

File No: 1010/02

August 07, 2023

**BSE Limited**  
P J Towers, Dalal Street,  
Fort Mumbai - 400001  
Scrip Code: 542216

**National Stock Exchange of India Limited**  
"Exchange Plaza", Plot No. C-1, Block G  
Bandra - Kurla Complex, Bandra (East),  
Mumbai - 400 051  
Symbol: DALBHARAT

**Subject: Investor Presentation – August 2023**

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

Please find enclosed herewith Investor Presentation – August 2023, which is proposed to be shared with Analysts / Investors.

We request you to take the same on record.

Thanking you,

Yours faithfully,  
**For Dalmia Bharat Limited**

**Rajeev Kumar**  
Company Secretary

**Dalmia Bharat Limited**

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t 91 11 23465100 f 91 11 2331 3303 w [www.dalmiabharat.com](http://www.dalmiabharat.com) CIN : L14200TN2013PLC112346

Registered Office: Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu- 621 651, India

A **Dalmia Bharat Group** company, [www.dalmiabharat.com](http://www.dalmiabharat.com)



# INVESTOR PRESENTATION

August 2023



# Disclaimer

Certain statements in this presentation describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations.

Although our expectations are based on reasonable assumptions, these forward-looking statements may be influenced by numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those expressed or implied. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in the future.

The past financial figures have been regrouped or rearranged as per the current grouping, wherever necessary.

Data is for FY23 unless otherwise stated

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# DALMIA BHARAT AT A GLANCE

# Dalmia Bharat Group Overview

Founded in 1939 by Late Shri Jaidayal Dalmia, Dalmia Bharat Group is one of the Fastest Growing and Most Profitable Groups in India



- Fourth-largest cement manufacturing company in India
- Capacity<sup>^</sup>: 43.7 MnT
- Revenue: Rs 13,540 Cr



- One of the fastest growing cane-based multi-product companies
- Operational Capacity<sup>^</sup>: 37,150 TCD
- