was that emissions moderated from 47 milligrams per cubic metre to 17 milligrams per cubic metre and translated into attractive cost savings.

Preserving land and biodiversity

Dalmia Bharat acknowledges that as a global corporate citizen, its responsibility is to implement practices that lead to the preservation of land and biodiversity. None of its current operations were located near areas of high biodiversity value.

#breathegreen

In memory of the late Mr. Jaidayal Dalmia, Dalmia Bharat celebrates 11th December each year as the 'Day of Giving' across the Group. On this day, talents pledge their commitment to save the environment and leave the world greener world for succeeding generations. It associated with the Give Me Trees Trust to adopt tree clusters across Delhi-NCR under the #Breathe Green campaign. As a part of this campaign, Dalmia Bharat:

- Planted and adopted 100 trees in Delhi-NCR
- Deployed 20 talents for collecting seeds and seedlings of native Indian plant species to be planted across the country
- Conducted a session on kitchen waste composting at the head office

Creation of bird habitats

Dalmia Bharat embarked on a project that envisions development of an ecologically vibrant bird habitat that can host and propagate biodiversity across a region in a natural way. This initiative was started in Ariyalur and can enhance neighbourhood value not only by hosting diverse bird species and associated biodiversity and ecosystems, but also by providing rich forest produce for the benefit of local communities.

Benefits of Dalmia Bharat's bird habitat in Ariyalur and Rajgangpur

- The economic benefits resulting from the restoration of degraded ecosystems can potentially be several times more than the costs, as nature provides ecological services at almost no cost with respect to man-made or analogue systems
- Quality and quantity of surface and sub-surface water can improve substantially
- Increased food and water security could result in the development of the local community and environment
- Enhanced carbon sinks and socio-ecological resilience can help mitigate climate change
- The cost of degradation avoidance is lower than spending on ecosystem restoration (when species and their assemblages and functions cannot be fully recovered)
- Protecting and restoring natural capital plays an important role in disaster mitigation and adaptation, helping reduce the risk of extreme events
- Health improvement of the local community and multiple co-benefits to society, ranging from improved livelihoods and employment generation

Holistic biodiversity conservation approach

Soil & slope management
- Soil erosion control measures
- Soil health & nutrition development
- Bench slope stabilisation
- Top soil development
- Mitigate dust pollution

Water management
- Watershed management
- Water retention structures like gabion walls, etc.
- Preventing contamination of ground water
- Increase ground water infiltration

Vegetation management
- Increase land productivity
- Enhance microclimate and biodiversity
- Endemic vegetation establishment
- Establish native habitats
- Carbon sequestration

Human capital

The management's approach

Throughout our eight decades of operations, we pride ourselves as being an organisation with a combination of Indian tradition, values, state-of-the-art technology, systems and processes.

Dalmia is a recognised brand on national and international platforms for its 'New Think' philosophy. It believes that technology represents the catalyst for achieving our vision. Technology is not just a tool for increasing productivity or efficiency but for driving the organisational culture and value system.

The Dalmia Bharat culture promotes sustained excellence and innovation through the use of 'next generation' technology. It is progressing towards a system where technology will drive the four values of Integrity, Trust & Respect, Humility and Commitment. Dalmia Bharat's vision is to use technology to improve the overall talent experience. This has changed the way we acquire and enable our talents while almost doubling the speed of HR service delivery.

Talent relations is motivated towards building culture and nurturing talent. We foster learning and change to create leaders who will be willingly followed and not leaders who just command and lead. We support talent around holistic development. Our talent acquisitions are planned on the basis of existing and emerging role requirements. We believe effective communication can increase talent engagement, drive business growth and productivity. We foster a dynamic high-performing setting in which open discussions form the basis of communication. We inculcate values to align individuals and corporate growth. We nurture individual development through challenging, connecting and coaching. We provide a safe and healthy working environment for our talents.

Objectives

Short Term	Medium Term	Long Term
• Reduce safety incidents (fatalities, loss time injury frequency rate (LTIFR) etc.) • Increase intervention hours per talent pertaining to safety, technical, behavioural, leadership and human rights	• Enhance talent engagement interventions to promote well-being and satisfaction • Provide talents with a zero-harm environment • Reduce attrition	• Emerge as a preferred employer • Unleash and harness complete potential of talent • Create leaders of the future

Risks and Opportunities

Risk	Mitigation strategy	Opportunity
Occupational Health and Safety • Fatalities and LTIFR in the cement plants and across the value chain. **Human rights** • Implementation of human rights across the business value chain including third party contractors, suppliers and other vendors	**Occupational health and safety** Implementing regular intervention and awareness programs to ensure employee health and well-being. **Human rights** Implementing regular awareness programs to align with universal labour norms.	Developing a tech savvy, dynamic and change-ready organisation with a strong value system **Utilisation strategy** Employee engagement and intervention programs targeted at the needs and aspirations of the talents and the organisation

Safety

Dalmia Bharat believes that the most significant indicator of operational success is safety. It invests continuous efforts in the safe and responsible manufacturing of products. It is committed to a target of zero harm. The Group ensures that every individual is returned home safely from the workplace every single day. The two fatalities of contractuals in FY19 were comprehensively investigated and corrective actions implemented to prevent recurrence. The safety of its human capital remained its paramount priority.

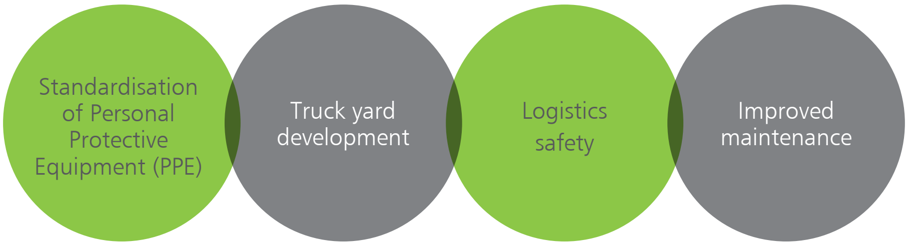
Dalmia Bharat outlined a multi-year roadmap to enhance safety across business units. A Safety Committee, headed by the senior management, was created to review safety action plans each month. It periodically monitored health, safety and environment performance. Dalmia Bharat instituted best-in-class practices comprising the deployment of a line manager responsible for safety, driver and contractor safety initiatives along with the implementation of the DuPont Model across plants. It sought to introduce more interventions in line with evolving requirements.

FY18			FY19		
0.30 LTIFR	**1** Fatality	**68** Safety intervention hours per talent	**0.38** LTIFR	**2** Fatality	**80** Safety intervention hours per talent

The above figures correspond to regular and contractual talents

Dalmia Bharat instituted an Incident Management System focused on continuous monitoring and the reporting of unforeseen incidents coupled with documentation and their prospective incorporation.

Dalmia Bharat believes knowledge, skills and experience enhance safety. It implemented 68 and 80 hours of safety interventions per talent in FY18 and FY19 respectively across manufacturing units and the corporate office. During both years, safety and skill upgradation intervention was imparted to around 100% of the permanent and contract talents. It shared best practices of business partners, suppliers, contractors and vendors with the objective to achieve zero fatalities.



Focus areas of safety

Quality of life at Dalmia Bharat

Dalmia Bharat believes that strengthening the quality of life enhances talent motivation, engagement and retention. It provides talents with competitive compensation and benefits comprising contribution towards a Pension Fund, Provident Fund, Superannuation Fund and Employees' State Insurance.

The entire Dalmia Bharat workforce was covered by health and life insurance benefits. The contract talents were covered under the Workers' Compensation Policy. Dalmia Cement Provident Fund Trust contributed towards gratuity and provident funds. Women talents were provided six months of maternity leave; male talents were eligible for five days of paternity leave. Leave encashment including compensated absences were provided based on valuation at the year-end.

Dalmia Bharat did not provide the same employment benefits to contractual talents as it did to permanent talents. However, the benefits provided to contractual talents remained competitive with local and sectoral realities.

Human relations guidelines and management

Dalmia Bharat is committed to a 'New Think' philosophy in all walks of its business. It put in place an effective and cyclical human resource management process with predefined benefits and outcomes. Dalmia Bharat supported talents in coordination with superiors. It used its performance evaluation mechanism in setting objectives and aligning them with overall organisational targets and outcomes.

Partnering in Transformation: Focus on New Think

Communication with talents

Dalmia Bharat ensured that all communications with talents was conducted through transparent and appropriate channels. A talent interaction forum helped all senior executives, including the Managing Director, communicate on various issues with the talents. Various awards were instituted for rewarding teams for outstanding performance. Regular surveys were conducted by international agencies to assess the working environment and comfort level of the talents. A 360˚ programme encouraged subordinates to express views about their managers. A minimum notice period of 21 days was typically provided to talents prior to the implementation of significant operational changes that could substantially affect them.

Digital interventions

While talent management systems in most of manufacturing industries experienced incremental progress, Dalmia Bharat moved towards the implementation of an AI-driven solution platform. Digital HR systems and processes will continue to be a key focus area for Dalmia Bharat. It shifted to an Oracle-based platform and linked it to SAP to get individual reports for each talent regarding their performance and needs. Dalmia Bharat aspired to drive seamless talent engagement with minimal complexity. Dalmia Bharat's efforts in leveraging social media for talent acquisition moderated costs. This tectonic shift helped Dalmia Bharat reduce overheads and infrastructure costs. By equipping the sales force with technology-enabled tools, it enhanced their ease of working in homes and on-field. Dalmia Bharat revamped 36 sales offices through its technology-driven culture, which accelerated resolutions of talent issues in a transparent, speedy and accurate manner.

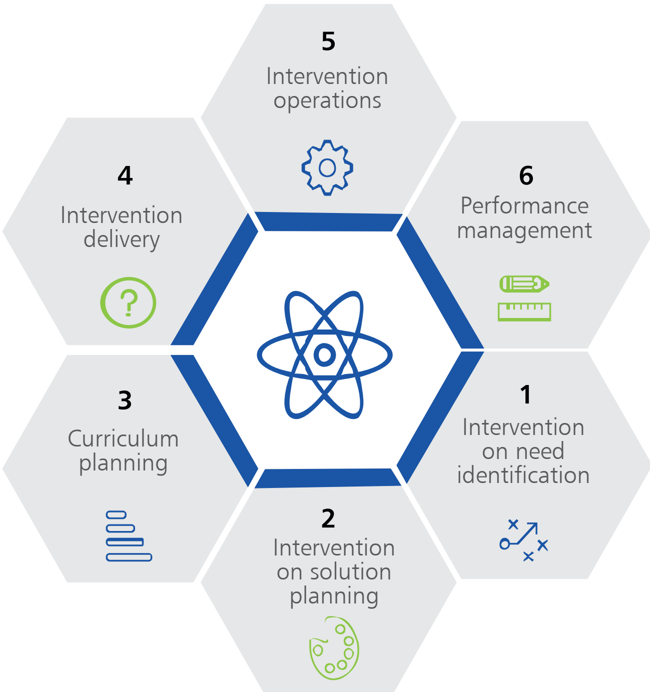
Respecting human rights

Dalmia Bharat respects the rights of talents across its value chain, community members and other individuals impacted by its operations. It conducted its business in a socially-responsible manner. It remained committed to the facilitation of human rights as an essential principle in engagements along the supply chain through intervention and the application of standard policies and practices. The team ensured that human rights were periodically advocated and strengthened. Dalmia Bharat's Human Relations and Legal & Compliance departments, in partnership with other functions, ensured that all basic human rights were upheld across operations.

Dalmia Bharat did not engage individuals below 18 years at any of its units. No talent was made to work against her or his will or work as a bonded labourer. The terms and conditions relating to talent engagement were communicated before recruitment. Contractual personnel were screened to protect their rights while suppliers were encouraged to not hire child labourers.

Enhancing talent development

Dalmia Bharat believes that human capital is a strategic, competitive and unique advantage. It selected to build leaders through its Leadership, Learning & Change (LLC) intervention program.



NALANDA
Leadership, Learning & Change

Dalmia Bharat launched Nalanda, Dalmia School of Leadership, Learning, and Change (LLC) in August 2014. This institution developed influential Group leaders by instilling a learning culture and motivating them to become transformative agents. The curriculum comprised external focus, strategic thinking, innovation, creativity, inclusiveness, sales strategy, production skills, P&L-focused leadership and performance through ownership. The LLC rolled out regular initiatives across business units and locations.

Lakshya - Advanced Leadership Program for star performers

An exciting journey to become high impact leaders was launched in 2014, a 15-month intensive leadership journey wherein star performers – handpicked from across the group through due processes – were made to go through a rigorous intervention program facilitated by renowned external agencies at Nalanda LLC. This program acted as a 'finishing school' for our top performers and created a pipeline of leaders who filled slots in the Critical To Business succession plan.

Shikhar - Accelerated Development Program for manufacturing talent

Shikhar is an accelerated career development journey for high-potential technical talents in Dalmia Bharat's cement plants. The objective is to create a pool of internal leaders, who can move to manufacturing leadership roles in 2-3 years. The program focused on behavioural and technical competencies, including specialised courses at National Council for Cement and Building Materials, Faridabad.

DTTI - Dalmia Technical Training Institute

The goal of this training institute is to impart skills training for Dalmia Bharat's talents at the plant-level. This ongoing programme comprised training drills conducted by in-house specialists, external veterans and domain experts.

Prarambh - Dalmia summer internship programme

Helping students gain practical experience through live projects and mentoring

Dalmia Bharat offered students an opportunity to apply their knowledge through live business projects and gain invaluable experience. Prarambh's two-month programme requires interns to work on a live business project under the guidance of an assigned project mentor.

The programme comprised the following components:

- Two in-person sessions
- Two-month live project under the guidance of the assigned project mentor
- Plant/market visits
- Interim reviews
- Virtual learning sessions

Interns, on the successful completion of their projects, could be considered for pre-placement interviews based on the feedback from their project mentors.

FY18

12
Intervention hours/ permanent talent

13.2
Intervention hours/ contract talent

FY19

16.4
Intervention hours/ permanent talent

14.3
Intervention hours/ contract talent

Engaging with talents

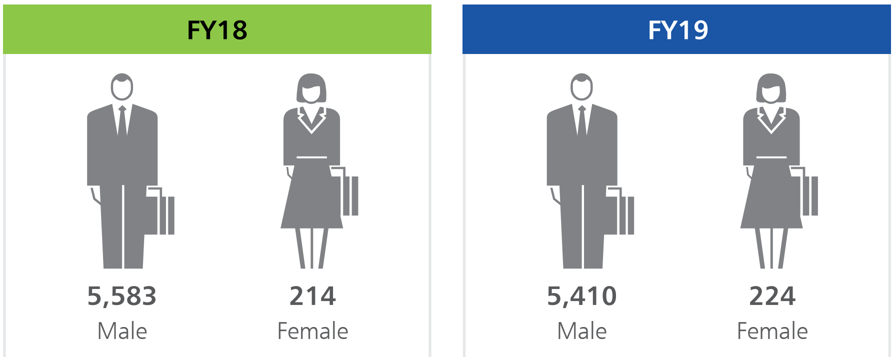
Dalmia Bharat's human resource management strategy fostered the 'Dalmia way of life' across business units and corporate offices. Through multiple interventions, the unique culture was periodically reinforced among talents. It engaged periodically with its workforce through open and transparent communication channels to address needs .

Relations with trade unions

Dalmia Bharat respects the right of its talents to form and participate in a union. Its Dalmiapuram and Rajgangpur units comprised trade unions to resolve talent issues through collective bargaining. Dalmia Cement National Workers Union (affiliated to the INTUC-Congress Party) is the recognised union at Dalmiapuram. Two recognised unions - the Gangpur Shramika Sangha (BMS) and the Lanjiberna Shramik Sangh (INTUC) - functioned at the Rajgangpur facility. 58% and 55% of the permanent talents were members of these recognised unions at Dalmiapuram and Rajgangpur, respectively. Around 21% of the permanent employees of the Group are members of such association(s). In the units, where there is no formal union, the Works Committee ensured periodic communication with the talents. Dalmia Bharat did not receive any complaints regarding labour practices during the reporting period.

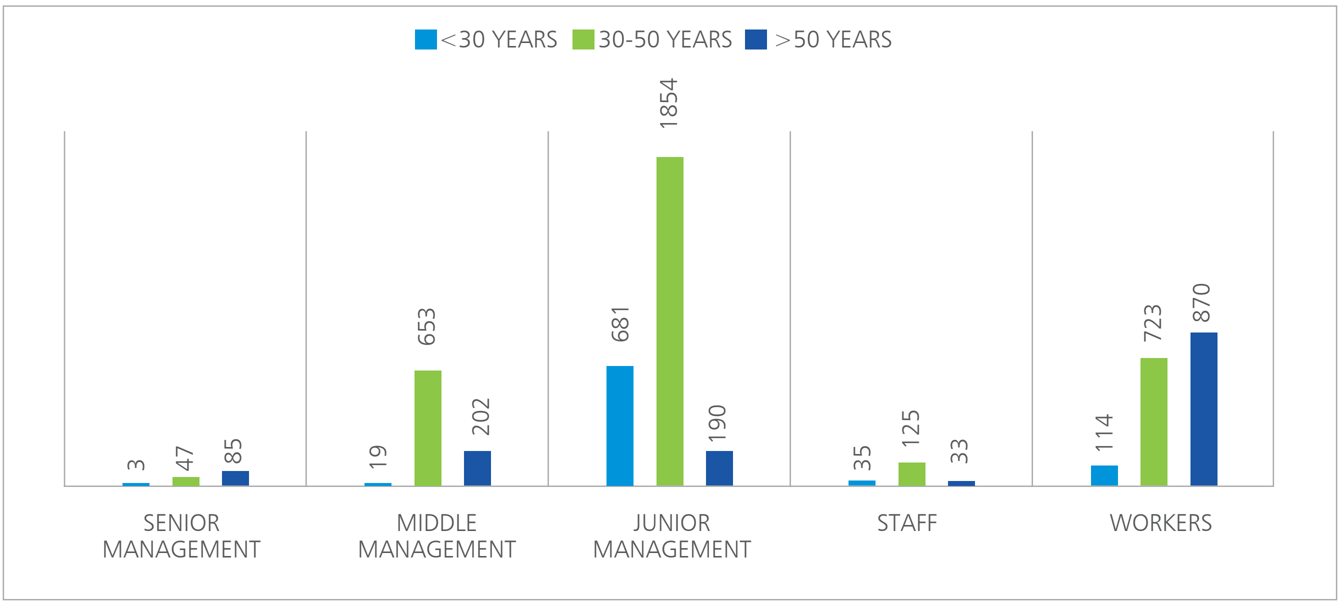
Diversity and inclusion

Dalmia Bharat encourages diversity through the recruitment of women, individuals from underprivileged sections and the specially-abled. As on 31st March 2019, it employed 5,634 people, of which 224 were women. Among newly-hired talents, 4.6% were women. As on March 31, 2019, there were 9,734 contract talents working for Dalmia Bharat. Dalmia Bharat ensured there was no discrimination in remuneration between male and female talents across locations. As on March 31, 2019, there were two permanent talents with disabilities working for Dalmia Bharat and 11 for the Group



**The above figures correspond to only regular talents (contractual not included)*

Total workforce by age group (FY19)



Attracting and retaining talent

Dalmia Bharat's existence is focused on a priority 'to help unleash the potential of everyone we touch'. Dalmia Bharat played a vital role in talent development through multiple interventions comprising assessment, coaching, classroom programmes and action learning projects. It conducted multiple wellness programmes to improve physical, mental and spiritual well-being.

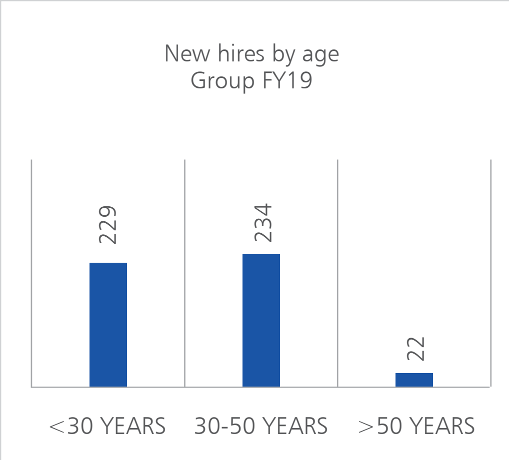
An essential step towards talent retention comprised periodic performance evaluation and appraisal. Dalmia Bharat strengthened its performance appraisal review system, where talents agreed to year-start objectives and were assigned managers to review their performance. During FY18, 4,256 talents were covered by the annual performance review; during FY19, 4,378 talents were similarly covered.

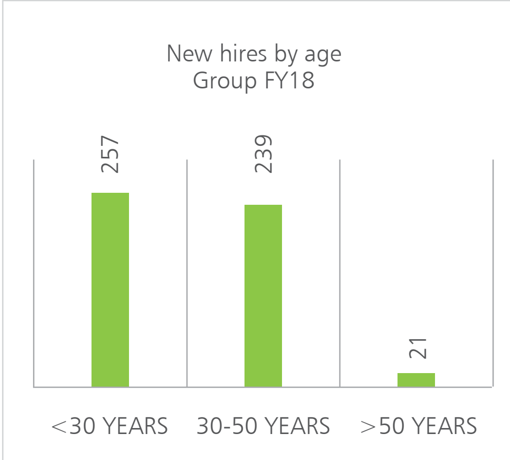
FY18

11.86 %
Talent turnover rate

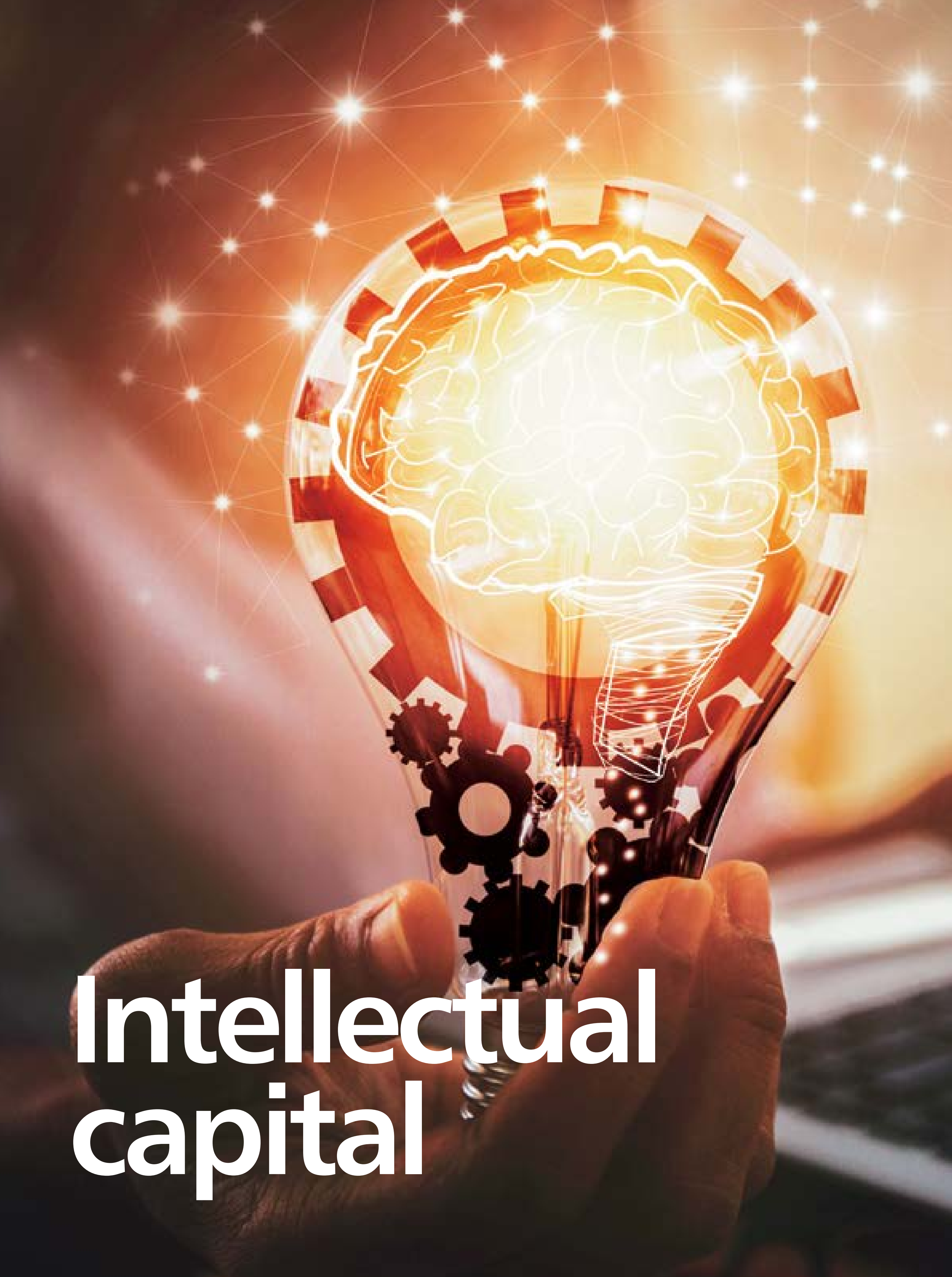
FY19

11.50 %
Talent turnover rate





Celebrations and activities



Intellectual capital

The management's approach

Innovation represents the cornerstone of Dalmia Bharat.

Over the years, Dalmia Bharat aspired to delight consumers with best-in-class cement. The solutions enabled the Group to capture new markets, command higher margins and minimise carbon-footprint.

Dalmia Bharat's team comprised members handpicked from different industrial sectors. Periodic collaborations with industrial and academic institutions as well as attendance in recognised forums, technical seminars and customer outreach programmes, among others, empowered the Group to respond to latest developments, comprehend trends and deliver relevant solutions quicker.

Academic partnerships

- IIT Chennai
- IIT Delhi
- CBRI, Roorkee
- EPFL, Switzerland

Professional tie-ups

- Bureau Veritas Construction Services, Mumbai
- Shriram Institute of Industrial Research, Delhi
- Spectro Analytical lab, Delhi and Mumbai

Dalmia Bharat expects to stay ahead of the curve through proactive investments. During the reporting period, it invested ₹7 Cr. to promote R&D activities across three research centres, three robotic labs and 14 labs.

Objectives

Short Term

- Increase market share for value-added products like Dalmia DSP and Dalmla Infra Green
- Digitalise the Dalmia Bharat value chain through applications like Suvidha
- Strengthen the value chain for Craft Beton

Medium Term

- Foster academic and industrial partnerships to transition to a sustainable portfolio of products and services
- Introduce products to address emerging sectoral needs

Long Term

- Strengthen R&D team to reduce gestation time for the introduction of value-added products
- Introduce high-performance building materials

Risks and Opportunities

Risk: Commoditisation of traditional products

The fiercely competitive nature of the industry eroded margins for traditional cement products

Mitigation strategy

- Introduced value-added products like Dalmia DSP, Dalmia Infra Green, and Dalmia Skim Coat
- Strengthened the R&D team to reduce gestation time for the introduction of value-added products

Risk: Quaility beyond compliance

It has become imperative to deliver relevant solutions marked by qualitative consistency

Mitigation strategy

- Operationalised internal quality monitoring parameters (IQMP) at each plant for defining raw mix designs, kiln feeds and clinker quality, replicating a reliable output in every cycle
- Ensured improved control over the process and product quality through an investment in robotic laboratories, online analysers and clinkerisation facilities

Opportunity: New consumer segments and higher resource utilisation through value-added products

Sectoral peers are transitoning to value-added products uniquely suited to their interests

Utilisation strategy

- Offer products around international standards, ensure minimal ecological impact and ensure consistency under the product suite of Dalmia InnoBuild
- Leverage day-to-day experiences and the intermingling of professional expertise from a variety of industrial backgrounds to enable incremental and path-breaking improvements

Strengthening Intellectual Capital

Dalmia Bharat endeavoured to strengthen its in-house capability through internal intervention programmes and adding experienced scientists and technologists from different industrial backgrounds to conduct R&D activities. It encouraged interactions with cross-functional peer groups, coupled with participation in industry forums and technical seminars. To facilitate effective knowledge-sharing, the functional heads were mobilised across sites at regular intervals, facilitating best-in-class practices. Ideas were generated based on inputs from sales and marketing teams and experience of the manufacturing, technical and R&D teams from different organisational levels. Interactions with different customers and suppliers provided deeper insights into emerging needs. Dalmia Bharat's state-of-the-art robotics lab enabled to optimise quality and process control through minimal manual intervention. The lab was equipped with online sampling and particle analysis facilities, which automatically calibrated the equipment to desired performance metrics.

Research centres

Robotic labs

Research labs

₹7 Cr. R&D expenditure

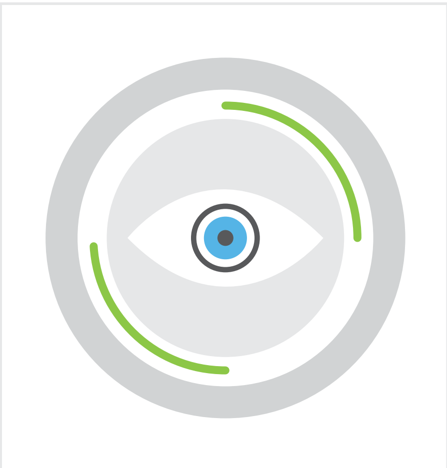


Fig: New Developments / Future focus areas

Impermeable cement development
Special cement having low permeability value to impart superior water ingress resistance for different grades of concrete. Also providing enhanced longer term durability against atmospheric carbonation or ingress of harmful chlorides and sulphates from ground water or marine fronts.

Exterior skim coat
Value-added skim coat to withstand the harsh environment and ease of application i.e. through a roller

Low cost binder for plastering application
Low cost binder compared to cement, primarily focusing on plastering applications

New grouting materials

Waterproof membrane

Clinker chemistry
Utilisation of High MgO containing limestone for the production of clinker

Value-added products

Dalmia Bharat possesses more than seven decades of cement manufacturing experience. It aspired to revolutionise the building materials sector with a wide range of surface finishing products accredited by international quality certification bodies. Dalmia Bharat's Innobuild portfolio represented a culmination of decades of sectoral experience and rigorous R&D in high-end research centres and labs.

Dalmia Magic
Unique, versatile and long-lasting finishing solution. Provides smooth and natural tone glossy/matte finish. Can be directly applied onto any type of cement surface (plaster, concrete, bricks, AAC blocks and fly ash bricks, among others). Can be applied internally and externally (wall and ceiling). Natural tone allows customers to not paint (if desired). The only product in India tested and certified by Housing & Development Board of Singapore's accredited testing lab. Complies with European (EN) standards. Ensures zero-chalking after drying with a higher surface coverage than alternatives and enhanced cost-effectiveness.

Dalmia Infra Green
Among the 'greenest' cement varieties in the world. Proprietary heavy-duty and high-performing cement suited for infrastructure creation. Outperforms any grade of OPC cement (52.5 N category cement by seven days). Needs minimal water, heat of hydration, drying shrinkage and ultra-low water permeability. Tested and verified by third-party accredited laboratories (Bureau Veritas) and IIT Delhi. Achieves over 70 Megapascal Pressure Units of strength over 28 days. Consumes curing time of 72 hours, compared to regular ones

that take three or four weeks. Products used to construct the Chennai Airport taxiway.

Dalmia DSP

Crown jewel in Dalmia Bharat's product bouquet. Specialised best-in-class offering in slag-based and fly ash-based variants. Premium quality cement produced from high-grade Portland cement clinker, imported gypsum and superior ground granulated blast furnace silica rich slag (GGBS) from the most reputed steel manufacturers. Quality raw materials ensure optimal particle size (fineness), ease of working, best setting time and highest strength, making it a preferred choice. Packed in Biaxially Oriented Polypropylene(BOPP) bags with nano-pores (compared to micro-pores or macro-pores), which ensure shower resistance, minimal seepage and extended freshness.

4 patents applied for

Dalmia Magic Premium Skim Coat
Dalmia Infra Green (PPC)
Dalmia Infra Green (PSC)
Cemenite

THE CONCRETE EXPERT
Specially formulated for best quality concrete

BOPP PACKAGING
Factory fresh cement in revolutionary tamper-proof and water-resistant packaging

ON-SITE TECHNICAL ASSISTANCE
Free on-call and on-site technical assistance from Dalmia tecExpert professionals

OPTIMISED SETTING TIME
Allows for optimum preparation, use, and setting of concrete

OPTIMUM WORKABILITY
Ensures 'cohesive' mixing at a low water-cement ratio, resulting in higher overall strength

MORE VOLUME PER BAG
Better coverage and high yield of concrete, helps you get more concrete per bag of cement

Climate Jamboree: A youth movement jointly launched by Dalmia Bharat and TERI School of advance studies

With a mission to empower youth to take ownership of creating a sustainable future for themselves, Dalmia Cement and the TERI School of Advanced Studies (TERI SAS) have jointly launched a programme of engagement – the 'Climate Jamboree'. The Programme aims to help youth engaged in different streams of study, and aspiring for diverse careers, to recognise the common as well as unique opportunities they have to influence more desirable outcomes.

A medley of diverse 'lead-up' events exposing youth to the diversity of sustainability solutions, culminating in a finale that stitched together various elements in an engaging manner. The Climate Jamboree aims to carry the voice of youth to decision makers and opinion leaders. With activities designed for students/young professionals of management, law, urban studies, natural and social sciences, media and communications, among many others, this programme also created communities of action in different geographies networked together for maximum impact. Open to youth across the country and beyond, most of the lead-up events were undertaken on an online mode but the finale, scheduled between November 1 – 3, 2018 at the Thyagaraj Stadium in New Delhi, engaged well over 10,000 youth and other relevant stakeholders to ideate, learn, innovate and collaborate on sustainability solutions. At the finale, youth had a chance to interact with national and global experts and express their concerns/ideas via interactive workshops, performing arts, exhibitions, technical sessions, live demonstrations, competitions, exciting innovations and more outlets.

Cemenite: A unique polymer cement composite

Conventionally, cement is mixed with sand to produce mortar and with sand and larger aggregates to produce concrete, along with a few other chemical and mineral admixtures as performance enhancers. Physically cement performs well across compression; the strength may range from 20 MPa to >150 MPa. Being brittle, its tensile performance is a tenth of its compressive strength. Hence, any project where bending, warping, buckling, twisting etc. are involved, conventional cement-based products fail to perform.

On the other hand, if opted for aesthetics, granite, marble and other building stones may provide a great design finish and durability but their quality and performance depend on factors like the quality of rock quarry, quality of transportation etc. Being hard and unpliant surfaces, they do not provide the best possible walking comfort when laid on floors. Being natural makes their appealing designs mostly unreproducible.

Advantages of Cemenite

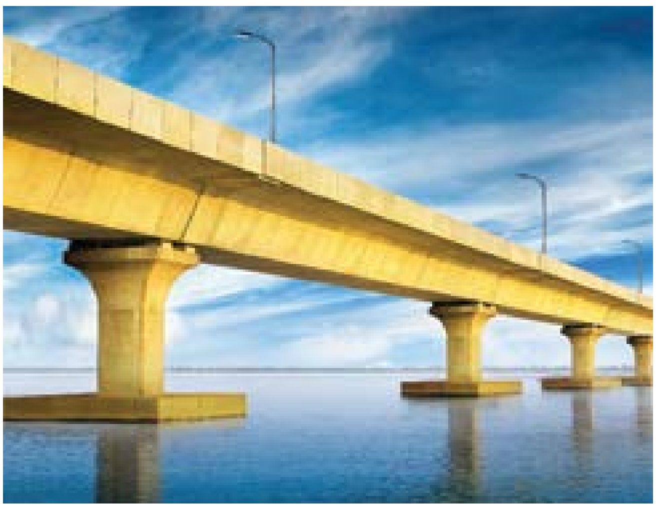
- Higher compressive / tensile strength and abrasion resistance than conventional cement, ceramic and porcelain
- Suitable for heavy duty use where conventionally natural stones are preferred for their strength and abrasion resistance
- Man-made; colour and appearance reproducible unlike natural stones
- More superior cushioning than natural stones
- Can be formed into thinner sections than natural stones without breaking, retaining properties

While the technology can generate a variety of applications (since it is a compound that can be moulded into almost any form or shape), its primary application can be found (but not limited to) in the construction industry for floor coverings, wall coverings and counter-tops. Other applications could include decorative and shielding elements, advertising boards and paver blocks etc.

Landmark projects

Kudankulam Nuclear Power, Tamil Nadu

Kannur International Airport, Kerala



Dhola-Sadiya Bridge, Arunachal Pradesh

Kochi Metro

Digitalisation at Dalmia Bharat

Salient features of Information Management System at Dalmia Bharat

- Centralised IM system
- Outsourced end-user support
- Cloud-based services of Google & HRIS
- Cloud-based video conferencing system

Strategic initiatives

- More automated processes, reduces complexity and creates agile operations
- Mobile applications connecting customers, employees, sales force and logistics
- Analytics to strengthen business processes
- Information security
- Integrated in-plant dispatch system

Future focus areas

- Enhanced mobility
- Value-added reporting
- Innovation RPA robotic process
- SAP S4 Hana migration
- HRIS migration to Oracle HCM on cloud

Dalmia Bharat's information management system enabled real-time data management and efficient decision-making. The centralised information management system harmonised its business processes, product quality and delivery competitiveness. Real-time value-added reports facilitated efficient decision-making and prudent resource allocation. The business functions were integrated into a Cloud platform, strengthening data security and optimising costs.

Dalmia Bharat rolled out Android apps,facilitating a continuous engagement with stakeholders - from order placement, invoicing, credit requesting and grievance management. It channelised data from multiple applications into an integrated solution through process automation and business analytics.

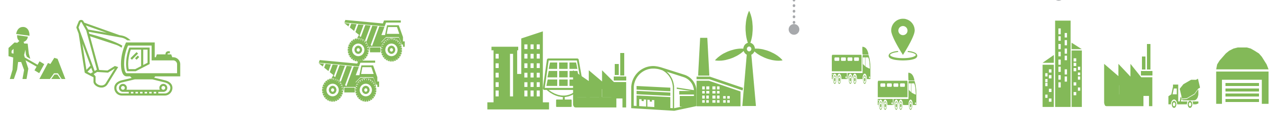
The entire supply chain

Convergence of the Group's cement businesses processes in SAP under a common umbrella, harmonising process controls and streamlining knowledge sharing among group entities.

To bring in business agility and cost efficiency, infrastructure services were migrated to cloud platform. This ensured business continuity and disaster recovery.

Implemented analytical capabilities that generated value addition for the business (market analysis, scenario analysis, estimation of logistics and distribution costs, profitability analysis etc.).

Successfully implemented mobile-based application platform that caters to Dalmia customer echo systems. (external and internal). This enables end-to-end customer life cycle management and connect.



Raw material procurement

Manufacturing, storage and packaging

Distribution to customers

Strategic roadmap has been developed with current and future state for various security domains. IT risk management programs have been made integral part of the strategic business planning. Yearly projects on security postures are driven by known threats and risk impact.

Successfully deployed best of breed communication & collaboration tools on Google and cloud-based AV platforms that led to enhanced collaboration, productivity enhancement and cost effectiveness.

The Group's cadre of young data scientists developed and customised a number of graphical tools from the Google suite to work with legacy delivery data to identify sales intensity maps and suggest alternative delivery models, redefining depot linkages with customer delivery points.

Application services: Deployed mobile-based application services, revolutionising our order to cash process effectiveness. Provided the logistics force with real-time information.

Capacity building programme

Influencers	Influencers comprise masons, contractors, engineers and architects that play a major role in promoting and recommending a brand.
Masons and Contractors	• Meets • Training at government institutes (like ITI) • Mason Certification program
Engineers and Architects	• Annual technocrat conference and lecture series • Plant visit and R&D center visit • Participation in exhibitions and conferences held by Indian Institute of Architects and Institution of Engineers
Institutional Customers	Institutional customers contribute to almost 40% of our sales volume. We provide assistance to the customers on aspects such as: • Product delivery • Pricing and credit facility • Third party testing • Concrete mix design The initiatives are so designed to instil confidence about our capability to shoulder responsibility in big projects across the country.
Dealers	The channel network contributes to almost 60% of our sales volume. We introduced a range of interventions to make them aware of our schemes, discount policies, loyalty programs and financial benefits in being associated with Dalmia Bharat. **Support material:** Product brochures, literatures, testimonials, dealer signage, shop painting, in-shop branding and POP items **Business meets:** To educate dealers on important business aspects **Factory visits:** To understand the manufacturing process and salient features of the product. **Sales support:** Counter meets at the dealer outlets with participation from masons and contractors. **CRM program:** Regular engagement programs consisting of festival gifts, celebration on occasions, diaries/calendars, educational excellence for children of dealers, reward and tour program, among others.
Consumers	The end consumers (typically an individual house builder) are enabled by our Technical Services team on knowledge about the product and services that can be offered by the Group. Product brochures and leaflets are developed for the end consumer highlighting product benefits. There has been only 1% unresolved consumer complaints during the year under review. **Consumer camps and training** • Construction practices • Safety measures • Usage of right materials • Vaastu guidelines **Cover blocks** are provided at concreting sites for certain Dalmia DSP customers. **Casting supervision and site inspection services** are provided with the help of Tech Services team and Dhalai Applicators. **Dalmia Construction Knowledge Center** was established in Guwahati (North East), to provide solutions for building one's dream home. The marketing team encourages our customers to give feedback as and when necessary on product quality or service. While there was no formal customer survey conducted during the reporting period, our team regularly interacts with our customers to gauge their satisfaction level to improve overall product delivery encompassing sales team interaction, public relations, trade engagement and technical services. The concerns, feedbacks and recommendations enable us to tune our business model towards better delivery and exceptional service.

Mason's master programme

Dalmia Bharat collaborated with NCCBM to introduce Mason's Certification Program, aimed at increasing a mason's technical skill in construction practices. All head masons and petty contractors with at-least two years of experience were eligible to be enrolled .

The program was divided into two phases. In the first phase, employees were trained by NCCBM engineers over a four-day period on a range of topics such as quality aspects of concrete and building materials, best practices in construction, concrete mixing, foundation works, evaluation of structure, storage and handling, among others.

In the second phase, a group of 26 masons were trained by Dalmia Bharat employees on multiple aspects such as evaluation of safety at construction sites, masonry tools, building materials, cement, estimating and costing, layout and excavation, brick work, plaster, shuttering, reinforcement, water-cement ratio, concrete batching, mixing and placing, slump test with and without admixtures, earthquake-resistant structures and problem resolution.

Young Achiever's Award

With a vision to appreciate and encourage the youth, Dalmia Bharat initiated the Young Achiever's Award, wherein young performers from varied fields like sports, journalism, art & culture, film, ecology & environment, agriculture and bravery, amongst others, were recognised and felicitated. It seeks to promote youth as a mark of respect towards the region where it operates. It endeavours to nurture young performers and project them as role models.

Cricket

India is passionate about cricket and the Group recognises in it an opportunity to touch the minds of consumers by building awareness through the use of high visibility media. Our association with cricket began in 2016 and since then we have sponsored events to build awareness and strengthen our position as a progressive/dynamic company. In 2018, we sponsored two major cricket events- England-Ireland series and Asia Cup. Both these events yielded a high impact according to Nielsen Sports, an independent globally reputed organisation for sports impact measurement. In both the series, the Group also leveraged our investment through experiential activation. The activations with channel partners helped the Group maximise the potential of the association program.

Key focus areas			
Influence a positive change in youth	Accelerate brand awareness; build brand equity	Strengthen relationships with the construction sector	Create an emotional connect with the target group

Craft Béton™

RETHINKING ART

Created by Dalmia Bharat

Craft Béton (Béton is the French word for concrete) encapsulates the essence of cement beauty and versatility. It represents a paradigm shift in the way cement is perceived as a building material.

Dalmia Bharat engaged internationally-acclaimed designers to redefine cement, making it more contemporary, aesthetic and elegant. It created a range of lifestyle and architectural masterpieces for homes comprising home accents, wall coverings and bathroom basins. The Collection of over 100 designs was developed by Iti Tyagi (India), Somesh Singh (India), Cynthia Mijres Rodrigues (Mexico), Alan Saga (Mexico), Miroslaw Baca (Poland), Lora Dimova (Bulgaria), David Shatz (Israel) and Anna Kraus (Germany), featuring products ranging from bookends, lamps, tables and mirrors to tiles, speakers and candle holders, and sculptural basins made from Dalmia Bharat's cement (one of the world' greenest cement varieties).

Manufactured capital

The management's approach

The per capita cement consumption in India is on the lower side compared to the global average and emerging economies. A series of infrastructural and housing projects initiated by the Government of India and other private players over the upcoming years presents a bright long-term outlook for the sector. Through a series of brownfield expansions, acquisitions and productivity enhancement initiatives, Dalmia Bharat is set to capitalise on the opportunity and deliver superior stakeholder value. Dalmia Bharat's competitiveness is derived from a superior manufacturing discipline reflected in low operational costs, high resource and asset productivity.

Dalmia Bharat believes in leveraging technology interventions, execution excellence, cost optimisation and continuous improvement. Internal benchmarking and performance dashboard provide plant-specific and aggregated Group-level data related to energy consumption, alternative fuel consumption, cement carbon footprint metrics and other operational performance indicators. These analytics form the basis of informed decisions and new initiatives. Dalmia Bharat incorporated several standardised reports to facilitate comparability, undertake cross-functional review meetings and share knowledge.

Dalmia Bharat's best-performing plants consume ~64 kilowatt-hours per tonne of cement, ~38% lower than the global average. Similarly, its specific thermal energy consumption (kilocalories per kilogram of clinker) is ~12-15% lower than the global average.

Objectives

Short Term

- Integrate new operational sites into a coherent entity
- Enhance capacity utilisation
- Increase the use of alternate fuel

Medium Term

- Pan-India presence through inorganic and organic expansions
- Low carbon technology adoption at existing and new plants

Long Term

- Creating a net positive impact from our manufactured capital

Risks and Opportunities

Risk: Preparedness for capacity expansion to grow with the market

Mitigation strategy

- Regular tracking and liaison for securing raw material for future projects
- Cultural integration of newly acquired sites

Risk: Ability to track and acquire cement plants at theright valuations

Mitigation strategy

- Regular monitoring and tracking acquisition opportunities through market intelligence
- Leveraging expert guidance from professionals like investment bankers and advisors

Opportunity: Maintaining / growing market share

Utilisation strategy

- Regular market assessment for tracking growth, sales and market share
- Strategic capacity expansion in the regions of high and sustained demand

Strengthening Manufactured Capital

Dalmia Bharat plans to increase installed capacity by around 40% to ~37 MT by FY21 through brownfield expansion (~7.8 MT) and acquisition projects (~3 MT).

Existing installed capacity (MT)

South India	East India	North East India
12.1	10.4	4.0

Fig: Strengthening geographical footprint

With a high capacity utilisation of ~90% at its Eastern plants and healthily growing cement demand in Eastern India, Dalmia Bharat is enhancing cement manufacturing capacity in the region from 10.4 MT to 18 MT at an investment of ~₹3200 Cr.

Dalmia Bharat commenced trial production at its Kalyanpur plant at Rohtas (Bihar) unit in a record five months; commercial production commenced in March 2019. The integrated plant enabled it to strengthen its Eastern India market share while reducing lead distances. The acquisition of Murli Industries (Maharashtra), when completed, will reinforce Dalmia Bharat's presence in Western India.

Project Pride at Rajgangpur

As a committed global corporate citizen, we have taken utmost care in the identification and selection of the plant technology while increasing installed capacity at our Rajgangpur site. We leveraged our experience of over seven decades in cement manufacture to introduce a series of systemic and process interventions across this plant design. These initiatives have enabled us to take a step closer towards transitioning this facility to an even lower carbon footprint manufacturing unit. Various intervention points include but not limited to:

- Unique kiln slope
- Use of Counter Current cyclone
- Bigger size preheater and pre-calciner for higher alternative fuel utilisation and reduced pressure drop
- Hysil insulations in pre-heater cyclones and calciner for radiation heat loss minimisation
- Green fuel processing and feeding system for alternative fuels
- Aluminising and heat resistance painting on the inners sides of bottom 3 cyclones to improve design life and energy efficiency
- Latest technology Jet flex burner to offer maximum flexibility for solid pulverised and alternative fuel firing
- Expert system fuzzy logic and installation of a robotics lab for stable plant operations
- LED lighting for complete plant compound
- Solar PV to maximise space utilisation and green power generation potential

These interventions have enabled line-3 at the Rajgangpur site to emerge as one of the most energy and ecologically-efficient state-of-the-art cement manufacturing facilities

Ariyalur: Strengthening installed capacity through process innovation

The Ariyalur unit of Dalmia Bharat comprises a cement mill with a designed capacity of 330 TPH in a PPC grinding mode. It took a series of process measures to increase grinding capacity to 365 TPH.

This breakthrough comprised a cross-functional team working out an innovative idea to maintain the uniform material flow from the bag house to silo feed elevator by changing the purging sequence. This modification required no additional capex investment. Following incorporation of the solution, the cement mill PPC output increased from 330 to 365 TPH, CVRM availability increased from 94% to 97% and specific power consumption reduced from 24.2 to 22.5 kWh/MT. A similar modification was implemented horizontally across the other business units that helped realise a higher output.

RFID-based integrated Plant and Logistic Management System (PLMS) at Bengal Cement Works, Medinipur, West Bengal

The road dispatch at Medinipur site was managed by the SAP SD module. This operation resulted in a high turnaround time. The plant team implemented RFID (Radio-Frequency Identification)-based logistic management system. This new system comprised advanced features like weigh bridge automation, reduction in pilferage, real-time SAP SD module integration for data upgradation, improvement in packer efficiency, additional controls and checks around logistics operations.

The implementation led to the reduction in plant turnaround time by 25%. This successful intervention paved the way for interventions like forward and backward integration of PLMS system with solutions like Customers Sales Order management, tracking of material delivery , Automatic Transporters Bill payment system, GPS tracking of vehicle in real time etc., towards a centralised logistic solution.

Towards cleaner operations

In line with the renewable energy commitment towards RE100, Dalmia Bharat does not intend to add thermal capacity. It intends to diversify its power portfolio towards fossil-free alternatives by setting up green-power projects based on waste heat recovery and solar photovoltaic modules. Several projects under feasibility assessment are under consideration and stages of implementation.

We witnessed higher auxiliary power consumption in FY19 compared to FY18. This was mainly due to the use of cost-effective low-grade and high-moisture fuels (mostly in Ariyalur, Dalmiapuram and Rajgangpur captive power plants). Dalmia Bharat optimised generation costs through power wheeling from captive units to grinding and clinkerisation units. The Rajgangpur captive power plant wheeled power to plants at Kapilas while the Ariyalur and Belgaum captive power plants catered to plants at Kadappa. The plants at Umrangshu and Lanka procured power from Indian Energy Exchange (IEX) through the Day Ahead arrangement.

Installed capacity

178 MW Thermal

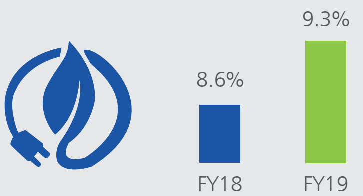
8 MW Solar

9.2 MW Waste Heat Recovery capacity implemented

30 MW Waste Heat Recovery capacity under execution

Fig: The installed power generation capacity to meet our energy requirements

Auxiliary power consumption



Water consumption in Group CPPs

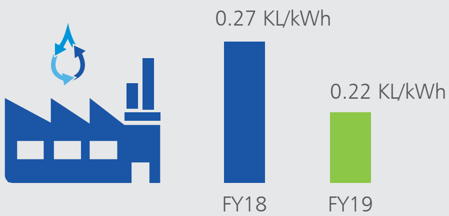


Fig: Performance at our Captive Power Plants on power and water consumption

Key initiatives taken to improve resources and energy efficiency

Water consumption	• Commissioned dumping system • Optimised soot-blowing system • Overhauled/Maintained/ Replaced drain valves/start-up vent passing • Reused sample cooler drain water • Reused MGF/UF/RO sack wash water • Reduced venting loss during load throw by optimising steam pressure • Reused cooling tower blow down
Auxiliary power consumption	**Operational efficiency** • Optimised ACC blade angles,fan speed control with vaccum, and practice of non-stopping ACC fans • Ensured timely cleaning of ACC to improve ACC efficiencies • Planted trees in nearby areas and removed obstructions in airflow to ACC • Optimised pressure drop across feed control valves in BFP VFD operations with drum level • Optimised compressed air consumption and running hours • Minimised idle running hours of CHP and ash conveying system • Ensured closed loop operations and PID control for all VFD-driven motors • Optimised excess air in furnace • Reduced air ingress in flue gas path **Equipment efficiency** • Installed VFOs in centrifugal pumps and fans • Installed high heat transfer area heater • Installed drip transfer pump to reduce ACC loading • Installed high-efficiency boiler feed water • Installed high-efficiency CEP • Installed high-efficiency MCWP

Optimising finish mode grinding at the Belgaum plant of Dalmia Bharat

The Indian cement industry predominantly uses Ball Mill or Vertical Roller Mills for grinding raw materials.

However, at the Belgaum unit, the Roller Press is in use for the same. This equipment proved to be more energy-efficient without support from a secondary crusher or Ball Mill for grinding limestone and other additives. This type of grinding (with Single Roller Press) is also called Finish Mode grinding. The most optimum specific power consumption obtained under this mode was 10.5 kWh/MT.

The Roller Press at Belgaum was designed to perform at a rated output of 390 TPH on a dry basis. However, process optimisation resulted in the Roller Press delivering about 427 TPH (monthly average). The total circuit comprised a Roller Press, belt conveyors, dynamic separator, 6-cyclone separators, V-separator, ID fan and bucket elevator for material re-circulation and silo feeding as well as a bag house to collect dust from the Raw Mill and pyro return dust.

The lower specific power consumption from about 13.5-14.0 kWh/MT to 10.5-11.50 kWh/MT with higher productivity was achieved through a series of activities like improving reliability and process optimisation including major breakdown and troubleshooting, residue optimisation, false air reduction, providing training to the operators and a larger team involvement in the project activity. As a result, the Belgaum Roller Press proved to be unique in terms of specific power consumption.

The next target is to achieve single-digit specific power consumption (i.e. <10.0 kWh/MT) while maintaining productivity and quality.

Green initiatives at our mines

Dalmia Bharat believes that its journey towards sustainability starts at its captive limestone mines. Improvement in the process or equipment that reduced limestone consumption increased the life of the limestone mines, reducing risks pertaining to the availability of quality raw material.

Dalmia Bharat adopted several eco-friendly technologies including the use of large excavators to minimise blasting, elimination of secondary blasting through the deployment of rock breakers, operationalisation of drillers with in-built dust collection, mist systems and dry fog dust controlling systems, among others. Other initiatives implemented by the Group comprised planting trees, suppressing dust emissions and harvesting rainwater in catchment areas.

Fig: Eco-friendly practices implemented in DBL mines

'Green' manufacturing sites


Ariyalur plant


Dalmiapuram plant


Kadappa plant

Workplace interventions

Dalmia Bharat believes that the workplace is like a second home, as people spend a major portion of their day here. By incorporating the concept of 'go green', Dalmia Bharat transformed its office space through a series of interventions to improve talent well-being while reducing ecological impact.

Bio-green wall

- Removed volatile organic compounds
- More healthy workspace for talents
- Reduced energy consumption

Swachh sankalp se swachh siddhi campaign

- Cleaner workspace by removing unnecessary paper, sent for recycling/reuse
- Introduced eco-pens and notepads
- Distributed basil seeds for plantation

LED lighting

- Existing CFLs were replaced with LED lights donated to an NGO working in collaboration with the CSR team
- Installed bird-feeding bowls with food outside windows

Creating plastic-free workspace

- Replacement of plastic garbage bags with compostable garbage bags (degradation time of compositable products is 60 to 180 days)
- Replaced plastic water bottles with glass water bottles
- Replaced plastic cutlery with stainless steel cutlery
- Replaced ceramic crockery with vegan crockery (bone ash-free)

Tracking food wastage

- Emotional appeal: Published total kilograms of food wasted and how many people it could have served
- Education: Educated talents through signages in cafeterias, e-mailers and previous-day food wastage updates, among others
- Training of baseline staff: Trained the baseline staff through IHM (Institute of Hotel Management)
- No bin day: Held on the 11th day of every month when talents are mandated to finish what was on their plates

Social and Relationship capital

The management's approach

Dalmia Bharat is committed to develop, improve and invest in creating shared value for its stakeholders viz. customers, talent, suppliers, communities, investors and government or regulatory agencies. An important stakeholder group for Dalmia Bharat is the future generation, which is often unrepresented. It believes that incorporating the needs and interests of the community members creates positive outcomes for all stakeholder groups, strengthening an organisation's 'social license to operate'.

Strengthening Social and Relationship Capital

Dalmia Bharat intents to create a meaningful difference in the lives of its stakeholders, implementing a series of intervention programs through its not-for-profit arm, Dalmia Bharat Foundation (DBF).

In FY19, Dalmia Bharat's CSR activities were concentrated in 11 States (Andhra Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Karnataka, Meghalaya, Odisha, Rajasthan, Tamil Nadu and Bengal) encompassing 1,200 villages in the vicinity of its manufacturing plants. Its efforts are centred around four focus areas –

(1) soil and water conservation

(2) access to clean energy

(3) livelihood skill training

(4) social development

Dalmia Bharat invested ₹8 Cr. in the reporting period on various CSR interventions.

More than 8.5 lakh outreach population and counting

Dalmia Bharat

Fig: Geographic footprint of CSR interventions

Objectives

Mid Term

- Harvesting and conserving 14 million m^3 of water for productive use
- Ensuring access to clean cooking and solar lighting for 500 villages
- Transforming 17,600 unemployed youth into a skilled workforce, enhancing the income of 40,000 households
- Addressing basic health, education and rural infrastructural needs in 900 villages

Long Term

- Harvesting and conserving 50 million m^3 of water for productive use
- Ensuring access to clean cooking and solar lighting for 5,000 villages
- Transforming 1,00,000 unemployed youth into a skilled workforce enhancing the incomes of 2,00,000 households
- Addressing basic health, education and rural infrastructural needs of 5,000 villages

Risks and opportunities

Risk: Environmental concerns of community pertaining to water and air pollution

Mitigation strategy

- Soil and water conservation interventions
- Enabling access to clean energy solutions

Risk:Demand for employment by the local community

Mitigation strategy

- Skill training programmes through DIKSHa
- Training and capacity building of local community to leverage alternative livelihood opportunities

Opportunities: Strengthen outreach programs

Utilisation strategy

- Forging partnerships with corporates, Government and NGOs to leverage resources, skills and expertise, strengthening outreach programs

First global cement company to have its CSR processes assured by BSI for following ISO 26000 guidance

Dalmia Bharat was reviewed by British Standards Institution (BSI) to gain a fresh perspective on its performance regarding the ISO 26000 guidance standards. BSI assured its CSR processes on ISO 26000 standards on social responsibility. BSI provided an assurance/opinion statement on the CSR report based on ISO 26000 guidelines.

"Institutionalising standards such as ISO 26000 is praiseworthy as adopting them not only makes DBL robust but also sets another benchmark for the industry from a corporate social responsibility perspective, which is a mark of a true leader." indicated BSI.

Soil and water conservation

Conservation of soil and water resources is essential for India's agrarian economy. Due to ever-increasing anthropogenic activities,the quality of soil and water is deteriorating. Soil erosion, soil compaction and rise in salinity are some of the major impacts degrading soil and water quality. These processes lead to a significant loss of agricultural productivity. Dalmia Bharat, through its initiatives on soil and water conservation, contributed towards groundwater recharge, enhancing access to irrigation and controlling soil erosion. The Group's projects contributed to secure livelihoods and increased yield for farmers.

Dalmia Bharat's pan-India 'synergistic water conservation approach' revolves around three different interrelated and multi-faceted components based on water conservation, integrated development of watersheds and communities, and application of measures to increase water efficiency. The integrated water conservation initiative positively impacted the livelihoods of over 30,000 people across six states (Tamil Nadu, Andhra Pradesh, Karnataka, Odisha, Assam and Rajasthan).

Objectives

- To undertake an integrated watershed management project for the effective management of soil and water
- To create structures for effective water harvesting and management
- To promote micro-irrigation techniques for the optimal utilisation of water for productive purposes

Intent 2020

14 million m^3 of water harvesting potential.

Intent 2030

50 million m^3 of water harvesting potential.

Outcome and impact (Consolidated figures for FY18 and FY19)

900	**181**	**43**	**6**
Acres of land brought under drip irrigation	Farm ponds	Village ponds	Check dams

Dalmia Bharat's Social Return on Impact (SROI) assessment suggests that its interventions in soil and water conservation has generated value of *4.0x in the lives of its stakeholders.

Water conservation and harvesting efforts have added potential for a water credit of up to 11.1 million m^3 till date, enabling groundwater recharge and higher crop yield.

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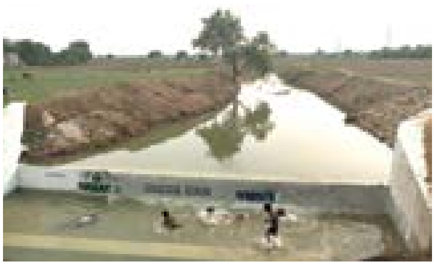
Water harvesting
Construction and rejuvenation of water harvesting structures: Check dams, village ponds and farm ponds.



Watershed development
Watershed projects in partnership with NABARD: Construction of brownfield bunds, farm ponds, livelihood support and afforestation.

Optimal water utilisation
Optimum water utilisation: Use of drip irrigation and sprinkler system for using the available water efficiently.

Access to clean energy

GOOD HEALTH AND WELL-BEING | AFFORDABLE AND CLEAN ENERGY | SUSTAINABLE CITIES AND COMMUNITIES | CLIMATE ACTION

India is a fast-growing economy and needs energy to achieve its true potential. Due to power-cuts or unavailability of power from the central grid, communities are deprived of the opportunity to contribute effectively to the nation's growth. More than 396 million people (44.7% of the total rural population compared to 7.3% of urban population) do not have access to electricity and 592 million people (rural: 62.5%; urban: 20.1%) still use firewood for cooking. These fuels are polluting and harmful. Dalmia Bharat facilitates access to renewable and other clean energy solutions to help communities reduce their environmental footprint.

Fuel-efficient cooking stoves were promoted and LPG connections facilitated.

Dalmia Bharat Foundation organised multiple behaviour-change campaigns aimed at sensitising communities regarding the harmful effects of kerosene, importance of energy access for holistic development and clean energy benefits. It distributed product samples and subsidised products to communities while highlighting their health and economic benefits in comparison with kerosene lamps. Dalmia Bharat also assisted communities to gain access to a reliable and cleaner source of illumination through the distribution of solar lighting systems.

Objectives

- Creating awareness among communities about renewable energy and its importance by facilitating access to solar energy solutions and clean cooking practices
- Promoting access to and use of fuel-efficient cooking stoves, LPG connections and solar lighting solutions

Intent 2020

Ensuring access to clean cooking and solar lighting in 500 villages.

Intent 2030

Ensuring access to clean cooking and solar lighting in 5,000 villages.

Outcome and impact (Consolidated figures for FY18 and FY19)

702	3244	6,256	183	622	13	1,032
Fuel efficient cooking stoves	LPG connections	Solar lanterns and study lamps	Solar street sights	Solar home lighting systems	Solar powered e-shala	LED lights

- Reduction in the consumption of wood, coal and kerosene, increase in hours of electricity availability, clean and safer environment, reduction in fuel and health expenses and empowered community
- 118 clean cooking villages and 135 clean lighting villages
- *25,723 tonnes of CO_2 emissions were avoided*
- Dalmia Bharat's Social Return on Impact assessment suggests that interventions in energy conservation and climate change mitigation *generated a value of *3.05x in the life of its stakeholders*

Clean cooking
Clean solutions like fuel efficient cook stoves, biogas plants and LPG connections were promoted.

Clean housing lighting solutions
Solar lights (solar lanterns, study lamps) home lighting, system and micro grids are provided to households.

Clean lighting solutions for streets
Solar street lights are installed on streets.

Livelihood skill training

Employment from any industrial set-up in the neighbourhood is a usual community aspiration even as the number of people that can be directly employed is limited. Dalmia Bharat conducts a 'need' assessment considering factors such as potential livelihood possibilities, social norms and market outlook to determine adequate intervention programs for the community.

The livelihood skill training initiatives include Government-approved short duration courses through DIKSHa, small skill training for women, youth and farmers based on local needs and interests and enabling livelihood opportunities through building social capital. These comprise Self Help Groups and Farmer Producer Organisations, facilitating backward and forward market linkages while enhancing access to finance, leading to poverty reduction.

Dalmia Institute of Knowledge and Skill Harnessing (DIKSHa)

Dalmia Bharat imparts livelihood skill training through its Dalmia Institute of Knowledge and Skill Harnessing (DIKSHa) centres in Odisha, Tamil Nadu, Karnataka and Uttar Pradesh. It provides short duration certified courses to youth to empower beneficiaries towards respectable living and community change.

Objectives

- Enhancing employability by imparting skill development/ vocational training to youth
- Facilitating the development of micro-enterprises
- Facilitating women's SHGs

Intent 2020

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

Intent 2030

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

Outcome and impact (Consolidated figures for FY18 and FY19)

9	**1,127**	**6**	**108**	**800**
DIKSHA Centres operational	Trainees passed from DIKSHA	Farmer Producer Companies and 2,598 shares	Training sessions of SHG women members & youth	Self Help Groups floated

Increased income generation of people by improving market linkages, supporting entrepreneurial ambitions and economic development.

*Our Social Return on Impact assessment suggests that our interventions in livelihood and skills training has generated value of *7.67x in the life our stakeholders.*

Skill training
Livelihood-based training: These training initiatives are directed towards youth (including both men and women).

Income enhancement project
Promoting linkages to government schemes and training communities to increase income.

Facilitating community-based organisations
Empowering communities: Economically empowering communities through community-based organisations, for e.g. FPOs and SHGs.

Mushroom cultivation at Sunsabitridargarh

A tribal woman of Rajgangpur block in Sunsabitridargarh district set an example in mushroom farming. The successful farmer, Patra, a resident of Dhaurada, made over 100 women self-sufficient with mushroom cultivation. After marriage, Sabitri found it difficult to meet family expenses with the meagre income of her husband. Instead of getting frustrated, she thought of taking up income-generating activities with the help of Dalmia Bharat. She was 35 and started mushroom cultivation after receiving training from Dalmia Bharat Foundation near Lanjiberna Mines. As 'Dhingri' mushroom is tasty, it enjoys good demand. Sabitri started mushroom cultivation with a small investment. Initially, she purchased seeds for 10 bags of mushroom and produced 40 kg of mushroom in FY15. She invested ₹1,000 and earned ₹1,800 in a month. Since then, Sabitri has not looked back. Enthused by her success, her husband joined her in this cultivation, helping maintain their family needs for four years. Every year, she grows two types of mushrooms - Dhingri and Pala - has been able to earn ₹50,000- 60,000 annually. Sabitri has now taken up grooming 100 women in mushroom cultivation. She has been felicitated by Dalmia Bharat for her achievement in promoting mushroom cultivation and enterprise.

Lighting lives at Kovandakurichy Village

C. Mala is a resident of Kovandakurichy village, who supports her specially-abled husband and a job-seeking graduate son, joined the Kungumam Women Self Help Group, which helped her avail a loan of ₹10,000 from Kovandakurichy Watershed Women Self Help Groups Federation. With this support, she purchased a candle making machine, which helped increase the operational efficiency of her business.Today she is able to make 90 kgs of candles annually. Her total production cost is ₹140/kg and average selling price ₹300/kg, helping her generate ₹14,400 annually as income from this business.

Success story in Mudhuvatur Village

Thirumathi Chithra is a resident of Mudhuvatur village where she lives with her husband and two kids. She is an active member of Indira Gandhi Self Help Group. She had been running a small confectionery shop without a fridge, generating a turnover of ₹300 to ₹500 per day. She became a member of Melarasur Watershed Women Self Help Group Federation, which helped her avail a loan of ₹15,000 for a new refrigerator. With this support, she is able to generate additional sales of ₹1500 per day with profits ranging from ₹80 to ₹250.

DIKSHa: Empowering lives

Matriculate Aradhana Sahoo is school drop out. During mobilisation, she came to know about DIKSHa and its bed-side Assistant Course under OSDA at Dalmia Institute and enrolled in it. She excelled at her final OSDA exam and successfully completed the assessment. Following this, she got a placement at New Dibdhyam, Rourkela, as a home nurse. Today, her take home salary of ₹15,000 per month, that aids her in supporting her family.

Rakshi Lakra is a retail sales associate. She has no father and no mother and lives with her grand mother in Mahul Pada Basti, Rourkela. She discontinued her education after clearing class X. She enrolled in DIKSHa and its retail sales associate course at Dalmia Institute. She successfully completed the assessment and clinched a placement at Vishal Mega Mart, Rourkela. Her take home salary is now ₹10,500 per month, improving her financial condition.

Social development

GOOD HEALTH AND WELL-BEING | QUALITY EDUCATION | CLEAN WATER AND SANITATION | SUSTAINABLE CITIES AND COMMUNITIES

The need assessment activity performed by Dalmia Bharat identified the limited availability of basic infrastructure facilities as the principal hindrance to community development. It implemented several initiatives across areas such as health and sanitation, rural infrastructure and education, among others. Dalmia Bharat aspires to increase penetration of this program to far-flung villages and improve resource availability for the community. During the reporting period, the Group implemented several camps related to building awareness on preventive healthcare, immunisation, eye care, maternal health, child care and healthcare for differently-abled, among others. Dalmia Bharat promotes construction and the use of toilets that led to villages achieve Open Defecation Free (ODF) status. Through its education programs, it reached several children across communities around sites and engaged them in value-based educational programs (ethical values, leadership, gender equality) to academic and sporting events. Dalmia Bharat conducted several awareness programmes on social interests and issues, supported sporting events and cultural activities in schools and villages and built community infrastructure such as roads, wells, ring well sheds, drains, community centres, schools and anganwadi buildings.

Objectives

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

Intent 2020
Addressing basic health, education and rural infrastructural needs of communities up to 900 villages.

Intent 2030
Addressing basic health, education and rural infrastructural needs of communities up to 5,000 villages.

Outcome and impact (Consolidated figures for FY18 and FY19)

19	**897**	**1,87,454**	**15**	**1,081**
School sanitation blocks	Individual sanitary latrines	Beneficiaries of health camps	Open defecation-free villages	Beneficiaries to HP World on Wheels Initiative

Increase in awareness towards sanitation and hygiene, improvement in the quality of education and empowered community.

*Our Social Return on Impact assessment suggests that our interventions in Livelihood and Skills Training generated value of *1.98x in the life our stakeholders.*

Health and sanitation
Health camps and awareness camps are organised; individual toilets and school sanitation blocks are constructed.

Education
Improving educational facilities through 'Dalmia Happy School Project' - infrastructure, TLMs and BALA Art.

Rural infrastructure and community development
Rural infrastructure like roads, drinking water, community halls, veterinary camps and awareness camps.

Digital inclusion and Learning Labs – HP World on Wheels (WOW)

Chandrika at Verapala village, feels deeply motivated with her learnings of e-mail writing and MS Office like Word, PowerPoint and Excel. This initiative, implemented by Dalmia Bharat, aims at providing computer and digital literacy to students in remote villages and strengthening awareness on agriculture, health and government programs at the ground level.

Strengthening infrastructure at Peddakomerla Village

Swathi, a resident of Peddakomerla village, studies in ZPH School. She is exhilarated with the presence of Dalmia Bharat in her village. She, along with her classmates, has benefitted through improved teaching class experience, English speaking sessions and yoga classes through the organisation's intervention programs. Her school was also facilitated with an upgraded water system, a bio-toilet complex and a playground.

Corporate information

Board of Directors

Pradip Kumar Khaitan
Chairman

Jai Hari Dalmia

Yadu Hari Dalmia

Gautam Dalmia
Managing Director

Puneet Yadu Dalmia
Managing Director

Nagarajan Gopalaswamy

Virendra Singh Jain

Dharmendar Nath Davar

Sudha Pillai

Jayesh Doshi
Whole Time Director &
Chief Financial Officer

Management Team

Gautam Dalmia

Puneet Yadu Dalmia

Mahendra Singhi

Ujjwal Batria

Jayesh Doshi

Company Secretary

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

Auditors

S.S. Kothari Metha & Company

Bankers

State Bank of India

Yes Bank Limited

HDFC Bank Limited

Axis Bank Limited

Punjab National Bank

International Finance Corporation (IFC)

IndusInd Bank Limited

Export Import Bank of India

Canara Bank

Landesbank, Germany

Registered Office

Dalmia Bharat Limited

(formerly known as Odisha Cement Limited)
Dalmiapuram - 621651
District: Tiruchirapalli
Tamil Nadu

Corporate Office

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

Registrar and Share Transfer Agent

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their 6th Report alongwith the financial statements of the Company and the highlights of the performance of subsidiaries, associates and joint venture Companies (collectively referred to as "the Group") and their contribution to the overall performance of the Company for the financial year ended March 31, 2019.

Financial Highlights

(₹ Crore)

Particulars	Standalone		Consolidated	
	FY–2018-19	FY–2017-18	FY–2018-19	FY–2017-18
Revenue from operations	164	125	9484	8827
Profit before interest, depreciation and tax	125	102	2186	2295
Less: Interest and Financial Charges	2	4	551	693
Profit before depreciation and tax	**123**	**98**	**1635**	**1602**
Less: Depreciation	4	4	1296	1213
Profit before tax	119	94	339	389
Provision for current tax	29	21	112	108
Provision for deferred tax	3	1	(119)	17
Prior year tax charge	(14)	-	(5)	(28)
Deferred tax for earlier years	-	-	2	1
Profit / (Loss) after tax before share of profit in associates/ joint ventures	**101**	**72**	**349**	**291**
Add: Share of Profit/ (Loss) in associates /joint ventures	0	0	0	0
Profit / (Loss) for the year after share of Profit / (Loss) in associates / joint ventures	**101**	**72**	**349**	**291**
Less: Share of minority interest	-	-	41	(1)
Profit / (Loss) after tax	101	72	308	292
Other Comprehensive Income	(11)	2	27	448
Total Comprehensive Income	**90**	**74**	**376**	**739**
Add: Surplus brought forward	123	82	2042	1242
Add: Amount transferred from debenture redemption reserve	-	-	62	131
Profit available for appropriation	**213**	**156**	**2480**	**2112**

State of the Company's affairs

(a) Status of Group restructuring

Your Directors have pleasure to report that the Group restructuring activities have been completed and the Company is now the ultimate listed holding Company of the Group and the manufacturing undertaking(s) inter-alia pertaining to cement, refractory and power have been consolidated into one operating Company, namely Dalmia Cement (Bharat) Limited, wholly-owned subsidiary of the Company.

National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") have issued permission for listing and trading of equity shares of the Company with effect from December 21, 2018. The shares issued to the shareholders of erstwhile OCL India Limited started trading with effect from that date. Subsequently on issue and allotment of shares to the shareholders of erstwhile Dalmia Bharat Limited, NSE and BSE issued listing and trading permission for these shares with effect from January 25, 2019.

(b) Changes in the capital structure

Pursuant to the restructuring, the following changes have taken place in the capital structure of the Company:

S. No.	Capital	Before restructuring (in ₹)	After restructuring (in ₹)
1	Authorized share capital	10,00,000/-	370,10,00,000/-
2	Issued share capital	5,00,000/-	38,59,17,106/-
3	Subscribed share capital	5,00,000/-	38,59,17,106/-
4	Paid up share capital	5,00,000/-	38,59,17,106/-

Pursuant to the Scheme(s) of Arrangement and Amalgamation ("Scheme"), the Company had, on October 27, 2018, issued and allotted 5,69,00,220 equity shares of ₹10/- each to the shareholders of erstwhile OCL India Limited and the Company got listed and started trading on BSE Limited and National Stock Exchange of India Limited with effect from December 21, 2018. Out of said 5,69,00,220 equity shares, 2,65,428 equity shares were allotted to the Investor Education and Protection Fund and the dividend accrued on the said shares amounting to ₹4,51,227.67 (@ ₹1.70 per share declared by the Company at its Annual General Meeting held on December 31, 2018) has also been transferred to Investor Education and Protection Fund.

Further Pursuant to the Scheme, the share capital of the Company was then reduced on January 09, 2019 to 1,44,20,947 equity shares of ₹2/- each by reduction of face value of shares from ₹10/- each to ₹2/- each and cancellation of cross holding of Dalmia Cement (Bharat) Limited. The said Shares of the Company post reduction got listed and trading commenced with effect from January 22, 2019.

Further, on January 09, 2019 the Company had issued and allotted 17,83,06,606 equity shares of ₹2/- each to the shareholders of erstwhile Dalmia Bharat Limited and the same got listed and trading commenced with effect from January 25, 2019.

(c) Change of name of the Company

The name of the Company has been changed from Odisha Cement Limited to Dalmia Bharat Limited with effect from April 15, 2019.

(d) Impact on profitability

As a result of amortisation of intangible assets and goodwill pursuant to the Schemes the profit/ (loss) before tax is lower/ (higher) by as under:

(₹ in Crore)

Particulars	Year ended	
	31-03-2019	31-03-2018
Goodwill	420	417
Intangible assets	134	146
Total	554	563

(e) Material events related to Subsidiary Companies

1. During the financial year 2018-19, the Company's material subsidiary, namely Dalmia Cement (Bharat) Limited ("DCBL"), has given a bank guarantee of ₹50 Crore to the Resolution Professional appointed for revival of Murli Industries Limited (MIL) as per the Resolution Plan filed pursuant to the provisions of Insolvency and Bankruptcy Code and recommended by the Committee of Creditors to the National Company Law Tribunal, Mumbai Bench for its approval. Following receipt of requisite approvals, the Resolution Plan provides for payment of ₹402 Crore to the creditors of MIL. The matter is currently pending disposal at the NCLT, Mumbai Bench.

2. During the financial year ended 31st March, 2019, certain mutual fund units ("Securities") valued at ₹344 Crore (value as on 31st December, 2018 and carried at same value) were illegally and fraudulently transferred by one of the Depository Participant ("DP"), from demat accounts of its subsidiary company namely DCBL. Based on the complaint filed by DCBL and after preliminary enquiry, the Economic Offences Wing, Delhi (EOW) directed the Clearing Agent of DP (i.e. ISSL) not to deal with the Securities and also froze such Securities till further orders.

   Likewise, SEBI also directed the DP, its promoters/ directors, its related associates and other noticees mentioned in the order, not to dispose of, alienate or encumber any assets, except with the prior permission of SEBI / National Stock Exchange.

The matter is currently under investigation by SEBI and EOW and also by DCBL through an independent firm of Chartered Accountants.

DCBL is confident of recovering its Securities based on the legal opinion obtained in the matter to the effect that there is a strong chance of getting its Securities returned. Hence, no provision is considered necessary to be made in the books of accounts currently.

3. The Government of Assam has granted Mega Project status to one of the step down Subsidiary namely Calcom Cement India Limited ("CCIL"), under the Industrial and Investment Policy of Assam 2014 for the investment done for establishment of clinkerisation unit at Umrangshu (Assam). The said unit will be entitled to 100% reimbursement of net State Goods and Services Tax ("SGST") paid for a period of 15 years from the date of commercial production. Accordingly, 100% remission of SGST for the period from July 01, 2017 to March 31, 2019 of ₹51 crores has been recognized as income on reasonable assurance during the year under review.

4. During the year under review, the profitability of CCIL has improved on account of better utilization of installed capacity, increase in demand of cement and also recognition of remission of SGST. The management based on the future profitability projections and also profits earned during the financial year 2018-19 and the previous year is confident that there would be sufficient profit in future to utilize the unabsorbed amount of depreciation and business losses etc. Accordingly, CCIL has recognised deferred tax assets of ₹51 crores during the current year under review.

5. The Cement manufacturing facility at one of the step down subsidiary namely, Dalmia DSP Limited, has been commissioned on March 31, 2019.

Operations and Business Performance

Your Company recorded net revenue of ₹164 crores for the financial year 2018-19 registering a growth of 31.20 % as compared to the net revenue of ₹125 crores in the financial year 2017-18. Earned profit before tax of ₹119 crore during the financial year 2018-19 registering a growth of 26.60 % as compared to ₹94 crores earned in the last financial year 2017-18.

Your Directors have pleasure to announce that the Company has presented the current Annual Report prepared as per Integrated Reporting framework. The operations and business performance of the Group is detailed in the Integrated Report being presented to the members, demonstrating the value created by the Group while operating within its economic, social and environmental system being inclusive of all materially relevant capitals, connecting them to business risks, decisions and outcomes in the short, medium and long term.

The performance of the Group during financial year 2018-19 is presented in the consolidated financial statements. The gross revenue of the Group for the financial year 2018-19 has increased by 7.44 % which is ₹9484 crores as compared to ₹8827 crores in financial year 2017-18 and the profit before tax for financial year 2018-19 has decreased by 12.85% which is ₹339 crores as compared to ₹389 crores in financial year 2017-18 owing to increase in fuel, slag and other input costs.

Management Discussion and Analysis for the year under review, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, giving detailed analysis of the performance of the Company and the Group is presented in a separate section forming part of this Annual Report.

The Company continues to be engaged inter-alia in the business of providing management services. There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Dividend

Your Directors have recommended a dividend of ₹2/- (100%) per equity share of face value of ₹2/- each for the financial year ended on March 31, 2019 as against dividend of ₹1.70/- (85%) per equity share paid in the immediately preceding financial year. The proposed dividend is based on the financial and non-financial factors prevailing during the year under review in terms of the Dividend Distribution Policy of the Company and the same is posted on the Company's website www.dalmiacement.com.

The Register of Members and Share Transfer books will remain closed from August 24, 2019 to August 30, 2019 (both days inclusive) for the purposes of payment of dividend for the financial year ended March 31, 2019 and the Annual General Meeting. The Annual General Meeting is scheduled to be held on August 30, 2019.

Transfer to reserves

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

Credit rating

There are no borrowings in the Company. In connection with Dalmia Cement (Bharat) Limited, subsidiary of the Company and operating Company, ICRA has reaffirmed rating of [ICRA] AA and [ICRA]A1+ for the long term and the short term facilities respectively availed by Dalmia Cement (Bharat) Limited. The said ratings are considered to have high degree of safety regarding timely servicing of financial obligations.

Consolidated Financial Statements

In accordance with the provisions of the Companies Act, 2013 read with the Indian Accounting Standards (Ind AS), the Consolidated Financial Statements of the Company and of all the subsidiaries and associate companies for the financial year 2018-19 have been prepared in accordance with applicable accounting standards and form part of the Integrated Annual Report.

Subsidiaries, Associates and Joint Venture Companies

The Company has 30 subsidiaries and 2 joint venture Companies as on March 31, 2019. Dalmia Cement (Bharat) Limited is the material unlisted subsidiary of the Company in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and the Company's Policy for determining material subsidiary. The said Policy may be accessed at the Company's website at www.dalmiacement.com

The changes in the subsidiaries, joint venture Companies and associate Companies during the financial year 2018-19 are as under:

S. No.	Name of Company	Status (subsidiary/joint venture/ associate)	Added/Ceased as such	Effective date
1	Dalmia DSP Limited	Subsidiary Company	Added	July 10, 2018
2	Hopco Industries Limited	Subsidiary Company	Added	December 21, 2018
3	Dalmia Renewables Energy Limited	Associate Company	Ceased	May 30, 2018

A statement containing the salient features of the financial statement of the Company's subsidiaries, joint ventures and associate Companies for the financial year ended March 31, 2019 in Form AOC-1 is attached and marked as **Annexure - 1** and forms part of this report. The contribution of the Company's subsidiaries, joint ventures and associates Companies to the overall performance of the Company during the period under report is given under the aforementioned financial highlights.

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

Board Meetings

The Board meetings are scheduled on quarterly basis and as and when required. During the year under review, the Board of Directors of the Company met six times, i.e., on May 15, 2018, August 09, 2018 October 15, 2018, October 30, 2018, February 07, 2019 and March 18, 2019 out of which 1 meeting was held on October 30, 2018 was adjourned and concluded on October 31, 2018. The Board meetings are conducted in due compliance with and following the procedures prescribed in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("SEBI LODR Regulations")** and applicable Secretarial Standards. Detailed information on the meetings of the Board is included in the report on Corporate Governance which forms part of this Annual Report.

Directors and Key Managerial Personnel

During the financial year 2018-19, pursuant to the implementation of the Schemes of Arrangement and upon increase in the paid up share capital and listing of the Company on BSE Limited and National Stock Exchange of India Limited, the Board of Directors has been reconstituted in due compliance with the Companies Act, 2013, SEBI LODR Regulations and the Nomination and Remuneration Policy of the Company.

Mr. Pradip Kumar Khaitan, Mr. Jai Hari Dalmia, Mr. Yadu Hari Dalmia, Mr. Gautam Dalmia, Mr. Puneet Yadu Dalmia, Mr. Nagarajan Gopalaswamy, Mr. Virendra Singh Jain, Mrs. Sudha Pillai, Mr. Dharmendar Nath Davar and Mr. Jayesh Doshi were appointed as Additional Directors by the Board of Directors with effect from October 15, 2018 and were appointed as Directors by the shareholders at the Annual General Meeting held on December 31, 2018. Mr. Ganesh Jirkuntwar and Mr. Amandeep have resigned from the directorship with effect from October 15, 2018; and Mr. Ashwini Kumar Dalmia has resigned from the directorship with effect from October 16, 2018.

Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia have been appointed as Managing Director(s) and Mr. Jayesh Doshi has been appointed as Whole Time Director and Chief Financial Officer of the Company, with effect from October 30, 2018.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Jai Hari Dalmia, Mr. Yadu Hari Dalmia, Mr. Dharmendar Nath Davar and Mr. Jayesh Doshi are liable to retire by rotation. Mr. Dharmendar Nath Davar shall retire by rotation at the ensuing Annual General Meeting, he however, has not offered himself for re-appointment.

Mr. Pradip Kumar Khaitan, Mr. Nagarajan Gopalaswamy, Mr. Virendra Singh Jain and Mrs. Sudha Pillai, being the Independent Directors, have given their declaration(s) of meeting the criteria of independence laid down in the Companies Act, 2013 and SEBI LODR Regulations.

Dr. Sanjeev Gemawat has been acting as the Company Secretary and Compliance Officer of the Company with effect from October 15, 2018.

Committees of the Board

During the financial year 2018-19, pursuant to the implementation of the Schemes of Arrangement and in terms of the Companies Act, 2013 and SEBI LODR Regulations, the following committees of the Board have been constituted:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Group Governance Committee.

The details with respect to the compositions, powers, terms of reference and other related matters of the committees are given in detail in the Corporate Governance Report which forms part of this Annual Report.

Nomination and Remuneration Policy

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

(a) to ensure that appointment of directors, key managerial personnel and senior managerial personnel and their removals are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI LODR Regulations;

(b) to set out criteria for the evaluation of performance and remuneration of directors, key managerial personnel and senior managerial personnel;

(c) to recommend to the Board, the remuneration payable to senior management;

(d) to adopt best practices to attract and retain talent by the Company; and

(e) to ensure diversity of the Board of the Company.

The policy specifies the manner of effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Nomination and Remuneration policy of the Company can be accessed at www.dalmiabharat.com

Performance Evaluation

The annual evaluation of the performance of the Board, its committees and individual Directors was carried by the Independent Directors, the Nomination and Remuneration Committee and the Board of Directors in compliance with the Companies Act, 2013 and SEBI LODR Regulations during financial year 2018-19.

An indicative criteria of evaluation was circulated to the Directors to facilitate such evaluation. Based on the feedback of the Directors and on due deliberations of the views and counter views, the evaluation was carried out in terms of the Nomination and Remuneration Policy and such indicative criterion.

Directors' Responsibility Statement

Your Directors state that:

(a) In preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards have been followed and there are no material departures from the same;

(b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

(d) The Directors have prepared the annual accounts on a going concern basis;

(e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

(f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of Remuneration of Directors, Key Managerial Personnel and Employees

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

A statement showing the names of the top ten employees in terms of remuneration drawn and other employees drawing remuneration in excess of the limits set out in Rules 5(2) and other particulars in terms of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached and marked as **Annexure – 2A** and forms part of this report.

Employees' Stock Option Scheme

The Board of Directors of the Company has, in its meeting held on October 30, 2018, adopted DBEL ESOP Scheme 2011 of erstwhile DBL with a new name "DBL ESOP Scheme 2018" having the same terms and conditions.

In terms of and as an integral part of the Scheme of Arrangement, in lieu of every 1 (one) ESOP under DBEL ESOP Scheme 2011 the Company has granted 2 (Two) new stock options, aggregating to 22,72,000 ESOPs, under the DBEL ESOP Scheme 2018 to the eligible employees and the existing 11,36,000 ESOPs pending to be allotted / granted under the DBEL ESOP Scheme 2011 stand cancelled. The New Options entitle the eligible employees to purchase 1 (one) equity share of the Company for each New Option.

The BSE Limited and National Stock Exchange of India Limited had issued in-principal approval for further listing of 22,72,000 equity shares of ₹2/- each on allotment of ESOPs.

During the year, 2,31,000 stock options were vested into eligible employees against which 2,31,000 equity shares of ₹2/- each were allotted upon exercise of stock options by the employees.

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

A certificate from the Statutory Auditors of the Company on implementation of the Company's Employees Stock Option Scheme will be placed at the ensuing Annual General Meeting for inspection by the members.

Corporate Governance Report

Your Directors are committed to achieving the highest standards of ethics, corporate governance and continue to comply with the Code of Conduct. The endeavour is to enhance the reputation of the Company as a responsible and sustainable company in order to attract as well as retain talents, customers, suppliers, investors and to maintain fulfilling relationships with the communities.

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

The Corporate Governance Report for the financial year 2018-19 as required under SEBI LODR Regulations of the Company is attached hereto and forms part of this Report. The requisite certificate(s) from the Secretarial Auditor of the Company confirming compliance with the conditions of Corporate Governance and from Company Secretary in practice that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by Secruities and Exchanged Board of India/ Ministry of Corporate Affairs or any such authority is attached to the Corporate Governance Report.

Business Responsibility Report

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

Extract of Annual Return

In terms of the provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extract of annual return of your Company for the financial year ended March 31, 2019 has been uploaded at the Company's website www.dalmiacement.com.

Corporate Social Responsibility (CSR)

The Group has been following the concept of giving back and sharing with the under privileged sections of the society for more than seven decades. The Corporate Social Responsibility of the Group is based on the principal of Gandhian Trusteeship. For over seven decades, the Group has addressed the issues of health care and sanitation, education, rural development, women empowerment and other social development issues. The prime objective of our Corporate Social Responsibility policy is to hasten social, economic and environmental progress. We remain focused on generating systematic and sustainable improvement for local communities surrounding our plants and project sites.

The Corporate Social Responsibility Policy of the Company may be accessed at the Company's website www.dalmiacement.com. Pursuant to the said Policy, the Company has spent aggregating to ₹95 Lakhs towards corporate social responsibility activities during the financial year 2018-19. The said amount spent was more than 2% of average net profits of the Company made during three immediately preceding financial years, post giving effect to the Scheme(s). The annual report on corporate social responsibility activities is attached and marked as **Annexure – 3** and forms part of this Report.

Related Party Transaction Policy and Transactions

Your Company has formulated a policy on related party transactions and dealing with related party transactions duly approved by the Board of Directors and same may be accessed at the Company's website at www.dalmiacement.com

Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at an arms' length basis. All related party transactions are placed before the Audit Committee for review and approval.

All related party transactions entered during the financial year 2018-19 were the ordinary course of the business and on an arms' length basis. The particulars of material contracts or arrangements or transactions entered into with the related parties at arm's length basis are provided in prescribed Form AOC-2 which is attached and marked as **Annexure – 4** and forms part of this Report.

Risk Management

Your Company has a Risk Management Committee which monitors and reviews the risk management plan / process of your Company. The Company has adequate risk management procedures in place. The major risks are assessed through a systemic procedure of risk identification and classification. Risks are prioritised according to significance and likelihood. The Risk Management Committee oversees the risk management process. There are no elements of risk which in the opinion of the Board may threaten the existence of the Company.

Adequacy of Internal Financial Controls

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

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

The Statutory Auditors in their report on Consolidated Financial Statements have made certain observations regarding internal financial controls of Dalmia Cement (Bharat) Limited, subsidiary of the Company in respect of mutual fund investments in demat accounts; and the Company has since attached the issue and taken measures to strengthen the internal controls. (refer clarifications on statutory auditors report mentioned herein below).

Whistle Blower Policy and Vigil Mechanism

The Company has in place the Whistle Blower Policy and Vigil Mechanism for Directors, employees and other stakeholders which provides a platform to them for raising their voice about any breach of code of conduct, financial irregularities, health, safety, environmental issues. Adequate safeguards are provided against victimization of stakeholders who use such mechanism and direct access to the Chairman of the Audit Committee in appropriate cases is provided. The Whistle Blower Policy and Vigil Mechanism may be accessed on the Company's website at www.dalmiacement.com.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

In line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, an Anti-Sexual Harassment Policy has been put in place and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. During the financial year 2018-19, no complaint has been received by ICC.

Loans, Guarantees, Security and Investments

Your Company has given loans and guarantees, provided security and made investments within the limits with the necessary approvals and in terms and accordance with the provisions of Section 186 of the Companies Act, 2013. The particulars of such loans and guarantees given, securities provided and investments made are provided in the Standalone Financial Statements at note nos. 6, 7, 9, 10, 40 and 41.

Energy Conservation, Technology Absorption and Foreign Exchange Transactions

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

The total foreign exchange earned by the Company during the financial year 2018-19 is Nil and the total foreign exchange used by the Company during the financial year 2018-19 is ₹3.93 crores.

Cost records

Your Company is not required to maintain the cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013.

Statutory Auditor and their report

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

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

The Report submitted by the Statutory Auditors on the consolidated financial statements of the Company do not contain any qualification, reservation or adverse remark or disclaimer. However, the Statutory Auditors in their report on the consolidated financial statements included matters of emphasis regarding (a) dispute between minority shareholders of CCIL and DCBL which is under adjudication before the Arbitral Tribunal. Pending final disposal of the disputes, no adjustments are considered necessary in these financial statements (b) current investments valued at ₹344 crores as on December 31, 2018 (carried as current investments as on March 31, 2019 at same value) appearing in the books of DCBL have been fraudulently and unauthorisedly transferred by the depository participant. DCBL is fully confident of recovering its Securities based on the legal opinion obtained in the matter to the effect that there is a strong chance of getting its Securities returned, hence no provision is made in it's books of accounts (c) amortisation of goodwill as per the provisions of Scheme(s) of arrangement and amalgamation. The said Emphasis of Matters have been explained and clarified in note no. 44, note no. 49 and note no. 3(e) of the notes to accounts to the Consolidated Financial Statements of the Company for the year ended March 31, 2019, which are self explanatory and do not call for any further comments and explanation.

The Statutory Auditors in their report on consolidated financial statements with respect to Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013, reported their qualified opinion with regard to the internal control system of Dalmia Cement (Bharat) Limited ("DCBL"), wholly owned subsidiary of the Company for existence and verification of investments in Mutual Fund Units maintained in Demat Accounts were not operating effectively during the current financial year to detect the lapses on timely basis, which could potentially result in material misstatement of carrying value of such investments.

In this connection, DCBL has since taken all necessary steps to strengthen the internal controls to plug any further risk in this regard. The Statutory Auditors of DCBL and the Company have also verified and confirmed that necessary remedial measures have since been taken to strengthen the controls. The clarification and explanations mentioned here as well as in the note no 49 of the notes to the Consolidated Financial Statement are self-explanatory and do not call for any further comments and explanation.

Secretarial Auditor and their Report

The Board of Directors has appointed Mr. R. Venkatasubramanian, Practising Company Secretary, as Secretarial Auditors of the Company for the financial year 2018-19.

The Secretarial Audit report in Form MR 3 for financial year 2018-19 is attached and marked as **Annexure – 5** and forms part of this Report. There is no qualification, reservation or adverse remark in the Secretarial Audit Report.

Your Company is in compliance with all the Secretarial Standards issued by the Institute of Company Secretaries of India and having become effective.

Public Deposits

No public deposits are accepted by the Company.

Orders passed by Regulators

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Acknowledgement

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the Government authorities, financial institutions, banks, customers, vendors and members during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board

P.K. Khaitan
Chairman
DIN-0004821

Place: New Delhi
Dated: May 09, 2019

Dalmia Bharat Limited

(formerly known as Odisha Cement Limited)

AOC-1

Salient features of financial statements of Subsidiary / Associates / Joint Ventures as per Companies Act, 2013

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

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

PART - A : Subsidiaries

(₹ in Crore)

Sl. no.	Name of the subsidiary	Reporting Currency	Share capital	Reserves & Surplus	Total Assets	Total Liabilities	Invest-ments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of sharehold-ing
	Subsidiary												
1	Dalmia Cement (Bharat) Limited	INR	314	8,851	18,177	9,012	984	8,312	98	18	80	-	100.00%
2	Dalmia Power Limited	INR	1	182	1,009	826	1,001	13	(14)	(0)	(14)	-	100.00%
	Step down Subsidiaries												
3	D.I. Properties Limited	INR	1	1	2	0	-	-	(0)	-	(0)	-	100.00%
4	Shri Rangam Properties Limited	INR	1	9	11	0	-	-	(0)	-	(0)	-	100.00%
5	Dalmia Minerals & Properties Limited	INR	1	52	52	0	13	-	(0)		(0)	-	100.00%
6	Sri Shanamugha Mines & Minerals Limited	INR	1	8	9	0	-	-	(0)	-	(0)	-	100.00%
7	Sri Subramanya Mines & Minerals Limited	INR	0	6	6	0	-	-	(0)	-	(0)	-	100.00%
8	Ishita Properties Limited	INR	0	(2)	1	3	0	0	0	0	0	-	100.00%
9	Hemshila Properties Limited	INR	1	6	7	0	0	-	(0)	0	(0)	-	100.00%
10	Geetee Estates Limited	INR	1	7	7	(1)	-	-	(0)	-	(0)	-	100.00%
11	Sri Swaminatha Mines & Minerals Limited	INR	0	3	4	0	-	-	(0)	-	(0)	-	100.00%
12	Sri Trivikrama Mines & Properties Limited	INR	0	6	7	0	-	-	(0)	-	(0)	-	100.00%
13	Sri Madhusudana Mines & Properties Limited	INR	0	7	7	0	-	-	(0)	-	(0)	-	100.00%
14	Sri Dhandauthapani Mines & Minerals Limited	INR	0	0	0	0	-	0	0	0	0	-	100.00%
15	Golden Hills Resort Private Limited	INR	1	0	2	1	-	-	(0)	-	(0)	-	100.00%
16	Rajputna Properties Private Limited	INR	0	(0)	3	3	-	4	(0)	-	(0)	-	100.00%
17	Sutnga Mines Private Limited	INR	2	0	2	0	2	0	(0)	0	(0)	-	100.00%
18	Cosmos Cements Limited	INR	13	(1)	50	37	-	0	(0)	0	(0)	-	100.00%
19	Calcom Cement India Limited	INR	409	396	1,530	725	73	882	162	(51)	213	-	76.00%
20	RCL Cements Limited	INR	4	5	38	30	31	1	(4)	-	(4)	-	100.00%
21	SCL Cement Limited	INR	3	45	4	(43)	-	0	(9)	-	(9)	-	100.00%
22	Vinay Cement Limited	INR	19	(157)	136	274	53	13	(25)	-	(25)	-	97.21%
23	Bangaru Kamakshi Amman Agro Farms Private Limited	INR	0	4	4	0	-	-	(0)	-	(0)	-	100.00%
24	Jayevijay Agro Farms Private Limited	INR	0	3	4	0	-	-	(0)	-	(0)	-	100.00%
25	OCL Global Limited	USD	0	80	85	4	28	175	22	-	22	-	100.00%
26	OCL China Limited	RMB	24	22	61	15	-	145	6	1	5	-	90.00%
27	Alsthom Industries Limited	INR	19	12	180	149	14	216	22	3	19	-	99.99%
28	Chandrasekara Agro Farms Private Limited	INR	0	2	2	0	-	-	(0)	-	(0)	-	100.00%
29	Hopco Industries Limited	INR	0	0	0	0	-	-	-	-	-	-	100.00%
30	Dalmia DSP Limited	INR	150	(138)	445	433	-	-	(0)	-	(0)	-	100.00%

Names of subsidiaries which are yet to commence operation

Hapco Industries Limited

PART - B : Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Shares of Associate/Joint Ventures held by the company at the year end

(₹ in Crore)

Sl. no.	Name of Associate/Joint Venture	Latest audited Balance Sheet Date	No. of shares	Amount of Investment in Associate/ Joint Venture	Extend of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year considered in consolidation	Profit / Loss for the year not considered in consolidation	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
	Joint Venture									
1	Khappa Coal Company Private Limited	31-Mar-19	18,36,500	2	36.73%	1	-	-	-	-
2	Radhikapur (West) Coal Mining Private Limited	31-Mar-19	73,48,000	4	14.70%	4	0	-	-	-

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Place: New Delhi
Date: May 9, 2019

Annexure - 2

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2018-19.

1. Details of the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19 are as under:

Name of the Director/KMP and Designation	Remuneration of Director/KMP for the F.Y. 2018-19 (₹ in Crore)	Ratio of remuneration of each Director to median remuneration of employees of the Company *	% increase in the remuneration in the F.Y. 2018-19#
Mr. P.K. Khaitan, Chairman Non-Executive Independent	0.45	4.5	Not Applicable
Mr. Jai Hari Dalmia Non-Executive	0.02	0.2	Not Applicable
Mr. Yadu Hari Dalmia Non-Executive	0.02	0.2	Not Applicable
Mr. Gautam Dalmia Managing Director	6.24	62.4	Not Applicable
Mr. Puneet Yadu Dalmia Managing Director	7.78	77.8	Not Applicable
Mr. N. Gopalaswamy Non-Executive Independent	0.16	1.6	Not Applicable
Mr. V.S. Jain Non-Executive Independent	0.27	2.7	Not Applicable
Mrs. Sudha Pillai Non-Executive Independent	0.15	1.5	Not Applicable
Mr. Dharmendar Nath Davar Non-Executive	0.22	2.2	Not Applicable
Mr. Jayesh Doshi Whole-time Director & CFO	6.13	61.3	Not Applicable
Dr. Sanjeev Gemawat Company Secretary	1.66	16.6	Not Applicable

Note: * The median remuneration of employees of the Company during the financial year 2017-18 was ₹10,44,159/-

The Directors and KMPs were appointed in the Company from October 15, 2019 hence figures of increase in remuneration is not available/ applicable.

1. The Company did not have any permanent employee during the last financial year hence maiden remuneration for last financial year is NIL / not available hence percentage increase in the median remuneration of employees in the financial year was not available.
2. The number of permanent employees on the rolls of the Company at the end of the financial year was 315.
3. The average percentage increase in the salaries of employees other than the managerial personnel and managerial personnel during the financial year 2018-19 is not available since the Company had nil employee during last financial year 2017-18.
4. It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and senior management personnel is as per the Nomination & Remuneration Policy of the Company.

Annexure - 2A

Dalmia Bharat Limited (formerly known as Odisha Cement Limited)

Statement of Pariculars of Employees pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2018-19

Sl. no.	Name	Age	Designation	Qualification	Experience (years)	Date of Commencement of Employment*	Date of leaving	Name of the Company (last employment)	Designation (last employment)	Remuneration received (₹ in Crore)	Whether related to a Director
A.	Employed throughout the year										
	NIL- there was no employee in the Company prior to implementation of the Scheme of Arrangement and Amalgamation on October 30, 2018.										
B.	Employed for part of the Year										
1	SANJAY S MITRA	57	SENIOR EXECUTIVE DIRECTOR	B.COM (HONS.), F.C.A.	35 YEARS	12/07/83	–	DALMIA BHARAT SUGAR & INDUSTRIES LIMITED	SR. EXECUTIVE DIRECTOR	1.03	No
2	R K AGRAWAL	61	EXECUTIVE DIRECTOR	CA, CS(INTER), B.COM	42 YEARS	01/09/97	–	DALMIA INDUSTRIES LIMITED	DEPUTY GENERAL MANAGER	# 1.41	No
3	SURATH KR. MUKHERJEE	50	EXECUTIVE DIRECTOR	A.C.A , A.I.C.W.A	24 YEARS	29/08/08	–	DALMIA BHARAT SUGAR & INDUSTRIES LIMITED	ASSISTANT EXECUTIVE DIRECTOR	1.39	No
4	SAMEER NAGPAL	49	CHIEF EXECUTIVE OFFICER - REFRACTORY	BE MECHANICAL, PGDBM	29 YEARS	03/08/15	–	SHALIMAR PAINTS	MANAGING DIRECTOR & CEO	1.63	No
5	REENA VERMA BHASIN	46	EXECUTIVE DIRECTOR	CFA - AIMR LONDON	23 YEARS	01/12/16	–	ARPWOOD	EXECUTIVE DIRECTOR - (MERGERS AND ACQUISITION)	1.66	No
6	SANJEEV GEMAWAT	49	EXECUTIVE DIRECTOR	GRADUATE IN LAWS; GRADUATE IN COMMERCE; CS; CA; DOCTORATE OF PHILOSOPHY; ICWAI;	25 YEARS	01/01/16	–	DALMIA CEMENT (BHARAT) LIMITED	EXECUTIVE DIRECTOR	1.74	No
7	AMIT GARG	51	EXECUTIVE DIRECTOR	PGDM - MARKETING AND FINANCE	25 YEARS	21/11/16	–	HINDUSTAN TIMES	EXECUTIVE DIRECTOR	1.96	No
8	B B MEHTA	65	CHIEF EXECUTIVE OFFICER - SUGAR BUSINESS	B.COM (HONS.), A.C.A	42 YEARS	01/02/93	–	DALMIA BHARAT SUGAR & INDUSTRIES LIMITED	SR. EXECUTIVE DIRECTOR	2.53	No
9	AJIT MENON	54	SENIOR EXECUTIVE DIRECTOR	B.S.C, B.B.A	22 YEARS	31/08/12	–	DDB MUDRA PRIVATE LIMITED	EXECUTIVE DIRECTOR (ORGANIZATION DEVELOPMENT)	5.72#	No
10	JAYESH NAGINDAS DOSHI	54	WHOLE TIME DIRECTOR & CFO	B.COM, L.L.B, A.C.A.	27 YEARS	01/02/13	–	PANCHSHIL REALTY	GROUP DIRECTOR - STRATEGY & FINANCE	6.21#	No
11	HARISH CHANDER SEHGAL	61	GROUP GENERAL COUNCEL	B.COM (H), LLB	38 YEARS	10/08/09	–	DALMIA BHARAT SUGAR & INDUSTRIES LIMITED	GROUP GENERAL COUNSEL	3.95	No
12	PUNEET YADU DALMIA	46	MANAGING DIRECTOR	B. TECH. AND MBA	22 YEARS	31/10/18	–	DALMIA CEMENT (BHARAT) LIMITED	MANAGING DIRECTOR	7.81**	Yes**
13	GAUTAM DALMIA	51	MANAGING DIRECTOR	B.SC, M.S.IN ELECTRICAL ENGINEERING, COLUMBIA UNIVERSITY	27 YEARS	31/10/18	–	DALMIA CEMENT (BHARAT) LIMITED	MANAGING DIRECTOR	6.3**	Yes**

* Date of commencement of employment of all the employees except Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia , is in the erstwhile Dalmia Bharat Limited. All these employees were employees of erstwhile Dalmia Bharat Limited and became employees of the Company pursuant to the Scheme of Arrnagement and Amalgamation.

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

The remuneration includes perquisite value of shares alloted under ESOP scheme of erstwhile DBL.

Notes: 1. None of the employees held 2% or more of the equity shares of the Company by himself or alongwith his spouse and dependent children.

2. Mr. Gautam Dalmia and Mr. Puneet Yadu Dalmia have been appointed as the Managing Director(s) of the Company for a period of five years.

Annexure - 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

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

   CORPORATE SOCIAL RESPONSIBILITY

   Dalmia Bharat Group was founded in 1935 and has been following the concept of giving back and sharing with the under privileged sections of the society for more than eight decades. The Corporate Social Responsibility of the Company is based on the Gandhian principle of Trusteeship. For over eight decades the Company has addressed the issues of health and sanitation, education, rural infrastructure, women empowerment and other social development issues.

   The prime objective of our Corporate Social Responsibility Policy is to hasten social, economic and environmental progress. We remain focussed on generating systematic and sustainable improvement for local communities surrounding our plants and project sites.

   In the recent years, Company has realigned its Corporate Social Responsibility to focus on issues material to the Company and its 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. Stakeholder engagements and baseline studies highlighted the issues of water scarcity, erratic power supply, unemployment amongst rural youths and basic rural infrastructure needs in our neighbouring community. The company realized that these issues were more material to their Group's businesses as well as to the communities around their facilities. Dalmia Bharat Group thus planned their Corporate Social Responsibility programmes in sectors of Soil & water conservation; Energy conservation and climate change mitigation; Skill development & livelihood Training and Social Development and started aiming at creation of shared values for all stakeholders.

   Our Corporate Social Responsibility Policy can be accessed on www.dalmiacement.com

   Presently, Dalmia Bharat Limited is working in 11 states viz. Andhra Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Karnataka, Meghalaya, Odisha, Rajasthan, Tamil Nadu, and West Bengal, and in more than 1,200 villages in 15 districts.

PROGRAMME OUTREACH DURING FINANCIAL YEAR 2018-19

Our Key Focus Areas

1. Soil and Water Conservation

   Depleting water table is a massive problem being faced across the country. In our neighbouring communities, the water table is as low as 500 feet, creating water scarcity and stress for agriculture and household use. We are thus working on a systematic, integrated and predictive approach for water management along with the community for water conservation, water management, construction, renovation and maintenance of water harvesting structures for improving surface and ground water availability like check dams, village and farm ponds, ring wells, watershed activities.

   - Our initiatives have enabled an additional water harvesting and saving of 19.8 lakh m^3 this year, taking the total water harvested per year to 64 lakh m^3.
   - Integrated Watershed Management Project
     - o The watershed projects are being implemented in Tamil Nadu, Andhra Pradesh and Karnataka covering an area of 9,200 Hectares.
     - o 7,971 acres of land was treated with 1,42,226 running metres of bunding work, 8 gabion structures, 2 check dams, 3 check walls, 800 trenches, 12 farm ponds, etc enabling water harvesting of 4.29 lakh m^3 of water.
     - o 440 women SHG members got a loan of ₹77.04 lakh from the watershed committees for exploring small livelihood options like Milch Animals, Sheep rearing, nursery, goatery, etc.
     - o Agroforestry has been promoted in 32 acres of land with plantation of neem, tikur and local trees. Horticulture has been done around the homes of beneficiaries with plantation of 7,190 fruit tree saplings like mango, lemon, guava, etc. Also, fodder

development was undertaken on 1.8 acres of land.

- Under the Tribal Development Fund project initiated in Umrongso, plantation of more than 49,920 horticulture plants like litchi, guava, lemon and drumstick undertaken along with plantation of 45 Metric Tons of turmeric in 300 acres of land. Along with this, 120 contour trenches to aid 34,560 m^3 of water harvesting. This project is benefiting 500 households by developing wadis in 500 acres of land and thus creating additional livelihood opportunities.
- Chirawa Water Conservation Project
  - o 320 rainwater harvesting tanks and 36 recharge wells constructed creating water harvesting capacity of 6,400m^3.
  - o 204 Vermicompost plants, 32 soak pits and 50 Toilets constructed
- Drip Irrigation was implemented in 306 acres of land, benefiting 1,500 villagers in south locations and saving 8.9 lakh m^3 of water.
- 17 Village Ponds have been constructed or renovated paving way for conservation of almost 61,200 m^3 water, benefiting more than 18,650 beneficiaries.
- 37 Farm Ponds dug creating an additional water harvesting capacity of 2.76 lakh m^3.
- 6 Check Dams were constructed creating an additional water harvesting capacity of 54,000 m^3.
- 2 Causeways were constructed in Kadapa benefitting 500 beneficiaries and creating an additional water harvesting capacity of 5,250 m^3.
- Harvesting of rice was done in 166 acres of land brought under Systematic Rice Intensification (SRI) process of Rice Cultivation in Lanjiberna, Lanka and Rajgangpur in collaboration with the Agriculture Department. The yield was 60-70% more than the conventional method.
- Dhaincha (Green Manure) Cultivation promoted in 25 acres of land in Lanjiberna area in collaboration with Agriculture Department and mustard cultivation was promoted in 30 acres of land.

2. Access to Clean Energy

Energy is another major concern in rural India, with majority of the population being dependent on depleting fuel wood and erratic electricity supply. Clean and renewable energy for the poor and vulnerable rural communities is another focus area of Dalmia Bharat Group. Our technology innovation initiatives have helped operationalize and decentralize renewable energy solutions in the rural areas by promoting fuel-efficient cook stoves, Liquified Petroleum Gas connections, bio gas plants, Solar lighting systems like lanterns, street lights, study lamps and home lighting systems.

- With the cumulative effort of our initiatives in this focus area, we were able to convert
  - o 46 villages to Clean Cooking Villages, where each household uses a cleaner cooking fuel. Till now, we have converted 115 villages to Clean Cooking villages.
  - o 62 villages to Clean Lighting Villages, where no household uses kerosene for lighting. Till now, we have converted 135 villages to Clean Lighting villages.
- 907 households lit up with Clean Lighting Solutions – Solar Lanterns. Study lamps and Home lighting solutions
- 70 Solar Street Lights installed in Kadapa, Lanjiberna and Cuttack benefitting nearly 10,464 villagers. 655 LED Street lights were also promoted benefitting 11,000 people. 180 LED lights were also promoted.
- This year, we extended the Ujjwala Scheme of Government of India to promote 2,316 Liquified Petroleum Gas Connections among beneficiaries.
- Along with that, we also promoted 270 fuel efficient cook stoves.
- 4 solar powered e-shalas were established with a beneficiary reach of over 1,383.
- Through our initiatives to promote clean energy solutions, we are helping in reduction 40,102 tons of CO_2 emissions, every year.

3. Livelihood Skill Training

Unemployment amongst the rural youth is significantly high and substantiate number of them are just employed seasonally. Aiming at long term benefits for the youths and their family, the company has started many Skill Development programmes and provided training in areas like Stitching, Tailoring, Food processing, Computer education and many other. We have also set up DIKSHa (Dalmia Institute of Knowledge and Skill Harnessing) Centres in partnership with National Skill Development Corporation.

- Our flagship skill training programme of DIKSHa - Dalmia Institute of Knowledge and Skill Harnessing Centre

- Has grown this year with a strength of 9 centres.
- Through these centres, 761 trainees passed in this year and 671 trainees are undergoing Training.
- Out of the passed trainees, 439 trainees have been placed and others are in process for placement. Our trainees are earning monthly salary in the range of ₹6,000 – 18,000.
- We now have collaboration with the 3 State Skill Development Missions of Odisha, Karnataka and Tamil Nadu and are also partnering with National Bank for Agriculture and Rural Development, National Scheduled Castes Finance and Development Corporation and Schneider Electric.

- The 6 Farmer Producer Companies in Ariyalur and Kadapa (of farmers growing Cotton, Paddy, vegetables, Dairy and Bengal Gram) have grown with increased shareholders, availing loans from financial institutions and grant schemes from government, increased turnover and profits.
  - There are now 2,598 shareholders and the FPOs have availed loan of ₹87 lakhs and grant from government schemes worth ₹105 lakhs.
  - The Vegetable FPO in Ariyalur has set up "Value addition centre" for vegetables and Millet products, with assistance from local Agriculture Department. The centre is producing oil by traditional methods (Groundnut, Sesame & Coconut oil) and processing millets' powder making. The products are being directly sold from the centre under - "Ariyalur Arima" Trade mark name.
  - The Dairy FPO of Kadapa engaged in collective procurement and selling of Milk to Dodla Dairy and Jarsi Dairy is now selling an average 770 litres of milk per day.
- 110 new Self Help Groups were formed in this year with 1,834 members. The SHGs have a corpus of ₹15.9 crore and have availed a loan of ₹54 lakh. 2075 women from 455 of our Self Help Groups are involved in income generation activities like mushroom cultivation, dairy, home based chemical products, stitching, food processing, etc.
- 40 trainings were given across locations to 1,525 beneficiaries on livelihood skills like mushroom cultivation, bee-keeping, dairy, poultry, stitching, sustainable rice intensification, food processing, etc. Most of them are utilizing these trainings and have started their small businesses.
- 28 Joint Liability Groups were promoted with 190 members. These groups in Kadapa have taken a loan of ₹1.9 crore and have initiated small businesses for additional livelihood opportunities.
- Apart from DIKSHa, we have enabled and supported 3,036 households with trainings, exposure and linkage to government schemes and financial institutions to explore additional livelihood opportunities.

4. Social Development

The stakeholder engagement highlighted the issue of poor basic infrastructure which hinders the daily life as well as development of these villages. The company is helping in building the basic infrastructure needs of the community like School Sanitation blocks, low cost toilets, community halls, school buildings etc. Health is another concern among the community and company has pitched in by arranging General as well as Specialized Health Camps, providing medicines, Immunizations, Maternal and Child health Care.

- In Cuttack, through our Mobile Medicare Unit we providing basic curative medical care to 19,841 people in 13 villages.
- 28,087 patients availed medical facilities through the dispensary, OCL-LVPEI Hospital and Homeopathic dispensary at Lanjiberna.
- 55 Health Camps were organized across locations in South, East and North-East benefitting around 9,111 beneficiaries. 22 specialty health camps benefitted 4,181 patients.
- 223 Eye camps benefitted 16,368 patients with eye screening check-ups.
- Overall, our health initiatives helped more than 80,000 beneficiaries including 4,698 beneficiaries who were made aware on various health and sanitation related issues.
- 568 Individual Sanitary Latrines were constructed across locations.
- 154 sanitation campaigns under Swachhta Pakhwada and Skill se Swachhta created awareness on sanitation facilities, individual hygiene and clean villages.
- Through our 2 HP World on Wheels, we have computer courses to 681 students. Along with this, the technology in bus was utilized to provide training to SHGs, farmers, Farmer Producer Organizations; Drivers' safety and license training, training to youth on MS Office and use of bus for community awareness on sanitation, environment, water, etc. These initiatives helped 4,381 beneficiaries.

- 18 Remedial Education Centres are running across the locations with enrollment of 976 students of High School and elementary classes. Parents Teachers interaction held in Remedial Centres.
- Under the Dalmia Happy School Project, 21 schools were assisted with desk, benches, infrastructure, Teaching Learning Materials, drinking water, etc. benefitting more than 2,796 students. Schools and colleges were also supported through education awareness, competitions, sports day, etc. 6600 students benefitted from these initiatives.
- Initiatives in sports like infrastructure, coaching and providing of sports material benefitted 2,135 children and youth.
- 32 infrastructure works like roads, drinking water facilities, bore wells, etc. benefitted more than 15,000 people.
- 8 veterinary camps were organized benefitting more than 1,000 animals.
- Days of National and International importance like Word Environment Day, Independence Day, No Tobacco Day, Women Day etc. observed in all locations, with participation of school children, women, all villagers, Panchayat.

Awards and accolades

Various initiatives of Dalmia Bharat Limited have been recognised over the years for their innovative nature and extraordinary impacts. In the Financial Year 2018-19, Dalmia Bharat Group received following awards in the field of Corporate Social Responsibility:

Sl. No	Name of Award / Rating / Certification	Theme of the Award*
1	Best CSR Report, ET CSR Awards, 2019	Corporate Social Responsibility Report
2	Award for Project in Access to Clean Energy, ICC Social Impact Awards, Indian Chambers of Commerce, 2019	Corporate Social responsibility: Access to Clean Energy

1. **The Composition of the Corporate Social Responsibility Committee.**

Composition of the Corporate Social Responsibility Committee of Dalmia Bharat Limited is:

1. Mr. V. S. Jain, Independent Director, Chairman
2. Mr. Y. H. Dalmia, Executive Director, Member
3. Mr. Gautam Dalmia, Non-Executive Director, Member
4. Ms. Sudha Pillai, Independent Director, Member
5. Average net profit of the company for last three financial years – ₹31.70 Crore
6. Prescribed Corporate Social Responsibility Expenditure (two per cent of the amount as in item 3 above) – ₹63 Lakh
7. Details of Corporate Social Responsibility spent during the financial year-
   (a) Total amount to be spent for the financial year- ₹95 Lakh
   (b) Amount unspent, if any: Nothing is remained unspent
   (c) Manner in which the amount spent during the financial year is detailed below.

   Attached as **Annexure-3A** to this report.
8. **In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

   Not Applicable
9. **A responsibility statement of the Corporate Social Responsibility Committee that the implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with Corporate Social Responsibility objectives and Policy of the company.**

   The implementation and monitoring of Corporate Social Responsibility programmes by Dalmia Bharat Limited (formerly known as Odisha Cement Limited), the Company is in compliance with the Corporate Social Responsibility objectives and policy of the company.

Puneet Yadu Dalmia
Managing Director
DIN 00022633

V. S. Jain
Chairman
CSR Committee
DIN 00253196

Place: New Delhi
Date: May 09, 2019

Annexure - 3A

₹ in lakh

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads: (1)Direct expenditure on projects or programs. (2)Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Soil and Water Conservation (Check Dams, Drip Irrigation, Village Ponds, Farm Ponds, Ring Wells, Watershed, Irrigation Channels, Organic Farming)	Schedule VII / item No IV Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Andhra Pradesh, District Kadapa; Karnataka, District Belgaum; Assam, District Dimahasao and Nagaon; Meghalaya, District Jaintia Hills, District Jhunjhunu; Rajasthan; Sundargarh and Cuttack District in Odisha; and Midnapore district, West Bengal	95	75	75	Implementing agency - Dalmia Bharat Foundation
2	Bharat ke Veer	Schedule VII / item No VI Measures for the benefit of armed forces veterans, war widows and their dependents			20	20	
	Total			95	95	95	

Annexure - 4

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

   None

2. Details of material contracts or arrangements or transactions at arm's length basis

		1
(a)	Name(s) of the related party and nature of relationship	Dalmia Cement (Bharat) Limited Wholly owned Subsidiary Company
(b)	Nature of contracts/ arrangements/ transactions	Receipt of Corporate Service charges
(c)	Duration of the contracts / arrangements/ transactions entered by erstwhile Dalmia Bharat Limited	10 years effective 1-4-2010
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Allocation of all expenses for availing corporate office services with mark up of 15% on basis of value added. Direct expenses on project supervision costs on time spent besides direct costs at actuals. Value: ₹149.61 crores for the financial year ended March 31, 2019.
(e)	Date(s) of approval by the Board, if any:	Approved by Audit Committee /Board of erstwhile Dalmia Bharat Limited on November 15, 2010 and February 3, 2016 and by Audit Committee and the Board of the Company on October 30, 2018.
(f)	Amount paid as advances, if any:	NIL

Place: New Delhi
Date: May 09, 2019

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Annexure - 5

FORM NO MR 3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2019

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members,
Dalmia Bharat Limited
(Formerly Known as Odisha Cement Limited)

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dalmia Bharat Limited (Formerly Known as Odisha Cement Limited) (herein after called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Dalmia Bharat Limited's (Formerly Known as Odisha Cement Limited's) books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed here under and also that the Company has proper Board – processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Dalmia Bharat Limited (Formerly Known as Odisha Cement Limited) ("**The Company**") for the financial year ended 31.03.2019 according to the provisions of:

(i) The Companies Act, 2013 (**The Act**) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and the External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) :-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable as the Company has not issued and listed any debt securities during the financial year under review)

e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review)

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable as there was no reportable event during the period under review) and

g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; (Not Applicable as there was no reportable event during the period under review)

h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

i) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

j) Securities and Exchange Board of India (Issue and listing of non-convertible and Redeemable Preference Shares) Regulation, 2013;

(vi) And other applicable laws like Factories Act, 1948, Employees State Insurance Act, 1948, Minimum Wages Act, 1948, The Payment of Gratuity Act, 1972, Workmen Compensation Act, 1923 etc.

We have also examined compliance with the applicable clauses of the following:

(1) Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

(2) Listing Agreement entered into by the Company with Bombay Stock Exchange and National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above; however few of the statutory forms were filed after 30 days but before 300 days with additional fees.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I further report and certify, based on the certificate(s) provided by individual Directors, that none of the Directors on the Board of the Company have been barred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Adequate Notice is given to all Directors to schedule the Board meetings and Committee meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. There have been one Board meeting and two Committee meetings called at a shorter notice for which the mandatory provisions as per the Act and Secretarial Standards as applicable as on date were adhered to. All decisions were passed unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that during the audit period

(A) The Company has:

1. Implemented the Scheme of Arrangement and Amalgamation involving Odisha Cement Limited (the Company), OCL India Limited, Dalmia Cement East Limited, Shri Rangam Securities & Holdings Limited and Dalmia Bharat Cement Holdings Limited; and their respective shareholders and creditors;

2. Implemented the Scheme of Arrangement and Amalgamation involving Odisha Cement Limited (the Company), Dalmia Bharat Limited and Dalmia Cement (Bharat) Limited and their respective shareholders and creditors;

3. Listed its shares at the Bombay Stock Exchange and National Stock Exchange consequent to implementation of scheme of Amalgamation:

4. Appointed Sri. Jai Hari Dalmia, Sri. Yadu Hari Dalmia, Sri. Gautam Dalmia, Sri. Puneet Yadu Dalmia, Sri. Dharmendar Nath Davar and Sri. Jayesh Doshi as Directors of the Company;

5. Appointed Sri. P.K.Khaitan, Sri. N. Goplalaswamy, Sri. V.S. Jain as Independent Directors and Smt. Sudha Pillai as Woman Independent Director of the Company;

6. Appointed Sri. Gautam Dalmia and Sri. Puneet Yadu Dalmia as Managing Directors of the Company;

7. Appointed Sri. Jayesh Doshi as Whole Time Director and Chief Financial Officer of the Company and Dr. Sanjeev Gemawat as Company Secretary and Compliance Officer of the Company;

8. Accepted the resignation of Sri. Amandeep, Sri. Ashwini Kumar Dalmia and Sri. Ganesh Wamanrao Jirkuntwar as Directors of the Company;

9. Issued and allotted 2,31,000 equity shares of ₹2/- each during the year under the Company's DBL ESOP Scheme, 2018; and

(B) Certain Mutual Fund Units valued at ₹344.07 crores as on December 31, 2018 have been unauthorizedly and fraudulently moved from the demat accounts of OCL India

Limited and Dalmia Cement East Limited, erstwhile subsidiaries of Dalmia Cements (Bharat) Limited ("DCBL"), subsidiary of the Company. DCBL has lodged complaints with Securities and Exchange Board of India ("SEBI") and Economic Offence Wing, Delhi ("EOW") against the said unauthorised and illegal transfers. EOW had also directed ISSL, NSDL and other parties not to deal with the Mutual Fund Units in any manner whatsoever till further orders.

R.Venkatasubramanian
Practising Company Secretary
ACS No. 3673; CP No. 3893

Place: New Delhi
Date: 09.05.2019

This report is to be read with my letter of even date which is annexed as Annexure–A and forms an integral part of this report

ANNEXURE – A

To
The Members
Dalmia Bharat Limited
(Formerly Known as Odisha Cement Limited)

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

R.Venkatasubramanian
Practising Company Secretary
ACS No. 3673; CP No. 3893

Place: New Delhi
Date: 09.05.2019

Report on Corporate Governance

(I) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

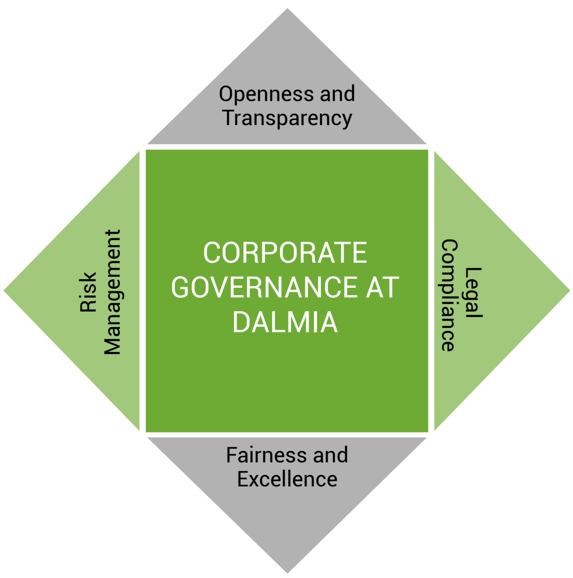
Corporate Governance is all about the role and relationship between a Company and its stakeholders to maximize the value ethically and on a sustainable basis.

The company's philosophy on corporate governance is to conduct business in a fair, transparent and ethical manner and enhancing stakeholder value.

We believe that our company shall go beyond adherence to regulatory framework. Our corporate structure, business, operations and disclosure practices have been strictly aligned to our Corporate Governance Philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders, particularly the minority shareholders.

We have tried to blend growth and efficiency with governance and ethics. Our Board of Directors, guided by the mission statement, formulate strategies and policies having focus on optimising value for the stakeholders like consumers, shareholders and the society at large.

This chapter along with the chapter on Management Discussion and Analysis reports complies with SEBI (LODR) Regulations.

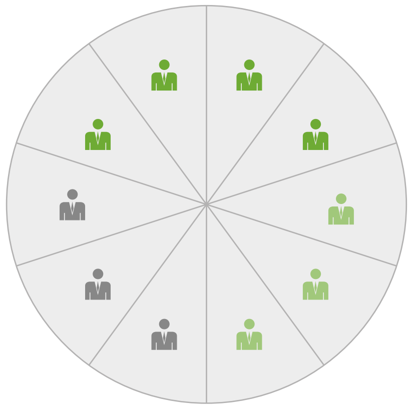


(II) BOARD OF DIRECTORS

(a) Size and Composition of the Board

We believe that our Board needs to have an appropriate mix of Executive, Non-Executive and Independent Directors to maintain its Independence, and separate its functions of Governance and Management. Our Board comprises 10 Directors out of which 70% are the Non-Executive and Independent Directors and 30% are the Executive Directors.

40% of the total strength of the Board comprise Independent Directors including one Independent Woman Director. The Chairman of the Board is a Non-Executive Director and is not related to the Managing Director or Chief Executive Officer as per the term "relative" defined under the Companies Act, 2013.



Non-Executive and Independent Directors	40%
Non-Executive Directors	30%
Executive Directors	30%
Total Board Size and Composition	100%

All the Independent Directors gave declaration(s) that they meet the criteria of independence as prescribed in SEBI LODR Regulations and the Companies Act, 2013. Based on the said declaration(s), the Board of Director are of the opinion that the Independent Directors fulfil the conditions specified in SEBI LODR Regulations and the Companies Act, 2013 and are independent of the management. None of the Independent Directors has resigned from the Board during the financial year 2018-19.

The Composition of the Board and other Directorships held as on March 31, 2019 are provided in below Table 1.

Table 1: The Composition of the Board and other Directorships held as on March 31, 2019

Name of the Directors	Category of Directorship in other Listed	Name of the Listed Companies	No. of outside Directorship(s) in Public Limited Companies (1) (3)	No. of outside Committee position(s) held (2)(3)	
				Membership	Chairpersonship
Non-Executive and Independent Director					
Mr. Pradip Kumar Khaitan (Chairman)		CESC Limited	8	3	2
		Dhunseri Ventures Limited			
		Firstsource Solutions Limited			
		Electrosteel Castings Limited			
		Graphite India Limited			
		Emami Limited			
		India Glycols Limited			
Mr. Nagarajan Gopalaswamy		Poddar Pigments Limited	4	1	3
		Dalmia Refractories Limited			
Mr. Virendra Singh Jain		Apl Apollo Tubes Limited	2	0	0
Mrs. Sudha Pillai		Jubilant Life Sciences Limited	7	6	1
		International Travel House Limited			
		Amber Enterprises India Limited			
Non-Executive Director					
Mr. Dharmendar Nath Davar		RSWM Limited	8	4	3
		Maral Overseas Limited			
		HEG Limited			
		Titagarh Wagons Limited			
		Sandhar Technologies Limited			
Mr. Jai Hari Dalmia (4) (Promoter)		Dalmia Bharat Sugar and Industries Limited	5	1	0
		Alirox Abrasives Limited			
Mr. Yadu Hari Dalmia (4) (Promoter)	-	Nil	1	1	0
Executive Director					
Mr. Gautam Dalmia (Managing Director) (4)		Dalmia Bharat Sugar and Industries Limited	5	1	0
		Indian Energy Exchange Limited			
Mr. Puneet Yadu Dalmia (Managing Director) (4)		SRF Limited	2	0	0
Mr. Jayesh Doshi (Whole Time Director & CFO)	-	Nil	3	0	0

- Non-Executive and Independent Directors, - Non-Executive Directors, - Executive Directors

1. Excluding directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013;
2. As required by Regulation 26 of the Listing Regulations, the disclosure includes membership / chairpersonship of the audit committee and stakeholder's relationship committee in Indian public companies (listed and unlisted);
3. None of the Directors (i) hold membership in more than ten public limited companies and (ii) is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a Director (iii) hold directorship in more than eight listed companies and serve as an independent director in more than seven listed companies;
4. Mr. Jai Hari Dalmia and Mr. Yadu Hari Dalmia are brothers. Mr. Gautam Dalmia is son of Mr. Jai Hari Dalmia and Mr. Puneet Yadu Dalmia is son of Mr. Yadu Hari Dalmia. None of the other Directors are related to any other Director on the Board.

During the year under review, Mr. Ganesh Jirkuntwar, and Mr. Amandeep have resigned from Directorship with effect from October 15, 2018 and Mr. Ashwini Kumar Dalmia has resigned from their Directorship with effect from October 16, 2018. All of these three directors are non-executive and non-independent directors.

Pursuant to implementation of the Schemes and in terms of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Securities and Exchange Board of India LODR Regulations"), the Board was reconstituted and all the Directors were appointed as an Additional Director on October 15, 2018 and were regularized by the Shareholders at the Annual General Meeting of the Company held on December 31, 2018 in compliance with the Companies Act, 2013 and SEBI LODR Regulations.

None of the Directors have been debarred or disqualified from being appointed or continuing as Director of companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. A certificate in this regard by Mr. R. Venkatasubramanian, Practicing Company Secretary, the Secretarial Auditor of the Company, is attached and formed part of this report.

(b) Board Meetings

The Board meetings are generally held at the corporate office of the Company. The Board usually meets at least once in a quarter and the Board Meeting is requisitioned whenever it is required in between the quarterly meetings.

During the financial year 2018-19, the Board of Directors met six times on May 15, 2018, August 09, 2018, October 15, 2018, October 30, 2018, February 07, 2019 and March 18, 2019. Out of which one meeting which was held on October 30, 2018 was adjourned and concluded on October 31, 2018.

As per the Articles of the Company and the Companies Act the required quorum for every meeting of the Board of Directors is one third of its total strength or two Directors, whichever is higher, including at least one Independent Director. The requisite quorum was present in the said meetings.

The details of the attendance of Directors at the Board Meetings and Annual General Meeting and Shares held are provided in below Table 2.

Table 2: Attendance at the Board Meetings and Annual General Meeting and number of shares held during financial year 2018-19

Name of the Director	Annual General Meeting	Number of Board Meetings						Held during tenure	Attended	% of attendance	Number of shares held in the Company
		1 (2)	2 (2)	3	4 (3)	5	6				
Mr. Pradip Kumar Khaitan	X	--	--	X	👤	👤	👤	4	3	75%	Nil
Mr. Nagarajan Gopalaswamy	👤	--	--	X	👤	👤	👤	4	3	75%	Nil
Mr. Virendra Singh Jain	X	--	--	👤	👤	👤	👤	4	4	100%	Nil
Mrs. Sudha Pillai	X	--	--	👤	👤	👤	👤	4	4	100%	Nil
Mr. Dharmendar Nath Davar	X	--	--	X	👤	👤	👤	4	3	75%	1,500
Mr. Jai Hari Dalmia	X	--	--	X	👤	X	👤	4	2	50%	32,70,020
Mr. Yadu Hari Dalmia	X	--	--	X	👤	X	👤	4	2	50%	Nil
Mr. Gautam Dalmia	X	--	--	👤	👤	👤	👤	4	4	100%	3,04,524
Mr. Puneet Yadu Dalmia	X	--	--	👤	👤	👤	👤	4	4	100%	Nil
Mr. Jayesh Doshi	X	--	--	👤	👤	👤	👤	4	4	100%	49,500

👤 -Attended in person, X- Leave of Absence

1. All above Directors were appointed as an Additional Director with effect from October 15, 2018 and were regularized in the Annual General Meeting held on December 31, 2018

2. In view of the implementation of the Scheme(s) of Arrangement and Amalgamation and reconstitution of the Board of Directors, the meetings held prior to October 15, 2018 were attended by the erstwhile Directors

3. Board Meeting held on October 30, 2018 was adjourned and concluded on October 31, 2018.

In Compliance with the Secretarial Standards, the drafts minutes of the Board and Committee meetings were circulated to the Directors for their comments within a period of 15 days from the date of respective meeting(s) and finalized within a period of 30 days from the date of the respective meeting(s).

(c) Meeting of Independent Directors and familiarization programmes

The Independent Directors of the Company met once during the financial year on February 07, 2019 without the presence of Non-Independent Director(s) and members of the management. The meeting was conducted in an informal and flexible manner to enable the Independent Directors to, inter-alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Directors immediately upon appointment are familiarized inter-alia with the Company, nature of industry in which the Company operates, business model of the Company, Code of Conduct for the Directors, reports and policies of the Company as part of their induction programme. Every Director is also familiarized with the expectation of the Board from him, the Board level committees in which he is expected to serve and its tasks, the fiduciary duties that come with such appointment alongwith accompanying liabilities and the actions that he should not do while functioning as such in the Company

The Directors are also regularly familiarized by way of periodic presentations at the Board and Committee meetings inter-alia with respect to updates on approved projects, business opportunities and proposed projects, updates on Enterprise Risk Management, demand supply scenario, benchmarking and statutory and regulatory changes. Detailed presentations on the Company's subsidiaries, associates, business segments are made. The details of such familiarisation programme for the financial year 2018-19 are disclosed at www.dalmiacement.com in terms of the SEBI LODR Regulations.

(d) Remuneration and ESOPs paid to Directors

The Board of Directors comprises of seven non-executive directors and three executive directors.

The Non-Executive Directors are entitled to sitting fees for attending the Board of Directors meetings and the Committee meetings, profit related commission and reimbursement of expenses incurred by them for undertaking their duties as Directors of the Company.

The sitting fees is paid to the Non-Executive Directors within the limits prescribed under the Companies Act, 2013 and as approved by the Board of Directors of the Company. The same is decided keeping in view the practice within the Group and market practice and is same for all the Directors.

The commission is paid to the Non-Executive Directors within the limits prescribed under the Companies Act, 2013 and as approved by the Shareholders at the Annual General Meeting held on December 31, 2018, i.e., not exceeding 1% of the net profits of the Company. The commission to the Non-Executive Directors varies in view inter-alia of the responsibility held as a Chairman / member of various Board Committees of the Company, overall participation and contribution in the decision making process of the Company, objectivity and constructive exercise of duties and devotion of time and attention. The commission payable is decided by the Board of Directors of the Company.

The details of sitting fees and commission paid to the Non-Executive Directors and remuneration paid to Executive Directors during the financial year 2018-19 are provided in below Table 3.

Table 3: Remuneration detswails

(₹ in Crore)

S. No	Name of Director	Sitting fees	Commission	Salary and perquisites	Retirement benefits	Total
1	Mr. Pradip Kumar Khaitan	0.05	0.40			0.45
2	Mr. Jai Hari Dalmia	0.02	-			0.02
3	Mr. Yadu Hari Dalmia	0.02	-			0.02
4	Mr. Gautam Dalmia	Nil	-	5.60	0.64	6.24
5	Mr. Puneet Yadu Dalmia	Nil	-	6.94	0.84	7.78
6	Mr. Nagarajan Gopalaswamy	0.06	0.10			0.16
7	Mr. Virendra Singh Jain	0.07	0.20			0.27
8	Mrs. Sudha Pillai	0.05	0.10			0.15
9	Mr. Dharmendar Nath Davar	0.02	0.20			0.22
10	Mr. Jayesh Doshi	Nil	-	6.00	0.13	6.13

The retirement benefits to the Executive Directors comprise of the Company's contribution to provident fund and superannuation fund. The payment of retirement benefits is made by the respective fund(s). In addition to the above the Company also contributes, on actuarial valuation basis, amounts to the gratuity fund towards gratuity of its employees including for the Executive Directors.

There is no other pecuniary relationship/transaction of the Non-Executive Directors vis a vis the Company.

As per the terms of the appointment of Managing Director(s), the appointment may be terminated by either party by giving three months' notice and in the case of Whole-time Director and Chief Financial Officer by giving six months' notice. There is no provision for severance fee in case of termination.

In terms of the Scheme of Arrangement and Amalgamation, the Board of Directors of the Company has adopted the DBEL ESOP Scheme 2011 of erstwhile Dalmia Bharat Limited with the name "DBL ESOP Scheme 2018" with the same terms and conditions. In terms of the Scheme, in lieu of every 1 (one) stock option under DBEL ESOP Scheme 2011 (whether vested or unvested) the Company has granted 2 (Two) new stock options ("New Options") under the DBEL ESOP Scheme 2018 to the eligible employees and the existing stock options under the DBEL ESOP Scheme 2011 have been cancelled. The New Options entitles the eligible employees to purchase 1 (one) equity share of the Company for each New Option.

Accordingly, the Company has granted 22,72,000 ESOPs under DBL ESOP 2018 as against balance 11,36,000 ESOPs pending to be exercised/vested under DBEL ESOP 2011 and the existing 11,36,000 ESOPs pending to be exercised/vested under the DBEL ESOP Scheme 2011 have been cancelled. The New Options entitled the eligible employees to purchase 1 (one) equity share of the Company for each New Option.

BSE Limited and National Stock Exchange of India Limited had issued in-principal approval for futher listing of 22,72,000 equity shares of ₹2/- each on allotment of ESOPs.

During the year, 2,31,000 stock options were vested into eligible employees against which 2,31,000 equity shares of ₹2/- each were allotted upon exercise of stock options by the employees.

Mr. Jayesh Doshi, Whole-time Director and Chief Financial Officer, has been granted 1,17,000 ESOPs as per details given hereunder. Except Mr. Jayesh Doshi, no other Director of the Company has been granted any stock options.

1. 90,000 options (as against 45,000 outstanding options as per DBEL ESOP 2011 granted on January 29, 2015) at a price of ₹108.615 per share (as against ₹217.23 per share as per DBEL ESOP 2011) representing discount of 50% on the price determined on the basis of 30 days volume weighted average price prior to the date of grant accruing over a period of three years and exercisable in the following manner:

Year of vesting	2019	2020	2021
No. of ESOPs to be vested	24000	30000	36000

Out of the above stock options, Mr. Jayesh Doshi has exercised 24,000 stock options during the financial year 2018-19.

2. 27,000 options (as against 13,500 outstanding options as per DBEL ESOP 2011 granted on February 03, 2016) at a price of ₹191.765 per share (as against ₹383.53 per share as per DBEL ESOP 2011) representing discount of 50% on the price determined on the basis of 30 days volume weighted average price prior to the date of grant accruing over a period of remaining 4 years and exercisable in the following manner:

Year of vesting	2019	2020	2021	2022
No. of ESOPS to be vested	4500	6000	7500	9000

Out of the above stock options, Mr. Jayesh Doshi has exercised 4,500 stock options during the financial year 2018-19.

(e) Code of Conduct for the Directors and Senior Management of the Company

The Company's Board has laid down a code of conduct for all the Board members and designated senior management of the Company. The Code of Conduct includes the Code of Conduct for Independent Directors and provides in detail the guidelines of professional conduct, role and functions and duties of Independent Directors. The code of conduct is available on the website of the Company www.dalmiacement.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer to this effect is enclosed at the end of this report.

(f) CEO/ CFO certification

The CEO and CFO certification of the financial statements for the financial year 2018-19 is enclosed at the end of the report.

(g) Board Skill Matrix:

The matrix setting out the skills / expertise/competence of the Board of Directors is given below:

S. No	Experience / Expertise / Attribute	Comments
1	Leadership	Should be a visionary with strategic goal for the Company, help the Company to identify possible road maps, inspire and motivate the strategy, approach, processes and other such key deliverables and mentor the leadership team to channelize its energy/efforts in appropriate direction. Should be a thought leader and a role model in good governance and ethical conduct of business, while encouraging the organisation to maximise shareholder value having hands on experience of leading an entity at the highest level.
2	Industry knowledge and experience	Should possess domain knowledge in businesses in which the Company participates viz. Cement, Power, Refractory and Management Consultancy and such other areas as appropriate for betterment of Company's business.
3	Experience and Exposure in policy shaping and industry advocacy	Should possess ability to develop professional relationship with the Policy makers and Regulators for contributing to the shaping of Government policies in the areas of Company's business.
4	Governance including legal compliance	Should have commitment, belief and experience in setting corporate governance practices to support the Company's legal compliance systems and governance policies/practices.
5	Expertise/ Experience in Finance & Accounts / Audit / Risk Management areas	Should be able to understand financial policies, accounting statements and disclosure practices and contribute to the financial/risk management policies/ practices of the Company.

(III) COMMITTEES OF THE BOARD OF DIRECTORS OF THE COMPANY

(a) Composition of Committees, their meetings and attendance

The Board of Directors of the Company has constituted six (6) Board level Committees as on March 31, 2019, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Group Governance Committee. All these Committees have been constituted by the Board at its meeting held on October 15, 2018 except the Group Governance Committee which was constituted on October 30, 2018. The composition, constitution and functioning of these Committees meets the requirements of the Companies Act, 2013 and SEBI LODR Regulations. The Chairman and members of these Committees are selected by the Board based on the category of Director(s) and their expertise, knowledge and experience. The role and terms of reference of these Committees is approved by the Board of Directors of the Company. The Company Secretary acts as Secretary to these Committees. Below table show the Board and Committee Position:

Board and Committee Composition

Name of the Director	Board	Audit Committee	Nomination & Remuneration Committee	Corporate Social Responsibility Committee	Risk Management Committee	Stakeholders Relationship Committee	Group Governance Committee
Mr. Pradip Kumar Khaitan	Chairperson	Member	Member	--	--	--	Member
Mr. Nagarajan Gopalaswamy*	Member	Member	Chairperson	--	Member	Member	Member
Mr. Virendra Singh Jain**	Member	Chairperson	Member	Chairperson	Chairperson	Chairperson	Chairperson
Mrs. Sudha Pillai	Member	Member	Member	Member	--	--	--
Mr. Dharmendar Nath Davar	Member	--	--	--	--	--	--
Mr. Jai Hari Dalmia	Member	--	--	--	--	--	--
Mr. Yadu Hari Dalmia	Member	--	--	Member	--	Member	--
Mr. Gautam Dalmia	Member	--	--	Member	Member	Member	--
Mr. Puneet Yadu Dalmia	Member	--	--	--	--	--	--
Mr. Jayesh Doshi	Member	--	--	--	--	--	--
Total Number of Members	10	4	4	4	3	4	3

- Chairperson - Member

*Mr. Nagarjan Gopalswamy acted as Chairman of the Audit committee from October 15, 2018 till February 07, 2019.

**Mr. Virendra Singh Jain acting as Chairman of the Audit committee since February 07, 2019.

Audit Committee

The Company has constituted Audit Committee on October 15, 2018 and the Audit Committee met three times during the year ended March 31, 2019. The meetings were held on October 30, 2018, February 07, 2019 and March 18, 2019. The attendance details of the Audit Committee meetings are as follows:

Audit Committee Meeting

Name of the member	Committee Meeting Number			Held during tenure	Attended	% of attendance
	1	2	3			
Mr. Virendra Singh Jain	👤	👤	👤	3	3	100%
Mr. Pradip Kumar Khaitan	👤	👤	👤	3	3	100%
Mr. Nagarajan Gopalaswamy	👤	👤	👤	3	3	100%
Mrs. Sudha Pillai	--	👤	👤	2	2	100%

👤 - Attended in person

The Audit Committee of the Board of Directors comprises of qualified and independent members of the Board, who have expertise, knowledge and experience in the field of accounting and financial management and have held or hold senior positions in other reputed organizations.

The role, powers and terms of reference of the Audit Committee covers all the areas prescribed under Section 177 of the Companies Act, 2013 and Regulation 18(3) of SEBI LODR Regulations besides other terms as referred by the Board of Directors from time to time. The role of Audit Committee broadly includes the following:

- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company and payment for any other services rendered by them, review and monitor their independence and performance, and effectiveness of audit process.
- Oversight of the Company's financial reporting process, reviewing the quarterly financial statements and the annual financial statements and auditor's report thereon before submission to the Board for approval and to ensure that the financial statements are correct, sufficient and credible.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Reviewing performance of statutory and internal auditors, adequacy of the internal control systems, risk management systems and internal audit function.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review the functioning of the Whistle Blower mechanism.
- Approval of appointment of Chief Financial officer.

The representatives of Statutory Auditors, Internal Auditors, executives from finance and secretarial department attend the Audit Committee meetings. The cost Auditors attend the Audit Committee meetings in which the Cost Audit Report is discussed and approved. All the recommendations of the Audit Committee during the financial year 2018-19 were accepted by the Board of Directors.

The member of the Audit Committee, i.e., Mr. Nagarajan Gopalaswamy, was present at the Annual General Meeting of the Company held on December 31, 2018.

Nomination and Remuneration Committee.

The Company has constituted Nomination and Remuneration Committee on October 15, 2018 and the Committee met two times during the year under review on October 15, 2018 and February 07, 2019. The attendance details of the Nomination & Remuneration Committee meetings are as follows:

Nomination and Remuneration Committee Meeting

Name of the member	Committee Meeting Number		Held during tenure	Attended	% of attendance
	1	2			
Mr. Virendra Singh Jain	👤	👤	2	2	100%
Mr. Pradip Kumar Khaitan	X	👤	2	1	50%
Mr. Nagarajan Gopalaswamy	X	👤	2	1	50%
Mrs. Sudha Pillai	👤	👤	2	2	100%

👤 - Attended in person   X- Leave of absence

The role, powers and terms of reference of the Nomination and Remuneration Committee covers all the areas prescribed under Section 178 of the Companies Act, 2013 and Regulation 19(4) of SEBI LODR Regulations besides other terms as referred by the Board of Directors from time to time. The role of Nomination and Remuneration Committee broadly includes the following:

- Formulate criteria for determining qualifications, age, extension of term, positive attributes and independence of a Director and recommend to the Board the Nomination and Remuneration Policy.
- Devise a Board diversity policy.
- Formulate criteria for performance evaluation of Directors.
- Identify qualified persons and recommend to the Board of Directors appointment, remuneration and removal of Directors and senior management.
- Review Human Resource policies and succession planning.
- Administer, monitor and formulate detailed terms and conditions of the Employees Stock Option Scheme.

The head of the Human Resource department attends the Nomination and Remuneration Committee meetings. All the recommendations of the Nomination and Remuneration Committee during the financial year 2018-19 were accepted by the Board of Directors.

The Chairman of the Nomination and Remuneration Committee, i.e., Mr. Nagarajan Gopalaswamy, was present at the Annual General Meeting of the Company held on December 31, 2018.

Performance evaluation criteria –

The Nomination and Remuneration Committee, as part of the Nomination and Remuneration Policy, has formulated criteria and specified the manner of effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and effective evaluation of performance of key managerial personnel and senior management; and reviews its implementation and compliance.

During the financial year 2018-19, the performance evaluation of the Board and Committees of the Board was carried out by the Board. Further, the performance evaluation of Independent Directors was done by the entire Board excluding the Directors being evaluated.

Stakeholders' Relationship Committee

The Company has constituted Stakeholders' Relationship Committee on October 15, 2018 and the Committee met 2 times during the year ended March 31, 2019. The meetings were held on October 30, 2018 and February 07, 2019. The attendance details of the Stakeholders' Relationship Committee meetings are as follows:

Stakeholders' Relationship Committee Meeting

Name of the member	Committee Meeting Number		Held during tenure	Attended	% of attendance
	1	2			
Mr. Virendra Singh Jain			2	2	100%
Mr. Yadu Hari Dalmia	X		2	1	50%
Mr. Nagarajan Gopalaswamy			2	2	100%
Mr. Gautam Dalmia			2	2	100%

- Attended in person   X- Leave of absence

The role, powers and terms of reference of the Stakeholders' Relationship Committee covers all the areas prescribed under Section 178 of the Companies Act, 2013 and Regulation 20(4) of SEBI LODR Regulations besides other terms as referred by the Board of Directors from time to time. The role of Stakeholders' Relationship Committee broadly includes the following:

- Resolve grievances of security holders.
- Review measures taken for effective exercise of voting rights by shareholders.
- Review adherence to service standards adopted in respect of services being rendered by the Registrar and Share Transfer Agent.
- Review measures for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by shareholders.

Mr. Nagarajan Gopalaswamy, member of the Stakeholders' Relationship Committee was present at the Annual General Meeting of the Company held on December 31, 2018.

Dr. Sanjeev Gemawat, the Company Secretary, is the compliance officer of the Company and responsible for ensuring compliance with the requirements of Securities Laws.

Shareholders complaints:

During the financial year 2018-19, the Company received 99 complaints from the shareholders. Details of shareholders complaints are given below in Table 4:

Table 4: Shareholders complaints

Nature of Complaint	Pending as on April 01, 2018	Received during the year	Resolved satisfactorily during the year	Pending as on March 31, 2019
Transfer / Transmission / Duplicate	0	32	32	0
Non-receipt of Dividend/Interest/Redemption Warrants	0	22	21	1
Non-receipt of securities/electronic credits	0	30	30	0
Non-receipt of Annual Report	0	12	12	0
Complaints received from:				
- Securities and Exchange Board of India	0	3	2	1
- Stock Exchanges				
- Registrar of Companies/ Department of Company Affairs				
Others	0	0	0	0
Total	**0**	**99**	**97**	**2**

Corporate Social Responsibility Committee

The Company has constituted Corporate Social Responsibility Committee on October 15, 2018 and the Committee met three times during the year ended March 31, 2019. The meetings were held on October 15, 2018, October 30, 2018 and February 07, 2019. The attendance details of the Corporate Social Responsibility Committee meetings are as follows:

Corporate Social Responsibility Committee Meeting

Name of the member	Committee Meeting Number			Held during tenure	Attended	% of attendance
	1	2	3			
Mr. Virendra Singh Jain	👤	👤	👤	3	3	100%
Mr. Yadu Hari Dalmia	X	👤	X	3	1	33.33%
Mr. Gautam Dalmia	👤	👤	👤	3	3	100%
Mrs. Sudha Pillai	-	👤	👤	2	2	100%

👤 - Attended in person X- Leave of absence

The role, powers and terms of reference of the Corporate Social Responsibility Committee covers all the areas prescribed under Section 135 of the Companies Act, 2013 besides other terms as referred by the Board of Directors from time to time. The role of Corporate Social Responsibility Committee broadly includes the following:

- Formulate and recommend Corporate Social Responsibility Policy to the Board.
- Recommend the amount of expenditure to be incurred on activities to be undertaken by the Companies in the areas or subject, specified on Schedule VII of the Companies Act, 2013.
- Monitor the Corporate Social Responsibility Policy from time to time.

Risk Management Committee

The Company has constituted the Risk Management Committee on October 15, 2018. The Risk Management Committee did not met during the year ended March 31, 2019.

The role, powers and terms of reference of the Risk Management Committee covers all the areas prescribed under Regulation 21 of SEBI LODR Regulations besides other terms as referred by the Board of Directors from time to time. The role of Stakeholders' Relationship Committee broadly includes:

- Monitor and review the risk management plan including cyber security.
- Review the process followed by the Company for risk identification and mitigation
- Review the risks identified by the Company, their probability and impact, corresponding mitigation plan and status thereof.

Group Governance Committee

In view of large number of unlisted subsidiaries of the Company, the Board of Directors has on October 30, 2018 constituted the Group Governance Committee to monitor the governance of such subsidiaries in accordance with SEBI circular number SEBI/HO/ CFD/CMD/CIR/P/2018/79 dated May 10, 2018. No meeting of the Group Governance Committee was held during the year ended March 31, 2019.

(IV) GENERAL BODY MEETINGS

(a) Annual General Meetings ("AGM")

The Annual General Meetings ("AGM") are held at the registered office of the Company.

The Chairman/Member of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee attend the AGMs to respond to the queries of the shareholders.

Also, the representatives of the Statutory Auditors and Secretarial Auditors attend the AGMs to respond to the queries of shareholders, if any, with respect to audit observation / matter of emphasis or otherwise.

The representatives of the Registrar and Share Transfer Agent checks and verifies the attendance of members and Scrutinizer scrutinizes the voting (e-voting and physical) and provide report thereon.

Table 5: Details of last three AGMs

AGM	Date	Time	Location
5th AGM	December 31, 2018	10.30a.m.	Dalmiapuram - 621651, Lalgudi Taluk, District Tiruchirapalli, Tamil Nadu
4th AGM	September 29, 2017	11.00 a.m.	Dalmiapuram - 621651, Lalgudi Taluk, District Tiruchirapalli, Tamil Nadu
3rd AGM	August 19, 2016	10.00 a.m.	At/Po/Ps - Rajgangpur - 770017, District Sundergarh, Odisha

(b) Special Resolutions

Special Resolutions passed at the 5th AGM held on December 31, 2018	• Appointment of Mr. Gautam Dalmia, as a Managing Director of the Company for a period of five years with effect from October 30, 2018.
	• Appointment of Mr. Puneet Yadu Dalmia, as a Managing Director of the Company for a period of five years with effect from October 30, 2018.
	• Appointment of Mr. Jayesh Doshi, as a Whole time Director and Chief Financial Officer of the Company for a period of three years with effect from October 30, 2018.
	• Appointment of Mr. Nagarajan Gopalaswamy, as Non-Executive Independent Director of the Company for a period of five years with effect from October 15, 2018.
	• Appointment of Mr. Pradip Kumar Khaitan, as Non-Executive Independent Director of the Company for a period of five years with effect from October 15, 2018.
	• Appointment of Mr. Dharmendar Nath Davar, as a Non-Executive Director of the Company, liable to retirement by rotation.
	• Payment of commission to the Non-Executive Directors, not exceeding 1% (one percent) of net profits of the Company.
Special Resolutions passed at the 4th AGM held on September 29, 2017	• Change in name of the Company from "Odisha Cement Limited" to "OCL India Limited" and alteration in the name clause of the Memorandum of Association.
	• Change in name of the Company from "OCL India Limited" to "Dalmia Bharat Limited" and alteration in the name clause of the Memorandum of Association.
	• Alteration in the objects clause of the Memorandum of Association.
Special Resolution passed at the 3rd AGM held on August 19, 2016	• No Special Resolution was proposed and passed at 3rd AGM.

(c) Postal Ballot

All the Special Resolutions were passed at the AGM during the financial year 2018-19. The Company had provided the facility to members to vote by electronic means in the manner provided in Section 108 of the Companies Act, 2013. No Special Resolution was passed through Postal Ballot during the financial year 2018-19. Also, no Special Resolution is proposed to be passed through Postal Ballot.

(V) MEANS OF COMMUNICATION

Quarterly results

The quarterly unaudited/audited financial results of the Company prepared in the format prescribed by SEBI LODR are recommended by the Audit Committee and approved by the Board of Directors. The same are limited reviewed/ audited by the Statutory Auditors and are submitted to the Stock Exchanges, on which the shares of the Company are listed, i.e., BSE Limited and National Stock Exchange of India Limited, within a period of 45 days of the close of every quarter and within a period of 60 days in case of annual financial results. The results are disseminated on the Stock Exchanges electronically (through NEAPS / BSE listing centre) within 30 minutes of the closure of the Board meeting.

The financial results are normally published in Economic Times/Financial Express, i.e, the English language national daily newspaper circulating in the whole or substantially the whole of India and in Dinamani, i.e., the daily newspaper published in the language of the region where the registered office of the Company is situated, i.e., Tamil.

The financial results are also posted on the website of the Company, i.e., www.dalmiacement.com.

Press Release / Presentations

The Company also issues the press release on the results immediately after the Board meeting and same is also disseminated on the Stock Exchanges electronically (through NEAPS / BSE listing centre) and is also posted on the website of the Company, i.e., www.dalmiacement.com.

The presentations to investors or to the analysts are posted on the website of the Company, i.e., www.dalmiacement.com.

Disclosures

Also, the quarterly Shareholding Pattern, Investors Complaints Report, Corporate Governance Report, Disclosures as per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 are also filed electronically on NEAPS and BSE Listing Centre.

(VI) GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting

The Annual General Meeting of the Company is scheduled to be held on August 30, 2019 at 10.30 a.m. at Community Centre Premises, Dalmiapuram -621651, Dist. Tiruchirapalli, Tamil Nadu.

The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 24rd day of August, 2019 to Friday, the 30th day of August, 2019 (both days inclusive) for the purpose of Annual General Meeting and dividend.

(b) Financial year

The financial year of the Company is from April 01, 2018 to March 31, 2019.

(c) Dividend payment date

The Board of Director has recommended payment of final dividend of ₹2 (100%) per equity share of face value of ₹2/- each. Such dividend shall be paid to those shareholders, whose names appear on the Company's Register of Members as on August 24, 2019. The Dividend payment date is September 02, 2019 and it will be paid within a period of thirty days from the date of declaration by the shareholders at the AGM.

The dividend shall be paid through any of the electronic mode of payment facility as approved by the Reserve Bank of India. However, where it is not possible to use electronic mode of payment, 'payable at par' dividend warrants shall be issued.

(d) Listing

The Equity Shares of the Company are listed on the following Stock Exchanges:

(a) Bombay Stock Exchange Limited,
New Trading Ring, Rotunda Building,
PJ Towers, Dalal Street fort
Mumbai - 400001

(b) The National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor, Plot No. C/1, G - Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051

The Company has made the payment of annual listing fees to both the Stock Exchanges.

(e) Stock codes

BSE Limited	:	542216
National Stock Exchange of India Limited	:	DALBHARAT
ISIN (for Dematerialised Shares)	:	INE00R701025

(f) Market price data and performance comparison

The market price data as per quotations of BSE Limited and National Stock Exchange of India Limited, i.e., high, low and close during each month in the financial year 2018-19 is given below in Table 6.

Table 6: High, low and close market price of the shares during financial year 2018-19 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2018	-	-	-	-	-	-
May, 2018	-	-	-	-	-	-
June, 2018	-	-	-	-	-	-
July, 2018	-	-	-	-	-	-
August, 2018	-	-	-	-	-	-
September, 2018	-	-	-	-	-	-
October, 2018	-	-	-	-	-	-
November, 2018	-	-	-	-	-	-
December, 2018	-	-	-	-	-	-
January, 2019	1134.45	903.00	1035.00	1097.55	860.00	1031.35
February, 2019	1215.00	981.05	1154.05	1219.70	1020.00	1153.20
March, 2019	1218.00	930.10	989.85	1197.00	966.05	989.50

Chart A: Share Performance versus BSE Sensex

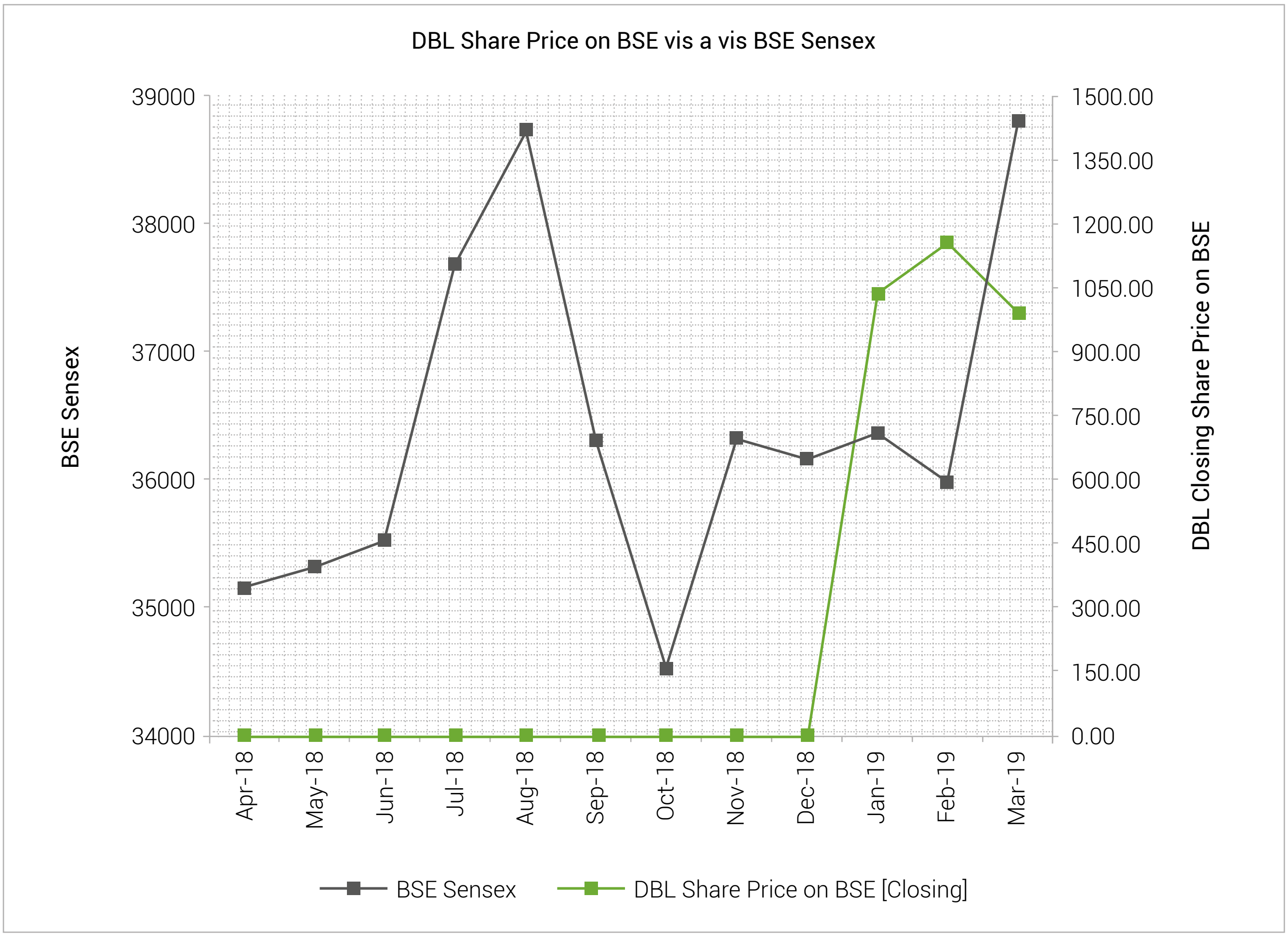
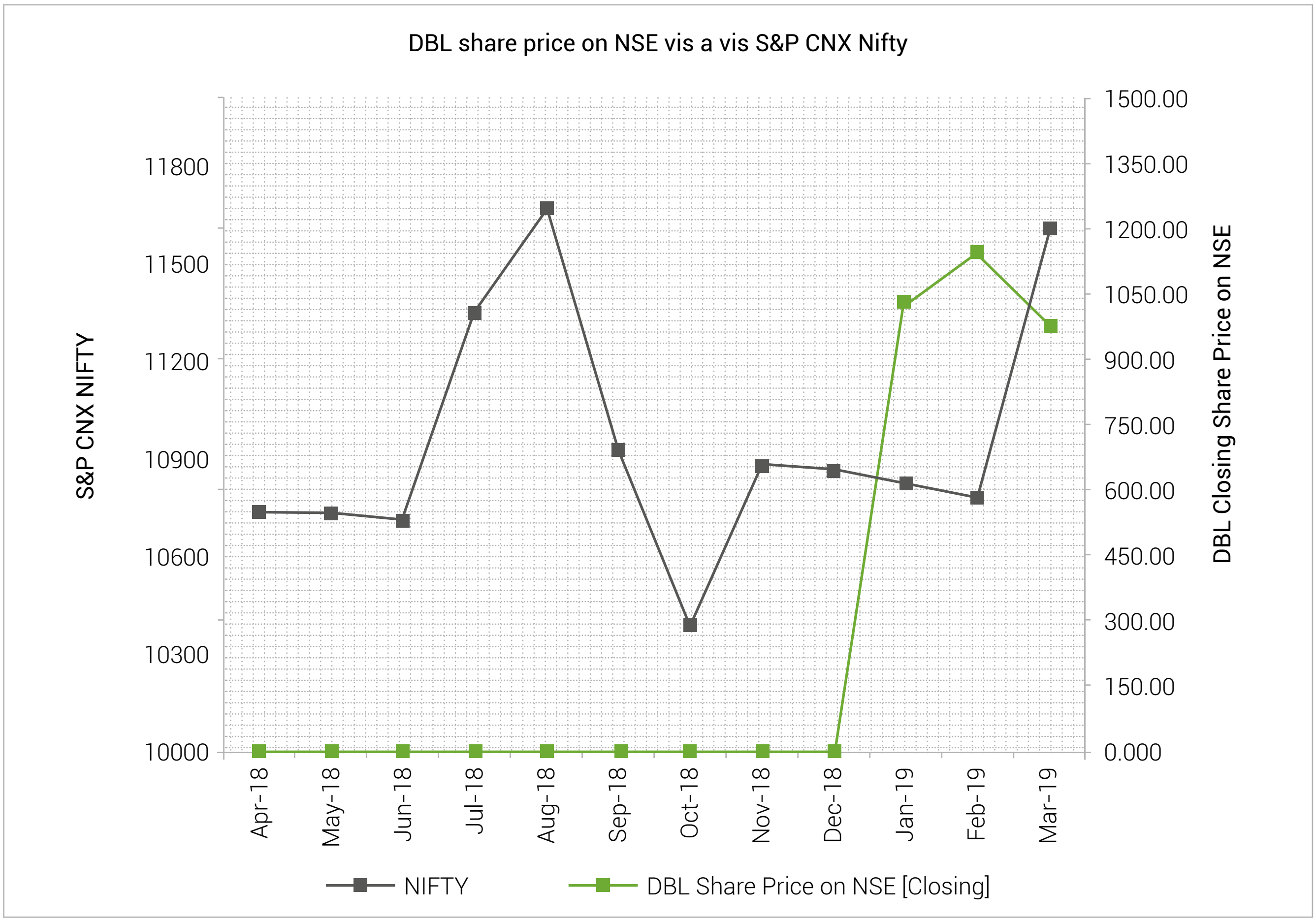


Chart B: Share Performance versus NIFTY



(h) Suspension of securities from trading

The trading in the shares of the Company remained suspended from January 07, 2019 to January 22, 2019 due to Corporate Action for reduction of share capital of the Company pursuant to the Scheme of Arrangement and Amalgamation.

(i) Registrar and Transfer Agent

The Company has appointed Karvy Fintech Private Limited as the Registrar and Transfer Agent.

Karvy Fintech Private Limited

Karvy Selenium Tower B, Plot 31-32,

Gachibowli Financial District

Nanakramguda, Hyderabad – 500 032.

All activities in relation to the share transfer facility are maintained by the Registrar and Share Transfer Agent. A compliance certificate to this effect is submitted by the Company with the Stock Exchanges on a half yearly basis under signatures of the Compliance Officer of the Company and the authorized representative of the Registrar and Share Transfer Agent.

(j) Share Transfer System and dematerialization of shares and liquidity

The Company has provided demat facility to its shareholders with National Securities Depository Limited as well as Central Depository Services Limited.

As on March 31, 2019, 97.03% of the equity shares of the Company are in the dematerialised form. The promoters of the Company hold their entire shareholding in dematerialised form

The transfer of shares in physical form is processed by the Registrars and Transfer Agents and completed and duly endorsed share certificates are returned to the shareholders within a period of 15 days of receipt of complete documents.

A summary of transfer and transmission of shares of the Company and the Reconciliation of Share Capital Audit Report by Savita Jyoti & Associates, the Practicing Company Secretary is presented to the Board at the quarterly Board meetings.

(k) Distribution of Shareholding

Table 7 and 8 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2019.

Table 7: Distribution of shareholding by size

Sl. no.	No. of Equity Shares held (Range)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	1 – 500	34104	94.22	18173586	4.71
2	501 – 1000	1035	2.86	7195986	1.86
3	1001 – 2000	521	1.44	7303508	1.89
4	2001 - 3000	155	0.43	3775720	0.98
5	3001 - 4000	67	0.19	2326778	0.60
6	4001 - 5000	41	0.11	1848466	0.48
7	5001 - 10000	97	0.27	6893768	1.79
8	10001 and above	177	0.49	338399294	87.69
	Total	**36197**	**100.00**	**385917106**	**100.00**

Table 8: Distribution of shareholding by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	1	0.00	3270020	1.69
Promoters Bodies Corporate	18	0.05	101435428	52.57
Central/State Governments	3	0.01	137910	0.07
Financial Institutions	2	0.01	1146518	0.59
Mutual Funds	12	0.03	6901346	3.58
Foreign Institutional Investors	2	0.01	579281	0.30
Insurance Companies	1	0.00	17500	0.01
Bodies Corporates	847	2.34	13207547	6.84
NRI/Foreign Nationals	1081	2.99	927757	0.48
Individuals/Others	34230	94.56	65335246	33.87
Total	**36197**	**100**	**192958553**	**100**

(l) Outstanding GDRs/ADRs/Warrants/Options

Nil

(m) Commodity price risk or foreign exchange risk and hedging activities

No hedging activity was undertaken during the year under review.

(n) Plant locations

The Group has manufacturing plants at thirteen locations in Southern, North Eastern and Eastern regions of India as detailed below in Table 9.

Table 9: Plant Locations

Plant location	State	Plant Type
Southern Region		
Dalmiapuram	Tamil Nadu	Integrated
Ariyalur	Tamil Nadu	Integrated
Kadappa	Andhra Pradesh	Integrated
Belgaum	Karnataka	Integrated
Eastern Region		
Rajgangpur	Odisha	Integrated
Kapilas	Odisha	Grinding
Medinipur	West Bengal	Grinding
Bokaro	Jharkhand	Grinding
Banjari	Bihar	Integrated
North Eastern Region		
Meghalaya	Meghalaya	Integrated
Lanka	Assam	Grinding
Umrangshu	Assam	Integrated
Morigaon	Assam	Grinding

(o) Address for correspondence
Dalmia Bharat Limited
(formerly known as Odisha Cement Limited)

(1) Shares Department
Dalmiapuram – 621651
Dist. Tiruchirapalli
Tamil Nadu
Phone: 04329 - 235132
Fax: 04329 235111

(2) Company Secretary
7th, 11th and 12th Floor
Hansalaya Building
15, Barakhamba Road
New Delhi – 110 001

(VII) DISCLOSURES

(a) Significant related party transactions

All the related party transactions have been entered into in the ordinary course of business and at arms' length basis.

There are no materially significant related party transactions that may have potential conflict with the interests of the Company.

The Company's Policy on Related Party Transactions is posted at www.dalmiacement.com.

(b) Policy on Material Subsidiaries

The Company's Policy on Material Subsidiaries is posted at www.dalmiacement.com.

As per the said policy, Dalmia Cement (Bharat) Limited is a material unlisted subsidiary. Mr. Nagarajan Gopalaswamy and Mrs. Sudha Pillai are Non-Executive and Independent Directors of the Company are also the member on the Board of Directors of Dalmia Cement (Bharat) Limted.

The Audit Committee periodically reviews the financial performance of the subsidiary companies and the annual financial statements are placed at the Audit Committee meetings and Board meetings of the Company. The minutes of meetings of the Board of Directors of the subsidiary companies are placed at the Board meeting of the Company. Statement of all significant transactions and arrangements entered into by subsidiaries is brought to the notice of the Board of Directors of the Company.

(c) Disclosure in relation to the Sexual Harassment of Women at Work place (Prevention Prohibition & Redressal) Act, 2013

The Company is committed to create a workplace free from harassment and discrimination, where co-workers are respected, and provided an appropriate environment so as to encourage good performance and conduct.

The Company has in place Policy against sexual harassment of women. During the year no complaint has been received by the Company.

(d) Whistle Blower Mechanism

The Company has framed Whistle Blower policy and Vigil Mechanism on October 15, 2018 and same is posted on the Company's web-site www.dalmiacement.com. As per the said policy, Audit Committee is accessible to all the persons.

(e) Disclosure of accounting treatment in preparation of Financial Statements.

The Company has followed the guidelines of Ind AS specified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended/ laid down by the Central Government under the provisions of section 129(1) of the Companies Act, 2013 in the preparation of its financial statements.

(f) Details of non-compliance

During last three years, there were no instances of non-compliance and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets.

(g) Compliance

Mandatory requirements:

The Company has complied with all the applicable mandatory requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR Regulations.

Discretionary requirements:

The discretionary/non-mandatory requirements, as stipulated in Regulation 27(1) read with Part E of Schedule II of the SEBI (LODR) Regulations, other than the half-yearly declaration of financial performance to shareholders have been adopted by the Company.

The Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and is provided reimbursement of expenses incurred in performance of his duties.

The standalone financial statements of the Company are with unmodified audit opinion.

The internal auditor reports directly to the Audit Committee.

(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement

No funds have been raised by the Company through preferential allotment or qualified institutions placement in the last three years

(i) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity of which Statutory Auditor is a part: ₹98.60 lakhs

(j) Unclaimed Suspense Account

Not applicable.

Certificate of Non-Disqualification of Directors

(As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To
The Members,
Dalmia Bharat Limited
(formerly known as Odisha Cement Limited)
Dalmiapuram, Tiruchirapalli Distt.
Tamil Nadu

As required by item 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 we certify that none of the Directors on the Board of Dalmia Bharat Limited have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority.

R. Venkatasubramanian
Practing Company Secretary
ACS No. 3673; CP No. 3893

Date: 09.05.2019
Place: New Delhi

Declaration on Code of Conduct

To
The Board of Directors,
Dalmia Bharat Limited
(formerly known as Odisha Cement Limited)
Dalmiapuram, Lalgudi,
District Tiruchirappalli
Tamil Nadu- 621651

Dear Sirs,

I do hereby certify that the all the members of the Board of Directors of the Company and the Senior Management Personnel have affirmed their compliance with the code of conduct laid down by the Board of Directors of the Company in their meeting held on October 15, 2018.

This certificate is being given in compliance with the requirements of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Date: 09.05.2019
Place: New Delhi

Puneet Yadu Dalmia
Managing Director & Chief Executive Officer

Auditors' Certificate on Corporate Governance

To
The Members of
Dalmia Bharat Limited
(formerly known as Odisha Cement Limited)

I have examined the compliance of conditions of Corporate Governance by Dalmia Bharat Limited ("the Company") for the year ended 31st March, 2019, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I conducted my examination in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India.

In my opinion, and to the best of my information and according to explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without my prior consent in writing.

Place: New Delhi
Date: 09.05.2019

R.Venkatasubramanian
Practising Company Secretary
ACS No. 3673; CP No. 3893

Business Responsibility Report

We, at Dalmia Bharat Group/Group (i.e., the Company alongwith its subsidiaries/step down subsidiaries), believe that unleashing the potential of our employees and operations can lead to enriched value creation. The process of creating sustained value involves developing greener cement to drive the country's growth, providing value added solutions translating into robust construction, enriching shareholders wealth, becoming a people-friendly employer of talent and enhancing community trust. At Dalmia Bharat Group, sustained value creation lies at the core of our business, forming part of our strategies as well as the development of our products. We have has longstanding association with sustainable development goals coupled with disclosing issues and initiatives related to economy, environment, and social and governance performance.

Our corporate vision is "To be a leader in building materials that evokes pride in all stakeholders through customer-centricity, innovation, sustainability and our values". Our vision is directed towards differentiating our organization from peers and integrating this vision into the business model , which has has helped us add value to our Manufactured capital, Social and Relationship capital, Natural capital, Human capital, Intellectual capital and Financial capital.

Our goal is to build a great enterprise for our stakeholders, coupled with participating in building a great future for our country and the world at large! Our strong commitment towards nation building has been realized by the pivotal role that we played in the construction of the strategic Dhola-Sadiya Bridge which is the longest river bridge in India. The construction of this bridge has eased the connectivity of Arunachal Pradesh and Assam and serves as a great example for our campaign – Dil Jodhe, Desh Jodhe. With a firm belief in 'Green is Profitable' philosophy of our approach to business has been inclusive and nurturing towards the people and the community that we operate in and strive to create value for them.

We acknowledge that the path of sustainable development requires commitment, goodwill and passion for which we rely on everyone's help to create and sustain value for the Group as well as all our stakeholders. Sustained value creation is rooted in our core values and we have always attempted to integrate needs of our people, customers, community and the environment into our operating and governance model.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

The Company is listed on BSE Limited and National Stock Exchange of India Limited since December 21, 2018. The listing process of the Company got completed during the financial year 2018-19 in two phases. In the first phase, the shares issued to the shareholders of erstwhile OCL India Limited started trading on BSE Limited and National Stock Exchange of India Limited with effect from December 21, 2018 and in the second phase the shares issued to the shareholders of erstwhile Dalmia Bharat Limited started trading on BSE Limited and National Stock Exchange of India Limited since January 25, 2019. Accordingly, this Business Responsibility Report describes the initiatives taken by the Group / the Company as a merged entity from environment, social and governance perspective.

<table>
<tr><td>1.</td><td>Corporate Identity Number (CIN) of the Company</td><td colspan="4">L14200TN2013PLC112346</td></tr>
<tr><td>2.</td><td>Name of the Company</td><td colspan="4">Dalmia Bharat Limited
(formerly known as Odisha Cement Limited)</td></tr>
<tr><td>3.</td><td>Registered address</td><td colspan="4">Dalmiapuram-621651, Dist. Triuchirapalli, Tamil Nadu</td></tr>
<tr><td>4.</td><td>Website</td><td colspan="4">www.dalmiacement.com</td></tr>
<tr><td>5.</td><td>E-mail id</td><td colspan="4">investorrelations@dalmiacement.com; corp.sec@dalmiabharat.com</td></tr>
<tr><td>6.</td><td>Financial Year reported</td><td colspan="4">1st April 2018 to 31st March 2019</td></tr>
<tr><td rowspan="4">7.</td><td rowspan="4">Sector(s) that the Company is engaged in (industrial activity code-wise)</td><td>Group</td><td>Class</td><td>Sub- class</td><td>Description</td></tr>
<tr><td>239</td><td>2394</td><td>23941 & 23942</td><td>Manufacture of Clinker & Cement</td></tr>
<tr><td>239</td><td>2391</td><td>23911 & 23912</td><td>Manufacture of Refractory</td></tr>
<tr><td>702</td><td>7020</td><td>70200</td><td>Management Consultancy Services</td></tr>
<tr><td>8.</td><td>List three key products/ services that the Company manufactures/provides (as in balance sheet)</td><td colspan="4">(i) Cement
• Portland Slag Cement (PSC)
• Portland Pozzolana Cement (PPC)
(ii) Refractory
(iii) Management Services</td></tr>
</table>

9.	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations (Provide details of major 5) One refractory plant in China of OCL China Limited, a step down subsidiary of the Company. (b) Number of National Locations Manufacturing plants at thirteen locations in Southern, North Eastern and Eastern regions of India besides corporate office at New Delhi and three regional offices at Chennai, Guwahati and Kolkata.
10.	Markets served by the Company – Local/State/National/ International	Currently, the Group serves markets in twenty-one states in India and various countries including China, Bangladesh, Nepal, Sri Lanka, Myanmar, Bhutan, Italy, Spain, UK, Germany, Turkey and Russia, among others.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ Crore)

1.	Paid up Capital (₹)	38.55	
2.	Total Turnover (₹)	251.00 9728.00	(standalone) (consolidated)
3.	Total profit after taxes (₹)	101.00 249.00	(standalone) (consolidated)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (₹)	0.95 8.00 (2% of the average net profits of last 3 years)	(standalone) (consolidated)
5.	List of activities in which expenditure in 4 above has been incurred	The Group spends on varied activities pertaining to CSR in accordance with the Companies Act, 2013. The annual report on CSR detailing the various activities like soil and water conservation, energy conservation, women's empowerment, among others undertaken during the financial year under review is attached as Annexure 3 of the Directors' Report.	

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	The Company has 30 subsidiaries as on March 31, 2019.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	The core philosophy and belief abided by the Group, of which the Company and its subsidiaries are a part, is simple but vital in respecting the environment, operating with a sense of responsibility towards several stakeholders and enhancing intrinsic value of the business, of the people and the country. Accordingly, the business responsibility initiatives are intrinsic to all the subsidiaries of the Company, as far as applicable them. The Board of Directors of the Company in its meeting held on October 30, 2018 has also constituted a Group Governance Committee to monitor the governance of its subsidiaries.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Stakeholder engagement is an important aspect of sustainability and leads to sustained profitability. Our Board, senior management, shareholders, employees and other stakeholders have helped us in conducting our operations in an ethical manner. We make sure that we are in regular touch with all our stakeholders to understand their needs, concerns and are open to their views and suggestions. This enhances informed decision-making and paves way for more effective compliance of business responsibility initiatives. We encourage all the stakeholders to participate in the business responsibility initiatives. However, the participation in percentage terms can not be measured.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Details
1.	DIN Number	00017963
2.	Name	Jayesh Doshi
3.	Designation	Whole Time Director & Chief Financial Officer

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Dr. Sanjeev Gemawat
3	Designation	Company Secretary
4	Telephone number	011-23465349
5	e-mail id	Gemawat.sanjeev@dalmiabharat.com

2. Principle-wise (as per NVGs) BR Policy/policies

The 9 principles are:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are based on prescribed principles, conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, UNGC guidelines, GRI – G4 guidelines and ILO principles, wherever applicable.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.dalmiacement.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been appropriately communicated to all relevant stakeholders directly or indirectly through various engagements, campaigns, training, awareness programmes, as applicable.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The working of the BR Policy is reviewed/evaluated on a regular basis with a view to strengthen the policy framework. Further evaluation/ audit is done through external agencies, wherever applicable; for example, third party assurance/audit is done on sustainability in accordance with GRI guidelines.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The business responsibility performance of the Company is assessed on a regular basis by the Whole Time Director and Chief Financial Officer of the Company. Overall performance is assessed atleast once in a year by the Board/Committee of the Board.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Integrated Report of Dalmia Bharat Group for the period 2015-17 is published in accordance with IIRC, UNGC, Global Reporting Initiatives (GRI) Standards, CSI and SDG and same can be accessed at www.dalmiacement.com. The Business Responsibility Report of the Company for the financial year ended March 31, 2019, as part of the Annual Report can be viewed at www.dalmiacement.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle	Details	Information/Reference Section	Page No.
1	**Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**		
a.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?	Corporate Governance Report	102
b.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details there of, in a bout 50 words or so.	Financial Capital	48
2	**Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**		
a.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Natural Capital, Our products and services	53-59, 26
b.	For each such product, provide the following details in respect of resource use (energy, water, raw material) per unit of product (optional): (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Construction and building material value chain in India is vast and complex with multiple players from organized and unorganized sector. Hence, it is extremely difficult to provide information with respect to the entire value chain. However, the information with reference to our management control is provided in the section 'GCCA Indicators'	Page number of GCCA Table
c.	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Sustainable Procurement, Natural Capital	28, 55
d.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Sustainable Procurement	28
e.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Natural Capital	55
3	**Businesses should promote the wellbeing of all employees.**		
a.	Businesses should promote the wellbeing of all employees.		
b.	Please indicate the total number of employees.	Human Capital	66
	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Human Capital	66
c.	Please indicate the Number of permanent women employees.	Human Capital	66
d.	Please indicate the Number of permanent employees with disabilities.	Human Capital	66
e.	Do you have an employee association that is recognized by management?	Human Capital	66

Principle	Details	Information/Reference Section	Page No.
f.	What percentage of your permanent employees is members of this recognized employee association?	Human Capital	66
g.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Financial Capital	48
h.	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?	Human Capital	65
4	**Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.**		
a.	Has the company mapped its internal and external stakeholders? Yes/No.	Stakeholder engagement process	30
b.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders?	Stakeholder engagement process	30
c.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.	Social and Relationship Capital	87-95
5	**Businesses should respect and promote human rights**		
a.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?	Human Capital	64
b.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Financial Capital	48
6	**Business should respect, protect, and make efforts to restore the environment**		
a.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.	Natural Capital	53
b.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	Natural Capital	57
c.	Does the company identify and assess potential environmental risks? Y/N	Natural Capital	55
d.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	Yes, we have initiated Clean Development Mechanism ('CDM') projects on blended cement under the approved CDM methodology ACM 0005. Further details of the same can be found at: http://cdm.unfccc.int/Projects/DB/DNVCUK1156766994.32/view and https://cdm.unfccc.int/Projects/DB/SGS-UKL1161119962.23/view. The compliance reports, as per the provisions of the central and state authorities/boards, are submitted on regular intervals.	-
e.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.	Natural Capital	56

Principle	Details	Information/Reference Section	Page No.
f.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Financial Capital	48
g.	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Financial Capital	48
7.	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.		
a.	Is your company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	Knowledge partnerships and associations	34
b.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Financial Capital	49
8.	Businesses should support inclusive growth and equitable development.		
a.	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.	Social and Relationship Capital	87
b.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	Social and Relationship Capital	87
c.	Have you done any impact assessment of your initiative?	Social and Relationship Capital	87-95
d.	What is your company's direct contribution to community development projects-Amount in and the details of the projects undertaken?	Social and Relationship Capital	87-95
e.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Social and Relationship Capital	87-95
9.	Businesses should engage with and provide value to their customers and consumers in a responsible manner.		
a.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Intellectual Capital	75
b.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	Financial Capital	48
c.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.	Financial Capital	48
d.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Intellectual Capital	75

Independent Auditors' Report

To The Members of
Dalmia Bharat Limited
(Formerly known as Odisha Cement Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)** ("the Company"), which comprise the balance sheet as at March 31, 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2 As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the relevant books of accounts;

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act along with clause (xi) in Annexure – A of our report on the Order issued under section 143 (11) of the Act; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

S.S. Kothari Mehta & Company
ICAI Firm registration number: 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No: - 087294

Date: May 09, 2019
Place: New Delhi

Annexure A to the Independent Auditors' Report to the members of Dalmia Bharat Limited (Formerly known as Odisha Cement Limited) dated May 09, 2019.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of physical verification of property plant and equipment that covers every item of fixed assets over a period of three years. In our opinion, this periodicity and manner of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification undertaken during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company except for an immovable property having a gross block after fair valuation of ₹47 crore and net block of ₹39 crore not registered in the name of the Company as at the balance sheet date. As explained by the management, the title deeds of the property shall be executed in favor of the Company in accordance with the Order of the Ld. Additional District Judge, Delhi.

(ii) The Company is in the business of rendering services and its operations does not give rise to inventory. Therefore the provisions of clause 3(ii) of the Order are not applicable to the Company.

(iii) (a) The Company has granted loan to One company covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the loan is not prejudicial to the interest of the Company.

(b) The Company has granted loans re-payable on demand as agreed, to party covered in the register maintained under Section 189 of the Act. The repayment of loans is as per tenure only. In respect of loans which are granted as re-payable on demand, we are informed that the Company has not demanded repayment of any such loan during the year and thus there has been no default on the part of the parties to whom the money has been lent. The payment of interest, wherever applicable has been regular.

(c) There are no amount of loans granted to companies, firms or other parties listed in the register maintained under Section 189 of the Act which are overdue for more than ninety days. Hence, reporting requirement is not applicable.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Act, wherever applicable, in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.

(vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 148 of the Act for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods & service tax and other statutory dues, as applicable, with the appropriate authorities during the year. There are no arrears of outstanding statutory dues as at March 31, 2019 for a period of more than six months from the date when they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax or sales-tax or service tax or duty of customs or duty of excise, value added tax and goods & service tax which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and as per the books and records examined by us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company has neither taken any loan from financial institutions or Government nor has any dues to debenture holders.

(ix) In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer / further public offer and monies raised by way of term loans have been utilized for the purpose for which term loans were obtained.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has paid remuneration to Managing Directors during the year in excess of the limits laid down by Section 197 read with Schedule V to the Act, after seeking the requisite approval of the shareholders. The Government has since notified the amendment in Section 197 permitting such payment subject to approval of shareholders. The Company's applications to Central Government seeking approval for such excess payment have since been abated and the files have been closed.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Act and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

S.S. Kothari Mehta & Company
ICAI Firm registration number: 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No: - 087294

Date: May 09, 2019
Place: New Delhi

Annexure B to the Independent Auditors' Report to the Members of Dalmia Bharat Limited (Formerly known as Odisha Cement Limited) dated May 09, 2019 on its standalone financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial

Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations, given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

S.S. Kothari Mehta & Company
ICAI Firm registration number: 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No: - 087294

Date: May 09, 2019
Place: New Delhi

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Standalone Balance Sheet as at March 31, 2019

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

(Amount in ₹)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	72	73
Capital work-in-progress	3	2	1
Other intangible assets	4	0	1
Intangible assets under development	5	5	0
Investments	6	6,783	6,779
Financial assets	7		
(i) Investments		2	4
(ii) Loans		1	1
(iii) Other financial assets		5	2
Deferred tax assets (net)		5	-
Income tax assets	8	53	25
Other non-current assets	9	1	1
		6,929	**6,887**
Current assets			
Financial assets	10		
(i) Investments		328	283
(ii) Trade receivables		52	22
(iii) Cash & cash equivalents		11	4
(iv) Bank balance other than (iii) above		4	4
(v) Loans		309	490
(vi) Other financial assets		36	40
Income tax assets	11	-	12
Other current assets	12	13	4
		753	**859**
Total Assets		**7,682**	**7,746**
EQUITY and LIABILITIES			
Equity			
Equity share capital	13	39	-
Share capital suspense account	13	-	6,654
Other equity	14	7,541	859
		7,580	**7,513**
Non-current liabilities			
Financial liabilities	15		
(i) Borrowings		2	2
Provisions	16	21	3
Deferred tax liabilities (net)	17	-	25
		23	**30**
Current liabilities			
Financial liabilities	18		
(i) Trade payables			
Total outstanding dues of micro and small enterprises (refer note-39)		0	0
Total outstanding dues of creditors other than micro and small enterprises		7	12
(ii) Other financial liabilities		7	173
Other current liabilities	19	56	13
Provisions	20	9	5
		79	**203**
Total equity and liabilities		**7,682**	**7,746**
Significant accounting policies	1		

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: May 9, 2019

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Statement of Standalone Profit and Loss for the year ended March 31, 2019

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

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	21	164	125
Other income	22	87	91
Total Income		**251**	**216**
Expenses			
Employee benefits expenses	23	82	74
Finance costs	24	2	5
Depreciation and amortization expenses	2 & 3	4	4
Other expenses	25	44	39
Total		**132**	**122**
Profit before tax		**119**	**94**
Tax expenses			
Current tax		29	21
Deferred Tax charge / (Credit)		3	-
Prior year tax charge		(14)	1
Total Tax Expenses		**18**	**22**
Profit after Tax for the year (A)		**101**	**72**
Other Comprehensive income			
A. Items that will not to be reclassified to profit or loss			
- Re-measurement (losses)/ gains on defined benefit plans		(17)	3
- Income tax relating to items that will not be reclassified to profit or loss		6	(1)
Other Comprehensive (loss)/ income (B)		**(11)**	**2**
Total Comprehensive income for the year (A+B)		**90**	**74**
Earning per Share	26		
Basic earnings Per Share (In Rupees)		5.25	3.75
[Nominal value of share Rupees 2 (Rupees 2) each]			
Diluted earnings per share (In Rupees)		5.24	3.72
[Nominal value of share Rupees 2 (Rupees 2) each]			
Significant accounting policies	1		

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: May 9, 2019

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Standalone Statement of Cashflow for the year ended March 31, 2019

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

(Amount in ₹)

		For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash flow from operating activities**		
	Net profit before tax	**119**	**94**
	Adjustments		
	Depreciation/amortisation	4	4
	Share based payment expense	1	1
	Dividend income	(33)	(23)
	Finance cost	2	5
	Interest income	(42)	(46)
	Fair valuation (gain) / loss on investments	6	(10)
	(Profit)/Loss on sale of Investments	(18)	(12)
	Profit on sale of property, plant & equipment	(0)	(0)
	Operating profit before working capital changes	**39**	**13**
	Adjustments for working capital changes :		
	Trade payables, financial liabilities, other liabilities and provisions	(165)	69
	Trade Receivables, financial assets and other assets	(46)	(224)
	Cash generated from operations	**(172)**	**(142)**
	Direct taxes refund/ (paid)	(15)	(56)
	Net cash from operating activities	**(187)**	**(198)**
B	**Cash flow from/ (used in) investing activities**		
	Purchase of property, plant & equipment	(9)	(2)
	Proceeds from sale of property, plant & equipment	0	0
	Sale/ (purchase) of current investments (net)	(33)	(178)
	Sale/ (purchase) of non current investments (net)	3	7
	Proceeds from erstwhile shareholder of the Subsidiary Company	-	296
	Loan given to related parties	1	1
	Loan received back from related parties	184	237
	Interest received	46	47
	Dividend received from current investments	0	3
	Dividend received from subsidiaries	33	20
	Net cash (used in) investing activities	**225**	**431**
C	**Cash flow from/ (used in) financing activities**		
	(Repayment)/ Proceeds from Long term borrowings (net)	-	0
	Proceeds/ (repayments) from short term borrowings (net)	-	(200)
	Proceeds from issue of shares	4	4
	Finance cost	(2)	(2)
	Dividend paid (including dividend distribution tax)	(33)	(33)
	Net cash from/ (used in) financing activities	**(31)**	**(231)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**7**	**2**
	Cash and cash equivalents (opening Balance)	**4**	**2**
	Cash and cash equivalents (closing Balance)	**11**	**4**
	Change in Cash & Cash Equivalents	**7**	**2**

Note:

1) Previous period figures have been regrouped/restated where ever considered necessary

The accompanying notes form an integral part of these standalone financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: May 9, 2019

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Statement of Changes in Equity for the year ended March 31, 2019

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

a. Equity share capital:

Equity shares of ₹2 each issued, subscribed and fully paid

	No. of Shares	(₹)
As at April 01, 2017	-	-
Less: Change during the year	-	-
As at March 31, 2018	-	-
Issue of share capital other than ESOP*	19,27,27,553	39
ESOP issued during the year	2,31,000	0
As at March 31, 2019	**19,29,58,553**	**39**

b. Equity capital suspense account: (Amount in ₹)

	(₹)
As at April 01, 2017	**6,654**
Less: Change during the year	-
As at March 31, 2018	**6654**
Less: Change during the year*	6654
As at March 31, 2019	-

c. Other equity (Amount in ₹)

Particulars	Reserve and Surplus					Other comprehensive income	Total Other equity
	Securities Premium	Capital Reserve	General Reserve	Retained earnings	Employee stock option	Remeasurement of post employment benefit obligation	
As at April 01, 2017	624	88	3	84	12	(2)	809
Profit/ (Loss) for the period	-	-	-	72	-	-	72
Other comprehensive income	-	-	-	-	-	2	2
Total comprehensive income	-	-	-	72	-	2	74
Add: Addition during the period	7	-	-	-	2	-	9
Less: Appropriations							
Dividend Paid				(27)			(27)
Dividend Distribution tax				(6)			(6)
As at March 31, 2018	631	88	3	123	14	0	859
Profit/ (Loss) for the period	-	-	-	101	-	-	101
Other comprehensive income	-	-	-	-	-	(11)	(11)
Total comprehensive income for the year	-	-	-	101	-	(11)	90
Add: Addition during the period*	6,625	-	-	-	0	-	6,625
Less: Appropriations							-
Dividend paid	-	-	-	(33)	-	-	(33)
As at March 31, 2019	7,256	88	3	191	14	(11)	7,541

For description of the purposes of each reserve within equity, refer note 14 of financial statements.

* Share suspense account as on April 01, 2018 represents shares pending to be allotted to the shareholders (Including Securities Premium) of erstwhile Dalmia Bharat Limited and OCL India Limited, specified under the Scheme, which have been allotted on January 09, 2019.

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Sunil Wahal
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Managing Director
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Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Place: New Delhi
Date: May 9, 2019

Notes to Standalone Financial Statements

1. Summary of Significant Accounting Policies

A. Corporate Information

Dalmia Bharat Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed on NSE and BSE stock exchanges in India. The registered office of the Company is located at Dalmiapuram Distt Tiruchirappalli Tamil Nadu- 621651.

The Company in the previous year had accounted for Scheme of Amalgamation sanctioned by the NCLT, Division Bench, Chennai, Erstwhile Dalmia Bharat Limited (DBL) (Transferor Company) amalgamated with Odisha Cement Limited (Transferee Company) with the appointed date as January 1, 2015 and subsequently the Transferee Company was renamed from "Odisha Cement Limited" to "Dalmia Bharat Limited", with effect from October 30, 2018.

The financial statements for the year ended March 31, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on May 09, 2019.

B. Significant Accounting Policies

(i) Basis of preparation

Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Investment in mutual funds measured at fair value [refer accounting policy 1B(ii)(t) regarding financial instruments], and
- Share based payments [refer accounting policy 1B(ii)(p)]

The financial statements are presented in Indian Rupee (₹) and all the values are rounded off to the nearest Crore, except number of shares, face value of share, earning per share or wherever otherwise indicated. Wherever the amount represented ₹'0' (zero) construes value less than Rupees fifty lakhs.

(ii) Summary of significant Accounting Policies

a. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Company had elected to apply Ind AS accounting for business combinations prospectively from the date of transition to Ind AS i.e. April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. Business combination post April 1, 2015 has been accounted for as per the provisions of the Scheme of amalgamation approved by the National Company Law Tribunal including the accounting for the resulting goodwill.

b. Classification of Assets and Liabilities into Current/Non-current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c. **Investment in associates, joint ventures and subsidiaries.**

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company's investments in its associates and joint ventures are accounted at cost. Investment in subsidiaries are measured at cost in accordance with Ind AS 27.

Any impairment loss required to be recognised in statement of profit and loss is in accordance with Ind AS 109.

d. **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. **Foreign currencies**

The Company's financial statements are presented in Indian Rupees which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in statement of profit or loss are also recognised in statement of profit or loss).

In accordance with Ind-AS 101 'First time adoption', the Company has continued the policy of capitalisation of exchange differences on foreign currency loans taken before the transition date. Accordingly, exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment before transition date are capitalized and depreciated over the remaining useful life of the asset.

f. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management and the Company's external valuers present the valuation results to the Audit cum Risk management Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Property, plant and equipment (note 2)
- Disclosures for valuation methods, significant estimates and assumptions (note 27)
- Financial instruments (including those carried at amortised cost) (note 34)
- Comparison of carrying value and fair value of financial instruments (note 34)
- Quantitative disclosures of fair value measurement hierarchy (note 35)

g. Revenue recognition

Revenue from contracts includes revenue with customers for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.

ii) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

iii) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal oragent. Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. Where the customers are provided with discounts, rebates etc., such discounts and rebates will give rise to variable consideration. The Company follows the 'most likely amount' method in estimating the amount of variable consideration.

Sale of goods (including sale of scrap included under other operating revenue)

Performance obligation in case of Revenue from sale of goods is satisfied at a point in time and is recognised when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. Amounts disclosed as revenue are inclusive of excise duty (upto June 30, 2017) and net of returns and allowances, trade discounts, cash discounts and volume rebates.

Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. The Company collects Goods and Service Tax ('GST') (w.e.f. July 1, 2017) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

The Company provides non-cash incentives at fair value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. The fair value of the non-cash incentive is deferred and recognised as revenue when the associated incentive is released.

Revenue from services

Revenue from marketing services is recognised as per the terms of the contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. In case, the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered and if it is probable that expenses were not recoverable, revenue is not recognised.

Revenue from management services and business auxiliary services are recognised as and when services are rendered.

Interest Income

For all debt instruments/ subsidies measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument/ subsidies or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "finance income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

Insurance Claim

Insurance claims and other claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

h. Taxes

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss {either in other comprehensive income (OCI) or in equity}. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

➢- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

➢- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the Income Tax Act, 1961, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance note on accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

i. Property, plant and equipment

The Company has measured property, plant and equipment except vehicle, furniture and fixture and office equipments at fair value as on transition date i.e. April 1, 2015 which has become its deemed cost. In respect of vehicle, furniture and fixture and office equipments, the Company has applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at April 1, 2015.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost net of impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates based on estimated useful life of an asset which coincide with Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j. Intangible Assets

The Company has measured intangible assets at carrying value as recognised in the financial statements as on transition date i.e. April 1, 2015 which has become its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of amortization policies applied to the Company's intangible assets is as below:

	Useful life
Computer software	3 to 5 years

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined there are no arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs [See note 1(l)]. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payment to lessor is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease payments are recognised as an income in the statement of profit and loss on a straight-line basis over the lease term, unless the receipt from lessee is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

m. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss, if any.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

n. **Provisions and contingent liabilities**

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

o. **Retirement and other employee benefits**

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund, pension fund, superannuation fund and Employees state insurance (ESI) are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Re-measurements, comprising of re-measurement gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service costs are recognised in statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

Net interest expense or income

Current service cost is recognised within employee benefits expenses. Net interest expense or income is recognised with finance costs.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes.

Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Re measurement gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

p. Share-based payments

Certain senior executives of the Company receive remuneration in the form of share-based payments whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

Cost is recognised, together with a corresponding increase in Employee stock option outstanding in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions of Company are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit or loss.

q. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

r. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

- Debt instruments at amortised cost
- Debt instruments and derivatives at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investment in mutual funds and derivative instruments as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset is primarily derecognised when:

➢ The rights to receive cash flows from the asset have expired, or

➢ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the

Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables')

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk of customer has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified subsidiary fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s. Segment reporting

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

C. Recent accounting pronouncements

(i) Standards issued but not yet effective

The amendments to the standards are issued, but not yet effective, upto the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

(a) Ind AS 116 Leases

Ind AS 116 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. Ind AS 116 will supersede the current lease guidance including Ind AS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after April 01, 2019. The date of initial application of Ind AS 116 for the Company will be April 01, 2019.

The Company is in the process of making an assessment of the impact of Ind AS 116 upon initial recognition, which is subject to changes arising from more detailed ongoing analysis. The management cannot provide a reasonable estimate of effects of the application of the Standard as they have not completed their impact assessment as at the reporting date.

(b) Amendment to existing issued Ind AS

The MCA has also carried out amendments in following accounting standards. These are:

i) Ind AS 12 Income taxes to Appendix C Uncertainty over income tax treatments.

ii) Ind AS 19 Employee Benefits

iii) Ind AS 23 Borrowing Costs

iv) Ind AS 28 Investments in Associates and Joint Ventures

v) Ind AS 109 Financial Instruments

vi) Ind AS 111 Joint Arrangements

Application of above standards are not expected to have any significant impact on the Company's financial statements.

(ii) New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

(a) Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The application of Ind AS 115 did not have any significant impact on the financial statement of the Company.

(b) Amendment to existing issued Ind AS

The MCA has also carried out amendments in the following accounting standards. These are:

i) Ind AS 20 Indian Accounting Standard (Ind AS) 20 Accounting for Government Grants and Disclosure of Government Assistance:- Government grant related to non-monetary asset

ii) Ind AS 38 Intangible asset:- Intangible asset acquired free of charge

iii) Ind AS 40 Investment Property :-Transfers of Investment Property

iv) Ind AS 28 Investments in Associates:- Investments in Associates and Joint Ventures

v) Ind AS 12 Income taxes:- Recognition of Deferred Tax Assets for Unrealised Losses

The effect on adoption of above mentioned amendments were insignificant on the financial statements.

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

2A. Property, plant and equipment

(Amount in ₹)

	Land (free hold)	Land (lease hold)	Buildings	Furniture and fixtures	Vehicles	Office equipment	Total
Cost							
As at March 31, 2017	18	0	56	2	3	2	81
Additions during the year	-	-	-	0	1	0	1
Disposals during the year	-	-	-	0	0	0	0
As at March 31, 2018	**18**	**0**	**56**	**2**	**4**	**2**	**82**
Additions during the year	-	-	-	1	-	1	2
Disposals during the year	-	-	-	-	0	-	0
As at March 31, 2019	**18**	**0**	**56**	**3**	**4**	**3**	**84**
Depreciation							
As at March 31, 2017	-	0	4	0	1	0	5
Charge for the year	-	-	2	1	0	1	4
On Disposals	-	-	-	0	0	-	-
As at March 31, 2018	**-**	**0**	**6**	**1**	**1**	**1**	**9**
Charge for the year			2	0	0	1	3
On Disposals				-	0	0	0
As at March 31, 2019	**-**	**0**	**8**	**1**	**1**	**2**	**12**
Net Block							
As at March 31, 2019	**18**	**-**	**48**	**2**	**3**	**1**	**72**
As at March 31, 2018	**18**	**-**	**50**	**1**	**3**	**1**	**73**

3. Capital work-in-progress

(Amount in ₹)

	Capital work-in-progress
Cost	
As at April 01, 2017	-
Additions during the year	1
Disposals during the year	-
As at March 31, 2018	**1**
Additions during the year	1
Disposals during the year	-
As at March 31, 2019	**2**

4. Other Intangible Assets

(Amount in ₹)

	Computer Software
Cost	
As at April 01, 2017	1
Additions during the year	0
Disposals during the year	-
As at March 31, 2018	**1**
Additions during the year	
Disposals during the year	-
As at March 31, 2019	**1**
Amortisation	
As at April 01, 2017	**-**
Charge for the year	0
On Disposals	-
As at March 31, 2018	**0**
Charge for the year	1
On Disposals	-
As at March 31, 2019	**1**
Net Block	
As at March 31, 2019	0
As at March 31, 2018	1

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

5. Intangible assets under development

(Amount in ₹)

	Capital work-in-progress
Cost	
As at April 01, 2017	0
Additions during the year	0
Disposals during the year	-
As at March 31, 2018	0
Additions during the year	5
Disposals during the year	-
As at March 31, 2019	5

6. Financial assets

(i) Investments

(Amount in ₹)

	As at March 31, 2019		As at March 31, 2018	
Cost				
Unquoted equity shares (Investment in subsidiaries)				
31,40,45,267 (March 31, 2018: 23,42,51,187) Shares of ₹10/- each fully paid up in Dalmia Cement (Bharat) Limited	6,753		6,749	
500,000 (March 31, 2018: 500,000) Shares of ₹10/- each fully paid up in Dalmia Power Limited	1	6,754	1	6,750
Quoted equity shares				
14,829,764 (March 31, 2018: 14,829,764) Equity Shares of ₹2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		29		29
Unquoted equity shares (others)				
Nil (March 31, 2018: 20) Shares of ₹10/- each fully paid up in Asian Refractories Limited (under liquidation)	-		(200)	
Nil (March 31, 2018: 25) Shares of ₹10/- each fully paid up in Assam Bengal Cement Company Limited (under liquidation)	-		(144)	
250 (March 31, 2018: 250) Shares of ₹10/- each fully paid up in Haryana Financial Corporation	(2500)		(2500)	
Total		6,783		6,779
Aggregate book value of quoted investments		29		29
Aggregate market value of quoted investments		184		95
Aggregate book value of unquoted investments		6,754		6,750
Aggregate amount of impairment in value of investments		-		-

7. Financial assets

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
(i) Investments		
At fair value through profit and loss		
A. Venture capital fund (Unquoted)		
1,188 (March 31, 2018: 1,188) Units of ₹29,930/- (March 31, 2018: ₹49,430/-) each fully paid up in Urban Infrastructure Opportunities Fund	2	4
B. Tax free bonds (quoted)		
8.30% NHAI tax free bonds	0	0
	2	4
Aggregate book value of quoted investments	0	0
Aggregate market value of quoted investments	0	0
Aggregate book value of unquoted investments	2	4
(ii) Loans (Considered good and unsecured unless otherwise stated)		
Loans		
-Employees	1	1
	1	1

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

7. Financial assets (contd.)

	As at March 31, 2019	As at March 31, 2018
Break-up for security details :		
Loan receivable considered good- Secured	-	-
Loan receivable considered good- Unsecured	1	1
Loan receivable- Credit impaired	-	-
	1	1
(iii) Other financial assets		
(Considered good and unsecured unless otherwise stated)		
Security deposit made	5	2
Purchase consideration receivable*	0	0
	5	2

* * Being the amount due to Dalmia Bharat Limited (DBL) from Dalmia Cement (Bharat) Limited (DCBL) is a consideration for transfer of undertaking Adwetha Cement Holding Limited (ACHL) pursuant to the effectiveness of the another Scheme of arrangement and amalgamation between DCBL and its related parties including ACHL as approved by Hon'ble National Company Law Tribunal (NCLT), Chennai Bench vide its order dated October 20, 2017.

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Break up of financial assets carried at amortised cost		
Investments	0	0
Employee loans	1	1
Security deposits	5	2
Purchase consideration receivable	0	0
Total financial assets carried at amortised cost	**6**	**3**
Break up of financial assets carried at fair value through profit or loss		
Investment - Venture capital Fund	2	4
	2	**4**

8. Income tax assets

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Advance income tax (net of provision for tax)	53	25
	53	**25**

9. Other Non Current Assets

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
(Considered good and unsecured unless otherwise stated)		
Advances other than capital advance		
Prepayments	1	1
	1	**1**

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

10. Financial Assets

(i) Investments (Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
At fair value through profit and loss		
Units of mutual funds (Quoted)		
Debt based schemes	154	242
Quoted equity shares		
5,20,400 (March 31, 2018: 5,20,400) Shares of ₹1/- each fully paid up in The Ramco Cements Limited	38	38
50,000 (March 31, 2018: 50,000) Shares of ₹10/- each fully paid up in Poddar Pigments Limited.	1	1
Nil (March 31, 2018: 12,900) Shares of ₹10/- each fully paid up in Reliance Industries Limited	-	2
	39	**41**
Investments in traded corporate bonds-quoted		
8.39% SBI Bonds-2021	10	-
9.51% LIC Housing -2019	25	-
Investments in non trade corporate bonds-quoted		
8.65% KMPL 10-JUNE-19	50	-
7.69% HDFC NCD -2019	25	-
Aditya Birla Finance Limited - NCD	25	-
Total	**328**	**283**
Aggregate book value of quoted investments		
Aggregate market value of quoted investments	328	283
	328	**283**
(ii) Trade Receivables		
Trade receivables	0	-
Receivables from other related parties (refer note 33)	52	22
Total Trade receivables	**52**	**22**
Break-up for security details :		
Trade receivables		
Trade receivables considered good- Unsecured	52	22
	52	**22**
Impairment Allowance (allowance for bad and doubtful debts)		
Doubtful	-	-
	-	-
Total Trade receivables	**52**	**22**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(iii) Cash and cash equivalents (Amount in ₹)

Balances with Banks :		
- On current accounts	0	2
- On deposit accounts with original maturity of less than three months	11	-
- On cash credit accounts	0	-
Cash on hand	0	0
Cheques on hand	0	2
	11	**4**

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

10. Financial Assets (contd.)

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
(iv) Bank balance other than (iii) above		
Balances with Banks :		
- Un paid Dividend account	4	4
	4	**4**
At 31 March 2019, the Company had available Nil (31 March 2018: ₹Nil) of undrawn committed borrowing facilities.		
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balances with banks:		
– On current accounts	0	2
– On deposit accounts with original maturity of less than three months	11	-
Cash on hand	0	0
Cheques on hand	0	2
	11	**4**
(v) Loans (Considered good and unsecured unless otherwise stated)		
Loans		
Employees	1	1
Related parties	278	459
Others	30	30
	309	**490**
Break-up for security details :		
Loan receivable considered good- Secured	-	-
Loan receivable considered good- Unsecured	309	490
Loan receivable- Credit impaired	-	-
	309	**490**
(vi) Other financial assets		
(Considered good and unsecured unless otherwise stated)		
Security deposit made	1	1
Interest receivable	35	39
	36	**40**
Break up of financial assets carried at amortised cost		
Loans to employees	1	1
Loans to related parties	278	459
Loans to others	30	30
Trade receivable	52	22
Cash and cash equivalents	15	8
Security deposit made	1	1
Interest receivable	35	39
	412	**560**
Break up of financial assets carried at fair value through profit or loss		
Investment - mutual funds	154	242
Investment - quoted equity shares	39	41
Investments in traded corporate bonds-quoted	35	-
Investments in non trade corporate bonds-quoted	100	-
	328	**283**

11. Income tax assets

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Balances with tax authorities	-	12
	-	**12**

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

12. Other current assets (Considered good and unsecured unless otherwise stated)

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Advances other than capital advance		
Advances recoverable in cash or in kind or for value to be received	10	1
Other advances		
Prepayments	2	2
Deposits and Balances with Government Departments and other authorities	1	1
	13	**4**

13.A Share capital

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Authorised :		
1,59,55,00,000 (March 31, 2018: 1,59,55,00,000) Equity Shares of ₹2/- each	319	319
1,00,000 (March 31, 2018: 1,00,000) Preference Shares of ₹100/- each	1	1
5,00,00,000 (March 31, 2018: 5,00,00,000) Preference Shares of ₹10/- each	50	50
	370	**370**

(a) Pursuant to amalgamation of OCL India Limited, Dalmia Cement East Limited, Dalmia Bharat Cement Holdings Limited (DBCHL),Shri Rangam Securities Holdings Limited (SRSHL) and Dalmia Bharat Limited with the Company, the authorised equity share capital of the Company stands increased by Nil (Previous year: ₹319) ₹2 each.

(b) The increase in authorised equity share capital of the Company by Nil (Previous year: ₹1) ₹100 each on amalgamation of OCL India Limited with the Company

(c) The increase in authorised preference share capital of the Company by Nil (Previous year: ₹50) ₹10 each on amalgamation of Dalmia Cement East Limited with the Company

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Issued, Subscribed and Fully Paid Up :		
19,29,58,553 (March 31, 2018: Nil) Equity Shares of ₹2/- each	39	-
	39	**-**

a. **Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period**

	As at March 31, 2019	
	No. of shares	₹
At the beginning of the year	-	-
Add : Issued during the year other than ESOP*	19,27,27,553	39
Add : ESOP issued during the year	2,31,000	0
At the end of the year	**19,29,58,553**	**39**

b. **Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a face value of ₹2 per share. Each equity shareholder is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of winding-up of the Company, the equity shareholders shall be entitled to be repaid remaining assets of the company after distribution of all preferential amounts in the ratio of the amount of capital paid up on such equity shares.

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

13.A Share capital (contd.)

c. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the Balance Sheet date

	During a period of 5 years up to 31 March 19	During a period of 5 years up to 31 March 18
	No. of Shares	No. of Shares
Equity shares of ₹2 each fully paid up issued pursuant to the Scheme of Amalgamation between Dalmia Bharat Limited (DBL) and Odisha Cement Limited without payments being received in cash.	19,27,27,553	-

d. Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2019	
	No. of shares	% holding
Rama Investment Company Private Limited	7,98,46,410	41.38%
Sita Investment Company Limited	1,38,88,260	7.20%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

13B. Share capital suspense account *

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
	-	6,654
	-	**6,654**

* Share suspense account as on April 01, 2018 represents shares pending to be allotted to the shareholders (Including Securities Premium) of erstwhile Dalmia Bharat Limited and OCL India Limited, specified under the Scheme, which have been allotted on January 09, 2019.

14. Other equity

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Employee stock option		
Opening Balance as per last financial statements	14	12
Add: Addition during the year	(0)	2
Closing Balance	**14**	**14**
Securities premium		
Opening balance as per last financial statements	631	624
Add: Addition during the year	6,625	7
Closing balance	**7,256**	**631**
General reserve		
Opening Balance as per last financial statements	3	3
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Closing Balance	**3**	**3**
Capital reserve		
Opening Balance as per last financial statements	88	88
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Closing Balance	**88**	**88**
Retained earnings		
Balance as per last financial statements	123	84
Add: Profit for the year	101	72
	224	**156**
Less: Appropriations		
Dividend paid	33	27

14. Other equity (contd.)

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Dividend distribution tax	-	6
Total Appropriations	33	33
Net Surplus in the statement of profit and loss	**191**	**123**
Other comprehensive income		
Opening Balance as per last financial statements	0	-2
Add: Addition during the year	(11)	2
Closing Balance	(11)	0
	180	123
Total other equity	**7,541**	**859**
Distribution made and proposed		
Cash dividends on equity shares declared and paid :		
Final dividend for the year ended on March 31, 2018 : Rupees 1.70 Per share (March 31, 2017: Rupees 2.20 Per share)	33	20
	33	**20**
Proposed dividends on equity shares:		
Proposed dividend for the year ended on March 31, 2019: Rupees 2 per share (March 31, 2018 : Rupees 1.70 per share)	39	33
	39	33

Description of nature and purpose of each reserve

(a) **Employee stock option -** The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

(b) **Securities Premium -** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve. The reserve will utilised in accordance with the provisions of Company Act 2013.

(c) **General Reserve-** The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(d) **Capital Reserve-** Capital Reserve represents ₹88 Crore created due to Reduction of share capital as per Scheme of Arrangement and Amalgamation.

(e) **Retained Earnings-** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained Earnings is a free reserve available to the Company.

15. Financial liabilities

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
(i) Borrowings		
Unsecured		
Obligations under finance lease (Refer note- 30)	2	2
	2	2
Financial liabilities carried at amortised cost		
Obligations under finance lease	2	2
	2	2

16. Provisions

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Provision for gratuity	21	3
	21	**3**

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

17. Deferred Tax Liabilities / Assets

Deferred Tax assets/ liabilities are attributable to the following items : (Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Liabilities		
Depreciation	20	25
Others	-	-
	20	**25**
Assets		
Expenses allowable for tax purposes when paid	3	0
Others	22	-
	25	**0**
Deferred Tax Liabilities (net)	**(5)**	**25**
(i) The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:		
Statement of profit and loss:		
Current income tax charge	29	21
MAT credit entitlement		
Deferred Tax charge / (Credit)	3	-
Prior year tax charge	(14)	1
Income tax expense reported in the statement of profit or loss	**18**	**22**
OCI Section		
Re-measurement (gains)/ losses on defined benefit plans		
Income tax related to items recognized in OCI during the year	6	(1)
	6	**(1)**

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:		
Accounting Profit before tax	119	94
Applicable tax rate	34.94%	34.61%
Computed Tax Expense	**42**	**33**
Expense considered for tax purpose	1	-
Dividend income/capital gains exempt from tax	(12)	(12)
Non-deductible expenses for tax purposes	(2)	1
Adjustment of tax related to earlier years	(14)	-
Others	3	-
Income tax reported in Statement of Profit and Loss	18	22

(iii) Deferred tax:

Deferred tax relates to the following: (Amount in ₹)

	Balance Sheet		As per Profit & Loss	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Property, plant and equipment	20	21	(1)	(4)
Others	-	6	(1)	6
Less:				
Expenses allowable for tax purpose when paid	3	2	(1)	(3)
Provision for doubtful debts and advances	-	-	-	-
Others	22	-	-	
Deferred tax expense/(income)			**(3)**	**(1)**
Net deferred tax (assets)/liabilities	**(5)**	**25**		

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

17. Deferred Tax Liabilities / Assets (contd.)

(Amount in ₹)

	Balance Sheet		As per Profit & Loss	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Reconciliation of deferred tax liabilities (net):				
Opening balance as of 1 April	25	24		
Tax income/expense during the period recognised in profit or loss	3	-		
Tax income/expense during the period recognised in OCI	(6)	1		
Prior period tax	(5)	-		
Others	(22)	-		
Closing balance as at 31 March	**(5)**	**25**		

18. Financial liabilities

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
(i) Trade payables		
Total outstanding dues of micro and small enterprises (refer note-39)	0	0
Total outstanding dues of creditors other than micro and small enterprises *	7	12
	7	12

* Trade Payables includes due to related parties Rupees 854/- (31 March, 2018: ₹Nil)

	As at March 31, 2019	As at March 31, 2018
(ii) Other financial liabilities		
Directors' Commission payable	1	1
Unclaimed Dividend*	4	4
Payables to Employees	2	1
Amount Payable to related Party**	-	167
Capital creditors	0	0
	7	173

* During the year ₹0 has been transferred to deposit in Investor Education & Protection Fund

** Amount payable to DCBL due to Scheme of Arrangement and Amalgamation.

	As at March 31, 2019	As at March 31, 2018
Financial liabilities carried at amortised cost		
Trade payables	7	12
Directors' Commission payable	1	1
Unclaimed Dividend*	4	4
Amount Payable to related Party	-	167
Capital creditors	0	0
	12	184

19. Other current liabilities

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Other liabilities		
- Statutory dues	11	12
- PF guarantee Interest payable	1	1
- Others#	44	-
	56	13

includes amount payable to Dalmia Cement (Bharat) Limited ₹43.

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

20 Provisions

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Provision for leave encashment	8	4
Provision for employee benefits	1	1
	9	**5**

21. Revenue from operations

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Management services	164	124
Other Operating revenue	-	1
	164	**125**

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
21.1 Disaggregated revenue information		
Management service revenue	164	124
	164	**124**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

21.2 Contract Balance

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Contract assets		
Trade Receivables	52	22
Contract liabilities		
Advance from customer	-	-

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

21.3 Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue as per contract price	164	124
Adjustment	-	-
Discount		
Revenue from contract with customers	164	124

21.4 Performance obligations

Revenue of the Company is to provide management services to its group companies and accordingly recognised revenue over the period of the contract based on the service rendered.

22. Other income

(Amount in ₹)

	For the year ended March 31, 2019		For the year ended March 31, 2018	
Dividend income				
from non-current Investments from Subsidiary company		33		20
from current investments		0		3
Interest income		42		46
Fair valuation gain / (loss) on investments		(6)		10
Profit on sale of current investments	19			
Less: Loss on sale of current investments	1	18		12
Profit on sale of fixed assets				0
Miscellaneous receipts		0		0
		87		**91**

Notes to Standalone Financial Statements

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

23. Employee benefits expense

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	71	65
Gratuity expense	2	2
Contribution to provident and other funds	5	5
Expenses on employees stock options scheme	1	1
Workmen and staff welfare expenses	3	1
	82	**74**

24. Finance costs

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest		
- On short term borrowings	0	1
- Others	1	1
- On defined benefit obligation	1	1
Other borrowing cost	0	2
	2	**5**

25. Other expenses

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Repairs and Maintenance- Others	2	3
Rent	7	7
Insurance	1	0
Travelling	5	5
Advertisement and Publicity	0	1
Professional Charges	14	13
Rates and Taxes	1	1
Computer Expenses	1	1
Management service charges	0	-
Corporate social responsibility expenses	1	1
Miscellaneous Expenses	12	7
	44	**39**

26. Earning per share

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic EPS		
Net Profit for calculation of Basic EPS (₹)	**101**	**72**
Total number of equity shares outstanding at the end of the year	19,29,58,553	19,27,27,553
Weighted average number of equity shares for calculation of Basic EPS	19,27,47,805	19,24,05,978
Basic EPS (Rupees)	5.25	3.75
Diluted EPS		
Net Profit for calculation of Diluted EPS (₹)	**101**	**72**
Weighted average number of equity shares for calculation of diluted EPS	19,27,47,805	19,24,05,978
Add: Weighted average number of potential equity shares	2,92,964	10,38,094
Weighted average number of equity shares for calculation of diluted EPS	19,30,40,769	19,34,44,072
Diluted EPS (Rupees)	5.24	3.72

27. Disclosure of significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions

The judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant judgements, estimates and assumptions are as specified below:-

Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred. Estimating fair value for equity-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, risk free rate, expected dividend yield, market price and exercise price and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be disclosed at the carrying amount at end of each reporting period up to the date of settlement. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 29. Change in assumptions for estimating fair value of share-based payment transactions is expected to have insignificant impact on income statement.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company is having brought forward losses and unabsorbed depreciation that may be used to offset taxable income. The Company has tax planning opportunities available that could support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax losses carried forward.

The Company has created deferred tax asset on other deductible temporary differences, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. Further details on taxes are disclosed in note 17.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2006-08. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 28.

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

27. Disclosure of significant accounting judgements, estimates and assumptions (contd.)

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 34 and 35 for further disclosures.

Property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Impairment of property, plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived based on remaining useful life of the respective assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

There are no impairment losses recognized for the years ended March 31, 2019 and March 31, 2018.

Impairment of financial assets

The impairment provisions for financial assets disclosed in note 10 are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

28. Gratuity and other Post Employment benefit plans

Gratuity

The Company has a defined benefit gratuity plan. The gratuity is governed by the Payment of Gratuity Act, 1972. Under the Act employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded through Gratuity Fund Trust with an insurance company in the form of a qualifying insurance policy. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Company makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

Provident fund ('PF')

The Company contributes provident fund liability to Dalmia Cement Provident Fund Trust. As per the Guidance Note on implementing notified AS 15, Employee Benefits issued by the Ministry of Corporate Affairs (MCA), provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The following tables summarize the components of net employee benefit expenses recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the above mentioned plan.

Statement of Profit and Loss

Net employee benefit expenses (recognised in Employee Benefits Expenses) (Amount in ₹)

	Gratuity (Funded)		PF (Funded)	
	2018-19	2017-18	2018-19	2017-18
Current Service Cost	2	1	5	3
Net Interest cost on benefit obligation	0	1	(2)	0
Net Benefit Expense	2	2	3	3

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

28. Gratuity and other Post Employment benefit plans (contd.)

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2019 (Amount in ₹)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2018 (1)	9	5	4	32	31	1
Service cost (2)	2	-	2	5	-	5
Net interest expense/ (income) (3)	1	1	0	4	6	(2)
Sub-total included in profit or loss (note 26) (2+3)=(4)	**3**	**1**	**2**	**9**	**6**	**3**
Re-measurements						
Acquisition adjustments (4a)	0	-	0			
Return on plan assets (excluding amounts included in net interest expense) (5)	-	(0)	0	-	(2)	2
(Gain)/loss from changes in demographic assumptions (6)	0	-	0	-	-	-
(Gain)/loss from changes in financial assumptions (6A)	2	-	2	-	-	-
Experience (gains)/losses (7)	15	-	15	1	-	1
Sub-total included in OCI (4a+5+6+6A+7)=(8)	**17**	**(0)**	**17**	**1**	**(2)**	**3**
Contributions by employer (9)	-	-	-	-	5	(5)
Contribution by plan participation/ employees (10)	-	-	-	7	7	-
Settlements/ (Transfer in) (11)	-	-	-	35	36	(1)
Benefits paid (12)	(1)	(1)	-	(41)	(41)	-
Sub-total (9+10+11+12)=(13)	**(1)**	**(1)**	**-**	**1**	**7**	**(6)**
March 31, 2019 (1+4+8+13)	**28**	**5**	**23**	**43**	**42**	**1**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2018 (Amount in ₹)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2017 (1)	10	6	4	22	22	0
Service cost (2)	1	-	1	3	-	3
Net interest expense/ (income) (3)	1	0	1	2	2	0
Sub-total included in profit or loss (note 26) (2+3)=(4)	**2**	**0**	**2**	**5**	**2**	**3**
Re-measurements						
Acquisition adjustments(4a)	(0)		(0)			
Return on plan assets (excluding amounts included in net interest expense) (5)	-	(0)	0	-	0	(0)
(Gain)/loss from changes in demographic assumptions (6)	-	-	-	-	-	-

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

28. Gratuity and other Post Employment benefit plans (contd.)

(Amount in ₹)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation	Fair value of plan assets	Net obligation	Defined benefit obligation	Fair value of plan assets	Net obligation
	(A)	(B)	(A-B)	(A)	(B)	(A-B)
(Gain)/loss from changes in financial assumptions (6A)	(0)	-	0	-	-	-
Experience (gains)/losses (7)	(2)	-	(2)	0	-	-
Sub-total included in OCI (4a+5+6+6A+7)=(8)	**(2)**	**(0)**	**(2)**	**0**	**0**	**(0)**
Contributions by employer (9)	-	-	-	-	2	(2)
Contribution by plan participation/ employees (10)	-	-	-	5	5	-
Settlements/ (Transfer in) (11)	-	-	-	(0)	0	-
Benefits paid (12)	(1)	(1)	-	(0)	(0)	-
Sub-total (9+10+11+12)=(13)	**(1)**	**(1)**	**-**	**5**	**7**	**(2)**
March 31, 2018 (1+4+8+13)	**9**	**5**	**4**	**32**	**31**	**1**

The Company expects to contribute ₹24 (March 31, 2018: ₹4) to gratuity in 2019-20. The Company expects to contribute ₹5 (March 31, 2018: ₹3) to PF in 2019-20.

The major categories of plan assets of the fair value of the total plan assets of Gratuity and PF are as follows:- (Amount in ₹)

	Gratuity (Funded)		PF (Funded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unquoted investments:				
Insurance Company Products	5	5	-	-
Government securities as defined under PF rules	-	-	42	31
Total	5	5	42	31

The principal assumptions used in determining gratuity and PF for the Company are shown below: (Amount in ₹)

	Gratuity (Funded)		PF (Funded)	
	March 31, 2019 %	March 31, 2018 %	March 31, 2019 %	March 31, 2018 %
Discount rate	7.25	7.90	7.25	7.60
Future salary increases	7.00	7.00	-	-
	Years	Years	Years	Years
Life expectation for	39.54	39.03	40.74	39.22
Mortality Table	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 and March 31, 2018 is as shown below:

Gratuity Plan: (Amount in ₹)

Assumption	Discount rate				Future salary increases			
Sensitivity Level	Gratuity (Funded)		PF (Funded)		Gratuity (Funded)		PF (Funded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Impact on defined benefit obligation	1	0	(1)	(0)	(1)	(0)	1	0
Impact on defined benefit obligation (Change in %)	5%	3%	(5%)	(3%)	(5%)	(3%)	5%	3%

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

28. Gratuity and other Post Employment benefit plans (contd.)

PF:

Assumption	Discount rate				Future salary increases			
Sensitivity Level	Gratuity (Funded)		PF (Funded)		Gratuity (Funded)		PF (Funded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Impact on defined benefit obligation	1	1	(0)	(0)	(1)	(0)	2	2
Impact on defined benefit obligation (Change in %)	3%	3%	(1%)	(1%)	(2%)	(1%)	4%	6%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years: (Amount in ₹)

	Gratuity (Funded)		PF (Funded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	7	6	12	12
Between 2 and 5 years	12	2	18	7
Between 5 and 10 years	12	1	13	13
Beyond 10 years	11	4	0	24
Total expected payments	**42**	**13**	**43**	**56**

The average duration of the defined benefit plan obligation for gratuity at the end of the reporting period is 5 years (March 31, 2018: 4 years) and for PF at the end of the reporting period is 4 years (March 31, 2018: 4 years).

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:-

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. The plan asset investments is in insurance company products and in government securities. The investments are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

Asset liability matching risk

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

Liquidity Risk

The Company actively monitors how the duration and the expected yield of investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods.

29. Share – based payments

Employee stock option scheme 2011- "ESOP 2011"was approved by the shareholders of the company in their meeting held on 26th May, 2011. The Company has granted 17,65,000 options to eligible employees of the company including employees of subsidiary company. Company had adopted a new ESOP Scheme namely DBL ESOP Scheme 2018 pursuant to the Scheme of Arrangement and Amalgamation amongst Odisha Cement Limited, Dalmia Bharat Limited and Dalmia Cement (Bharat) Limited and their respective shareholders and creditors. As per the said new ESOP Scheme, DBL granted 2 (Two) new stock options ('New Options') to the eligible employees of Company in lieu of every 1 (one) stock option held by them under DBEL ESOP Scheme 2011 (whether vested or unvested).

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

29. Share – based payments (contd.)

The fair value of the share options is estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

Options have been granted with vesting period of 5 years on the basis of graded vesting and are exercisable for a period of 3 years once vested. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

The expense recognised for employee services received during the year is shown in the following table: (Amount in ₹)

	March 31, 2019	March 31, 2018
Expense arising from equity-settled share-based payment transactions	1	1
Total expense arising from share-based payment transactions	**1**	**1**

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	March 31, 2019 Number	March 31, 2018 WAEP	March 31, 2019 Number	March 31, 2018 WAEP
Outstanding at the beginning of the year	1,35,000	272.66	2,81,000	192.35
Cancelled pursuant to Scheme of Arrangement and Amalgamation *	(1,35,000)	272.66	-	-
Granted during the year pursuant to DBL ESOP Scheme 2018	2,70,000	136.33	-	-
Exercised during the year	(63,000)1	128.41	(98,000)2	134.82
Expired/ Lapsed during the year	-	-	(48,000)	105.50
Outstanding at the end of the year	2,07,000	138.74	1,35,000	272.66
Exercisable at the end of the year	-	-	-	-

1 The weighted average share price at the date of exercise of these options is Rupees. 1,214.40 /-

2 The weighted average share price at the date of exercise of these options is Rupees 2,545.57 /- *

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 4.60 years (March 31, 2018: 5.43 years).

The weighted average fair value of options granted during the year was ₹Nil (March 31, 2018: ₹Nil).

The range of exercise prices for options outstanding at the end of the year is Rupees 108.62/- each option to Rupees 191.77/- each option (March 2018: Rupees 217.25/- each option to Rupees 383.54/- each option).

The following table list the inputs to the models used for the plan for the year ended March 31, 2019 and March 31, 2018:-

	Grant 1	Grant 2	Grant 3
Dividend yield (%)	1.42	0.40	0.21
Volatility (%)	42.76	48.58	46.92
Risk–free interest rate (%)	8.16	7.71	7.54
Average expected life of options (years)	4.50	4.53	4.51
Weighted average share price (Rupees) for each	105.95	502.05	713.80
Date of grant	May 18, 2012	January 29, 2015	February 03, 2016
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model

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

30. Finance lease

The Company has finance leases contracts for various items of office equipment's. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are, as follows:

(Amount in ₹)

	As at March 31, 2019		As at March 31, 2018	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	2	1	1	1
After one year but not more than five years	2	1	3	2
More than five years	-	-	-	-
Total minimum lease payments	4	2	4	3
Less: amounts representing finance charges	(2)	-	(1)	-
Present value of minimum lease payments	2	2	3	3

B. Operating lease – Assets taken on lease

(Amount in ₹)

	March 31, 2019	March 31, 2018
Lease payment for the year	7	7

31. Capital and other commitments

(Amount in ₹)

	March 31, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1	1

32. Contingent liabilities (Not provided for) in respect of:

(Amount in ₹)

S. No.	Particulars	March 31, 2019	March 31, 2018
a)	Claims against the Company not acknowledged as debts	-	-

Provident Fund

The honorable Supreme Court, has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' provident funds & miscellaneous provisions act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

33. Related party transactions

A) List of related parties along with nature and volume of transactions is given below:

Related Parties where control exists:-

(i) Subsidiaries of the Company

Dalmia Cement (Bharat) Limited, Dalmia Power Limited, Kanika Investment Limited (upto September 17, 2017).

(ii) Step down Subsidiaries of Company

Arjuna Brokers & Minerlas Limited (upto Januray 29, 2018), Calcom Cement India Limited, D.I. Properties Limited, Dalmia Minerals & Properties Limited, Geetee Estates Limited, Golden Hills Resort Private Limited, Hemshila Properties Limited, Ishita Properties Limited, JayeVijay Agro Farms Private Limited, Rajputana Properties Private Limited, Shri Radha Krishna Brokers & Holding Limited (UPto January 29,2018), Shri Rangam Properties Limited, Sri Dhandauthapani Mines & Minerals Limited, Sri Madhusudana Mines & Properties Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Trivikrama Mines & Properties Limited, Bangaru Kamakshiamman Agro Farms Private Limited, Alsthom Industries Limited, Chandrasekara Agro Farms Private Limited (w.e.f January 20,2018), Cosmos Cement Limited, OCL China Ltd, OCL Global Limited, RCL Cements Limited, SCL Cements Limited, Sutnga Mines Private Limited, Vinay Cement Limited, Dalmia DSP Limited and Hopco Industries Limited (w.e.f December 21, 2018).

Other related parties:

(i) Associate of the subsidiary company

Dalmia Renewables Energy Limited (upto May 31, 2018)

(ii) Joint ventures of the subsidiary

Khappa Coal Company Private Limited, Radhikapur (West) Coal Mining Private Limited

(iii) Key management personnel of the company

Shri Jai Hari Dalmia – Non- Executive Director (w.e.f October 30, 2018)*, Shri Yadu Hari Dalmia- Non- Executive Director (w.e.f October 30, 2018)*, Shri Gautam Dalmia- Managing Director (w.e.f October 30, 2018)**, Shri Puneet Yadu Dalmia – Managing Director (w.e.f October 30, 2018)**, Shri D.N. Davar- Non- Executive Director, Shri Jayesh Doshi- Whole time Director & CFO, Shri P.K. Khaitan- Independent Director, Shri N. Gopalaswamy- Independent Director, Shri V.S. Jain- Independent Director, Smt. Sudha Pillai- Independent Director and Dr. Sanjeev Gemawat- Company Secretary.

* Managing Director (upto October 30, 2018)

**Director (upto October 30, 2018)

(iv) Enterprises controlled by the key management personnel of the company (with whom transactions have been taken place during the year)

Dalmia Refractories Limited, Dalmia Bharat Sugar and Industries Limited, Kanika Investment Limited (w.e.f September 18,2017), Dalmia Bharat Group Foundation, Glow Home Technologies (P) Limited, Alirox Abrasives Limited, Antordaya Commercial and Holdings Private Limited, Shree Nirman Limited and Shri Chamendswari Minerals Limited.

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

B) The following transactions were carried out with the related parties in the ordinary course of business:

(Amount in ₹)

Name of the Related Party	Nature of related party	Purchase of goods and services	Reim-bursement of expense payable	Reim-bursement of expense receivable	Sale of goods and services	Sale of Assets	Dividend received	Interest Income	Dividend paid	Sale of Invest-ment	Security Deposit given	Security Deposit refunded	Director's Sitting Fees and commis-sion	Managerial Remunera-tion	Balance adjusted on account of Scheme of Arrangement and Amalga-mation	CSR	Payable on account of recognition of MAT credit entitlement	Loans and advances received back	Loans and advances given
Dalmia Cement (Bharat) Limited	Subsidiary	0	0	0	145	-	33	11	-	-	-	-	-	-	-	-	43	184	-
		-	(1)	(0)	(92)	-	(20)	(36)	-	-	(0)	(0)	-	-	(57)	-	-	(237)	(1)
Dalmia refractories limited	KMP Controlled	-	0	0	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Bharat Sugar and Industries Limited	KMP Controlled	2	-	0	17	0	-	-	-	-	-	-	-	-	-	-	-	-	-
		(3)	(0)	(0)	(21)	-	(3)	-	(0)	-	-	-	-	-	-	-	-	-	-
Dalmia Bharat Foundation	KMP Controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-
Alsthom Industries Limited	Step- down Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Calcom Cement India Limited	Step- down Subsidiary	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia Power Limited	Subsidiary	-	-	-	-	-	-	25	-	-	-	-	-	-	-	-	-	-	3
		-	-	-	-	-	-	(5)	-	-	-	-	-	-	-	-	-	-	(217)
Glow Home Technologies (P) Limited	KMP Controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dalmia DSP Limited	Step- down Subsidiary	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Antordaya Commercial and Holdings Private Limited	KMP Controlled	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alirox Abrasives Limited	KMP Controlled	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

B) The following transactions were carried out with the related parties in the ordinary course of business:

(Amount in ₹)

Name of the Related Party	Nature of related party	Purchase of goods and services	Reim-bursement of expense payable	Reim-bursement of expense receivable	Sale of goods and services	Sale of Assets	Dividend received	Interest Income	Dividend paid	Sale of Invest-ment	Security Deposit given	Security Deposit refunded	Director's Sitting Fees and commis-sion	Managerial Remunera-tion	Balance adjusted on account of Scheme of Arrangement and Amalga-mation	CSR	Payable on account of recognition of MAT credit entitlement	Loans and advances received back	Loans and advances given
Shri Chamundeswari Minerals Limited	KMP Controlled	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	(0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shri Nirman Limited	KMP Controlled	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	(8)	-	-	-	-	-	-	-	-	-
Shri Gautam Dalmia	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	0	6	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-
Shri J.H.Dalmia	Director	-	-	-	-	-	-	-	-	-	-	-	0	4	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	(6)	-	-	-	-	-
Shri Puneet Yadu Dalmia	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	0	8	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-
Shri Y.H.Dalmia	Director	-	-	-	-	-	-	-	-	-	-	-	0	5	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	(8)	-	-	-	-	-
Shri Jayesh Doshi	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	(4)	-	-	-	-	-
Shri P.K. Khaitan	Director	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-
Shri N. Gopalaswamy	Director	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-
Shri V.S. Jain	Director	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-
Smt. Sudha Pillai	Director	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-	-
Shri D N Davar	Director	-	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Sanjeev Gemawat	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	-	-
Total		2	0	0	165	0	33	36	-	-	-	-	0	29	-	1	43	184	3
		(3)	(1)	(0)	(124)	-	(23)	(41)	(0)	(8)	(0)	(0)	(0)	(18)	(57)	(1)	-	(237)	(218)

All figures in () represent amount for the year ended March 31, 2018

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

33. Related party transactions (contd.)

C) Balance outstanding at year end:

(Amount in ₹)

Name of the Related Party	Nature of related party	Trade Payables	Loan Receivable	Interest Receivable	Other Payable	Trade Receivable	Directors Commission Payable	Purchase Consideration receivables	Guarantee given
Dalmia Cement (Bharat) Limted	Subsidiary	-		1	43	49	-	0	
		(2)	(184)	(32)	(166)	(18)	-	(0)	-
Alsthom Industries Limited	Step down Subsidiary	-	-	-		-			-
		-	-	-		(0)			-
Calcom Cement India Limited	Step down Subsidiary	-	-	-		0			-
		-	-	-		(1)			-
Dalmia Bharat Sugar and Industries Limited	KMP Controlled	-	-	-		3			-
		(0)	-	-		(2)			-
Dalmia Power Limited	Subsidiary	-	278	26		-			-
		-	(275)	(4)		-			-
Dalmia Refractories Limited	KMP Controlled	-	-	-		0			-
		-	-	(0)		(0)			-
Dalmia DSP Limited	Step down Subsidiary	-	-	-		0			-
		-	-	-		-			-
Glow Home Technologies (P) Limited	KMP Controlled	-	-	-		-			-
		-	-	-		-			-
Dalmia Bharat Foundation	KMP Controlled	-	-	-		0			-
		-	-	-		-			-
Shree Nirman Limited	KMP Controlled	0	-	-		-			-
		-	-	-		-			-
Antordaya Commercial and Holdings Private Limited	KMP Controlled	-	-	-		0			-
		-	-	-		-			-
Shri N. Gopalaswamy	Director						0		
							-		
Smt. Sudha Pillai	Director						0		
							-		
Shri P.K. Khaitan	Director						0		
							-		
Shri V.S. Jain	Director						0		
							-		
Shri D N Davar	Director						0		
		-	-	-		-	-		-
Total		-	278	27	43	52	0	0	-
		(2)	(459)	(36)	(166)	(21)	-	(0)	-

All figures in ( ) represent balance outstanding as at March 31, 2018

Investment with related parties are disclosed in note 6.

D) Transactions with key management personnel

Compensation of key management personnel of the Company:-

(Amount in ₹)

	March 31, 2019	March 31, 2018
Short-term employee benefits	26	15
Termination benefits	0	2
Post- employment gratuity	3	0
Share-based payment transactions	0	1
Total compensation paid to key management personnel	**29**	**18**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel.

*Remuneration to the key managerial personnel does not include provision made for gratuity and leave benefits as they are determined on actuarial basis for the Company as a whole.

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

33. Related party transactions (contd.)

E) Directors' interests in the Employees stock option Scheme

Share options held by certain Directors under the employees stock option scheme to purchase equity shares have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price (₹)	March 31, 2019 Number outstanding*	March 31, 2018 Number outstanding*
January 29, 2015	January 29, 2021	108.62	66,000	45,000
February 03, 2016	February 03, 2022	191.77	22,500	13,500
Total			**88,500**	**58,500**

*refer note 29

F) The Transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

34. Fair Values

See out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Amount in ₹)

	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Financial assets carried at amortised cost				
Loans and advances to employees	2	2	2	2
Security deposit	6	3	6	3
Purchase consideration Receivable	0	0	0	0
Financial assets carried at fair value through profit or loss				
Investment in tax free bond	0	0	0	0
Investment in venture capital fund	2	4	2	4
Investment in other equity shares	39	41	39	41
Investments in non-traded Bonds/NCD	101	-	101	-
Investments in traded Bonds/NCD	35	-	35	-
Investment in mutual funds	154	242	154	242
Financial Liabilities				
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	2	2	2	2

The Company assessed that investment in tax free bonds, trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, interest accrued but not due on borrowings, director's commission payable, capital creditors, are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

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

35. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019: (Amount in ₹)

	Carrying Value March 31, 2019	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	2	-	-	2
Security deposit	6	-	-	6
Purchase consideration Receivable	0			0
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	2	-	2	-
Measurement				
Financial assets carried at fair value through profit or loss				
Investment in tax free Bond	0	-	0	-
Investment in venture capital fund	2	-	2	-
Investment in other equity shares	39	39	-	-
Investments in non-traded Bonds/NCD	101	-	101	-
Investments in traded Bonds/NCD	35	35	-	-
Investment in mutual funds	154	154	-	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2019.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018: (Amount in ₹)

	Carrying Value March 31, 2019	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	2	-	-	2
Security deposit	3	-	-	3
Purchase consideration Receivable	0			0
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	2	-	2	-
Measurement				
Financial assets carried at fair value through profit or loss				
Investment in venture capital fund	4	-	4	-
Investment in tax free bond	0	-	0	-
Investment in other equity shares	41	41	-	-
Investment in mutual funds	242	242	-	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2018.

36. Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include investments and deposits, trade receivables, trade payables, loans and borrowings and derivative financial instruments.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee Company. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities of foreign operations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. There is no outstanding Loans at year end.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There is no outstanding forward contract and unhedged foreign currency exposure at year end.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 10 (ii). The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

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

36. Financial risk management objectives and policies (contd.)

(Amount in ₹)

Ageing	Up to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	More than 180 days	Total
As at March 31, 2019						
Gross carrying amount (A)	32	9	-	11	0	52
Expected Credit Losses (B)	-	-	-	-	-	-
Net Carrying Amount (A-B)	**32**	**9**	**-**	**11**	**0**	**52**
As at March 31, 2018						
Gross carrying amount (A)	17	1	-	0	4	22
Expected Credit Losses (B)	-	-	-	-	-	-
Net Carrying Amount (A-B)	17	1	-	0	4	22

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, debentures and cash credit facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

(Amount in ₹)

	Less than 1 Year	1 to 3 Years	3 to 5 years	More than 5 years	Total
As at March 31, 2019					
Borrowings	0	2	-	-	2
Trade payables	7	-	-	-	7
Other financials liabilities	7	-	-	-	7
As at March 31, 2018					
Borrowings	0	2	-	-	2
Trade payables	12	-	-	-	12
Other financials liabilities	173	-	-	-	173

37. Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

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

37. Capital management (contd.)

(Amount in ₹)

	March 31, 2019	March 31, 2018
Long term borrowing	2	2
Less : Cash and Cash Equivalents	11	4
Less : Current Investments	328	283
Net Debt	**(337)**	**(285)**
Equity	7,580	7,513
Capital and Net debt	7,243	7,228
Gearing ratio	**(5%)**	**(4%)**

To maintain or adjust the capital structure, the Company review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

38. Remuneration paid to auditors (included in Miscellaneous Expenses):

(Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
A. **Statutory Auditors**		
As an auditor		
i) Audit Fee	0	0
ii) Tax Audit Fees	0	0
iii) Other services	0	0
In other capacity		
i) Certification Fee	0	0
Reimbursement of expenses	0	0

39. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

(Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0	-
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises (Development) Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-
Total	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

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

40. Details of loans and advances in nature of loans to subsidiaries, parties in which Directors are interested and Investments by the Loanee in the shares of the Company as required by clause 34 (3) of SEBI (listing obligations and disclosure requirements) Regulation 2015:-

(Amount in ₹)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Outstanding amount as at end of financial year	Maximum amount outstanding during financial year	Outstanding amount as at end of financial year	Maximum amount outstanding during financial year
Loans and Advances to subsidiaries				
Dalmia Power Limited	278	278	275	275
Dalmia Cement (Bharat) Limited	0	184	184	422

Note: Investment in subsidiaries and associates are disclosed in note 7.

Following investments/ (disinvestments) were made in subsidiaries during the year. (Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Dalmia Cement (Bharat) Limited	4	(293)
Kanika Investment Limited (up to September 17, 2017)	-	(2)

41. The Company has given loans and capital advances to various companies. Loans/ advances outstanding as at year end is given in below mentioned table along with purpose of the loan/ advances as required u/s 186(4) of the Companies Act 2013.

(Amount in ₹)

Name of company	Amount outstanding	
	As at March 31, 2019	As at March 31, 2018
Short term loan given for general corporate purpose		
Rewas Ports Limited (10% p.a.)	30	30
Dalmia Cement (Bharat) Limited (9% p.a.)	-	184
Dalmia Power Limited (9% p.a.)	278	275

Particulars of investments made (Amount in ₹)

Sl. No.	Name of the Investee	Investments made during the financial year		Outstanding balance as at	
		2018-19	2017-18	March 31, 2019	March 31, 2018
1	Commercial papers	49	-	-	-
2	Corporate bonds	184	-	135	-

42. Pursuant to the purchase of 15% equity shareholding of Dalmia Cement (Bharat) Limited (DCBL) by the company and its subsidiary from KKR Maurtius Cement Investments Limited (KKR), the Company could place the share held by KKR in the Company on the terms and conditions specified In the placement letter agreement (PLA) and receive certain proceeds thereof. This was approved by the Board of the company on 15th Jan, 2016 and by its shareholders in their EGM held on 11th Feb, 2016

The Board of the Company vide its meeting held on 20th Apr 2017 approved the placement of shares. Accordingly, KKR placed its shares with third party investors on 21st Apr, 2017 in the PLA. As a result of such placement, an aggregate amount of ₹588 crs has been received by the Company and its subsidiary, from KKR on 28th Apr 2017. The said Transaction has been accounted for as per the applicable accounting standard by reducing the said amount from the purchase price of equity shareholding of DCBL in the books of the Company and its subsidiary.

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

43. The Company has spent amount on corporate social responsibility expenses as below: (Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Gross amount required to be spent during the year	1	1
Amount spent during the year		
- Construction/acquisition of any asset	-	-
- On purposes other than above	1	1

44. Segment Information

Management service charge is the only identifiable operating segment of the Company, Further, the entire sales of the Company are affected in the domestic market hence there is only one reportable geographical segment i.e. India. Hence no other disclosures are required in terms of Ind AS-108 ('Operating Segments')

45. Figures have been recasted/restated wherever necessary to conform to the current year's presentation.

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: May 9, 2019

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To The Members of
Dalmia Bharat Limited
(Formerly known as Odisha Cement Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Dalmia Bharat Limited (formerly known as Odisha Cement Limited)** ("the Company" or "Holding Company") and its subsidiaries including step down subsidiaries (the Company and its subsidiaries including step down subsidiaries together referred to as "the Group") and its joint venture company, which comprise the consolidated balance sheet as at March 31, 2019, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries including step down subsidiaries and its Joint venture company referred to in the other matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group and its joint venture Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

a. We draw attention to Note 3(e) to the accompanying consolidated financial statements for the year ended March 31, 2019 which describes that the Group had recognised goodwill arisen on giving impact of such Schemes from the appointed dates which is being amortised over a period of 4 to 10 years in accordance with the provisions of respective Schemes from the respective appointed dates, approved by the Hon'ble National Company Law Tribunal, Chennai Bench. As a result of above amortisation of goodwill, profit before tax for the year ended March 31, 2019 is lower by ₹420 Crore.

b. We draw attention to Note 49 to the accompanying consolidated financial statements, as noticed by the Subsidiary Company "Dalmia Cement (Bharat) Limited" (DCBL) during the year ended March 31, 2019, the DCBL's depository participant fraudulently transferred the DCBL's mutual funds aggregating to ₹344 crores (value as on December 31, 2018 and carried as current investments as on March 31, 2019 at same value) from the DCBL's demat account(s) to its own account, its directors and its associates for pledging the same with its clearing agent as collateral. DCBL has filed complaints with the Securities and Exchange Board of India (SEBI) and the Economic Offences Wing, Delhi (EOW) against the depository participant and others for cheating and forgery and EOW directed the clearing agent not to sell, purchase, transfer, alienate, redeem / deal with the aforesaid mutual fund units. Further, SEBI vide its ad interim ex-parte order has directed the depository participant and other noticees, not to dispose of or alienate any assets, whether movable or immovable or to create or invoke or release any interest or charge in any of such assets except with the prior permission of SEBI /National Stock Exchange(NSE). DCBL has decided to appoint an independent firm of accountants to conduct investigation in the matter. DCBL is fully confident of recovering its securities based on the legal opinion obtained in the matter to the effect that there is a strong chance of getting its securities returned, hence no provision is required to be made in the books of accounts.

c. We draw attention to Note 44 to the accompanying consolidated financial statements regarding the dispute between the minority shareholder and one of the subsidiary Company "Calcom Cement India Limited". The matter, which is more fully described in the said note, was referred for arbitration by the National Company Law Tribunal ('NCLT'), Guwahati Bench (earlier Company Law Board, Kolkata) via order dated January 5, 2017 and the application filed under Section 8 of the Arbitration and Conciliation Act, 1996 was allowed. The order of the NCLT has been challenged by the Bawri group before Honourable High Court of Guwahati in February 2017. Interim Order Issued by Honourable High Court of Guwahati in the said appeal has been vacated by the Honourable Supreme Court in May 2017 and the appeals are pending adjudication before Honourable High Court at Guwahati. The issues between the parties are pending adjudication before the Arbitral Tribunal. Pending final resolution of the matter, no adjustments are considered necessary in these consolidated financial statement.

Our Opinion is not qualified in respect of the above matters.

Key Audit Matters: -

Key audit matters are those matters that, in our professional judgment and in the judgment of the component auditors, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters identified by us and the component auditors (as stated in respective audit reports) refer Annexure I attached herewith to this report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2018-19 but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture company are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint venture company are responsible for assessing the ability of the Group and of its joint venture company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint venture company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture company are also responsible for overseeing the financial reporting process of the Group and of its joint venture company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies including step down subsidiaries and joint venture company which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and it's joint venture company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone/ consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

i. We did not audit the financial statements/financial information of twenty-five (25) subsidiaries/step down subsidiaries whose financial statements/financial information reflect total assets of ₹2,212 Crore as at March 31, 2019; as well as the total revenue of ₹1,498 Crore for the year ended March 31, 2019, total comprehensive income of ₹219 crore and net cash flow amounting to ₹22 Crore for the year ended March 31, 2019, as considered in these consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose audit reports for the year ended March 31, 2019 have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries/ step down subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries/step down subsidiaries, is based solely on the report of the other auditors.

ii. The consolidated financial statements also include the Group's share of profit including other comprehensive income of ₹0 Crore for the year ended March 31, 2019 in respect of a joint venture, whose financial statements have been considered on the basis of the management certified accounts in these consolidated financial statement. Our report on the consolidated financial statements, to the extent it concerns this joint venture company, for the year ended March 31, 2019 is based solely on the management certified financial statements. This joint venture company is not considered material to the Group.

Our opinion on the consolidated financial statements above and our report on the Other Legal and Regulatory Requirement below, is not modified in respect of above maters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the considerations of the reports of the other auditors on separate financial statements of the subsidiaries including step down subsidiary referred to in the Other Matters paragraph above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

c) The consolidated balance sheet, the consolidated statement of profit and loss including (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies/step down subsidiaries and joint venture company incorporated in India, none of the directors of the Group and its joint venture company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Group and its joint venture Company incorporated in India. Our report expresses a modified opinion due to modified opinion in one of the material subsidiary on the adequacy and operating effectiveness of the internal financial control over financial reporting for reasons stated therein.

g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us;

   i. The consolidated financial statement discloses the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group and its Joint venture company -Refer Note 34 to the consolidated financial statements;

   ii. The Group and its joint venture Company did not have any material foreseeable losses on long term contracts including derivative contracts; and

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies including step down subsidiaries and a joint venture company incorporated in India.

S.S. Kothari Mehta & Company
ICAI Firm registration number: 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No: - 087294

Date: May 09, 2019
Place: New Delhi

Annexure – 1 of the Auditors' Report on the consolidated financial statements for the year ended March 31, 2019 dated May 09, 2019

<table>
<tr><th>S. No.</th><th>Component</th><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td rowspan="2">1</td><td rowspan="2">Dalmia Cement (Bharat) Limited ("DCBL") (Subsidiary Company)</td><td colspan="2">Impairment Assessment of Carrying Value of Goodwill (as described in note 3(e) of the consolidated financial statements)</td></tr>
<tr><td>(a) The DCBL is carrying goodwill arisen on giving impact of scheme of arrangement and amalgamations relating to slump exchange of Undertakings of Odisha Cement Limited on going concern basis; and Amalgamation of Adwetha Cement Holdings Limited with the Company during the financial year ended March 31, 2018

(b) The DCBL is also carrying Goodwill arisen on Amalgamation of Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited. As per the scheme of Arrangement, excess of net assets taken over cost of investment in transferor companies aggregating to ₹21 Crore has been recorded as Goodwill.

As required under Ind AS 36 goodwill arising on such Schemes of Arrangement and Amalgamation is required to be tested for impairment on annual basis.

The estimated recoverable amount of the goodwill is calculated as the higher of the value -in-use or fair value less costs to dispose, which involves significant estimates, assumptions and judgements on future growth rates, discount rates etc.

Considering the significance of the matter and various judgement involved, we have identified this as a Key Audit Matter.</td><td>• For performing the impairment testing, the DCBL has used discounted cash flows method to determine the recoverable amount, these discounted cash, flow calculations use five-year projection those are based on annual forecasts and present trends. We have evaluated that the assumptions used by the management to determine whether they are in line with the present trend and information available.

• We have assessed the valuation methodology used by the valuer and its professional competence and expertise.

• We understood the internal controls for the goodwill impairment process including the determination of assumptions used within the models to assess the recoverable amount of goodwill.

• We have assessed the disclosures included in Note 3(e) to the consolidated Ind AS financial statements.</td></tr>
<tr><td rowspan="2">2.</td><td rowspan="2">DCBL and Calcom Cement India Limited ("CCIL") (step down subsidiary (subsidiary of DCBL)</td><td colspan="2">Accumulation of MAT Credit Entitlement aggregating to ₹266 Crore (refer note 16 of the consolidated financial statement)</td></tr>
<tr><td>These Companies are carrying MAT credit entitlement aggregating to ₹266 crores as at March 31, 2019. MAT credit entitlement has a limited period for utilization i.e. 15 years from the date such amount is available.

Both the above-mentioned Companies ability to recognize these MAT credit assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the present Income Tax Laws and Regulations in force. The assumptions on these projections are determined by the management.

Given the degree of judgment involved in making a forecast of the profitability of the Companies and the materiality of the amounts involved, we have determined this to be a key audit matter.</td><td>• We and respective statutory auditors of CCIL have carried out testing of the design and implementation as well as operating effectiveness of key controls related to the calculation and recognition of such MAT credit.

• We and respective statutory auditors of CCIL have assessed the methodology applied by the Company with current accounting standards and applicable taxation laws along with the future business forecast of taxable profits.

• We and respective statutory auditors of CCIL have assessed the likelihood of the companies to utilize the available MAT credit entitlement in the future with</td></tr>
</table>

S. No.	Component	Key audit matters	How our audit addressed the key audit matters
			underlying projections and assumptions relating to future estimated profits, future capitalization and depreciation allowance thereon and future estimates of taxable profits. • We and respective statutory auditors of CCIL have evaluated the ageing of the carry forward MAT credit entitlement of the Company. • We and respective statutory auditors of CCIL have evaluated the disclosures included in Note 16 to the consolidated financial statements.
3.	DCBL and Calcom Cement India Limited ("CCIL") (step down subsidiary (subsidiary of DCBL)	Trade receivables, subsidies receivable from Government agencies and advances to vendors *(as described in note 45(c) to the consolidated Financial Statements)*	
		These companies have trade receivables, subsidies receivable from Government agencies and advances to vendors. These companies have taken necessary steps including legal action, wherever applicable, for the recovery of these balances. Based on past experience of realisation and steps taken by the companies, it is confident of recovery of these balances in due course. Considering the amount involved of such receivables, this matter has been considered significant for audit.	• We and respective statutory auditor of CCIL have evaluated the various correspondences made with the parties and other follow up actions taken by the companies, including but not limited to legal process, meetings, notices etc. • We and respective statutory auditor of CCIL have read and evaluated the legal advice / opinions obtained by the companies in respect of recoverability of amounts, wherever applicable. • We and respective statutory auditor of CCIL have evaluated the underlying documents against which these amounts are paid / accrued as per eligibility criteria. • We and respective statutory auditor of CCIL have obtained the representation from the management. • In respect of subsidies receivables, we have evaluated that the period of realisation considered by the companies is in line with the past trends.
4.	Dalmia DSP Limited (formerly known as Kalyanpur Cement Limited)	Accounting Treatment for the effect of the Resolution Plan	
		Refer Note 34(f) to the consolidated financial statements for the details regarding the resolution plan implemented in the Subsidiary Company Dalmia DSP Limited (formerly known as Kalyanpur Cement Limited) Pursuant to a Corporate Insolvency Resolution Process concluded during the year under insolvency and Bankruptcy code, 2016. Prior to approval of the Resolution Plan on dated January 22, 2018, the subsidiary company had outstanding credit facilities from several institution and had outstanding operational creditors.	(a) We have performed the following procedures to determine whether the effect of Resolution Plan has been appropriately recognised in the standalone/consolidated financial statements : • Reviewed management's process for review implementation of the Resolution Plan. • Reviewed the provisions of the Resolution plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the standalone/consolidated financial statement.

S. No.	Component	Key audit matters	How our audit addressed the key audit matters
4.	**Dalmia DSP Limited** (formerly known as Kalyanpur Cement Limited)	Owing to the size of over-due facilities, multiplicity of contractual arrangement and large number of operational creditors, determination of the carrying amount of related liabilities at the date of approval of the Resolution Plan was a complex exercise. Further, comprehending the provision of the Resolution Plan and determining the appropriateness of the accounting treatment thereof, more particularly the accounting treatment of derecognition of liabilities, required significant judgement and estimates, including estimates, including consideration of the accounting principles to be applied for the presentation of difference between carrying amount of novated debt and consideration paid therefor. Accounting for the effect of the resolution plan is considered by us to be a matter of most significance due to its importance to intended user's understanding of the financial statements as a whole and materiality thereof.	• Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents the computation on a test check basis. • Verified the underlying documents supporting the receipt and payment of fund as per Resolution Plan. • Tested the implementation of provisions of the Resolution Plan in computation of balance of liabilities owed to financial and operational creditors. • Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in financial statements in accordance with the principles of Ind AS. • Tested the related disclosures made in notes to the standalone/consolidated financial statements in respect of the implementation of the resolution plan.

Annexure A to the Independent Auditors' Report to the members of Dalmia Bharat Limited (formerly known as Odisha Cement Limited) dated May 09, 2019 on its Consolidated Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

Our reporting on the internal financial control with reference to consolidated financial statement is not applicable in respect of two step down subsidiaries incorporated outside India.

In conjunction with our audit of the consolidated financial statement of **Dalmia Bharat Limited (formerly known as Odisha Cement Limited)** as of and for the year ended March 31, 2019, we have audited the Internal Financial Controls over Financial Reporting of Dalmia Bharat Limited (formerly known as Odisha Cement Limited) (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries/ stepdown subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture company all incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries/step down subsidiaries and its joint venture company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries/ step down subsidiaries and its joint venture company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective companies policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group and its joint venture company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and, both issued by the Institute of ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our modified audit opinion on the Group's and its joint venture company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit and on the report of the joint auditors/ other auditors, the following material weakness has been identified in the operating effectiveness of one of the material subsidiary of the Company i.e. DCBL with reference to its standalone financial statements as at March 31, 2019.

Read with paragraph (b) of Emphasis of Matters of our Auditors' Report and note 49 to the consolidated financial statements, DCBL's internal control system for existence and verification of investments in Mutual Fund Units maintained in Demat Accounts were not operating effectively during the current financial year to detect the lapses on timely basis, which could potentially result in material misstatement of carrying value of such investments.

Based on verification, subsequently and as represented by the Management of DCBL, necessary remedial measures have since been taken to strengthen the controls.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Group and its joint venture company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these consolidated financial statements as of March 31, 2019, based on the internal control over financial reporting criteria established by the Group & its joint venture company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Group's internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as of March 31, 2019.

Explanatory paragraph

We have also audited, in accordance with the Standards on Auditing issued by ICAI, as specified under Section 143(10) of the Act, the consolidated financial statements of the Group & its joint venture, which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 consolidated financial statements of the Group and its joint venture and this report does not affect our report dated May 9, 2019, which expressed an unmodified opinion on those consolidated financial statements.

Other Matters

a. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements insofar as it relates to twenty three subsidiaries/step down subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

b. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal controls over financial reporting does not cover in so far as it relates to one jointly controlled entity, which is company, incorporated in India, as the financial statements of this joint venture company is management certified. This joint venture company is not material to the Group.

Our audit report on the adequacy and operating effectiveness of the internal financial controls over financial reporting is not modified in respect of above matters.

S.S. Kothari Mehta & Company
ICAI Firm registration number: 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No: - 087294

Date: May 09, 2019
Place: New Delhi

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Consolidated Balance Sheet as at March 31, 2019

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

(Amount in ₹)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2A	9,086	9,125
Capital work-in-progress	2B	501	173
Investment properties	3 (a)	0	0
Goodwill and other intangible assets	3 (b)	4,487	4,912
Intangible assets under development	3 (c)	19	0
Biological assets other than bearer plants	3 (d)	0	0
Investments	4	107	93
Financial assets	5		
(i) Investments		2	4
(ii) Loans		10	10
(iii) Other financial assets		449	630
Income tax assets	6	91	68
Other non-current assets	7	382	129
		15,134	**15,144**
Current assets			
Inventories	8	1,032	779
Financial assets	9		
(i) Investments		2,315	3,408
(ii) Trade receivables		549	564
(iii) Cash and cash equivalents		280	315
(iv) Bank balance other than (iii) above		189	39
(v) Loans		41	85
(vi) Other financial assets		646	734
Income tax assets	10	0	25
Other current assets	11A	351	241
Assets held for sale	11B	1	0
		5,404	**6,190**
Total assets		**20,538**	**21,334**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12A	39	-
Share capital suspense account	12B	-	6,654
Other equity	13	10,600	3,681
		10,639	**10,335**
Non controlling interest		11	(30)
Non-current liabilities			
Financial liabilities	14		
(i) Borrowings		4,015	5,459
(ii) Other financial liabilities		6	7
Provisions	15	172	84
Deferred tax liabilities (net)	16	1,279	1,393
Government grants	17	119	120
		5,591	**7,063**
Current liabilities			
Financial liabilities	18		
(i) Borrowings		908	863
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises		6	6
- total outstanding dues of creditors other than micro enterprises and small enterprises		871	922
(iii) Other financial liabilities		1,682	1,584
Government grants	17	10	22
Other current liabilities	19	681	498
Provisions	20(a)	88	69
Current tax liabilities	20(b)	51	2
		4,297	**3,966**
Total equity and liabilities		**20,538**	**21,334**
Significant accounting policies	1		

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: May 9, 2019

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Statement of Consolidated Profit and Loss for the year ended March 31, 2019

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

(Amount in ₹)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	21	9,484	8,827
Other income	22	244	274
Total Income (I)		**9,728**	**9,101**
Expenses			
Cost of raw materials consumed	23	1,794	1,343
Purchase of stock in trade		138	166
Change in inventories of finished goods, work in progress and stock in trade	24	(147)	18
Excise duty on sale of goods		-	247
Employee benefits expenses	25	648	609
Finance costs	26		
- Interest cost		504	601
- Other finance cost (Including foreign currency fluctuation)		47	92
Foreign currency fluctuation on borrowings etc. (net)		-	15
Depreciation and amortisation expenses	2 & 3	1,296	1,213
Power and fuel		1,756	1,405
Freight charges			
- on finished goods		1,598	1,413
- on internal clinker transfer		231	200
Other expenses	27	1,524	1,390
Total expenses (II)		**9,389**	**8,712**
Profit before tax (I-II)		**339**	**389**
Tax expense	16		
Current tax		112	108
Deferred tax/ (Credit)		(119)	17
Current income tax for earlier years		(5)	(28)
Deferred tax for earlier years		2	1
Total tax expense		**(10)**	**98**
Profit/ (loss) after tax before share of profit in associates, joint venture and non controlling interest		**349**	**291**
Add: Share of profit in associates and joint venture		0	0
Profit after tax (A)		**349**	**291**
Attributable to:			
Equity holders of the parent		308	292
Non controlling interests		41	(1)
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
- Re-measurement gains on defined benefit plans		(32)	5
- Fair value gain on investments		29	442
(ii) Income tax relating to items that will not be reclassified to profit or loss	16	29	(2)
B (i) Items that will be reclassified to profit or loss			
- Cumulative translation difference		1	3
Other comprehensive income for the year, net of tax (B)		**27**	**448**
Attributable to:			
Equity holders of the parent		27	448
Non controlling interests		(0)	(0)
Total comprehensive income for the year (A+B)		**376**	**739**
Total comprehensive income for the year			
Equity holders of the parent		335	740
Non controlling interests		41	(1)
Earning per share	28		
Basic Earnings Per Share (In Rupees)		15.97	15.18
[Nominal Value of Share Rupees 2 (Rupees 2) each]			
Diluted Earnings Per Share (In Rupees)		15.95	15.10
[Nominal Value of Share Rupees 2 (Rupees 2) each]			
Significant accounting policies	1		

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: May 9, 2019

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Consolidated Cash Flow Statement for the year ended March 31, 2019

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

(Amount in ₹)

		For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash flow from operating activities**		
	Net profit before tax	**339**	**389**
	Adjustments		
	Depreciation/amortisation	1,296	1,213
	Provision for doubtful debts/advances	4	3
	Bad debts written off	1	2
	Expenses on Employees Stock Options Scheme	5	6
	Dividend Income	(14)	(28)
	Finance costs	551	708
	Interest income	(150)	(109)
	Fair value gain on investments	114	(27)
	(Profit)/loss on sale of investments (net)	(185)	(110)
	Assets written off/Loss on sale of property, plant & equipment	3	4
	Share of profit of an associate and a joint venture	0	-
	Operating profit before working capital changes	**1,964**	**2,051**
	Adjustments for working capital changes :		
	Inventories	(253)	(127)
	Trade Payables, Liabilities and Provisions	173	211
	Trade Receivables, Loans and Advances and Other Current Assets	230	(443)
	Cash generated from operations	**2,114**	**1,692**
	Income tax paid	(24)	(86)
	Net cash flow from operating activities	**2,090**	**1,606**
B	**Cash flow from / (used in) Investing Activities**		
	Purchase of property, plant & equipment and Intangible assets	(1,334)	(402)
	Proceeds from sale of property, plant & equipment	5	9
	(Purchase)/ Sale of current investments (net)	1,193	(188)
	(Purchase)/ Sale of Non current investments (net)	(12)	1
	Proceeds from erstwhile shareholder of the subsidiary company	-	588
	Fixed deposits (placed)/matured (having original maturity of more than three months)	(149)	(6)
	Interest received	123	105
	Dividend received from non current investments	12	21
	Dividend received from current investments	2	7
	Net cash flow from/ (used) in investing activities	**(160)**	**135**
C	**Cash flow from / (used in) financing activities**		
	Proceeds / (repayment) from Short term borrowings (net)	45	(370)
	Proceeds / (repayment) from Long term borrowings (net)	(1,432)	(403)
	Proceeds from issue of equity shares (ESOP)	4	4
	Finance cost	(542)	(762)
	Dividend paid (Including dividend distribution tax)	(40)	(33)
	Net cash flow from / (used in) financing activities	**(1,965)**	**(1,564)**
	Net increase in cash and cash equivalents (A+B+C)	**(35)**	**177**
	Cash and cash equivalents at the beginning of the year	315	138
	Cash and cash equivalents at the end of the year	**280**	**315**

Consolidated Cash Flow Statement for the year ended March 31, 2019

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

Note:

1) Changes in liabilities arising from financing activities:

Particulars	As at April 1, 2018	Cash flows	Fair value changes	Others	As at March 31, 2019
Non current borrowings	6,403	(1,438)	(4)	9	4,970
Current borrowings (Refer note 18(i))	863	22	-	23	908

Particulars	As at April 1, 2017	Cash flows	Fair value changes	Others	As at March 31, 2018
Non current borrowings	6,806	(393)	(10)	-	6,403
Current borrowings (Refer note 18(i))	1,233	(465)	-	95	863

2) Cash & cash equivalents components are as per Note 9 (iii) of these consolidated financial statements

3) Previous year figures have been regrouped/restated where ever considered necessary

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: May 9, 2019

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Consolidated Statement of Change in Equity for the year ended March 31, 2019

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

a. Equity Share Capital:

Equity shares of ₹2 each issued, subscribed and fully paid	No. of Shares	(₹)
As at April 01, 2017	-	-
Issue of share capital	-	-
As at March 31, 2018	-	-
Issue of share capital other than ESOP	19,27,27,553	39
ESOP issued during the year	2,31,000	0
As at March 31, 2019	**19,29,58,553**	**39**

b. Share capital suspense account:

	(₹)
As at April 01, 2017	**6654**
Issue of share capital	-
As at March 31, 2018	**6654**
Issue of share capital	6654
As at March 31, 2019	-

c. Other equity:

(Amount in ₹)

Particulars	Attributable to Owners of the Company											Attributable to Non controlling interest	Total Other equity
	Reserve and Surplus							Other comprehensive income			Total Other equity attributable to Owners of the Company		
	Securities premium	Capital reserve	General reserve	Reserve fund as per RBI	Debenture redemption reserve	Retained earnings	Employee stock option	Currency translation reserve	Fair valuation gain on investments	Re-measurement of post employment benefit obligation			
As at April 01, 2017	1,076	279	3	0	378	1,192	12	(2)	40	(3)	2,975	(29)	2,946
Profit/ (Loss) for the year						292					292	(1)	291
Other comprehensive income								3	442	3	448	(0)	448
Total comprehensive income	-	-	-	-	-	292	-	3	442	3	740	(1)	739
Add: Addition during the year	(1)	-	(0)	(0)	38	-	2	-			39		39
Less: released during the year	-	(2)	-	(0)	(131)		-				(133)		(133)
Add: Amount transferred from debenture redemption reserve						131					131		131
Less: Appropriations											-		-
Transfer to debenture redemption reserve						(38)					(38)		(38)
Dividend paid						(27)					(27)		(27)
Dividend distribution tax						(6)					(6)		(6)
As at March 31, 2018	1,075	277	3	(0)	285	1,544	14	1	482	0	3,681	(30)	3,651

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited)

Consolidated Statement of Change in Equity for the year ended March 31, 2019

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

Particulars	Attributable to Owners of the Company											Attributable to Non controlling interest	Total Other equity
	Reserve and Surplus							Other comprehensive income			Total Other equity attributable to Owners of the Company		
	Securities premium	Capital reserve	General reserve	Reserve fund as per RBI	Debenture redemption reserve	Retained earnings	Employee stock option outstanding	Currency trans-lation reserve	Fair valuation gain on investments	Re-measurement of post employment benefit obligation			
Profit/ (Loss) for the year						308					308	41	349
Other comprehensive income								1	29	(3)	27	(0)	27
Total comprehensive income	-	-	-	-	-	308	-	1	29	(3)	335	41	376
Add: Addition during the year	6,624	(0)	0	-	27		(0)				6,651		6,651
Less: released during the year	-	-	-	-	(62)			-			(62)		(62)
Add: Amount transferred from debenture redemption reserve						62					62		62
Less: Appropriations											-		-
Transferred to debenture redemption reserve						(27)					(27)		(27)
Transferred to general reserve						(0)					(0)		(0)
Dividend paid						(33)					(33)		(33)
Dividend distribution tax						(7)					(7)		(7)
As at March 31, 2019	7,699	277	3	(0)	250	1,847	14	2	511	(3)	10,600	11	10,611

For description of the purposes of each reserve within equity, refer note 13 of these consolidated financial statements.

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: May 9, 2019

For and on behalf of the Board of Directors of Dalmia Bharat Limited

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Whole time Director & CFO
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Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

Notes to Consolidated Financial Statements

1. Significant Accounting Policies

A. Corporate Information

Dalmia Bharat Limited (Formerly known as Odisha Cement Limited) is a public company domiciled in India and incorporated under the provisions of the Companies Act. The Group is engaged in the manufacturing and selling of cement. The registered office of the Company is located at Dalmiapuram Distt Tiruchirappalli Tamil Nadu- 621651.

The Company in the previous year had accounted for Scheme of Amalgamation sanctioned by the NCLT, Division Bench, Chennai, Erstwhile Dalmia Bharat Limited (DBL) (Transferor Company) amalgamated with Odisha Cement Limited (Transferee Company) with the appointed date as January 1, 2015 and subsequently the Transferee Company was renamed from "Odisha Cement Limited" to "Dalmia Bharat Limited", with effect from October 30, 2018.

The Consolidated financial statement relate to Dalmia Bharat Limited (Formerly known as Odisha Cement Limited) (hereinafter referred as the "Company/ Parent") and its Subsidiaries/ step down subsidiaries, Associate and Joint Venture (hereinafter collectively referred as the "Group").

The financial statements for the year ended March 31, 2019 were authorized for issue in accordance with a resolution of the Board of Directors on May 09, 2019.

B. Basis of preparation of financial statements

Statement of compliance

The Consolidated financial statements (CFS) of the Group have been prepared in accordance with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and guidelines issued by the Securities and Exchange Board of India('SEBI'), as applicable.

The Consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Investment in mutual funds measured at fair value regarding financial instruments
- Share based payments and
- Certain financial assets and liabilities measured at fair value

The financial statements are presented in Indian Rupee (₹) and all the values are rounded off to the nearest Crores, except number of shares, face value of share, earning per share or wherever otherwise indicated. Wherever the amount represented ₹ '0' (zero) construes value less than Rupees fifty lakhs.

C. Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, Investments in Associates and Joint Ventures as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated Ind AS financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Associates are all entities over which the company has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the

Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree and equity interests issued by the Group in exchange for control of the acquire.

D. Goodwill on consolidation

Goodwill represents the difference between the Group's share in the net worth of the investee companies and the cost of acquisition at the date of investment. For this purpose, the Groups' share of equity in the investee companies is determined on the basis of the latest financial statements of the respective companies available as on the date of acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of acquisition.

E. Classification of assets and liabilities into current/non-current

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

F. Foreign currency translation

Foreign currency transactions and balances

The Group's consolidated financial statements are presented in Indian Rupees, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of consolidated profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in profit or loss are also recognised in profit or loss).

In accordance with Ind AS 101, exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of such asset Exchange rate differences arising on other long term foreign currency monetary items are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of concerned monetary item.

Foreign Operations

The assets and liabilities, including goodwill and any fair value adjustments arising on the acquisition of a foreign operation whose functional currency is not the Indian Rupee, are translated by using the closing rate.

The exchange differences arising on the translation are recorded in other comprehensive income under "Foreign currency translation". On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recorded in equity is recognized in the statement of income.

In accordance with Ind AS 101, cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz April 1, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only differences arising after the transition date.

G. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as property, plant and equipment, financial guarantee received from the holding Company. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management and the Group's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)
- Financial instruments (including those carried at fair value and carrying value)
- Property, plant and equipment carried at fair value

H. Revenue recognition

Revenue from contracts includes revenue with customers for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.

ii) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

iii) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Sale of goods

Performance obligation in case of Revenue from sale of goods is satisfied at a point in time and is recognised when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. Amounts disclosed as revenue are inclusive of excise duty (upto June 30, 2017) and net of returns and allowances, trade discounts, cash discounts and volume rebates.

Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. The Company collects Goods and Service Tax ('GST') (w.e.f. July 1, 2017) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

The Group provides non-cash incentives at fair value to customers. These benefits are passed on to customers on satisfaction of various conditions of various sales schemes. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. Fair value of the non-cash incentive is determined by applying principle of Ind AS 113 i.e. at market rate. The fair value of the non-cash incentive is deferred and recognised as revenue when the associated incentive is released

Revenue from services

Revenue from management services are recognised as and when services are rendered.

Interest Income

For all debt instruments/ subsidies measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument/ subsidies or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "finance income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

Export incentives

Export entitlements in the form of Merchandise Export from India Scheme (MEIS) are recognized in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Income arising from export incentives are included under 'Other operating revenue'.

Insurance Claim

Insurance claims and other claims are accounted for to the extent the Group is reasonably certain of their ultimate collection.

I. Government grants and subsidies

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant related to income are deferred and it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate. The Group has chosen to present grants related to income to be deducted in reporting the related expense.

Government grant relating to the purchase of property, plant and equipment are included in non-current liabilities as Government grant and are credited to the statement of profit and loss on a straight-line basis over the useful lives of the related assets and presented within other income.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the respective entity with no future related costs are recognised in the statement of profit and loss of the period in which it becomes receivable. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Other government grants are recognised initially as deferred revenue when there is reasonable assurance that they will be received and the respective entity will comply with the conditions associated with the grant; they are then recognised in statement of profit and loss as other operating revenue on a systematic basis.

J. Income Taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Income Tax

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associate and interests in joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associate and interests in joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability and is considered as an asset if it is probable that future taxable profit will be available against which these tax credit can be utilised. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. MAT credit is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

K. Property, plant and equipment

The Group has measured property, plant and equipment except vehicle, furniture and fixture and office equipments at fair value as on transition date i.e. April 1, 2015 which has become its deemed cost. In respect of vehicle, furniture and fixture and office equipments, the Group has applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at April 1, 2015.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost net of impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The Group capitalise machinery spares if such spares are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates based on estimated useful life of an asset which coincide with Schedule II to the Companies Act, 2013 except in case of certain diesel generator sets and workshop appliances and lab equipment.

Asset	Useful Life
Lease hold land	30 to 99 years
Factory buildings	25 to 30 years
Non-factory buildings	30 to 60 years
Certain DG sets and workshop appliances	5 years
Other plant and equipment	5 to 25 years
Plant and equipment related to Captive Power Plant	25 years
Mines related assets	4 to 8 years
Office equipment	
End user devices such as computers	3 Years
Servers and networks	6 years
Vehicles	
Motor cycles, scooters and other mopeds	10 years
Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	8 years
Electrical items	5 to 10 years
Lab Equipment	15 years
Assets of its step down subsidiary OCL China Limited	
House and Building	20 years
Plant and Equipment	10 years
Means of Transportation	4 years
Electronic Equipment	3 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates these items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Land bearing mineral reserves are amortized over their estimated commercial life based on the unit of production method. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Capitalised spares are depreciated over their own estimated useful life or the remaining estimated useful life of the related asset, whichever is lower.

Accelerated depreciation on property, plant and equipment discarded during the year has been provided till the period these are discarded.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

L. Intangible assets

(i) Goodwill arising as per Scheme of Arrangement and Amalgamation approved by High Court/ NCLTs.

a) Goodwill arisen pursuant to scheme of amalgamation and arrangement (Scheme -2) has been recognised in accordance with Scheme approved by NCLT. Said goodwill has been amortised in accordance with Scheme 2 approved by NCLT over a period of 4 years.

b) Goodwill arisen pursuant to scheme of amalgamation and arrangement (Scheme -3) has been recognised in accordance with Scheme approved by NCLT. Said goodwill is initially measured, being the excess of cost of investment in ACL cancelled over net identifiable assets.

Goodwill and other intangible assets, acquired pursuant to scheme 4 by way of slump exchange has been recognised in accordance with Scheme as approved by NCLT. Said goodwill and other intangible assets have been amortised in accordance with approved Scheme 4 over a period of 5 years and 10 years respectively.

The subsequent measurement is at deemed cost less any accumulated impairment losses. The said goodwill is not amortised and is tested for impairment annually.

(ii) Mining rights

Mining rights acquired in scheme of Amalgamation and Arrangement by the company has been transferred to its subsidiary DCBL by way of Merger and slump exchange has been recognised at fair value in accordance with Scheme 1 & 4 approved by NCLT. Said mining rights are amortised over their estimated commercial life based on the unit of production method.

Net carrying value of mining rights as on transition date to Ind AS i.e. April 1, 2015 has been considered as deemed cost.

(iii) Brands and Raw materials procurement rights acquired in scheme of Amalgamation and Arrangement by the company has been transferred to its subsidiary DCBL by way of merger and slump exchange have been recognised at fair value in accordance with Scheme 1 &4 approved by NCLT. Said intangible assets have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation is provided on a straight-line basis, based on the respective estimate of useful lives as given below:

Type of Intangible Asset	Useful life (in years)
Brands	20 and 27 years
Raw Materials procurement rights (other than limestone)	3.25 and 26.50 years

Net carrying value of brands, clinker procurement rights and slag procurement rights as on transition date to Ind AS i.e.

April 1, 2015 have been considered as deemed cost.

(iv) Other intangible assets

The Group has measured intangible assets at carrying value as recognised in the financial statements as on transition date i.e. April 1, 2015 which has become its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The useful life of computer software is estimated as 3 years to 10 years and accordingly amortised over its useful life.

Research and Development Expenditure

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

M. Investment properties

The Group had elected to continue with the carrying value for all of its investment properties as recognised in its Indian GAAP financial statements as deemed cost at the transition date.

Investment property comprises freehold land that are held for capital appreciation and recognised at cost, less impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in notes. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

N. Non-current assets held for sale

The non-current asset classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell / distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet. Assets once classified as held for sale are not depreciated or amortised.

O. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest (calculated using the effective interest rate method), hedge related cost incurred in connection with foreign currency borrowings and other costs that an entity incurred in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Expenses incurred on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premium payable on early redemption of debt securities, in lieu of future finance costs, is written off as borrowing costs as and when paid.

P. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Group is lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Lease management fees, legal charges and other initial direct costs of lease are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Embedded leases

All take-or-pay long term contracts are reviewed at inception to determine whether they contain any embedded leases. If there are any embedded leases, they are assessed as either finance or operating leases and accounted for accordingly.

Q. Inventories

Raw materials (including packing material), stores and spares are valued at lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials (including packing material) and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost of finished goods includes excise duty. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

R. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or countries in which the entity operates, or for the market in which the asset is used.

In respect of subsidiaries

Subsidiary companies bases their impairment calculation on fair value less cost to sell. The fair value less cost to sell is computed using the composite rate method based on the demand, location, structural conditions, state of repairs and present condition of the assets reduced by depreciation.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU's) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill are not reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

S. Provisions

General Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mine reclamation liability

The Company records a provision for mine reclamation cost until the closure of mine. Mine reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as cost of goods sold in statement of profit and loss. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the mine reclamation liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of mine reclamation are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of goods sold.

T. **Retirement and other employee benefits**

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund, pension fund, superannuation fund and ESI are defined contribution schemes. The contributions are charged to the statement of profit and loss whenever services are rendered. The group has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The group operates two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Performance linked deferred payment is the long term employee benefit for the purpose of measurement and are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

U. **Share-based payments**

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee stock option outstanding in equity.

V. **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

(i) Debt instruments at amortised cost

(ii) Debt instruments and derivatives at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to note 9.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investment in mutual funds and derivative instruments as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset is primarily derecognised when:

➢ The rights to receive cash flows from the asset have expired, or

➢ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables')

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk of customer has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 12.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified subsidiary fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

W. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

X. Segment reporting

Identification of segments

Operating Segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segments and to assess their performance in accordance with Ind AS 108, Operating Segments.

Inter-segment transfers

The group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

Y. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Z. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

AA. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

C. Recent accounting pronouncements

(i) Standards issued but not yet effective

The amendments to the standards are issued, but not yet effective, upto the last date of financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

A. Ind AS 116 Leases

Ind AS 116 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. Ind AS 116 will supersede the current lease guidance including Ind AS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after April 01, 2019. The date of initial application of Ind AS 116 for the Group will be April 01, 2019.

The Group is in the process of making an assessment of the impact of Ind AS 116 upon initial recognition, which is subject to changes arising from more detailed ongoing analysis. The management cannot provide a reasonable estimate of effects of the application of the Standard as they have not completed their impact assessment as at the reporting date.

B. Amendment to existing issued Ind AS

The MCA has also carried out amendments in following accounting standards. These are:

i) Ind AS 12 Income taxes to Appendix C Uncertainty over income tax treatments.

ii) Ind AS 19 Employee Benefits

iii) Ind AS 23 Borrowing Costs

iv) Ind AS 28 Investments in Associates and Joint Ventures

v) Ind AS 109 Financial Instruments

vi) Ind AS 111 Joint Arrangements

Application of above standards are not expected to have any significant impact on the Group's financial statements.

(ii) New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

(a) Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The application of Ind AS 115 did not have any significant impact on the financial statements of the Group.

(b) Amendment to existing issued Ind AS

The MCA has also carried out amendments in the following accounting standards. These are:

i) Ind AS 20 Indian Accounting Standard (Ind AS) 20 Accounting for Government Grants and Disclosure of Government Assistance:- Government grant related to non-monetary asset

ii) Ind AS 38 Intangible asset:- Intangible asset acquired free of charge

iii) Ind AS 40 Investment Property :-Transfers of Investment Property

iv) Ind AS 28 Investments in Associates:- Investments in Associates and Joint Ventures

v) Ind AS 12 Income taxes:- Recognition of Deferred Tax Assets for Unrealised Losses

The effect on adoption of above mentioned amendments were insignificant on the financial statements.

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

2A. Property, plant and equipment

(Amount in ₹)

	Land (free hold)	Land (lease hold)	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Mines development	Total
Cost									
As at 1st April, 2017	987	69	1,185	8,264	20	24	35	46	10,630
Addition during the year	48	-	43	221	2	2	7	1	324
Less: Disposals/ Adjustments during the year	-	-	1	13	-	1	1	-	16
Loss on impairment	-	-	0	0	-	-	-	-	0
Reclassification	-	-	(8)	7	1	-	-	-	-
Other Adjustment/exchange difference	-	1	2	7	-	-	-	-	10
Less: Assets held for sale	-	-	-	1	-	-	-	-	1
As at 31st March, 2018	**1,035**	**70**	**1,221**	**8,485**	**23**	**25**	**41**	**47**	**10,947**
Additions on acquisitions	31	-	46	182	0	0	3	3	265
Additions during the year	42	1	28	375	3	3	14	6	472
Less: Disposals/ Adjustments during the year	0	-	0	123	0	1	0	0	124
Loss on impairment									-
Reclassification	-	-	-	-	-	-	-	-	-
Exchange difference	-	(0)	(0)	2	(0)	(0)	(0)	-	2
Other adjustments	-	11	-	(3)	(0)	0	0		8
Less: Assets held for sale								-	-
As at 31st March, 2019	**1,108**	**82**	**1,295**	**8,918**	**26**	**27**	**58**	**56**	**11,570**
Depreciation/ Amortization									
As at 1st April, 2017	9	6	127	997	4	7	13	17	1,180
Additions on acquisition									-
Charge for the year	7	3	62	552	3	4	8	7	646
Less: on disposals	-	-	0	5	0	1	1	-	7
Reclassification Adjustments	-	-	(0)	(0)	0	-	0	-	0
Less: Assets held for sale				0					0
Exchange difference		0	1	2		0	0		3
As at 31st March, 2018	**16**	**9**	**190**	**1,546**	**7**	**10**	**20**	**24**	**1,822**
Additions on acquisition	-	-	5	21	0	0	2	1	29
Charge for the year	8	3	65	658	3	3	9	5	754
Less: on disposals	-	-	0	120	0	1	0	-	121
Reclassification Adjustments	-	-	(0)	(0)	0	-	0	-	0
Less: Assets held for sale				0					0
Exchange difference	-	3	(0)	(0)	(0)	(0)	(0)		3
Other adjustments	-	-	-	(3)	(0)	0	-	0	(3)
As at 31st March, 2019	**24**	**15**	**260**	**2,102**	**10**	**12**	**31**	**30**	**2,484**
Net Block									
As at 31st March, 2019	**1,084**	**67**	**1,035**	**6,816**	**16**	**15**	**27**	**26**	**9,086**
As at 31st March, 2018	**1,019**	**61**	**1,031**	**6,939**	**16**	**15**	**21**	**23**	**9,125**

1. The Group has pledged certain assets against borrowings which has been disclosed in note 14.
2. Registration of land amounting to ₹13 (March 31, 2018: ₹22) is pending in the name of the Group.
3. Registration of Building (Gross Block) amounting to ₹47 (March 31, 2018: ₹47) is pending in the name of the Group.
4. In terms of Schemes of Arrangement and Amalgamation, the title deeds of certain portion of immovable properties of erstwhile Adhunik Cement Limited, erstwhile Adhunik MSP (Cement) Limited, Power Undertakings of erstwhile DCB Power Ventures Limited and Undertakings of Odisha Cement Limited (transfer through slump sale) are in the process of being transferred in the name of the Company.
5. Disposals from (i) Plant and equipment having gross block of ₹7 (March 31, 2018: ₹0) and accumulated depreciation of ₹6 (March 31, 2018: ₹0) and (ii) Vehicles having gross block of ₹0 (March 31, 2018: ₹Nil) and accumulated depreciation of ₹0 (March 31, 2018: ₹Nil) transferred to 'Assets held for sale'.
6. Adjustment in Leasehold land during the year represents mines reclamation cost transferred from Other intangible assets.

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

2B. Capital work-in-progress (CWIP)

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Movement of capital work in progress		
Opening	173	128
Additions during the year	535	300
Capitalised during the year	(206)	(255)
Transfer to Intangible Assets under development	(1)	-
Closing	501	173

(i) Capital work in progress mainly comprises plant and equipment under construction of ₹328 (March 31, 2018: ₹12) for new cement plant in Odisha along with waste heat recovery system and split Cement manufacturing units in the eastern part of India.

3 (a) Investment property

3 (b) Goodwill and other intangible assets

3 (c) Intangible assets under development

3 (d) Biological Assets other than bearer plants

(Amount in ₹)

	3 (a) Investment Property	3 (b) Goodwill and other intangible assets					
		Goodwill*	Computer software	Mining Rights**	Raw Materials Procurement Rights ***	Brands ****	Total
Cost							
As at 1st April, 2017	0	3,767	11	1,175	279	1,973	7,205
Addition during the year	-	-	1	-	-	-	1
Less: Disposals during the year	-	588	-	-	-	-	588
Other adjustments - Exch diff		-	-	-	-	-	-
As at 31st March, 2018	0	3,179	12	1,175	279	1,973	6,618
Additions on acquisitions	-	139	-	-	-	-	139
Additions during the year	-	-	2	-	-	-	2
Less: Disposals during the year	-	-	-	-	-	-	-
Adjustment			-	(11)		-	(11)
Reclassification				-			-
As at 31st March, 2019	0	3,318	14	1,165	279	1,973	6,748
Depreciation/ Amortization							
As at 1st April, 2017	-	861	6	78	42	152	1,139
Charge for the year	-	417	3	50	21	76	567
Less: on disposals	-	-	-	-	-	-	-
As at 31st March, 2018	-	1,278	9	128	63	228	1,706
Charge for the year	-	420	4	49	9	76	558
Less: on disposals	-	-	-	-	-	-	-
Adjustment				(3)			(3)
Reclassification				-			-
As at 31st March, 2019	-	1,698	13	174	72	304	2,261
Net Block							
As at 31st March, 2019	0	1,620	1	991	207	1,669	4,487
As at 31st March, 2018	0	1,901	3	1,047	216	1,745	4,912

Investment Property

Group's investment properties consist of a freehold lands for capital appreciation. Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

There is no material expenses incurred for the maintenance of investment properties nor income derived out of the same. Investment properties is either mortgaged or hypothecated against the secured borrowings of the Group as disclosed in note no. 14.

As at March 31, 2019 and March 31, 2018, the fair values of the property is ₹3 and ₹3 respectively. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer. The fair valuation of investment properties comprising lands are based on the benchmark value of land as fixed for different mouzas (village) by the authorities of respective State Governments.

3 (d) Biological Assets other than bearer plants (contd.)

* Goodwill includes goodwill acquired pursuant to Scheme of Arrangement and Amalgamation and goodwill on consolidation.

(i) Impairment testing of Goodwill

The carrying amount of Goodwill of ₹1,389 (March 31, 2018: ₹1,809) acquired pursuant to Scheme of Arrangement and Amalgamation has been allocated to Cement Cash Generating Unit (CGU) for impairment testing.

The Group performs annual impairment test for carrying value of goodwill. The Group considers the relationship between its market capitalisation based on other comparable companies and its book value, among other factors, when reviewing for indicators of impairment.

The recoverable amount has been considered based on the fair value less cost of disposal or value in use, whichever is higher as required to be assessed under Ind-AS 36.

The recoverable amount of the Cement Business Unit (CGU) has been determined based on a value in use calculation using cash flow projections from financial projections approved by senior management of the Group, which are part of overall business plan covering a five-year period. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 16.94% and cash flows beyond the five-year period are extrapolated using a 4.00% growth rate which is consistent with the industry forecasts. As a result of the analysis, management did not identify any impairment for this CGU and accordingly, there is no impairment for goodwill amount.

The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Key assumptions used for value in use calculations

The calculation of value in use for the CGU is most sensitive to the following assumptions:

EBITDA margins

EBITDA margins are estimated based on the trend of actual EBITDA of cement segment for past 1 year preceding the beginning of the budget period.

Discount Rate

Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rates used to extrapolate cash flows beyond the forecast period

The Group has considered growth rate of 4% to extrapolate cash flows beyond the forecast period which is in line with the industry forecasts.

Sensitivity to changes in assumptions

The implications of the key assumptions for the recoverable amount are discussed below:

EV/EBITDA multiple - A decline in EV/EBITDA multiple below 9.45x would result in impairment of goodwill.

Growth rate assumptions – A reduction to 1.50% in the long-term growth rate would result in value in use being lower than carrying amount of the assets.

Discount rates - A rise in pre-tax discount rate to 18.58% would result in value in use being lower than the carrying amount of the assets.

EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA by 10% would result in value in use being lower than carrying amount of the assets.

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

3 (d) Biological Assets other than bearer plants (contd.)

(ii) **Amortisation of recognised Goodwill**

The Group had accounted for (a) Amalgamation of Adwetha Cement Holdings Limited ('ACHL') under the ""Purchase Method"" as prescribed by Accounting Standard 14 – Accounting for Amalgamations, notified under Section 133 of the Companies Act, 2013 and as per provision of Scheme of Arrangement and Amalgamation approved by the NCLT, Chennai Bench effective on November 17, 2017 with effect from Appointed Date March 15, 2016; and (b) Slump sale of all the assets (including goodwill and/ or intangible assets) and liabilities forming part of transferred Undertakings of Odisha Cement Limited as at January 1, 2015 (Appointed Date) to the Group on a going concern basis in accordance with allocation report prepared in accordance with AS 10, notified under Section 133 of the Companies Act, 2013 and as per the provisions of Scheme of Arrangement and Amalgamation approved by NCLT, Chennai Bench effective on October 30, 2018.

Goodwill arisen on amalgamation alongwith goodwill acquired on slump sale is being amortised over a period of 4 to 10 years from the appointed date, as per the provisions of respective Schemes. As a result of amortisation of goodwill, profit before tax for the year ended March 31, 2019 is lower by ₹420^ (March 31, 2018 : ₹417).

^ including ₹8 on account of accelerated amortisation of a particular goodwill amount from earlier policy of amortising over a period of 5 years to 4 years during the year.

** **Mining rights include:**

(a) Pursuant to Scheme of Arrangement, Group had carried out fair valuation of mining rights of the mines at ACL (amalgamated with the Group from appointed date January 1, 2015). A sum of ₹194 has been assigned to these mining rights.

(b) Pursuant to Scheme of Arrangement and Amalgamation, mining rights of the mines forming part of transfer of Undertakings of ODCL to the Group by way of slump exchange from the appointed date January 1, 2015. A sum of ₹969 has been assigned to these mining rights.

*** **Raw materials procurement rights:**

Pursuant to Scheme of Arrangement and Amalgamation, Group had recorded value of Raw materials procurement rights from ODCL based on the the fair valuation carried out by independent valuer as at the appointed date January 1, 2015 at an aggregate value of ₹284.

**** **Brands:**

Pursuant to Scheme of Arrangement and Amalgamation, Group had recorded value of Brands acquired from ODCL based on the fair valuation carried out by independent valuer, as at the appointed date January 1, 2015 at an aggregate value of ₹1,991.

(Amount in ₹)

	3(c). Intangible assets under development		3 (d) Biological Assets other than bearer plants**	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Movement of capital work in progress				
Opening	0	0	0	0
Additions during the year	19	-	0	-
Capitalised during the year	-	-	-	-
Closing	**19**	**0**	**0**	**0**

** Biological Assets other than bearer plants represent Livestock. The livestock comprises of milch cattle and the produce is utilised for welfare of the employees. It is measured at cost as the fair value cannot be measured reliably.

3 (e) The Group has performed annual impairment testing for carrying value of goodwill of ₹1,389 (March 31, 2018: ₹1,809) acquired pursuant to Scheme of Arrangement and Amalgamation. There recoverable amount has been considered based on the fair value less cost of disposal or value in use, whichever is higher as required to be assessed under Ind-AS 36. The management of the DCBL did not identify any impairment for goodwill amount (refer to note 3(b)).

Notes to Consolidated Financial Statements

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

4. Investments

(Amount in ₹)

	As at March 31, 2019		As at March 31, 2018	
Equity shares - at cost				
In joint venture (unquoted)				
38,35,000 (March 31, 2018: 38,35,000) Shares of ₹10/- each fully paid up in Radhikapur (West) Coal Mining Private Limited	7		7	
1,836,500 (March 31, 2018: 1,836,500) Shares of ₹10/- each fully paid up in Khappa Coal Company Private Limited	2		2	
Less: Impairment in the value of investment	5	4	5	4
Others (Quoted)				
14,829,764 (March 31, 2018: 14,829,764) Equity Shares of ₹2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		29		29
Others (Unquoted)				
36,000 (March 31, 2018: 36,000) Equity Shares of ₹10/- each fully paid up in G.S.Homes & Hotels Private Limited		1		1
Nil (March 31, 2018: 20) Shares of ₹10/- each fully paid up in Asian Refractories Limited (under liquidation)	-		-	
Nil (March 31, 2018: 25) Shares of ₹10/- each fully paid up in Assam Bengal Cement Company Limited (under liquidation)	-		-	
250 (March 31, 2018: 250) Shares of ₹10/- each fully paid up in Haryana Financial Corporation	(2500)		(2500)	
Others (unquoted)-at fair value through OCI				
449 (March 31, 2018: 449) Equity Shares of ₹10/- each fully paid up in Smarter Health TechServe Private Limited		0		0
374 (March 31, 2018: 374) Equity Shares of ₹10/- each fully paid up in Pumpcharge Internet Private Limited		0		0
449 (March 31, 2018: 449) Equity Shares of ₹10/- each fully paid up in Exchange4Solar Private Limited		0		0
145 (March 31, 2018: 145) Equity Shares of ₹10/- each fully paid up in Khetify Solutions Private Limited		0		0
Investment in debentures or bonds (unquoted) -at cost				
5,900 (March 31, 2018: 5,900) zero coupon optionally redeemable convertible debentures of ₹1,00,000/- each in Saroj Sunrise Private Limited.*		59		59
12 (March 31, 2018: 12) 8% non convertible secured debentures of ₹100/- each fully paid up in Indian Chamber of Commerce.		0		0
2 (March 31, 2018: 2) 8% non convertible secured debentures of ₹25/- each partly paid up in Indian Chamber of Commerce.		0		0
Investment in Preference Shares-at cost				
62,621 (March 31, 2018: Nil) Compulsorily convertible participative preference shares of ₹1100/- each in Freight Commerce Solutions Private Limited.		14		-
		107		**93**
Aggregate book value of quoted investments		29		29
Aggregate market value of quoted investments		95		257
Aggregate book value of unquoted investments		78		64
Aggregate amount diminution in value of unquoted investments		5		5

* The investment in zero coupon optionally redeemable convertible debentures of Saroj Sunrise Private Limited are in the nature of equity investment (refer note 44).

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

5. Financial assets

(i) Investments

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
At fair value through profit and loss		
Tax free bonds (quoted)		
8.30% NHAI tax free bonds	0	0
Units of Urban Infrastructure Opportunities Fund (unquoted)		
1,188 (March 31, 2018: 1,188) Units of ₹29,930/- (March 31, 2018: ₹49,430/-) each fully paid up in Urban Infrastructure Opportunities Fund	2	4
Others (unquoted) - at cost		
50 (March 31, 2018: 50) units of ₹100/- each fully paid up in Co-operative Society	0	0
Property Rights in Holiday Resort	0	0
Total	**2**	**4**
Aggregate book value of quoted investments	0	0
Aggregate market value of quoted investments	1	1
Aggregate book value of unquoted investments	2	4
(ii) Loans		
(Unsecured, considered good unless otherwise stated)		
Loans and advances to:		
Employees@	10	9
Others	-	1
	10	**10**
@includes due form officers of the Company	10	9

No loans or advances are due by directors or other officers of the Group or any of them either severally or jointly with any other person. Further, no loans or advances are due by firms or private companies in which any director is a partner, a director or a member.

(iii) Other financial assets (Unsecured, considered good unless otherwise stated)

(Amount in ₹)

	As at March 31, 2019		As at March 31, 2018	
Security deposit made		53		44
Subsidy/ Incentives receivable	336		511	
Less: Impairment allowance (allowance for doubtful advances)	0	336	0	511
Deposit with banks having remaining maturity of more than twelve months*		12		17
Advance against share application money/purchase of investment	4		4	
Less: Impairment allowance (allowance for doubtful advances)	(4)	-	(4)	-
Finance lease receivable	0		1	
Less: Impairment allowance (allowance for doubtful advances)	(0)	-	(1)	-
Other financial assets		0		1
Derivative instruments at fair value through profit and loss				
Foreign currency option contracts		48		57
		449		**630**

* Includes ₹12 (March 31. 2018 : ₹16), deposits receipts whereof have been kept with banks against bank guarantees given / are pledged with various authorities.

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

5. Financial assets (contd.)

Break up of financial assets carried at amortised cost (Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Security deposits	53	44
Deposit with banks having remaining maturity of more than twelve months	12	17
Employee loans	10	9
Other loans	-	1
Subsidy/ Incentives receivable	336	511
Other financial assets	0	1
Total financial assets carried at amortised cost	**411**	**583**
Break up of financial assets carried at fair value through statement of profit and loss		
Investment in tax free bonds	0	0
Investment in infrastructure fund	2	4
Derivative instruments	48	57
	50	**61**
Break up of financial assets carried at fair value through OCI		
Investment in equity shares	0	0

6. Income tax assets

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Advance income tax (net of provision for tax)	91	68
	91	**68**

7. Other Non Current Assets

(Amount in ₹)

	As at March 31, 2019		As at March 31, 2018	
(Unsecured considered good unless otherwise stated)				
Capital advances				
Considered good (secured)*		89		0
Considered good		260		102
Considered doubtful	1		3	
Less: Impairment allowance (allowance for doubtful advances)	1	-	3	-
Advances other than capital advances				
Other advances				
Considered good		9		10
Considered doubtful	2		1	
Less: Impairment allowance (allowance for doubtful advances)	2	-	1	-
Deposit and balances with Government departments and other authorities				
Considered good		24		17
Considered doubtful	0		2	
Less: Impairment allowance (allowance for doubtful advances)	0	-	2	-
		382		**129**

* ₹89 (March,2018: ₹0) secured against bank guarantee held.

Notes to Consolidated Financial Statements

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

8. Inventories (at lower of cost or net realisable value)

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Raw materials		
On hand	222	140
In transit	10	19
Packing materials		
On hand	27	34
In transit	0	1
Work in progress*	87	54
Finished goods#		
On hand	142	109
In transit	-	-
Stock in trade	92	-
Stores and spares		
On hand	432	380
In transit	20	42
Total Inventories at the lower of cost or net realisable value	**1,032**	**779**

*₹11 (March 2018: Nil) include in trial run for Dalmia DSP Limited (refer no 43)

#₹1 (March 2018: Nil) include in trial run for Dalmia DSP Limited (refer no 43)

Inventories are hypothecated with the banks against rupee loan and foreign currency loan on pari passu on inter se basis. Refer note 18.

9. Financial Assets

(i) Investments

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
At amortised cost		
Commercial papers (unquoted)	139	-
At fair value through profit and loss		
Equity shares		
5,20,400 (March 31, 2018: 5,20,400) Shares of ₹1/- each fully paid up in The Ramco Cements Limited. (quoted)	38	38
50,000 (March 31, 2018: 50,000) Shares of ₹10/- each fully paid up in Poddar Pigments Limited. (quoted)	1	1
Nil (March 31, 2018: 12,900) Shares of ₹10/- each fully paid up in Reliance Industries Limited (quoted)	-	2
Others		
Units of debt based schemes of various mutual funds (quoted)	516	2,177
Trade corporate bonds (quoted)	35	-
Non trade corporate bonds (quoted)	564	218
Alternative investment fund (unquoted)	22	-
At fair value through OCI		
Investment in limited liability partnership		
Investment in TVS Shriram Growth Fund 1B LLP, 67.95% contribution (March 31, 2018: 67.95% contribution)	500	486
Equity shares (quoted)		
Indian Energy Exchange Limited 30,32,8630 (March 31, 2018: 30,32,863 Shares of ₹10/ each) shares of ₹1/- each fully paid up in Indian Energy exchange	500	486
Total	**2,315**	**3,408**
Aggregate book value of quoted investments	1,654	2,922
Aggregate market value of quoted investments	1,654	2,922
Aggregate book value of unquoted investments	661	486

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

9. Financial Assets (contd.)

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
(ii) Trade receivables		
Trade receivables	539	561
Receivables from other related parties	10	3
	549	**564**
Break-up for security details :		
Trade receivables		
Secured, Considered good*	239	266
Unsecured, Considered good	494	405
Credit impaired	58	58
	791	**729**
Less: Impairment allowance (allowance for doubtful receivables)	58	58
Less: Provision for free supply	9	5
Less: Provision for rebate / discount	175	102
	242	**165**
	549	**564**

* Secured by way of security deposits collected from customers or bank guarantees or letter of credit held against them.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days.

Trade receivables are netted off with bills discounted of ₹8 (March 31, 2018: ₹9).

Trade receivables are hypothecated with the banks against cash credit and foreign currency loan from banks on pari passu on inter se basis. Refer note 18(i) & 14(i).

For information on financial risk management objectives and policies, refer note 39.

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
(iii) Cash and cash equivalents		
Balances with scheduled banks :		
- On current accounts*	138	130
- On cash credit	9	9
- On deposit accounts**	106	153
Cheques in hand	27	22
Cash on hand	0	1
	280	**315**

* Balances with current accounts include ₹0 (March 31, 2018: ₹0) lying in current account with a nationalised bank, to be operated jointly by the authorised signatories of one of the unit of the DCBL and OCL Iron and Steel Limited in respect of coal block operations.

** Includes ₹0 (March 31, 2018 : ₹26), deposit kept with banks against bank guarantee given/ are pledged with various authorities for margin money.

(iv) Bank balance other than (iii) above		
Balances with scheduled banks :		
- Unpaid dividend accounts	4	3
Other bank balances:		
- Deposit accounts (with remaining maturity Less than 12 months)*	185	36
	189	**39**

Short-term deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates ranging from 5.75% to 9.00%.

At 31 March 2019, the Group had available ₹587 (31 March 2018: ₹738) of undrawn committed borrowing facilities.

* Includes ₹33 (March 31, 2018: ₹8), deposit receipts whereof have been kept with banks against bank guarantee given/ are pledged with various authorities.

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

9. Financial Assets (contd.)

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Cash on hand	0	1
Cheques in hand	27	22
Balances with scheduled banks :		
- On current accounts	138	130
- On cash credit	9	9
- On deposit accounts	106	153
	280	**315**
(v) Loans (Unsecured, unless otherwise stated and considered good)		
Loan to		
- Employees@	8	8
- Others	33	77
	41	**85**
@includes due form officers of the Company	8	8
(vi) Other financial assets		
(Unsecured considered good unless otherwise stated)		
Subsidy/Incentive receivable	552	662
Interest receivable	47	20
Security deposits	22	18
Other financial assets	11	10
Financial assets carried at fair value through statement of profit and loss		
Derivative instruments	14	24
	646	**734**
Break up of financial assets carried at amortised cost		
Trade receivables	549	564
Cash and cash equivalents	280	315
Margin money and other bank balances	189	39
Loans to employees	8	8
Loans and advances to others	33	77
Subsidy/Incentive receivable	552	662
Interest receivable	47	20
Security deposit	22	18
Investment in commercial paper	139	-
Other financial assets	11	10
	1,830	**1,713**
Break up of financial assets carried at fair value through statement of profit or loss		
Investment in equity shares	39	41
Investment in mutual funds	516	2,177
Trade corporate bonds (quoted)	35	-
Non trade corporate bonds (quoted)	564	218
Investment in alternative investment fund	22	-
Derivative instruments	14	24
	1,190	**2,460**
Break up of financial assets carried at fair value through other comprehensive income		
Investment in limited liability partnership	500	486
Investment - equity shares (Quoted)	500	486
	1,000	**972**

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

10. Income tax assets

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Balances with income tax authorities	0	25
	0	**25**

11A. Other current assets (Unsecured, unless otherwise stated and considered good)

(Amount in ₹)

	As at March 31, 2019		As at March 31, 2018	
Advances other than capital advances				
Secured, considered good (refer note (a) below)		25		25
Unsecured, considered good		227		137
Doubtful	7		4	
Less: Impairment allowance (allowance for doubtful advances)	7	-	4	-
Prepayments		12		11
Deposit and balances with Government departments and other authorities		86		65
Other receivables		1		3
		351		**241**

(a) Secured by way of a first ranking exclusive charge over the Hypothecated Property as prescribed in Deed of Hypothecation dated March 17, 2017.

11B. Asset held for sale

	As at March 31, 2019	As at March 31, 2018
Assets classified as held for sale	1	0
	1	**0**

Certain plant and equipment and vehicles classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of a write down of ₹0 (March 31, 2018: ₹0) as impairment loss in the statement of profit and loss. The fair value of the plant and equipment was determined using the market comparison approach.

12A. Share capital

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Authorised :		
1,59,55,00,000 (March 31, 2018: 1,59,55,00,000) Equity Shares of ₹2/- each	319	319
1,00,000 (March 31, 2018: 1,00,000) Preference Shares of ₹100/- each	1	1
5,00,00,000 (March 31, 2018: 5,00,00,000) Preference Shares of ₹10/- each	50	50
	370	**370**

Note:

(a) Pursuant to amalgamation of OCL India Limited, Dalmia Cement East Limited, Dalmia Bharat Cement Holdings Limited (DBCHL),Shri Rangam Securities Holdings Limited (SRSHL) and Dalmia Bharat Limited with the Company, the authorised equity share capital of the Company stands increased by Nil (Previous year: ₹319) ₹2 each.

(b) The increase in authorised preference share capital of the Company by Nil (Previous year: ₹1) ₹100 each on amalgamation of OCL India Limited with the Company

(c) The increase in authorised preference share capital of the Company by Nil (Previous year: ₹50) ₹10 each on amalgamation of Dalmia Cement East Limited with the Company

12A. Share capital (contd.)

Issued, Subscribed and Fully Paid Up : (Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
19,29,58,553 (March 31, 2018: Nil) Equity Shares of ₹2/- each	39	-
	39	-

a. **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year**

	As at March 31, 2019	
	No. of shares	₹ Crore
At the beginning of the year	-	-
Add : Issued during the year other than ESOP*	19,27,27,553	39
Add : ESOP issued during the year	2,31,000	0
At the end of the year	19,29,58,553	39

b. **Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a face value of ₹2 per share. Each equity shareholder is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of winding-up of the Company, the equity shareholders shall be entitled to be repaid remaining assets of the company after distribution of all preferential amounts in the ratio of the amount of capital paid up on such equity shares.

c. **Details of shareholder holding more than 5% shares in the Company**

	As at March 31, 2019	
	No. of shares	% holding
Rama Investment Company Private Limited	7,98,46,410	41%
Sita Investment Company Limited	1,38,88,260	7%

d. **Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the Balance Sheet date**

	During a period of 5 years up to 31 March 19	During a period of 5 years up to 31 March 18
	No. of Shares	No. of Shares
Equity shares of ₹2 each allotted fully paid up issued pursuant to the Scheme of Amalgamation between Dalmia Bharat Limited (DBL) and Odisha Cement Limited without payments being received in cash.	19,27,27,553	-

12B. Share capital suspense account

	As at March 31, 2019	As at March 31, 2018
Share capital suspense account*	-	6,654
	-	6,654

* Share suspense account as on April 01, 2018 represents shares pending to be allotted to the shareholders (Including Securities Premium) of erstwhile Dalmia Bharat Limited and OCL India Limited, specified under the Scheme, which have been allotted on January 9, 2019.

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

13. Other equity

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Employee stock option		
Opening Balance as per last financial statements	14	12
Add: Addition during the period	(0)	2
Closing Balance	**14**	**14**
Capital reserve		
Opening balance as per last financial statements	277	279
Add: Additions/(deletion) during the year	(0)	(2)
Closing balance	**277**	**277**
Securities premium		
Opening balance as per last financial statements	1,075	1,076
Add: Additions during the year	6,624	(1)
Closing balance	**7,699**	**1,075**
General reserve		
Opening balance as per last financial statements	3	3
Add: Transfer from surplus balance in statement of profit and loss	0	(0)
Closing balance	**3**	**3**
Reserve fund as per Reserve Bank of India		
Opening balance as per last financial statements	-	0
Less: Released during the year	-	(0)
Closing balance	**-**	**-**
Debenture redemption reserve		
Opening balance as per last financial statements	285	378
Add: Created during the year	27	38
Less: Released during the year	62	131
Closing balance	**250**	**285**
Retained earnings		
Balance as per last financial statements	1,544	1,192
Add: Amount transferred from debenture redemption reserve	62	131
Profit for the year	308	292
Less: Appropriations		
Transferred to debenture redemption reserve	27	38
Dividend on equity shares	33	27
Dividend distribution tax	7	6
Total appropriations	**67**	**71**
Net surplus in the statement of profit and loss	**1,847**	**1,544**
Items of other comprehensive income recognised directly in retained earnings		
Other comprehensive income		
Opening balance as per last financial statements	483	35
Less:		
Currency translation reserve	1	3
Re-measurement of post employment benefit obligation, net of tax	(3)	3
Fair valuation gain on investments, net of tax	29	442
Closing balance	**510**	**483**
	2,357	2,027
Total other equity	10,600	3,681

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

13. Other equity (contd.)

	As at March 31, 2019	As at March 31, 2018
Distribution made and proposed		
Cash dividends on equity shares declared and paid :		
Final dividend for the year ended on March 31, 2018 : Rupees: 1.70 per share (March 31, 2017 : Rupees 2.20 per share)	33	27
Dividend distribution tax	7	6
	40	**33**
Proposed dividends on equity shares:		
Final dividend for the year ended on March 31, 2019 : Rupees: 2 per share (March 31, 2018 : Rupees 1.70 per share)	39	33
Dividend distribution tax	8	7
	47	**40**

Description of nature and purpose of each reserve

(a) **Employee stock option-** The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account.

(b) **Securities premium -** The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

(c) **General reserve-** The Group has transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(d) **Retained earnings-** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Group.

(e) **Debenture redemption reserve (DRR)-** The Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Group to create DRR out of profits of the Group available for appropriation. DRR is required to be created for an amount which is equal to 25% of the value of categories of debentures issued by the Group.

(f) **Capital reserve-** Capital reserve includes amount created due to scheme of amalgamation and arrangements.

14. Financial liabilities

(Amount in ₹)

	As at March 31, 2019		As at March 31, 2018	
(i) Borrowings				
Secured				
A. Redeemable non-convertible debentures	1,379		1,776	
Less: Shown in current maturities of long term borrowings	540	839	311	1,465
B. Term loans:				
i. From banks				
a. Foreign currency loan	573		476	
b. Indian rupee loan from banks	2,365		2,933	
Less: Shown in current maturities of long term borrowings	106	2,832	129	3,280
ii. From financial institution	7		164	
Less: Shown in current maturities of long term borrowings	2	5	35	129
iii. From others	276		424	
Less: Shown in current maturities of long term borrowings	25	251	78	346

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

14. Financial liabilities (contd.)

	As at March 31, 2019		As at March 31, 2018	
C. Deferred payment liabilities	17		8	
Less: Shown in current maturities of long term borrowings	-	17	-	8
D. Finance lease obligation	2		3	
Less: Shown in current maturities of long term borrowings	0	2	0	3
Total secured long term borrowings		3,946		5,231
Unsecured				
E. Foreign currency loans from banks	346		614	
Less: Shown in current maturities of long term borrowings	277	69	386	228
F. Long term loans and deposits from a related party	5		5	
Less: Shown in current maturities of long term borrowings	5	-	5	-
Total unsecured long term borrowings		69		228
Total long term borrowings		4,015		5,459

1) Debentures referred to in A above to the extent of:

i) 9.91% Series A ₹Nil (March 31, 2018 ₹208) were secured by pledge of investments & redeemable in January 2019. The debentures were fully redeemed during the year.

ii) 9.91% Series C ₹296 (March 31, 2018: ₹296) are redeemable in January 2021. The debentures were partially early redeemed during the year.

iii) 9.91% Series B ₹197 (March 31, 2018: ₹197) are redeemable in January 2020.

In respect of (ii) to (iii) above, the underlying security has been actually cancelled pursuant to Scheme of Arrangement and Amalgamation amongst the DCBL(Subsidiary Company), the Company and the step down subsidiary namely, Odisha Cement Limited approved by NCLT and become effective on October 30, 2018 with effect from Appointed Date, i.e., January 1, 2015. As provided under the debenture trust deed, the DCBL has requested the debenture holders to accept alternate security in replacement of the underlying security, for which consent has been granted by the debenture holders for the creation of such alternate security within a time period of 180 days.

The Board of Directors of the Dalmia Cement (Bharat) Limited in its meeting held on May 9, 2019 has given its approval for creation of alternate security by way of first pari-passu charge over fixed assets (movable and immovable) of the cement units situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack and Jajpur) and OCL Bengal Cement Works (Midnapore, West Bengal) (both present and future) or charge on any other fixed assets of the DCBL to existing debenture holders for outstanding amount. DCBL has also requested for No Objection Certificate (NOC) from the existing chargeholders for ceding of first pari-passu charge over fixed assets (movable and immovable) of the mentioned cement units of DCBL.

Dalmia Cement (Bharat) Limited expects to receive NOC for ceding of first pari-passu charge over fixed assets as well as creation of alternate security, before the expiry of above prescribed period.

iv) 10.75% Series 1A ₹34 (March 31, 2018: ₹67) are secured by first pari-passu charge on land, building, assets, plant & equpment of Dalmiapuram unit of Dalmia Cement (Bharat) Limited and plot at Gujarat & redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018.

v) 10.75% Series III A, B,C and IV P,Q,R ₹70 (March 31, 2018: ₹140) are secured by a first pari-passu charge on movable and immovable fixed assets of Dalmiapuram unit of Dalmia Cement (Bharat) Limited and movable and immovable fixed assets (excluding plant and equipment charged on exclusive basis to specific lenders) of Kadappa and Ariyalur units of Dalmia Cement (Bharat) Limited and redeemable in three yearly instalments commencing from August 2017.

vi) 8.65% ₹125 (March 31, 2018: ₹249) are secured by first pari passu charge over any movable and immovable fixed assets of Dalmiapuram, Kadappa and Ariyalur units of the Dalmia Cement (Bharat) Limited and redeemable in October 2019 & October 2020.

vii) 8.70% ₹20 (March 31, 2018: ₹20) are secured by first pari passu charge over any movable and immovable fixed assets of Dalmiapuram, Kadappa and Ariyalur units of the Dalmia Cement (Bharat) Limited and redeemable in October 2021.

14. Financial liabilities (contd.)

viii) 9.90% ₹599 (March 31,2018 ₹599) are secured by first pari passu charge over all the movable and immovable fixed assets (present & future) of cement division of erstwhile OCL India Limited {a unit of Dalmia Cement Bharat Limited} repayable in 3 equal yearly instalments commencing from March 2020.

ix) ₹38 (March 31,2018 ₹Nil) are secured by creating mortgage on land Chimur, Distt. Chandrapur, Maharashtra in favour of Debenture Trustees besides mortgage on all other immovable properties of Dalmia DSP limited (formerly known as Kalyanpur Cement Limited). Repayable in 5 yearly installments starting from July 10, 2019.

2) Term loans from banks referred to in B (i) above to the extent of :

i) ₹384 (March 31, 2018: ₹393) are secured by exclusive first charge on land and buildings and hypothecation of all the property, plant and equipments of cement units Dalmia Cement (Bharat) Limited at Kadappa and Ariyalur excluding assets charged to working capital lenders and Vertical Roller Mills & other machineries and equipments for projects at Kadappa and Ariyalur acquired under foreign currency loan, at base rate plus 0.40% p.a. (present 8.95% p.a.). It is repayable in unequal quarterly instalments starting from June 2015 till March 2030.

ii) ₹464 (March 31, 2018: ₹467) are secured by first charge on property, plant and equipments (movable and immovable) of cement plant located at Belgaum, Karnataka of Dalmia Cement (Bharat) Limited both present & future (except specific assets financed by ECA) at 1 year MCLR plus 0.40% p.a. (present 8.95% p.a.). It is repayable in unequal quarterly instalments starting from March 2017 till March 2031.

iii) ₹345 (March 31, 2018: ₹352) are secured by way of first pari-passu charge over movable and immovable property, plant and equipments pertaining to Kadappa and Ariyalur plants of Dalmia Cement (Bharat) Limited except specific equipment exclusively charged to ECA lenders at 3 months MCLR plus 0.20% p.a. (present 8.80% p.a.). It is repayable in unequal quarterly instalments starting from March 2018 till March 2030.

iv) ₹289 (March 31, 2018: ₹291) carrying interest rate at 1 year MCLR plus 0.40 % p.a. (present at 8.95% p.a.) are secured by way of first charge on property, plant and equipments (movable & immovable) of the cement plant located at Belgaum, Karnakata of Dalmia Cement (Bharat) Limited both present and future except specific assets financed by ECA lenders. It is repayable in unequal quarterly instalments starting from March 2017 till December 2031.

v) ₹192 (March 31, 2018: ₹194) carrying interest rate 6 months MCLR plus 0.45 % p.a (present at 8.85% p.a.) are secured by way of first charge on property, plant and equipments (movable & immovable) of the cement plant located at Belgaum, Karnakata of Dalmia Cement (Bharat) Limited both present and future (except specific assets financed by ECA lenders). It is repayable in unequal quarterly instalments starting from March 2017 till December 2031.

vi) ₹423 (March 31, 2018: ₹438) carrying interest at 6 month EURIBOR plus 2.50% p.a. are secured first pari passu charge on movable & immovable property, plant and equipments of power assets at Dalmiapuram, Ariyalur and Belgaum of Dalmia Cement (Bharat) Limited (both present and future). The loan has been availed in foreign currency and is repayable after 36 months from date of first disbursement i.e. May 31, 2017.

vii) ₹31 (March 31, 2018: ₹37) carrying interest at LIBOR plus 2.05% p.a. (present 3.31% p.a.) are secured by way of exclusive charge on Roller press acquired through this loan for projects at Belgaum of Dalmia Cement (Bharat) Limited. The loan has been availed in foreign currency and is repayable in 16 half yearly instalments of USD 637,110 each starting from October 2014 till May 2022.

viii) ₹129 (March 31, 2018: ₹163) carrying interest at 1 year MCLR plus 0.30% p.a. are secured by mortgage and first charge on all the movable and immovable properties (both property, plant and equipments and intangible assets) of the cement unit located at Meghalaya of Dalmia Cement (Bharat) Limited both present and future and a second charge on all other assets of the unit. All the above charges rank pari- passu inter-se amongst various lenders. Repayable in 32 structured quarterly instalments starting from June 30, 2015 to March 31, 2023.

ix) ₹264 (March 31,2018: ₹268) carrying interest rate of MCLR plus 0.45% p.a. are secured by first pari passu charge over all the movable and immovable fixed assets (present & future) of cement division of erstwhile OCL India Limited {a unit of Dalmia Cement Bharat Limited} repayable in 48 quarterly instalments commencing from March 2019.

x) ₹0 (March 31,2018: ₹0) carrying interest rate of 10 % are secured by way of first & exclusive charge on the vehicle purchase therefrom. Repayable in 60 Monthly Instalments starting from Feb 2015.

14. Financial liabilities (contd.)

xi) ₹217 (March 31, 2018: ₹224) carrying interest at MCLR plus 0.25% p.a are secured by first pari - passu charge on all movable and immovable Property, Plant and Equipment (both present and future) of the cement division situated at Jharkhand Cement Works, Bokaro unit of Dalmia Cement (Bharat) Limited. The loan is repayable in 56 unstructured quarterly instalments of commencing from November 2016.

xii) ₹119 (March 31, 2018: ₹Nil) carrying interest rate at 6 months LIBOR plus 1.94% p.a. are secured by first - pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets of the cement units of Dalmia Cement (Bharat) Limited situated at Rajgangpur Cement works (Odisha), Kapilas Cement Manufacturing Works (Cuttack and Jajpur), OCL Bengal Cement Works (Midnapore, Weat Bengal) (both present and future). The Loan is repayable in 8 half yearly instalment of USD 2,142,857.10 each starting from December 15, 2018 and one instalment on USD 2285714.80 on December 15, 2022.

xiii) ₹45 (March 31,2018 : 47) term loan is primarily secured by the EM of Factory Land and Building and hypothecation charge on all present and future movable and immovable assets of Alsthom Industries Limited excluding land. Besides, the above loan is additionally secured by the corporate guarantee by the Company. Repayable in 108 structured monthly instalments starting from June, 2018.

xiv) ₹36 (March 31 2017: ₹535) carrying interest rate MCLR plus 0.10% including funded interest on term loan are secured by first pari passu charge on entire property, plant and equipment (immovable and movable assets) of Calcom Cement India Limited)'CCIL'), both present and future and a second charge on entire current assets of CCIL. These loans are also secured by the pledge of 4,38,48,910 equity shares of the CCIL held by the erstwhile promoters, their relatives and two subsidiaries of the CCIL. These loans are additionally secured by personal guarantee of three former directors of the CCIL.

3) Term loans from banks referred to in B (ii) above to the extent of :

i) ₹Nil (March 31, 2018: ₹139) carrying interest at 6 months LIBOR plus 3.60% p.a are secured by first ranking mortgage and hypothecation on all immovable and movable, present and future assets related to the cement unit situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack), OCL Bengal Cement Works (Midnapore, West Bengal) of Dalmia Cement (Bharat) Limited (excluding current assets) to be shared pari passu with other lenders in respect of other debts and a second charge on all present and future current assets of the borrower to be shared pari passu with other lenders and existing lenders to the cement division of the borrower in respect of the existing debt. The loan has been availed in foreign currency and is repayable in 14 half yearly instalments commencing from June 2016.The loan was fully paid during the year.

ii) ₹7 (March 31, 2018: ₹11) carrying interest at Axis bank 1 year MCLR plus 0.10% p.a are secured by First pari passu charge on entire property, plant and equipment (movable and immovable} except assets charged exclusively to banks/FIs for other specific purposes. First pari passu charge on all intangible assets. Second pari passu charge on all other assets of Calcom Cement India Limited 'CCIL' (a step down subsidiary of DBL). The loan has been availed in foreign currency and is repayable in 31 structured quarterly instalments starting from April 1, 2014 to Oct 01, 2021.

ii) ₹Nil (March 31, 2018: ₹14) carrying interest at 8.5 % p.a are secured first pari passu charge on entire property, plant and equipment (immovable and movable assets), both present and future, having priority over existing charge holders. First pari passu charge on all intangible assets, both present and future, having priority over existing charge holders, but not limited to goodwill, trademark and patents and undertakings. Second pari-passu charge on the all other assets. Priority over existing lenders on the cash flows of the CCIL (a step down subsidiary of DBL) towards repayments. Pledge of shares of the CCIL held by the promoters—Bawri Group (15.92% stake after entry of Dalmia Group). The loan has been availed in foreign currency and is repayable in 21 structured quarterly instalments starting from April 1, 2014 to Oct 01, 2021.

4) Term loans from others referred to in B (iii) above to the extent of:

i) Term loan in the form of government grant of ₹163 (March 31, 2018: ₹312) carrying interest @ 0.10% p.a., are secured by a first pari-passu charge on the movable and immovable properties of Cement unit of Dalmia Cement (Bharat) Limited at Dalmiapuram and is repayable in five unequal instalments starting from April 2018 till April 2023. The aforesaid loan was existing at the date of transition to Ind AS i.e. April 1, 2015 and thus carried at historical cost by applying the exemption of Ind AS 101.

ii) Term loan in form of government grant of ₹40 (March 31, 2018: ₹34) carrying interest @ 0.10% p.a. are secured by a second pari-passu charge on the movable and immovable properties of Cement units of Dalmia Cement (Bharat) Limited at Ariyalur

14. Financial liabilities (contd.)

and Dalmiapuram. Repayment is due from financial year 2018-19 (from January 2019) but repayment schedule is yet to be finalised. Loan was received post transition to Ind AS and has been accounted at fair value with a difference being recognised as government grant.

iii) ₹72 (March 31, 2018 ₹77) is secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of Calcom Cement India Limited, both present and future and a second charge on the entire current assets of Calcom Cement India Limited. These loans are also secured by the pledge of 43,848,910 equity shares of Calcom Cement India Limited held by erstwhile promoters, their relatives and two subsidiaries of Calcom Cement India Limited. The loan is repayable in 31 structured instalments starting from April 2019 till October,2021 and carry interest @ 3 month Libor plus 2.50% p.a. The loan has been availed in foreign currency.

iv) 5.70% ₹1 (March 31, 2018: ₹1) redeemable preference shares at ₹20 per share (Including premium of ₹10 per share) in November 2020.

5) Deferred payment liabilities referred to in C above to the extent of:

i) ₹5 (March 31, 2018: ₹8) Interest free loan referred to in C above is in respect of 14.50% of VAT paid within Karnataka on the sale of goods produced at Belgaum plant of Dalmia Cement (Bharat) Limited located at Karnataka for a period of 12 years beginning from March 2017. This loan is secured by way of a bank guarantee issued by Dalmia Cement (Bharat) Limited and is repayable in 12 yearly equal instalments after a period of 12 years from the date of receipt of interest free loan. Loan received post transition to Ind AS are recognised at fair value with a difference between the gross proceeds and fair value of the loan is being recognised as deferred government grant.

ii) ₹2 (March 31, 2018: ₹Nil) interest free loan in respect of 14.50% p.a of VAT paid within Karnataka on the sale of goods produced at Belgaum plant of Dalmia Cement (Bharat) Limited located at Karnataka for period January 2017 to June 2017 This loan is secured by way of a bank guarantee issued by the Company and Company and is repayable in 12 yearly equal instalments starting from March 17, 2031. Loan received post transition to Ind AS are recognised at fair value with a difference between the gross proceeds and fair value of the loan is being recognised as deferred government years grant.

iii) ₹7 (March 31, 2018: ₹Nil) interest free excise loan from Govt. of India disbursed through IFCI Ltd at Banjari plant of Dalmia DSP Limited (Formerly known as Kalyanpur Cement Limited) located at Bihar. Loan is secured by a charge by way of mortgage/ hypothecation of all the immovable and movable assets of Dalmia DSP limited (Formerly known as Kalyanpur Cement Limited). 50% of loan was payable immediate within 30 days from 10th July-2018 and balance & 5 yearly installments starting from 10th July-2019 which is delayed.

iv) ₹2 (March 31, 2018: ₹Nil) from group company of earstwhile promoters of Dalmia DSP Limited (formerly known as Kalyanpur Cements Limited).

6) Finance lease obligation includes land lease obligation referred to in D above is repayable during lease period of 90 to 99 years. This is secured against leased assets and carry interest @ 10.00% p.a.

7) Foreign currency loans referred to in E above to the extent of:

i) ₹Nil (March 31, 2018: ₹289) carrying interest at EURINOR plus 2.50% p.a. and repayable in March 2019. The loan was fully paid during the year.

ii) ₹Nil (March 31, 2018: ₹98) carried interest at LIBOR plus 2.50% p.a. The loan was fully paid during the year.

iii) ₹173 (March 31, 2018: ₹162) carrying interest at 3 months LIBOR plus 1.90% p.a. and is repayable at the end of 15 months from date of disbursement i.e. February 26, 2018.

iv) ₹69 (March 31, 2018: ₹65) carrying interest at 3 months LIBOR plus 2.50% p.a. and is repayable at the end of 3 years from date of disbursement i.e. February 15, 2018.

v) ₹104 (March 31, 2018: ₹Nil) carrying interest at 3 months LIBOR plus 2.15% p.a. and is repayable at the end of 445 days from the date of disbursement i.e. July 2, 2018.

8) Loans referred to in F above to the extent of:

i) ₹5 (March 31, 2018: ₹5) Loan from a Joint Venture Company is carrying interest rate of 9.00% p.a and is repayable in November 2019 with renewal option.

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

14. Financial liabilities (contd.)

(ii) Other financial liabilities

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Security deposit received	1	6
Derivative liabilities	-	1
Others	5	-
	6	**7**
Financial liabilities carried at amortised cost		
Borrowings	4,015	5,459
Security deposit received	1	6
Others	5	-
	4,021	**5,465**
Financial liabilities carried at fair value through statement of profit and loss		
Derivative liabilities	-	1
	-	**1**

15. Provisions

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Provision for mines reclamation liability (refer note no, 41)	43	30
Provision for employee benefits	91	22
Provision for contingencies (refer note no, 41)	38	32
	172	84

16. Deferred Tax (net)

(i) The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Statement of profit and loss:		
Current tax	112	108
Deferred tax/ (Credit)	(119)	17
Current tax for earlier years	(5)	(28)
Deferred tax for earlier years	2	1
Income tax expense reported in the statement of profit or loss	**(10)**	**98**
OCI Section		
Re-measurement (gains)/ losses on defined benefit plans and Fair value gain on investments		
Income tax related to items recognized in OCI during the year	**29**	**(2)**

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

16. Deferred Tax (net) (contd.)

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Accounting profit before tax	339	389
Applicable tax rate	34.94%	34.61%
Computed tax expense	**119**	**135**
Adjustment of tax relating to earlier years	(3)	(27)
Dividend income exempt from income tax	(12)	(13)
Allowance of certain claims favourably by the income tax authorities for earlier years	(111)	(14)
Effect of allowances on expenditure during tax holiday period	21	(24)
Amortisation of goodwill in books considered as not deductible in provision for tax	18	16
Recognition of deferred tax credit on account of application of indexation benefit on 'Land'	(45)	
Realisation of brought forward long term capital loss not recognised in the books due to prudence	(11)	
Other non-deductible expenses for tax purposes	(2)	1
Change in deferred tax balances due to change in income tax rates	2	14
Others	14	10
	(10)	**98**

(iii) Deferred tax:

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Deferred tax relates to the following:		
Property, plant and equipment (including goodwill and other intangible assets)	2,707	2,647
Others	6	33
Less:		
Provisions, trade payables and other current liabilities	56	38
Carry forward of tax losses/ unabsorbed depreciation	1,054	997
Others	36	17
MAT credit entitlement	288	235
Net deferred tax asset/(liability)	**1,279**	**1,393**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The management at the end of each reporting period, asseses Group's ability to recognise deferred tax assets on tax losses and unabsorbed depreciation carried forward, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are based.The management based on the future profitability projections, is confident that there would be sufficient taxable profits in the future which will enable the company to utilise the above MAT credit entitlement, unabsorbed depreciation and carry forward business lossess.

The amortisation of goodwill arising pursuant to Scheme of Arrangement and Amalgamation has been treated as deductible expenses under section 32 of the Income Tax Act, 1961 on the basis of Judicial pronouncements and legal opinion obtained by the DCBL (subsidiary of the Company)

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

17. Government grant

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
(i) Deferred capital investment subsidy(Refer sub note (a) below)		
Opening	77	80
Received during the year	(0)	1
Released to the statement of profit and loss	(2)	(4)
Adjustment on account of short approval of the subsidy claim	(6)	
Closing	**69**	**77**
(ii) Deferred export promotion capital goods(Refer sub note (b) below)		
Opening	18	6
Accrual during the year	-	12
Released to the statement of profit and loss	(13)	-
Other adjustment	(4)	-
Closing	**1**	**18**
(iii) Deferred government grant(Refer sub note (c) below)		
Opening	47	34
Accrual during the year	-	17
Released to the statement of profit and loss	17	(4)
Other adjustment	(5)	-
Closing	**59**	**47**
Total (i)+(ii)+(iii)	**129**	**142**
Non current	**119**	**120**
Current	**10**	**22**

(a) The Group has received grant towards capital investment under 'State Investment Promotion Scheme' as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs. The grant is recognised in statement of profit and loss on a systematic basis over the useful life of the assets.

(b) The Group has deferred export promotion capital goods obligation to the extent of custom duty saved on plant and machinery imported on fulfilment of conditions i.e. export of goods to be made to customers within specified period. Such custom duty saved on plant and machinery imported is recognised as deferred government grant. Since the condition is on achievement of specified conditions, therefore deferred revenue will be released to statement of profit and loss when the exports are made by the Group.

(c) The benefit of a government loan at below current market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with Ind AS 109. The benefit of the below market rate of interest/ interest free loans is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109 (at Fair Value) and the proceeds received. Government grant is recognised in the statement of profit and loss on a systematic basis over the period of the loan during which the entity recognises as interest expense, the related costs for which the grants are intended to compensate.

18. Financial liabilities

(i) Borrowings

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Secured		
A. Cash credit from banks	51	8
B. Working capital loan from banks	-	0
C. Foreign currency loan from banks		
- Buyer's Credit	276	445
- Supplier's Credit	18	-
- Packing credit foreign currency	3	8
Total (A)	**348**	**461**

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

18. Financial liabilities (contd.)

	As at March 31, 2019	As at March 31, 2018
Unsecured		
D. From others	16	7
E. Commercial papers	544	395
Total (B)	**560**	**402**
Total short term borrowings (A+B)	**908**	**863**

A) Cash credit from banks referred to in A above to the extent of:

₹49 (March 31, 2017 ₹4) are secured by hypothecation of inventories and other assets in favor of participating working capital consortiums bankers ranking pari pasu on inter se basis repayable in next one year and carry interest rate in the range of 8.50% p.a. to 10.35% p.a. (March 31, 2018: 9.60% p.a. to 11.00% p.a.).

₹2 (March 2017 : ₹4) are primarily secured by hypothecation charge on the current assets Alsthom Industries Limited both present and future and collaterally secured by Factory Land and building, all plant & Machineries and other movable assets of the company both present and future. This loan carries an interest rate of 0.15% above 1 year MCLR (presently: 8.55%) and is repayable on demand."

B) Working capital loan from banks referred to in B above to the extent of:

₹Nil (March 31, 2018: ₹0) were secured by way of first pari passu charge over all current assets of unit of Dalmia Cement (Bharat) Limited situated at Jharkhand Cement Works, Bokaro and carrying interest @ 8.35% p.a."

C) Foreign currency loans from banks referred to in C above to the extent of:

i) ₹276 (March 31, 2018 ₹326) are secured by consortium bankers on the security of hypothecation of inventories and trade receivables in their favor ranking pari pasu on inter se basis repayable in less than one year and carry 3 months/6 months/12 months LIBOR plus 0.17% to 1.05% (presently 2.82% p.a. to 3.92% p.a.)(March 31, 2018 : 1.72% p.a. to 2.47% p.a.).

ii) ₹Nil (March 31, 2018: ₹119) are secured by first -pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and money receivables of the units of Dalmia Cement (Bharat) Limited situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal) by way of hypothecation. These facilities are further secured by second charge over the fixed assets of the cement units of Dalmia Cement (Bharat) Limited situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal). The interest rate was the range of 0.22% p.a. to 2.77% p.a.

iii) ₹Nil (March 31, 2018: ₹8) were secured by first pari- passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and money receivables of the units situated at Rajgangpur, Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal) by way of hypothecation. These facilities were further secured by second charge over the fixed assets of the cement units of Dalmia Cement (Bharat) Limited situated at Rajgangpur Cement Works (Odisha), Kapilas Cement Manufacturing Works (Cuttack) and OCL Bengal Cement Works (Midnapore, West Bengal). These packing credit foreign currency loan carried the interest rate of 1.67% p.a. to 4.50% p.a.

iv) ₹3 (March 31, 2018: ₹Nil) are secured by letter of credit issued by consortium bankers on the security of hypothecation of inventories and trade receivables of Dalmia Cement (Bharat) Limited in their favour ranking pari- pasu on inter se basis repayable in less than one year. These packing credit foreign currency loan carry the interest rate of 2.00% p.a. to 4.74% p.a.

v) ₹18 (March 31, 2018: ₹Nil) are secured by consortium bankers on the security of hypothecation of inventories and trade receivables in their favour ranking pari- pasu on inter se basis repayable in less than one year and carry interest rate at 12 months LIBOR plus 0.40% p.a. (presently 3.05% p.a.).

D) Loan from others referred to in D above are payable on demand and carry interest @ 9%-18% p.a. (18%) p.a.

E) Commercial papers referred to in E above are payable in three months and carry interest rate in the range of 7.40% to 7.70% p.a. (March 31, 2018: 6.90% to 7.57% p.a.).

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

18. Financial liabilities (contd.)

(ii) Trade payables

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro and small enterprises (Refer note 35)	6	6
Total outstanding dues of creditors other than micro and small enterprises*	871	922
	877	928

*Trade payable include due to related parties ₹3 (March 31, 2018: ₹Nil) (refer note 36)

(iii) Other financial liabilities

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Current maturities of long term borrowings	955	944
Interest accrued but not due on borrowings	43	52
Interest accrued and due on borrowings	29	10
Security deposit received	403	485
Payables for purchase of property, plant and equipment	121	23
Directors' commission payable	2	2
Unclaimed dividend*	4	4
Purchase consideration payable**	41	41
Derivative liability	3	0
Accrued employee liabilities	26	19
Other liabilities	55	4
	1,682	1,584

* During the year ₹0.42 has been transferred to deposit in Investor Education & Protection Fund

** Purchase consideration payable include:

1. As part of the purchase agreement with Calcom Cement India Limited, a contingent consideration of ₹30 (March 31, 2018: ₹30) has been agreed. (refer note 34(b) for terms and conditions).
2. ₹11 (March 31, 2018: ₹11) towards purchase consideration payable against earlier years.

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Financial liabilities carried at amortised cost		
Trade payables	877	928
Borrowings	908	863
Current maturities of long term borrowings	955	944
Interest accrued but not due on borrowings	43	52
Interest accrued and due on borrowings	29	10
Security deposit received	403	485
Payables for purchase of property, plant and equipment	121	23
Directors' commission payable	2	2
Unclaimed dividend	4	4
Purchase consideration payable**	41	41
Accrued employee liabilities	26	19
Other liabilities	55	4
	3,465	3,375
Financial liabilities carried at fair value through profit and loss		
Derivative liability	3	0
	3	0

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

19. Other current liabilities

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Advances from customers	127	91
Liability towards dealer incentive *	83	52
Provident fund guarantee Interest payable	1	1
Other liabilities		
- Statutory dues	435	306
- Others	35	48
	681	**498**

* Liability towards dealer incentive relates to the accrual and release of in-kind discount. As at March 31, 2019, the estimated liability towards in-kind discount amounts to ₹83 (March 31, 2018: ₹52).

20(a) Provisions

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	53	37
Provision for mines reclamation liability (refer note no, 41)	3	-
Provision for export promotion capital goods (refer note no, 41)	31	28
Provision for contingencies (refer note no, 41)	1	4
	88	**69**

20(b) Current tax liabilities

(Amount in ₹)

	As at March 31, 2019	As at March 31, 2018
Provision for tax	51	2
	51	**2**

21. Revenue from operations

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products*		
Finished goods		
- Cement and its related products	8,581	7,666
- Refractories	555	404
- Power	14	13
Traded goods	24	173
	9,174	**8,256**
Management services	19	24
Sales Tax incentive/ VAT remission/ GST remission	218	451
Government grant	12	-
Other operating revenue	61	96
	9,484	**8,827**

* Revenue from operations for periods upto June 30, 2017 includes excise duty. From July 1, 2017 onwards, the excise duty and most indirect taxes in India have been replaced by Goods and Service Tax (GST). The Group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended March 31, 2018 is not comparable with that of the previous year.

Notes to Consolidated Financial Statements

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

21. Revenue from operations (contd.)

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
a. Revenue from contracts with customers disaggregated based on nature of product or services		
Revenue from sale of products (including excise duty)		
- Cement and its related products	8,581	7,666
- Refractories	555	404
- Power	14	13
Traded Sales	24	173
Other operating revenues		
Management service charges	19	24
Other operating revenue	61	96
	9,254	**8,376**
Set out below is the revenue from contracts with customers and reconciliation to profit and loss account		
Total revenue from contracts with customers	9,254	8,376
Add: Items not included in disaggregated revenue:		
Sales Tax incentive/ VAT remission/ GST remission	218	451
Government grant	12	
Revenue from contracts with customer as per the statement of profit and loss	**9,484**	**8,827**
b. Contract balance		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:		
Contract Assets		
Trade receivables (refer note 9(ii))	549	564
Contract liabilities	-	-
Advances from customers (refer note 19)	127	91

22. Other income

(Amount in ₹)

	For the year ended March 31, 2019		For the year ended March 31, 2018	
Dividend income				
- from non-current investments		12		21
- from current investments		2		7
Interest Income		150		109
Profit on sale of Investments	186		110	
Less: Loss on sale of investment	1	185	0	110
Fair value gain/(reversal) on current investment		(114)		27
Exchange difference (net)		9		0
		244		**274**

23. Cost of raw materials consumed

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	159	117
Add: Purchases*	1,867	1,385
Less: Closing stock	232	159
	1,794	**1,343**

* Net of reversal of earlier years provision of ₹Nil (March 31, 2018: ₹18) related to contribution towards District Mineral Fund (DMF) under the Mines and Mineral (Development and Regulation) Amendment Act, 2015, on the basis of Hon'ble Supreme Court Judgement dated October 13, 2017.

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

24. Change in inventories of finished goods and work in progress

(Amount in ₹)

	For the year ended March 31, 2019		For the year ended March 31, 2018	
Finished goods				
- Closing stock		141		109
- Opening stock	109		129	
Less: Transferred to self consumption	1	108	1	128
		(33)		**19**
Work-in-process				
- Closing stock		76		54
- Opening stock		54		53
		(22)		**(1)**
Stock in trade				
- Closing stock		92		-
- Opening stock		-		-
		(92)		-
(Increase) / Decrease		**(147)**		**18**

25. Employee benefits expense

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	556	527
Expenses on employees stock options scheme	5	6
Gratuity expense	17	9
Contribution to provident fund and other funds	34	35
Workmen and staff welfare expenses	36	32
	648	**609**

26. Finance costs

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest		
- On term loans and debentures	448	503
- On short term borrowings	56	81
- On defined benefit obligation	3	3
- Others (including interest on income tax of ₹3 (March 31,2018: ₹(-)1)*	(3)	15
Other borrowing cost	12	53
Exchange differences to the extent considered as an adjustment to borrowing cost (net)	35	38
	551	**693**

* net of reversal of interest liability of ₹39 (March 31, 2018: ₹14) provided in earlier years. Interest expense of ₹10 (March 31, 2018: ₹Nil) is capitalised during the year.

27. Other expenses

(Amount in ₹)

	For the year ended March 31, 2019		For the year ended March 31, 2018	
Packing materials		362		321
Consumption of stores and spare parts		50		40
Repairs and maintenance :				
- Plant & machinery		209		207
- Buildings		15		14
Rent		55		46
Rates and taxes		11		18

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

27. Other expenses (contd.)

(Amount in ₹)

	For the year ended March 31, 2019		For the year ended March 31, 2018	
Insurance		6		11
Depot expenses		125		108
Professional charges		96		78
Advertisement and publicity		220		177
Rebate and discounts		4		1
Excise duty variation on opening/closing inventories		-		(17)
Corporate social responsibility expense		7		12
Bad debts/ advances written off	3			
Less: Impairment allowance for doubtful debts/ advances adjusted out of above	(2)	1		2
Impairment allowance for doubtful debts/ advances		4		3
Miscellaneous expenses*		359		369
		1,524		**1,390**

* Also refer note 42 for remuneration of auditors.

28. Earning per share

(Amount in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic EPS		
Net profit for calculation of basic EPS (₹)	308	292
Total number of equity shares outstanding at the end of the year	19,29,58,553	19,27,27,553
Weighted average number of equity shares in calculating Basic EPS	19,27,47,805	19,24,05,978
Basic EPS (In Rupees)	15.97	15.18
Diluted EPS		
Net profit for calculation of diluted EPS (₹)	308	292
Weighted average number of equity shares for calculation of diluted EPS	19,27,47,805	19,24,05,978
Add: Weighted average number of potential equity shares	2,92,964	10,38,094
Weighted average number of equity shares for calculation of diluted EPS	19,30,40,769	19,34,44,071
Diluted EPS (In Rupees)	15.95	15.10

29. Disclosure of significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions

The judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Significant judgements, estimates and assumptions are as specified below:-

Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred. Estimating fair value for equity-based payment transactions requires determination of the

29. Disclosure of significant accounting judgements, estimates and assumptions (contd.)

most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, risk free rate, expected dividend yield, market price and exercise price and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be disclosed at the carrying amount at end of each reporting period up to the date of settlement. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 31. Change in assumptions for estimating fair value of share-based payment transactions is expected to have insignificant impact on income statement.

Income Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

To determine the future taxable profits, reference is made to the latest available profit forecasts. The Group is having brought forward losses and unabsorbed depreciation that may be used to offset taxable income.

MAT credit entitlement is recognised to the extent it is probable that taxable profit will be available against which the MAT credit can be utilised. Significant management judgement is required to determine the amount of MAT credit that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Change in estimate

Deferred tax credit for the current year includes ₹45 on account of change in assumptions pertaining to 'Land' as per the provisions of Ind-AS 12 'Income Taxes'.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2006-08. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 30.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 37 and 39 for further disclosures.

Provision for mines reclamation

The Group has recognised a provision for mine reclamation until the closure of mine. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected future inflation rates, discount rate, expected cost of reclamation of mines, expected balance of reserves available in mines and the expected life of mines. The carrying amount of the provision as at March 31, 2019 is ₹46 (March 31, 2018: ₹31).

The Group estimates that the costs would be incurred in 1 years- 48 years for different mines upon the closure of mines and calculates the provision using the DCF method based on discount rate of 7.73% to 7.81%.

29. Disclosure of significant accounting judgements, estimates and assumptions (contd.)

Property, plant and equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Change in estimate

During the year, Company has reviewed its available mining reserves and accordingly revised the estimate for available mining reserves. Accordingly, amortisation expense for the year is lower by ₹2.

Impairment of property, plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived based on remaining useful life of the respective assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

There is impairment loss of ₹Nil (₹0) recognised for the year ended March 31, 2019 and March 31, 2018.

Revenue recognition – Non-cash incentives given to customers

The Group estimates the fair value of non-cash incentives awarded by applying market rate offered by vendors to the group. The assumption for determining fair value of non-cash incentives is based on the market rate of such schemes. As at March 31, 2019, the estimated liability towards non-cash incentive amounted to ₹83 (March 31, 2018: ₹70). Change in assumptions for estimating fair value of non-cash incentives does not have any significant impact on income statement.

Subsidies receivable

The Group is entitled to various subsidies from Government in the form of government grant and recognize amount receivable and it is reasonably certain that the ultimate collection will be made from government as subsidy receivable when the Group is entitled to receive it to match them with expenses incurred for which they are intended to compensate. The Group records subsidy receivable by discounting it to its present value. The Group uses assumptions in respect of discount rate and estimated time for receipt of funds from government. The Group reviews its assumptions periodically, including at each financial year end.

Change in estimate

The Group estimates expected date of receipt of subsidy based on approval accorded from State Level Committee. Based on its past experience and inputs from business environment, the Management assessed that in event of clearance of approval from State Level Committee, the expected period of receipt of subsidy shall be 1.5 years for the subsidy accrued on or after April 1, 2017 and 2.5 years in case the subsidy was accrued on or before March 31, 2017 and in other cases, expected period of recovery will be 3.5 years from the date of accrual of subsidy in case subsidy is accrued on or before March 31, 2017 and 2.5 years for the subsidy accrued on or after April 1, 2017.

Impairment of financial assets

The impairment provisions for financial assets disclosed in note 5 and 9 are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

30. Gratuity and Other Post Employment Benefit Plans

Gratuity

The Group has a defined benefit gratuity plan. The gratuity is governed by the Payment of Gratuity Act, 1972. Under the Act employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded through Gratuity Fund Trust (except in case of certain employees of one of the subsidiary company of DCBL) with an insurance company in the form of a qualifying insurance policy. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Group makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

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

30. Gratuity and Other Post Employment Benefit Plans (contd.)

Provident Fund ('PF')

The Group contributes provident fund liability to Dalmia Cement Provident Fund Trust (except in case of certain employees of one of the subsidiary company of DCBL). As per the Guidance Note on implementing notified AS 15, Employee Benefits issued by the Ministry of Corporate Affairs (MCA), provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The following tables summarize the components of net employee benefit expenses recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the above mentioned plan.

Statement of Profit and Loss

Net employee benefit expenses (recognised in Employee Benefits Expenses) (Amount in ₹)

	Gratuity (Funded/Partly Funded)		PF (Funded/Partly Funded)	
	2018-19	2017-18	2018-19	2017-18
Current service cost	17	9	16	10
Net Interest cost	2	2	1	1
Net benefit expense	**19**	**11**	**17**	**11**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2019 (Amount in ₹)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2018 (1)	70	43	27	138	136	2
Service cost (2)	17	-	17	16	-	16
Net interest expense/ (income) (3)	5	2	3	16	15	1
Sub-total included in profit or loss (note 26) (2+3)=(4)*	**22**	**2**	**20**	**32**	**15**	**17**
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	2	(2)	-	1	(1)
(Gain)/loss from changes in demographic assumptions (6)	-	-	-	-	-	-
(Gain)/loss from changes in financial assumptions (6A)	8	-	8	-	-	-
Experience (gains)/losses (7)	25	-	25	2	-	2
Sub-total (5+6+6A+7)=(8)	**33**	**2**	**31**	**2**	**1**	**1**
Expenses/(Income) included in OCI out of (8) above**	**32**	**2**	**31**	**2**	**1**	**1**
Contributions by employer (9)	-	-	-	-	16	(16)
Contribution by plan participation/ employees (10)	-	-	-	30	30	-
Acquisition adjustments (10A)***	17	-	17			
Settlements/ (Transfer in) (11)	-	-	-	40	40	-
Benefits paid (12)	(5)	(5)	-	(46)	(46)	-
Sub-total (9+10+10A+11+12)=(13)	**12**	**(5)**	**17**	**24**	**40**	**(16)**
March 31, 2019 (1+4+8+13)	**137**	**42**	**95**	**196**	**192**	**4**

*Includes ₹2 recognised in capital work in progress.

** Includes ₹0 recognised in capital work in progress.

*** Related to Dalmia DSP Limited acquired on 10th July 2018.

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

30. Gratuity and Other Post Employment Benefit Plans (contd.)

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2018 (Amount in ₹)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2017 (1)	66	42	24	87	86	1
Service cost (2)	9	-	9	10	-	10
Net interest expense/ (income) (3)	5	3	2	9	8	1
Sub-total included in profit or loss (note 26) (2+3)=(4)	14	3	11	19	8	11
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	-	-	-	1	(1)
(Gain)/loss from changes in demographic assumptions (6)	-	-	-	-	-	-
(Gain)/loss from changes in financial assumptions (6A)	(1)	-	(1)	-	-	-
Experience (gains)/losses (7)	(4)	-	(4)	1	-	1
Sub-total (5+6+6A+7)=(8)	**(5)**	**-**	**(5)**	**1**	**1**	**(0)**
Expenses/(Income) included in OCI out of (8) above	**(5)**	**-**	**(5)**	**1**	**1**	**(0)**
Contributions by employer (9)	-	2	(2)	-	10	(10)
Contribution by plan participation/ employees (10)	-	-	-	16	16	-
Acquisition adjustments (10A)	-	-	-			
Settlements/ (Transfer in) (11)	-	-	-	22	22	-
Benefits paid (12)	(5)	(4)	(1)	(7)	(7)	-
Sub-total (9+10+10A+11+12)=(13)	**(5)**	**(2)**	**(3)**	**31**	**41**	**(10)**
March 31, 2018 (1+4+8+13)	**70**	**43**	**27**	**138**	**136**	**2**

The Group expects to contribute ₹80 (March 31, 2018: ₹29) and ₹13 (March 31, 2018: ₹7) to gratuity and PF respectively in 2019-20.

The major categories of plan assets of the fair value of the total plan assets of Gratuity and PF are as follows:-

(Amount in ₹)

	Gratuity (Funded/Partly Funded)		PF (Funded/Partly Funded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unquoted investments:				
Insurance Company Products	42	43	-	-
Government securities / Equity shares/ Corporate bonds/Special Deposit schemes as defined under Specified rules	-	-	192	136
Total	**42**	**43**	**192**	**136**

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

30. Gratuity and Other Post Employment Benefit Plans (contd.)

The principal assumptions used in determining gratuity and PF for the Group are shown below: (Amount in ₹)

	Gratuity (Funded/Partly Funded)		PF (Funded/Partly Funded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	%	%	%	%
Discount rate	7.25%	7.90%	6.89%-7.5%	6.89% to 7.95%
Future salary increases	6%-7%	6%-9%	-	-
Guaranteed interest rate	-	-	8.65%	8.65%
Mortality Table	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 and March 31, 2018 is as shown below:

Gratuity Plan: (Amount in ₹)

Assumption	Discount rate				Future salary increases			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Impact on defined benefit obligation	6	6	(6)	(5)	(6)	(5)	6	6
Impact on defined benefit obligation (Change in %)	4%	9%	-4%	-7%	-4%	-7%	4%	9%

PF: (Amount in ₹)

Assumption	Discount rate				Interest rate guarantee			
Sensitivity Level	1% Decrease		1% Increase		1% decrease		1% increase	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Impact on defined benefit obligation	6	4	(2)	(2)	(4)	(2)	6	8
Impact on defined benefit obligation (Change in %)	3%	3%	-1%	-1%	-2%	-1%	3%	6%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years: (Amount in ₹)

	Gratuity (Funded/Partly funded)		PF (Funded/Partly funded)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Within the next 12 months (next annual reporting period)	49	16	84	51
Between 2 and 5 years	58	27	57	29
Between 5 and 10 years	46	32	51	55
Beyond 10 years	45	68	0	102
Total expected payments	**198**	**143**	**192**	**237**

Duration of the defined benefit plan obligation for gratuity at the end of the reporting period is 5-13 years (March 31, 2018: 4-14 years) and for PF at the end of the reporting period is 6 years (March 31, 2018: 4-9 years).

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

30. Gratuity and Other Post Employment Benefit Plans (contd.)

Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:-

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. The plan asset investments is in insurance company products and in government securities. The investments are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

Asset liability matching risk

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

Liquidity Risk

The Group actively monitors how the duration and the expected yield of investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods.

31. Share – based payments

Employee stock option scheme 2011- "ESOP 2011"was approved by the shareholders of the company in their meeting held on 26th May, 2011. The Company has granted 17,65,000 options to eligible employees of the company including employees of subsidiary company. Company had adopted a new ESOP Scheme namely DBL ESOP Scheme 2018 pursuant to the Scheme of Arrangement and Amalgamation amongst Odisha Cement Limited, Dalmia Bharat Limited and Dalmia Cement (Bharat) Limited and their respective shareholders and creditors. As per the said new ESOP Scheme, DBL granted 2 (Two) new stock options ('New Options') to the eligible employees of Company in lieu of every 1 (one) stock option held by them under DBEL ESOP Scheme 2011 (whether vested or unvested).

The fair value of the share options is estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

Options have been granted with vesting period of 5 years on the basis of graded vesting and are exercisable for a period of 3 years once vested. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

The expense recognised for employee services received during the year is shown in the following table: (Amount in ₹)

	March 31, 2019	March 31, 2018
Expense arising from equity-settled share-based payment transactions	5	6
Total expense arising from share-based payment transactions	**5**	**6**

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

31. Share – based payments (contd.)

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	5,85,000	332.36	8,20,500	287.40
Cancelled pursuant to Scheme of Arrangement and Amalgamation	(5,85,000)	332.36	-	-
Granted during the year	-	-	-	-
Granted during the year pursuant to DBL ESOP Scheme 2018	11,70,000	166.18	-	-
Exercised during the year	(2,31,000)[1]	157.21	(1,87,500)[2]	193.68
Expired/ Lapsed during the year	-	-	(48,000)	105.50
Outstanding at the end of the year	9,39,000	168.39	5,85,000	332.36

[1] The weighted average share price at the date of exercise of these options is Rupees 1214.40.

[2] The weighted average share price at the date of exercise of these options is Rupees 2641.20.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 is 4.81 years (March 31, 2018: 5.5 years).

The range of exercise prices for options outstanding at the end of the year is ₹108.62 to ₹191.77 (March 31, 2018 : Rupees 217.23 to Rupees 383.53)

The following table list the inputs to the models used for the plan for the year ended March 31, 2019 and March 31, 2018:-

	Grant 1	Grant 2	Grant 3
Dividend yield (%)	1.42	0.40	0.21
Volatility (%)	42.76	48.58	46.92
Risk–free interest rate (%)	8.16	7.71	7.54
Average expected life of options (years)	4.50	4.53	4.51
Weighted average share price (₹)	105.95	502.05	713.80
Date of grant	May 18, 2012	January 29, 2015	February 03, 2016
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model

32. Lease

A. Operating lease- Assets taken on lease

The group has entered into cancellable lease agreements with an average life up to ten years with renewal option at the mutual consent of lessor & lessee. Some of the lease agreements contain escalation clause of upto 10%. There are no restrictions placed upon the group by entering into these leases.

(Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Lease payments for the year	55	46
Total	**55**	**46**

Future minimum rentals payable under non-cancellable operating leases as at March 31 are as follows:-

Future minimum lease payments	March 31, 2019	March 31, 2018
Not later than one year	3	2
Later than one year and not later than five years	5	5
Later than five years	-	1
Total	**8**	**8**

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

32. Lease (contd.)

B. Finance Lease -Group as Lessor

The DCBL (Subsidiary Company) had purchased wagons under "own your wagon scheme" of Railways and leased it to Railways on rent, the wagons were recognised as assets and carried in the books at written down value, the Company is earning rental income from the arrangement, hence it qualifies to be recognised as finance lease arrangement where Railways is the lessee.

Future minimum lease receivables (MLR) and its present value under finance leases are as follows: (Amount in ₹)

	March 31, 2019		March 31, 2018	
	Minimum lease receivables	Present value of MLP	Minimum lease receivables	Present value of MLP
Within one year	-	-	-	-
After one year but not more than five years more than five years	-	-	-	-
Unguaranteed residual values	1	1	1	1
Total minimum lease payments	**1**	**1**	**1**	**1**
Less: amounts representing finance charges	-	-	-	-
Present value of minimum lease payments	**1**	**1**	**1**	**1**

C. Finance Lease- Group as Lessee

The Company has finance lease arrangements for printers and land at various locations. These leases have term of between 5 and 99 years and are eligible for renewal at the end of lease term. Future minimum lease payments (MLP) and its present value under finance leases are as follows -

(Amount in ₹)

	March 31, 2019		March 31, 2018	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	2	1	1	1
After one year but not more than five years	2	1	3	2
more than five years	7	0	7	0
Total minimum lease payments	**11**	**2**	**11**	**3**
Less: Amount representing interest	(9)	-	(8)	-
Present value of minimum lease payments	**2**	**2**	**3**	**3**

33. Capital and Other commitments (Amount in ₹)

	Particulars	March 31, 2019	March 31, 2018
A)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
	In respect of Parent	1	1
	In respect of Subsidiaries	614	184
B)	**Other Commitments**		
a)	Commitment towards forestry department as per the Forest (Conservation) Act, 1980		
	In respect of Parent	-	-
	In respect of Subsidiaries	32	32
b)	Commitment for revival/ acquisition of Dalmia DSP Limited (Formerly known as Kalyanpur Cements Limited) to the Resolution Professional pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 (net of payments of ₹42.78)		
	In respect of Parent	-	-
	In respect of Subsidiaries	-	310

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

33. Capital and Other commitments (contd.)

	Particulars	March 31, 2019	March 31, 2018
c)	Corporate guarantee given by subsidiary of the company to a bank on behalf of subsidiary company namely Rajputana Properties Private Limited for issuance of Performance Bank Guarantee ('PBG') by such bank in respect of Resolution Plan submitted for acquisition of Binani Cement Limited under Insolvency and Bankruptcy Code, 2016		
	In respect of Parent	-	-
	In respect of Subsidiaries	-	652
d)	Corporate guarantee given by the Company to a bank for issuance of bank guarantee on behalf of subsidiary company namely Rajputana Properties Private Limited towards grant of mining lease		
	In respect of Parent	-	-
	In respect of Subsidiaries	12	-
e)	Estimated future investments in Alternative Investment Fund in terms of agreement with the fund.		
	In respect of Parent	-	-
	In respect of Subsidiaries	4	-
f)	Other commitments- towards contractual and other payments, which does not have any bearing on the results for the current and previous year.		
	In respect of Parent	-	-
	In respect of Subsidiaries	31	31

C) Dalmia Cement (Bharat) Limited, a subsidiary of the company, during the previous year, had filed Resolution Plan (RP) pursuant to the provisions of IBC to the Resolution Professional appointed for revival of Murli Industries Limited (MIL) which is recommended by the Committee of Creditors to the National Company Law Tribunal, Mumbai Bench for its approval. Following receipt of requisite approvals, RP provides for payment of ₹402 to MIL creditors by the Company. Further, Company has given a bank guarantee of ₹50 as per RP. The matter is currently in the NCLT, Mumbai Bench.

34. Contingent liabilities / Litigations in respect of :

(A) Not provided for:

Parent Company (Amount in ₹)

S. No.	Particulars	March 31, 2019	March 31, 2018
a)	Contingent liabilities / Litigations	Nil	Nil

Subsidiaries (Amount in ₹)

S. No.	Particulars	March 31, 2019	March 31, 2018
a)	Claims against the Group not acknowledged as debts	292	212
b)	Demand raised by following authorities in dispute:		
	Excise & Service Tax	67	81
	Customs	39	0
	Sales Tax / Entry Tax / Purchase Tax	110	113
	Income tax matters	42	73
c)	Other monies for which Group is contingently liable	2	2
	Total	**552**	**481**

Based on favourable decisions in similar cases, legal opinion taken by the Group, discussions with the solicitors etc., the Group believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

(B) The Group's subsidiary Dalmia Cement (Bharat) Limited (DCBL) holds 76% shares in one of its subsidiary Company Calcom Cement India Ltd. (CCIL), where Bawri Group (BG), other shareholder, holds 21% (approx.) voting rights. During the year

34. Contingent liabilities / Litigations in respect of : (contd.)

2015-16, DCBL alleged that BG had defaulted in completion of certain obligations under the Shareholders Agreement/ Articles of Association (referred as Inter-se Agreement or 'ISA') and sent notice to BG seeking remedies under the terms of ISA. In response thereto, BG denied the responsibility of completion of the said obligations and further filed a petition before the Company Law Board, Kolkata (CLB) under Sections 397 and 398 of the Companies Act 1956 alleging oppression and mismanagement by the Company. BG prayed CLB, along with other non-financial matters, to get the CCIL suitably compensated for such sums as may be found due. On constitution of National Company Law Tribunal ('NCLT'), the case was referred to it. NCLT, Guwahati Branch, has concluded in response to an application filed under Section 8 of the Arbitration and Conciliation Act 1996 by Company, vide its order dated January 5, 2017, that the said 397/398 petition is dressed up petition and therefore, disposed of the same and vacated all the interims orders. Further, NCLT referred both the parties to arbitration for settlement of their commercial disputes and the matter is still pending disposal before the Arbitral Tribunal. The management of CCIL denied the allegations as all such transactions have been prudently made in the ordinary course of business, on arms-length basis, in compliance with all applicable laws and regulations and in the larger commercial interest of the subsidiary company of DCBL.

BG has filed petitions before the Hon`ble High Court Guwahati challenging the order of NCLT. Interim order issued by Guwahati High Court in the said petition has been vacated by the Supreme Court in May 2017 and the petitions are pending adjudication before the Guwahati High Court. Pending final disposal of the disputes, no adjustments are considered necessary in the financial statements.

(C) (i) Income tax department had carried out search operation in the office premises of Meghalaya unit of Dalmia Cement (Bharat) Limited on March 11, 2016 (concluded on May 03, 2016), consequent to which assessment orders under Section 153(A)/143(3) of the Income Tax Act, 1961 have been passed on December 30, 2018 from AY 2011-12 to 2017-18 and there is no additional income tax liability. However, unabsorbed depreciation has been reduced on account of addition of ₹42 made in AY 2011-12 and against the same, an appeal has filed before appellate authority.

(ii) The income tax department had carried out search operation in the office premises of the Calcom Cement India Limited (a step down subsidiary) on March 11, 2016. Consequently, It had received notice under section 153A of the income tax act, 1961 to file returns –for the assessment years from AY 2010-11 to 2017-18 under block assessment which were duly filed. The final assessment orders under section 153(A) and 143(3) of the income tax act,1961 have been passed on December 31, 2018 for eight assessment years (i.e., from AY 2010-11 to 2017-18) by the income tax department and there is no additional income tax liability. However, the income tax department had reduced the amount of brought forward losses by disallowing /making additions of ₹10. CCIL has filed appeals before CIT(A)-1, Guwhati against the AY 2010-11 and AY 17-18 involving amount ₹8.

Further, the Group has not adjusted the above amount while computing income tax/deferred tax liability since the Group has been legally opined that above addition may not be tenable.

(D) The Group's subsidiary Dalmia Cement (Bharat) Limited had received summons from the Court of Principal Special Judge for CBI cases Hyderabad, under Section 120 (b) read with Section 420 of Indian Penal Code. The investigating agency has alleged that the Group's investment in Bharthi Cement and acquisition of Eswar Cements Private Limited were made for the benefit of an influential person in the State, prime accused in the case, as a quid pro quo for grant of prospecting license over certain limestone bearing land in the State of Andhra Pradesh. However, both the investments made by Dalmia Bharat Sugar and Industries Limited were genuine investments as permitted under that Company's Memorandum and Articles of association and duly approved by their Board of Directors. The proceedings are still at the preliminary stage and in the opinion of the Group, no adverse impact is expected to devolve on the management on conclusion of such proceedings.

(E) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.

34. Contingent liabilities / Litigations in respect of : (contd.)

F) Dalmia Cement (Bharat) Limited (DCBL), subsidiary of the Company, had acquired Kalyanpur Cements Limited (KCL) pursuant to the provisions of Insolvency and Bankruptcy Code, 2016 ("IBC"). DCBL have invested ₹150 Crore as fresh equity in KCL. KCL had become the wholly owned subsidiary of the DCBL w.e.f. 10th July 2018 and has been renamed as Dalmia DSP Limited ("DDSPL"). Accounting to give effect of Approved resolution plan is considered by Dalmia DSP Limited and Consolidated financial statements include the financial results for Dalmia DSP Limited w.e.f. July 10, 2018.

DDSPL, under the new Management, has paid/settled dues to secured financial creditors, unsecured financial creditors, employees and workmen, statutory authorities and operational Creditors as per the approved Resolution Plan. As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) period prior to the Effective Date stand extinguished. The implementation of the Resolution Plan does not have any effect over claims or receivables owed to the DDSPL.

35. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006 :-

(Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	6	6
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	0
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0	0
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0	0

36. Related Party transactions

A) List of related parties along with nature and volume of transactions is given below:

i. Key Management Personnel/ Director of the Group

Shri Jai Hari Dalmia – Non- Executive Director(w.e.f October 30, 2018)*, Shri Yadu Hari Dalmia- Non- Executive Director(w.e.f October 30, 2018)*, Shri Gautam Dalmia- Managing Director(w.e.f October 30, 2018)**, Shri Puneet Yadu Dalmia – Managing Director(w.e.f October 30, 2018)**, Shri D.N. Davar- Non- Executive Director, Shri Jayesh Doshi- Whole time Director & CFO, Shri P.K. Khaitan- Independent Director, Shri N. Gopalaswamy- Independent Director, Shri V.S. Jain- Independent Director, Smt. Sudha Pillai- Independent Director and Dr. Sanjeev Gemawat-Company Secretary.

*Managing Director (upto October 30, 2018)

**Director (upto October 30, 2018)

ii. Enterprises controlled by the Key Management Personnel of the Company (with whom transactions have taken place during the year)

Dalmia Bharat Sugar and Industries Limited, Dalmia Refractories Limited, Kanika Investments Limited, Dalmia Bharat Foundation, Shri Chamundeswari Minerals Limited, Alirox Abrasives Limited, Antordaya Commercial and Holdings Private Limited, Shree Nirman Limited and Glow Home Technologies Private Limited.

Notes to Consolidated Financial Statements

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

B) The following transactions were carried out with the related parties in the ordinary course of business:

(Amount in ₹)

Name of the Related Party	Nature of related party	Dividend Paid	Dividend Received	Interest paid	Interest received	Loan taken	Loans and advances given	Loans & Advances received back	Purchase of goods & Services	Reimbursement of expense payable	Reimbursement of expense receivable	Sale of goods & Services	Sale of Assets	Sale of Investments	CSR	Managerial Remuneration	Director's Sitting Fees and commission
Dalmia Bharat Sugar and Industries Limited	KMP Controlled	-	-	-	-	-	-	-	10	-	0	18	0	-	-	-	-
		(0)	(3)	-	-	-	-	-	(8)		(0)	(22)	-	-	-	-	-
Dalmia refractories limited	KMP Controlled	-	-	-	-	-	-	-	24	0	0	8	-	-	-	-	-
		-	-	-	-	-	-	-	(14)	-	(0)	(7)	-	-	-	-	-
Kanika Investment Limited	KMP Controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	(0)	(3)	-	(16)	(41)	-	-	-	-	-	-	-	-	-
Glow Home Technologies (P) Limited	KMP Controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	(0)	-	-	-	-	-	-	-	-
Alirox Abrasives Limited	KMP Controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Antordaya Commercial and Holdings Private Limited	KMP Controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shri Chamundeswari Minerals Limited	KMP Controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	(0)	-	-	-	-	-
Dalmia Bharat Foundation	KMP Controlled	-	-	-	-	-	-	-	-	-	-	-	-	-	6	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	(11)	-	-
Shri Nirman Limited	KMP Controlled	-	-	-	-	-	-	-	-	-	-	0	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	(8)	-	-	-
Shri Gautam Dalmia	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20	0
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12)	(0)
Shri J.H.Dalmia	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	0
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6)	(0)
Shri Puneet Yadu Dalmia	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	49	0
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(24)	(0)
Shri Y.H.Dalmia	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	0
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8)	(0)

Notes to Consolidated Financial Statements

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

B) The following transactions were carried out with the related parties in the ordinary course of business:

(Amount in ₹)

Name of the Related Party	Nature of related party	Dividend Paid	Dividend Received	Interest paid	Interest received	Loan taken	Loans and advances given	Loans & Advances received back	Purchase of goods & Services	Reimbursement of expense payable	Reimbursement of expense receivable	Sale of goods & Services	Sale of Assets	Sale of Investments	CSR	Managerial Remuneration	Director's Sitting Fees and commission
Shri Jayesh Doshi	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)	-
Shri P.K. Khaitan	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Shri N. Gopalaswamy	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Shri V.S. Jain	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Smt. Sudha Pillai	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Shri D N Davar	Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Sanjeev Gemawat	Key Management Personnel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-
Total		-	-	-	-	-	-	-	34	0	0	26	0	-	6	87	1
		(0)	(3)	(0)	(3)	-	(16)	(41)	(22)	-	(0)	(29)	-	(8)	(11)	(55)	(0)

All figures in ( ) represent amount for the year ended March 31, 2018

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

C) Balance outstanding at year end:

(Amount in ₹)

Name of the Related Party	Nature of related party	Amounts Receivable	Amounts Payable	Interest Receivable	Interest Payable	Loans payable	Directors Commission Payable	Remuneration payable	Trade Payables	Trade receivable
Dalmia Bharat Sugar and Industries Limited	KMP Controlled	-	-	-	-	-	-	-	0	4
		(2)	(0)	-	-	-	-	-		-
Dalmia Refractories Limited	KMP Controlled	-	-	-	-	-	-	-	3	6
		(1)	(2)	(0)	-	-	-	-	-	-
Glow Home Technologies (P) Limited	KMP Controlled	-	-	-	-	-	-	-	-	0
		-	-	-	-	-	-	-	-	-
Radhikapur (West) Coal Mining Private Limited	Joint Venture	-	-	-	-	-	-	-	-	0
		-	-	-	(1)	(5)	-	-	-	-
Dalmia Bharat Foundation	KMP Controlled	-	-	-	-	-	-	-	-	0
		-	-	-	-	-	-	-	-	-
Shree Nirman Limited	KMP Controlled	-	0	-	-	-	-	-	0	-
		-	-	-	-	-	-	-	-	-
Antordaya Commercial and Holdings Private Limited	KMP Controlled	-	-	-	-	-	-	-	-	0
		-	-	-	-	-	-	-	-	-
Mr. N. Gopalaswamy	Director	-	-	-	-	-	0	-	-	-
		-	-	-	-	-	(0)	-	-	-
Mrs. Sudha Pillai	Director	-	-	-	-	-	0	-	-	0
		-	-	-	-	-	(0)	-	-	-
Shri P.K. Khaitan	Director	-	-	-	-	-	0	-	-	0
		-	-	-	-	-	-	-	-	-
Shri V.S. Jain	Director	-	-	-	-	-	0	-	-	0
		-	-	-	-	-	-	-	-	-
Shri D N Davar	Director	-	-	-	-	-	0	-	-	0
		-	-	-	-	-	-	-	-	-
Mr. Puneet Yadu Dalmia	Key Management Personnel	-	-	-	-	-	-	-	-	0
		-	-	-	-	-	-	(6)	-	-
Grand Total		-	0	-	-	-	0	-	3	10
		(3)	(2)	(0)	(1)	(5)	(0)	(6)	-	-

All figures in ( ) represent balance outstanding as at March 31, 2018
Investment with related parties are disclosed in note 6.

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

36. Related Party transactions (contd.)

D) Compensation of key management personnel of the Company:- (Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Short-term employee benefits	44	48
Termination benefits	2	4
Post- employment benefits	37	0
Share-based payment transactions	0	1
Total compensation paid to key management personnel*	**83**	**53**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel.

* Remuneration to the key managerial personnel does not include provision made for gratuity and leave benefits as they are determined on an actuarial basis for the Group as a whole.

E) Directors' interests in the Employees stock option Scheme

Share options held by certain Directors under the employees stock option scheme to purchase equity shares have the following expiry dates and exercise prices (refer note 31): (Amount in ₹)

Grant Date	Expiry Date	Exercise Price (₹)	March 31, 2019 Number outstanding	March 31, 2018 Number outstanding*
January 29, 2015	January 29, 2021	108.62	66,000	45,000
February 03, 2016	February 03, 2022	191.77	22,500	13,500
Total			**88,500**	**58,500**

* refer note 31

F) The transactions with related parties have been made on terms equivalent to those that prevail in arm length transactions.

G) Corporate guarantee

(i) Corporate guarantee given by the DCBL(Subsidiary Company) to a bank on behalf of step down subsidiary company namely Rajputana Properties Private Limited for issuance of Performance Bank Guarantee by such bank in respect of Resolution Plan submitted for acquisition of Binani Cement Limited under Insolvency and Bankruptcy Code, 2016 is ₹Nil (March 31, 2018: ₹652).

(ii) Corporate guarantee given by the DCBL (Subsidiary Company) to a bank for issuance of bank guarantee on behalf of step down subsidiary company namely Rajputana Properties Private Limited towards grant of mining lease of ₹12 (March 31, 2018: ₹Nil)

37. Fair Values

See out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(Amount in ₹)

Particulars	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Financial assets carried at amortised cost				
Loans and advances to employees	18	17	18	17
Security deposit	71	62	71	62
Incentives receivable	888	1,173	888	1,173
Deposit with banks having remaining maturity of more than twelve months	12	18	12	18
Interest receivables	47	20	47	20
Investment in commercial paper	139	-	139	-
Loan to others	33	78	33	78
Other Financial Assets	15	11	15	11

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

37. Fair Values (contd.)

Particulars	Carrying Value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets carried at fair value through profit or loss				
Derivative Instruments	62	81	62	81
Investment in equity shares	39	41	39	41
Investment in mutual funds	516	2,177	550	2,177
Investment in traded corporate bonds	35	-	35	-
Investment in non-trade corporate bonds	565	218	565	218
Investment in alternative investment fund	22	-	22	-
Investment in tax free bonds	0	0	0	0
Investment in infrastructure fund	2	4	2	4
Financial assets carried at fair value through other comprehensive income				
Investment in LLP	500	486	500	486
Investment - Equity shares (quoted)	500	486	500	486
Investment - Equity shares (unquoted)	0	0	0	0
Financial Liabilities				
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	5,878	7,266	5,878	7,266
Security deposit received	404	491	404	491
Financial liabilities carried at fair value through profit and loss				
Derivative Liability	3	1	3	1

The Group assessed that cash and cash equivalents, other bank balances, trade receivables, other current financial assets (except derivative financial instruments), trade payables and other current financial liabilities (except derivative financial liabilities) are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(a) Long-term fixed-rate and variable-rate receivables/ deposit are evaluated by the Group based on parameters such as interest rates, risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(b) The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(c) The fair value of investment in corporate bonds are based on quoted market price at the reporting date. Fair value of investment in mutual funds/ alternative investment fund are based on market observable inputs i.e. Net Asset Value at the reporting date.

(d) The fair values of the derivative financial instruments are determined using valuation techniques, which employs the use of market observable inputs. The derivatives are entered into with the banks / counterparties with investment grade credit ratings.

(e) The fair values of the Group's interest-bearing borrowings are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

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

38. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019: (Amount in ₹)

Particulars	Carrying Value March 31, 2019	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	18	-	-	18
Security deposit	71	-	-	71
Incentives receivable	888	-	-	888
Deposit with banks having remaining maturity of more than twelve months	12	-	12	-
Interest receivables	47			47
Investment in commercial paper	139		139	
Loan to others	33	-	-	33
Other Financial Assets	15	-	-	15
Financial liabilities carried at amortised cost				-
Borrowings (including current maturity of long term borrowings)	5,878	-	5,878	-
Security deposit received	404	-	-	404
Measurement				
Financial assets carried at fair value through profit or loss				
Derivative Instruments	62	-	62	-
Investment in equity shares	39	39	-	-
Investment in mutual funds	516		516	-
Investment in traded corporate bonds	35	35		-
Investment in non-trade corporate bonds	565	565		-
Investment in alternative investment fund	22		22	
Investment in tax free bonds	0	0	-	-
Investment in infrastructure fund	2		2	
Financial liabilities carried at fair value through profit and loss				
Derivative Liability	3	-	3	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2019.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018: (Amount in ₹)

Particulars	Carrying Value March 31, 2018	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	17	-	-	17
Security deposit	62	-	-	62
Incentives receivable	1,173	-	-	1,173
Deposit with banks having remaining maturity of more than twelve months	18	-	-	18
Interest receivables	20			20

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

38. Fair value hierarchy (contd.)

Particulars	Carrying Value March 31, 2018	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Investment in commercial paper	-	-		
Loan to others	78	-	-	78
Other Financial Assets	11	-	-	11
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	7,266	-	-	7,266
Security deposit received	491	-	-	491
Measurement				
Financial assets carried at fair value through profit or loss				
Derivative Instruments	81	-	81	-
Investment in equity shares	41	41	-	-
Investment in mutual funds	2,177	-	2,177	-
Investment in non-trade corporate bonds	218	218		
Investment in alternative investment fund	-			
Investment in tax free bonds	0	0	-	-
Investment in infrastructure fund	4		4	-
Financial liabilities carried at fair value through profit and loss				
Derivative Liability	1	-	1	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2018.

39. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations. The Group also enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group senior management oversees the management of these risks and also ensure that the Group financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. Derivatives are used exclusively for hedging purposes and not as trading for speculative instruments.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include investments and deposits, trade receivables, trade payables, loans and borrowings and derivative financial instruments.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities of foreign operations.

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

39. Financial risk management objectives and policies (contd.)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount in ₹)

	Increase/ decrease in basis points	Effect on profit before taxes
March 31, 2019		
INR	+ 50 BPS	(14)
INR	- 50 BPS	14
USD	+ 50 BPS	(3)
USD	- 50 BPS	3
EURO	+ 50 BPS	(2)
EURO	- 50 BPS	2
March 31, 2018		
INR	+ 50 BPS	(13)
INR	- 50 BPS	13
USD	+ 50 BPS	(2)
USD	- 50 BPS	1
EURO	+ 50 BPS	(3)
EURO	- 50 BPS	3

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

The Group's exposure to foreign currency changes for currencies other than USD and EURO are not material.

(Amount in ₹)

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2019	+5%	(24)	(24)
March 31, 2019	-5%	24	24
March 31, 2018	+5%	(34)	(34)
March 31, 2018	-5%	34	34

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

39. Financial risk management objectives and policies (contd.)

	Change in Euro rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2019	+5%	(4)	(4)
March 31, 2019	-5%	4	4
March 31, 2018	+5%	(2)	(2)
March 31, 2018	-5%	2	2

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 9 (ii). The Group evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

(Amount in ₹)

	Less than 180 days past due	More than 180 days past due	Total
As at March 31, 2019			
Gross carrying amount (A)	502	105	607
Expected Credit Losses (B)	4	54	58
Net Carrying Amount (A-B)	**498**	**51**	**549**
As at March 31, 2018			
Gross carrying amount (A)	455	167	622
Expected Credit Losses (B)	1	57	58
Net Carrying Amount (A-B)	**454**	**110**	**564**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Group.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019, and March 31, 2018 is the carrying amounts of each class of financial assets.

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, debentures and cash credit facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

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

39. Financial risk management objectives and policies (contd.)

(Amount in ₹)

	Less than 1 Year	1 to 5 Years	More than 5 years	Total
As at March 31, 2019				
Borrowings	1,869	2347	1741	5957
Trade payables	877	-	-	877
Other financial liabilities	727	6	-	733
As at March 31, 2018				
Borrowings	1,818	3597	1924	7339
Trade payables	928	-	-	928
Other financial liabilities	640	7	-	647

40. Capital management

For the purpose of the Group's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Group's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

(Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Long term borrowing	4,015	5,459
Short term borrowing	908	863
Current maturities of long term borrowings	955	944
Less : Current investments	2,315	3,408
Less : Cash and Cash Equivalents	280	315
Net Debt	**3,284**	**3,543**
Equity	10,639	10,335
Capital and net debt	**13,923**	**13,878**
Gearing ratio	23.58%	25.53%

To maintain or adjust the capital structure, the Group review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

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

41. Movement of provision during the year:

(Amount in ₹)

Particulars	Mines reclamation provision	Export promotion capital goods	Contingencies	Total
As at March 31, 2017	**28**	**58**	**65**	**151**
Additions during the year	3	7	5	15
Utilized during the year	-	(37)	(25)	(62)
Other adjustments	-	-	(9)	(9)
As at March 31, 2018	**31**	**28**	**36**	**95**
Additions during the year	15	3	7	24
Utilized/Reversed during the year	-	-	(4)	(1)
As at March 31, 2019	**46**	**31**	**39**	**118**

Mines reclamation provision

The Group records a provision for mine reclamation cost until the closure of mine. Mine reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as cost of goods sold in statement of profit and loss.

Export promotion capital goods

In earlier years, the Group had imported certain plant and machinery under EPCG scheme after payment of concessional custom duty for which it had assumed export obligation to be fulfilled as per the provisions of the said scheme. As at the balance sheet date, the management has, based on its latest business plan, estimated that the Group will not be able to fulfil a portion of the export obligation within the stipulated time and consequently has made adequate provisions in books of accounts.

The Group has made exports during the current year as well as in earlier years, which are considered for fulfilment of export obligation of the Group, pursuant to merger of ACL with DCBL w.e.f. January 1, 2015, as per the Foreign Trade Policy, and based on the latest business plan of the group as at the year end, the management is confident that group will be able to fulfil the entire export obligation within the stipulated time and no provision is required in the books of accounts as at the year end.

Accordingly, provision made towards non-fulfilment of export obligation has been reversed during the year. The reversal of such provision has been adjusted from the accounts of (i) Deposits and balances with government departments and other authorities; (ii) interest expense – others; and (iii) balance amount is included under other income.

Contingencies

The Group has made provision in respect of probable contingent liabilities. The Group has assessed that the probability of paying this amount is high. This provision was created for arbitration in respect of coal and other contingencies.

42. Remuneration paid to auditors (included in Miscellaneous Expenses):

Parent Company

(Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Statutory auditors		
As an auditor		
i) Statutory audit fee	0	0
ii) Tax Audit fee	0	0
iii) For Limited review	0	0
In other capacity		
i) Certification fee	0	0
Reimbursement of expenses	0	0

Notes to Consolidated Financial Statements

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

42. Remuneration paid to auditors (included in Miscellaneous Expenses): (contd.)

Subsidiaries

(Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Statutory Auditors		
As an auditor		
i) Statutory audit Fee	2	2
ii) Tax Audit Fees	0	0
iii) Limited Review Fee	1	1
In other capacity		
i) Company law matter/ Other matters	0	0
ii) Certification Fee (including certification of financial statements arising out of merger scheme)	1	1
iii) Taxation matters	0	-
Reimbursement of expenses	0	0

43. During the year, the Group has incurred expenditure related to acquisition/construction of Property, plant & equipment and therefore accounted for the same as pre-operative expenses under Capital work in progress.

Details of such expenses capitalised and carried forward as part of capital work in progress are given below

(Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Brought forward from last year	**46**	**5**
Expenditure incurred during the year		
Employee benefit expenses	48	12
Rent	2	0
Insurance	0	-
Professional expenses	36	24
Miscellaneous expenses	15	7
Interest and financial charges*	10	12
Depreciation	7	-
Trial Run Expenditure		
Raw Material Consumed	15	-
Consumption of Stores & Spare Parts	20	-
Power and Fuel	57	-
Insurance	-	-
Freight and forwarding Charges	26	-
Employee cost	29	-
Interest and financial charges	22	-
Miscellaneous expenses	36	-
Total expenses for the year	323	55
Less: Income		
Sales from trial production	90	-
Miscellaneous Income	2	-
Change in inventories	12	-
Net expense for the year	219	55
Grand Total	265	60
Less: Capitalised during the year	118	14
Carried forward as part of Capital Work in Progress**	**147**	**46**

* Interest comprises ₹10 (March 31, 2018: ₹Nil) on general borrowings for new cement plant in Odisha along with waste heat recovery system and split Cement manufacturing units in the eastern part of India using the weighted average interest rate applicable during the year which is 8.13% p.a.

** Includes ₹116 (March 31, 2018 : ₹12) for new cement plant in Odisha along with waste heat recovery system and split Cement manufacturing units in the eastern part of India.

44. In 2011-12 the Group had initially acquired 14.59% stake in Calcom Cement India Limited (Calcom), ultimately extendable to 50% of the Equity Share Capital of Calcom by entering into definitive agreements with Calcom, Saroj Sunrise Private Limited ('SSPL') (a company owned by the erstwhile promoters of Calcom) and the erstwhile promoters of Calcom. During the year 2012-13, revised agreements were entered in to increase the Company's nominal stake up to 66.26% (and voting stake up to 75.63%) ultimately extendable to nominal stake of 66.70% (and voting stake of 76.00%) of the Equity Share Capital of Calcom – including keeping shares representing nominal stake of 14.23% (and voting stake of 16.24%) of the Equity Share Capital of Calcom in escrow, with beneficial ownership being with the Group, to be released at a future date upon satisfaction of certain conditions. The Group has invested a total amount of ₹260 (March 31, 2018: ₹260) and ₹59 (March 31, 2018: ₹59) respectively in the Equity Shares of Calcom and Optionally Redeemable Convertible Debentures ('OCDs') of SSPL.

The OCDs are non-interest bearing and are secured by the pledge of equity shares of Calcom held by SSPL. If certain conditions for performance by promoters of Calcom are met, these OCDs are convertible into equity shares constituting 0.01% shareholding of SSPL, else the Group has an option either to get the debentures redeemed for an aggregate amount of ₹59 or convert into equity shares constituting 99.99% shareholding of SSPL.

Apart from the above investments, DCBL has granted loans to Calcom (including its subsidiaries) to the extent of ₹761 (excluding interest and trade receivable of ₹89) as at March 31, 2019 (March 31, 2018: ₹434 (excluding interest and trade receivable of ₹65)) to fund its ongoing projects as well as losses. Calcom Cement India Ltd. continues to provide required supports to its subsidiaries.

Calcom has, on consolidated basis, earned profit of ₹175 during the year ended March 31, 2019 (March 31, 2018: Profit of ₹16). However, Calcom has accumulated losses of ₹296 as at March 31, 2019. Keeping in view of its nature of long term strategic investment and business projections of Calcom, no impairment has been considered in DCBL for carrying cost of investments and loans/ advances given to Calcom. DCBL, being the holding company of Calcom Cement India Ltd., continues to provide required supports to Calcom Cement India Ltd. and its subsidiaries.

45. (a) The Group, in joint venture with Sun flag Iron & Steel Co. Limited, was allocated Khappa & Extension Coal Block (KECB) by the Ministry of Coal, Government of India vide their letter dated May 29,2009 for development of coal mine and use of coal for captive mining.

The Group has made an investment of ₹2 in shares of Khappa Coal Company Private Limited and given advance against share application money of ₹4.

Consequent upon decision of Hon'ble Supreme Court of India for cancellation of coal block vide order dated 24th September 2014, the Group has provided for its exposure in joint venture company 'Khappa Coal Company Private Limited' amounting to ₹6 in earlier years.

(b) In respect of license granted for captive mining block at Radhikapur mines, a Joint Venture company Radhikapur (West) Coal Mining Private Limited has been incorporated on 29th March, 2010 in which the Group's interest jointly with OCL Iron & Steel Limited (OISL) is 14.69%. The Group has invested ₹7 (March 31, 2018: ₹7) in equity shares of the JV Company which includes ₹4 (March 31, 2018: ₹4) being proportionate value of shares to be transferred to OISL after the receipt of approval from the Ministry of Coal, Government of India and other Joint Venture Partners. Consequent upon decision of the Hon'ble Supreme Court of India cancelling the allocation of Coal block, vide Order dated 24th September, 2014, the Group is in the process of assessing the recoverability of the amounts invested of ₹4 in the Joint Venture Company, Radhikapur (West) Coal Mining Private Ltd. As a matter of prudence, a provision for similar amount has been made in the accounts during the earlier years.

(c) The Group reviews trade receivables, advances and subsidies receivables on regular intervals and takes necessary steps (including legal action wherever required) for the recovery these balances. The Company is confident to realise the value stated good in the financial statements. The Company follows the expected credit loss model in respect of any such situations as stated in note 1(V), it believes that such amount is sufficient to cover for any possible loss.

46. The Debt Restructuring package was approved by CDR Empowered Group of Reserve bank of India in one of its step down subsidiary Calcom Cement India Limited, as a result of which its loan repayment schedule was restructured to defer the repayment. Considering these facts as well as the business of its subsidiary and the commitment of Group to provide the requisite liquidity support to its subsidiary, the management is confident that it will be able to operate as going concern and accordingly the financial statement of its subsidiary is drawn under going concern assumption.

47. Pursuant to the purchase of 15% equity shareholding of Dalmia Cement (Bharat) Limited (DCBL) by the company and its subsidiary from KKR Cement Investments Limited (KKR), the Company could place the shares held by KKR in the Company on the terms and conditions specified in the Placement Letter Agreement (PLA) and receive certain proceeds thereof. This was approved by the Board of the company on 15th Jan, 2016 and by its shareholders in their EGM held on 11th Feb, 2016.

The Board of the Company vide its meeting held on 20th Apr, 2017 approved the placement of shares. Accordingly, KKR placed its shares with third party investors on 21st Apr, 2017 in terms of the PLA. As a result of such placement, an aggregate amount of ₹588. has been received by the Company and its subsidiary, from KKR on 28th Apr, 2017. The purchase price of equity shareholding of DCBL in the books of Company and its subsidiary has been reduced by such amounts received from KKR. Appropriate accounting treatment for the same has been accorded in FY 2017-18 as required under the applicable accounting standards.

48. The Group has debited direct expenses relating to limestone mining, captive power generation and depot expenses etc. to cost of raw material consumed, power& fuel and other expenses as under:

(Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Cost of materials consumed	340	315
Power and fuel	26	75
Other Expenses:		
Repairs and maintenance - Plant and machinery	74	87
Depot expenses	6	3
Miscellaneous expenses	5	3
Total	**451**	**483**

These expenses if reclassified on 'nature of expense' basis will be as follows: (Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Salary, wages and bonus	33	29
Power and fuel	12	12
Other Expenses :		
Consumption of stores & spare parts	153	156
Repairs and maintenance - Plant and machinery	62	75
Repairs and maintenance - Buildings	0	1
Repairs and maintenance – Others	9	6
Rent	4	7
Advertisement and sales promotion	6	3
Rates & taxes (including royalty on limestone)	215	187
Insurance	0	0
Miscellaneous expenses	24	16
Professional charges	0	0
Other operating revenue:		
Sundry sales / income	(67)	(9)
Total	**451**	**483**

49. One of the subsidiary of the Company namely Dalmia Cement (Bharat) Limited (DCBL) has noticed during the year that it's certain mutual fund units ("Securities") appearing as current investments valued at ₹344 crores as on December 31, 2018 (carried as current investments as on March 31, 2019 at same value) have been fraudulently and unauthorisedly transferred by Allied Financial Services Private Limited ("Allied"), the Depository Participant from the demat account(s) of DCBL. These Securities were earlier held by the erstwhile subsidiaries of DCBL namely OCL India Limited ("OCL") and Dalmia Cement East Limited ("DCEL") (transferred pursuant to a Scheme of Arrangement and Amalgamation approved by the Hon'ble National Company Law Tribunal, Chennai effective October 30, 2018 to DCBL). Allied has without authorisation transferred the Securities in the demat account(s) of DCBL to its own account(s), its directors and its associates and used the same for the purpose of margin with

49. (contd.)

IL&FS Securities Services Limited ("ISSL"), the clearing agent of Allied for placing trade orders on Future & Options Segment of National Stock Exchange (NSE) of India Limited. Such transfers were made through Depository Instruction Slips (DIS) which contained forged signatures of the authorised persons of OCL and DCEL. DCBL has filed complaints with the Securities and Exchange Board of India ("SEBI") and the Economic Offences Wing, Delhi ("EOW") on February 8, 2019 and February 15, 2019 respectively against Allied and others for cheating and forgery. EOW vide its orders dated February 28, 2019, March 18, 2019 and March 29, 2019 directed ISSL and others not to sell, purchase, transfer, alienate, redeem / deal with the Securities. Similarly, in the complaint filed by NSE, SEBI vide its ad interim ex-parte order dated 27 February 2019, observed that Allied misappropriated the securities of its clients and consequently, directed Allied and other noticees mentioned in the order, not to dispose of or alienate any assets, whether movable or immovable or to create or invoke or release any interest or charge in any of such assets except with the prior permission of SEBI / NSE. The authorities are seized of the matter. The Board of Directors of DCBL desired that an Independent firm of Accountants be appointed to carry out investigation in this matter. DCBL is fully confident of recovering its Securities based on the legal opinion obtained in the matter to the effect that there is a strong chance of getting its Securities returned, hence no provision is required to be made in it's books of accounts. The management of the DCBL has since taken the necessary remedial measures to strengthen the controls.

50. The Government of Assam in their high power committee meeting in February 2019 has granted Mega Project status to one of the step down Subsidiary company namely Calcom Cement India Limited (CCIL) under the Industrial and Investment policy of Assam 2014 for the investment done for establishment of clinkerisation unit at Umrangshu ("USO") of CCIL for 15 years in the state of Assam. The said unit will be entitled to 100% reimbursement of net SGST paid for a period of 15 years from the date of commercial production. Accordingly 100% remission of SGST for the period from July 01, 2017 to March 31, 2019 of ₹51 crores has been recognized as income on reasonable assurance during the current year.

51. During the current year profitability of one of the step down Subsidiary company namely Calcom Cement India Limited (CCIL) has improved on account of better utilization of installed capacity, increase in demand of cement and also recognition of remission of State Goods and Services Tax ("SGST"). The management based on the future profitability projections and also profits earned during the current year is confident that there would be sufficient profit in future to utilize the unabsorbed amount of depreciation and business losses etc. Accordingly, CCIL has recognised deferred tax assets of ₹51 crores during the current year.

52. The Group comprises of the following entities:

The subsidiaries, associates and joint ventures considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2019	Percentage of Ownership held as at March 31, 2018
Subsidiaries			
Dalmia Cement (Bharat) Limited	India	100%	100%
Dalmia Power Limited	India	100%	100%
Subsidiaries of Dalmia Cement (Bharat) Limited			
Bangaru Kamakshi Amman Agro Farms Private Limited	India	100%	100%
Calcom Cement India Limited	India	76%	76%
D.I. Properties Limited	India	100%	100%
Dalmia Minerals & Properties Limited	India	100%	100%
Geetee Estates Limited	India	100%	100%
Golden Hills Resorts Private Limited	India	100%	100%
Hemshila Properties Limited	India	100%	100%
Ishita Properties Limited	India	100%	100%
Rajputana Properties Private Limited	India	100%	100%
Jayevijay Agro Farms Private Limited	India	100%	100%
Shri Rangam Properties Limited	India	100%	100%

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

52. The Group comprises of the following entities: (contd.)

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2019	Percentage of Ownership held as at March 31, 2018
Sri Dhandauthapani Mines & Minerals Limited	India	100%	100%
Sri Madhusudana Mines & Properties Limited	India	100%	100%
Sri Shanmugha Mines & Minerals Limited	India	100%	100%
Sri Swaminatha Mines & Minerals Limited	India	100%	100%
Sri Subramanya Mines & Minerals Limited	India	100%	100%
Sri Trivikrama Mines & Properties Limited	India	100%	100%
Alsthom Industries Limited	India	99.99%	99.99%
Chandrasekara Agro Farms Private Limited	India	100%	100%
OCL Global Limited	Mauritius	100%	100%
Dalmia DSP Limited (w.e.f. July 10, 2018)	India	100%	-
Hopco Industries Limited (w.e.f. December 21, 2018)	India	100%	-
Step Down subsidiaries of Dalmia Cement (Bharat) Limited			
Cosmos Cements Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100%	100%
OCL China Limited [(subsidiary of OCL Global Limited]	China	90%	90%
RCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100%	100%
SCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100%	100%
Sutnga Mines Private Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100%	100%
Vinay Cements Limited (subsidiary of Calcom Cement India Limited)	India	97.21%	97.21%
Associate			
Dalmia Renewable Energy Limited	India	-	49%
Joint Venture			
Khappa Coal Company Private Limited (JV of Dalmia Cement (Bharat) Limited)	India	36.73%	36.73%
Radhikapur (West) Coal Mining Private Limited (JV of erstwhile OCL India Limited now Unit of DCBL)	India	14.70%	14.70%

53 Segment information

Operating segment

The Chief operational decision maker (CODM) monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the nature of products and services and have been identified as per the quantitative criteria specified in the Ind AS. However, the Company's finance costs and income taxes are managed on a Company basis and are not allocated to operating segments.

Operating segments identified as follows:

(a) Cement division which produces various grades of cement and its related products;

(b) Others include Refractory division, Investment division and Management Services.

No other operating segments have been aggregated to form the above reportable operating segments.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

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

53 Segment information (contd.)

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

(Amount in ₹)

Particulars	Cement		Others		Total Segment	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue						
External revenue (including other operating revenue)	8,958	8,354	526	473	9,484	8,827
Inter segment revenue	-	-	-	-	-	-
	8,958	**8,354**	**526**	**473**	**9,484**	**8,827**
Less: Elimination	-	-	-	-	-	-
Total revenue	**8,958**	**8,354**	**526**	**473**	**9,484**	**8,827**
Income/ (expense)						
Depreciation and amortisation	1,285	1,200	10	13	1,296	1,213
Segment profit/ (loss)	671	836	26	(13)	697	823
Total assets	**18,329**	**17,109**	**867**	**421**	**19,196**	**17,530**
Total liabilities	**2,216**	**1,847**	**441**	**372**	**2,657**	**2,219**
Other disclosures						
Capital expenditure	1,049	336	18	17	1,049	353

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit (Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Segment profit	**697**	**823**
Reconciliation items:-		
Other unallocable income	193	274
Finance costs	(551)	(708)
Profit before tax	**339**	**389**

Reconciliation of assets (Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Segment operating assets	**19,196**	**17,530**
Non-current investments	1,110	3,505
Income tax assets (net)	91	122
Loans- others	33	78
Foreign currency forward / option / Interest rate swap contracts	62	81
Interest receivable - others	47	20
Other un-allocable assets	-	(3)
Total assets	**20,538**	**21,334**

Reconciliation of liabilities (Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Segment operating liabilities	**2,657**	**2,219**
Long-term borrowings	4,015	5,459
Deferred tax liabilities (net)	1,279	1,420
Short-term borrowings	908	863
Current maturities of long term borrowings	955	944
Interest accrued but not due on borrowings	43	51
Other unallocable liabilities	42	43
Total liabilities	**9,899**	**10,999**

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

53 Segment information (contd.)

Information about geographical areas

Sale outside India is below the reportable threshold limit, thus geographical segment information is not given.

Information about major customers

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of an entity's revenues during the current and previous year.

54. Details relating to Net Assets and Profit or Loss in respect of Subsidiaries, Associates and Joint Ventures:

Name of entity	Net Assets		Share in profit / loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
Subsidiaries	Amount (₹ In. Cr)	As % of consolidated net assets	Amount (₹ In. Cr)	As % of consolidated profit / loss	Other Compre-hensive	As % of consolidated OCI	Total Com-prehensive Income	As % of total Comprehen-sive
A. Parent								
Dalmia Bharat Limited	7,580	71%	101	33%	(11)	-41%	90	27%
B. Subsidiaries								
Indian Subsidiaries								
Alsthom Industries Limited	31	0%	19	6%	(0)	0%	19	6%
Calcom Cement India Limited	396	4%	213	69%	(0)	-1%	213	63%
Dalmia Cement (Bharat) Limited	9,165	86%	80	26%	(10)	-35%	70	21%
Dalmia DSP Limited	12	0%	0	0%	-	0%	(0)	0%
Dalmia Power Limited	183	2%	-14	-5%	46	170%	32	10%
RCL Cements Limited	9	0%	-4	-1%	0	0%	(4)	-1%
SCL Cements Limited	(42)	0%	-9	-3%	(0)	0%	(9)	-3%
Vinay Cements Limited	(138)	-1%	-25	-8%	0	0%	(25)	-7%
Bangaru Kamakshi Amman Agro Frams Private Limited	4	0%	0	0%	-	0%	(0)	0%
Chandrasekara Agro Farms Private Limited	2	0%	0	0%	-	0%	(0)	0%
Cosmos Cements Limited	12	0%	0	0%	-	0%	(0)	0%
D.I. Properties Limited	2	0%	0	0%	-	0%	(0)	0%
Dalmia Minerals & Properties Limited	52	0%	0	0%	-	0%	(0)	0%
Geetee Estates Limited	8	0%	0	0%	-	0%	(0)	0%
Golden Hills Resorts Private Limited	1	0%	0	0%	-	0%	(0)	0%
Hemshila Properties Limited	7	0%	0	0%	-	0%	(0)	0%
Hopco Industries Limited	-	0%	0	0%	-	0%	-	0%
Ishita Properties Limited	(2)	0%	0	0%	-	0%	0	0%
Jayevijay Agro Farms Private Limited	4	0%	0	0%	-	0%	(0)	0%
Rajputana Properties Private Limited	(0)	0%	0	0%	-	0%	(0)	0%
Shri Radha Krishna Brokers & Holdings Limited	-	0%	0	0%	-	0%	0	0%
Shri Rangam Properties Limited	11	0%	0	0%	-	0%	(0)	0%
Sri Dhandauthapani Mines & Minerals Limited	0	0%	0	0%	-	0%	0	0%
Sri Madhusudana Mines & Properties Limited	7	0%	0	0%	-	0%	(0)	0%
Sri Shanmugha Mines & Minerals Limited	9	0%	0	0%	-	0%	(0)	0%
Sri Subramanya Mines & Minerals Limited	6	0%	0	0%	-	0%	(0)	0%
Sri Swaminatha Mines & Minerals Limited	4	0%	0	0%	-	0%	(0)	0%

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

54. Details relating to Net Assets and Profit or Loss in respect of Subsidiaries, Associates and Joint Ventures: (contd.)

Name of entity	Net Assets		Share in profit / loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
Subsidiaries	Amount (₹ In. Cr)	As % of consolidated net assets	Amount (₹ In. Cr)	As % of consolidated profit / loss	Other Comprehensive	As % of consolidated OCI	Total Comprehensive Income	As % of total Comprehensive
Sri Trivikrama Mines & Properties Limited	7	0%	0	0%	-	0%	(0)	0%
Sutnga Mines Private Limited	2	0%	0	0%	-	0%	(0)	0%
Foreign Subsidiaries								
OCL Global Limited	81	1%	0	0%	1	4%	1	0%
OCL China Limited	46	0%	-5	-2%	1	4%	(4)	-1%
C. Joint Ventures								
(As per equity method)								
Indian Joint Ventures								
Khappa Coal Company Private Limited	-	0%	-	0%	-	0%	-	0%
Radhikapur (West) Coal Mining Private Limited	-	0%	0	0%	-	0%	0	0%
Less: Elimination / Adjustments	(6,819)	-64%	(46)	-15%	-	0%	(46)	-14%
Total	**10,639**	**100%**	**308**	**100%**	**27**	**100%**	**335**	**100%**

55. Research and development (R&D) expenses

The details of revenue/capital expenditure incurred by R&D centre during the year are as follows:-

(Amount in ₹)

Particulars	March 31, 2019	March 31, 2018
Revenue expenditure charged to statement of profit and loss		
- Salary and other benefits	4	3
- Raw materials & stores	1	1
- Others	2	2
Total	7	6
Capital expenditure shown under fixed assets schedule	-	-
Grand Total	7	6

56. Previous year figures have been recasted/restated wherever necessary to conform to the current year's presentation.

As per our report of even date

For S.S. Kothari Mehta & Company
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294

Place: New Delhi
Date: May 9, 2019

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Gautam Dalmia
Managing Director
DIN: 00009758

Puneet Yadu Dalmia
Managing Director
DIN: 00022633

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Dr. Sanjeev Gemawat
Company Secretary
Membership No. F 3669

GRI Mapping

GRI Standards: Core option			
GRI Standard No.	GRI Title	Reference Section	Page No.
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GRI 200	**Financial Topics**		
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201-1	Direct economic value generated and distributed	Financial Capital	47
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GRI 302	**Energy**		
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GRI Mapping

GRI Standards: Core option			
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GRI 403	**Occupational Health and Safety**		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Human Capital	62
GRI 404	**Training and Education**		
404-1	Average hours of training per year per employee	Human Capital	65
GRI 405	**Diversity and Equal Opportunity**		
405-1	Diversity of governance bodies and employees	Human Capital	66
GRI 406	**Non-discrimination**		
406-1	Incidents of discrimination and corrective actions taken	Human Capital	66
GRI 407	**Freedom of Association and Collective Bargaining**		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Capital	66
GRI 408	**Child Labour**		
408-1	Operations and suppliers at significant risk for incidents of child labour	Financial Capital	48
GRI 409	**Forced or Compulsory Labour**		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Financial Capital	48
GRI 417	**Marketing and Labelling**		
417-1	Requirements for product and service information and labelling	Financial Capital	48
417-2	Incidents of non-compliance concerning product and service information and labelling	Financial Capital	48
GRI 419	**Socioeconomic Compliance**		
419-1	Non-compliance with laws and regulations in the social and economic area	Financial Capital	48

Performance under EP-100	Unit	FY'18	FY'19
Energy Productivity	₹ million / TJ	2.27	2.12

GRI Mapping

UNGC Mapping			
UNGC Principle	Description	Reference Section	Page No.
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	Human Capital >> Respecting human rights	64
Principle 2	Business should make sure they are not complicit in human rights abuses.	Financial Capital >> Legal & Secretarial	48
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human Capital >> Engaging with talents	66
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	Financial Capital >> Legal & Secretarial	48
Principle 5	Businesses should uphold the effective abolition of child labour.	Financial Capital >> Legal & Secretarial	48
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Human Capital >> Diversity and inclusion	66
Principle 7	Businesses should support a precautionary approach to environmental challenges.	Natural Capital >> The management's approach	53
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	Natural Capital >> The management's approach	53
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	Natural Capital >> The management's approach	53
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance Report >> Code of Conduct for the Directors and Senior	123

Assumptions for arriving at water conservation and harvesting potential:

1. The volume of the mining pits utilized for rain water harvesting are assumed to be static.
2. The amount of water harvested through mining pits is equal to the volume of the mining pits up to average water level.
3. The water credit generated from the CSR water projects implemented for the local communities and the rainwater harvesting structures within the plant premise is equivalent to twice the volume of the structure. (i.e., the water structures are filled twice in a year due to rainfall).
4. The water consumed at manufacturing locations from the mining pits and harvesting structures within the plant premise is considered as water debit.

GCCA Indicators

Basic Parameters	Unit	FY'18	FY'19
Clinker production	million tons/year	10.5	11.8
Cement production	million tons/year	16.3	18.5
Cementitious production	million tons/year	16.6	18.4
CO_2 emissions			
Total direct CO_2 emissions – gross	million tCO_2/year	8.96	10.16
Total direct CO_2 emissions – net	million tCO_2/year	8.89	10.07
Specific CO_2 emissions – gross	kg/t of cementitious material	542	551
Specific CO_2 emissions – net	kg/t of cementitious material	537	546
Emissions			
Overall coverage rate	%	100%	100%
Coverage rate continuous measurement	%	100%	100%
PM Emission Absolute*	Tons/year	382	406
PM Emission Specific*	g/tonne clinker	44.1	41.6
NOx Emission Absolute*	Tons/year	9,195	10,594
NOx Emission Specific*	g/tonne clinker	1,062	1,087
SOx Emission Absolute*	Tons/year	362	365
SOx Emission Specific*	g/tonne clinker	41.8	37.5

GCCA Indicators

Basic Parameters	Unit	FY'18	FY'19
Fuels and Raw Material			
Kiln fuels	million tons/year	1.82	1.82
Total Energy from fuels used in clinker production	TJ/year	33,255	38,233
Alternative fuels	tons/year	44,619	67,125
Energy from alternative fuels	TJ/year	853	1,125
Alternative fuel rate (kiln fuels)	%	2.6	2.9
Biomass fuels	tons/year	5,418	11,874
Energy from biomass fuels	TJ/year	184	323
Biomass fuel rate (kiln fuels)	%	0.60	0.8
Total raw materials for cement produced	million tons/year	22.0	24.5
Total alternative raw material for cement produced	million tons/year	6.2	6.8
Alternative Raw Materials rate (% ARM)	%	28%	28%
Specific heat consumption for clinker production	MJ/tonne	3,156	3,237
Clinker/cement (equivalent) factor	%	63	64.1
Safety			
Number of fatalities, directly employed	Number	Zero	Zero
Number of fatalities, contractors and sub-contractors	Number	1	2
Number of fatalities, third parties	Number	Zero	Zero
Number of lost time injuries (LTI), directly employed	Number	Zero	Zero
Number of lost time injuries (LTI), contractors and sub-contractors	Number	6	8
LTIFR, directly employed	Number	Zero	Zero
LTIFR, contractors and sub-contractors	Number	0.30	0.38
LTI severity rate, directly employed	Number	Zero	Zero
Water			
Total Water withdrawal	million m^3/year	2.51	2.85
Water discharge	million m^3/year	Zero	Zero
Water Consumption (Total Water withdrawal-– Water Discharge)	million m^3/year	2.51	2.85
Amount of Water Consumption per unit of product	Litres/tonne of cementitious material	151.6	154.8
Number of sites	Number	13	13
Number of sites with a water recycling system	Number	9	9

*Excluding data for Umrangshu and Meghalaya site

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Independent Assurance Statement

Ernst & Young Associates LLP (EY) was engaged by Dalmia Bharat Limited (the 'Company') to provide independent assurance on the salient features of its non-financial performance during the period 1st April 2017 to 31st March 2019, as presented in the Annual Report 2018-19 (the 'Report').

The development of the Report based on the <IR> Integrated Reporting Framework by International Integrated Reporting Council (IIRC), 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 below. 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 statement 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 non-financial information pertaining to the <IR> capitals for the cement and power business for the period 1st April 2017 to 31st March 2019, as presented in the Report. We conducted review and verification of data collection and general review of the logic of inclusion/ omission of necessary relevant information/ data and this was limited to:

- Review of the Report for detecting, on a test basis, any major anomalies between the data/information reported in the Report and the relevant source;
- Review the level of adherence to IIRC framework, the reporting framework followed by the Client in preparing the Report;
- Review alignment of the Report with other reporting frameworks such as GRI Standards, UN Global Compact, Business Responsibility Report and Global Cement and Concrete Association (GCCA);
- Review of the Greenhouse Gas (GHG) emissions (scope-I, scope-II and scope-III) presented in the Report with respect to GHG protocol by World Business Council for Sustainable Development (WBCSD), for any major anomaly between the reported data and relevant source data/information;
- Physical verification of sample data for the following two manufacturing locations (representing around 26% of the total installed capacity):
    - o Ariyalur (Tamil Nadu)
    - o Dalmiapuram (Tamil Nadu)
- Verification of sample data for the remaining manufacturing sites through consultations and desktop review at the Company's Head Office in Delhi;
- Review of claims and data streams, on a selective test basis, to determine the level of accuracy of statements in the Report, and of reported data;
- 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;

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Limitations of our review

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2017 to 31st March 2019);
- The plants outside the reporting boundary for the respective years FY 2017-18 and FY 2018-19;
- 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;
- 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 companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

Observations and opportunities for improvement

During our review process, we observed that:

- The Company has compiled the Report on the basis of IIRC framework and is aligned to the other reporting frameworks such as GRI Standards, UN Global Compact, Business Responsibility Report and Global Cement and Concrete Association (GCCA).
- The Company has demonstrated its commitment on non-financial performance by releasing its Annual Report based on <IR> guidelines. Going forward, the Company may further strengthen the procedures and internal review mechanism for various non-financial disclosures, such as, scope-III emissions;
- The Company has demonstrated its commitment towards effective planning and implementation of water management initiatives. The quantity of water consumed by the Company during FY 2018-19 is 2.85 million cubic meters. The Company has created a cumulative water recharge potential of 14.2 million cubic meters (approximately five times of its water consumption) as on 31st March 2019 through water conservation and harvesting initiatives.

Conclusion

On the basis of our procedures for this limited assurance, nothing has come to our attention that causes us not to believe that the information has been presented fairly, in material respects, in keeping with the Integrated Reporting framework and the Company's reporting principles and criteria.

Ernst & Young Associates LLP

Chaitanya Kalia
Partner

Dated: 30 July 2019
Place: Mumbai, India

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

Notes

Notes

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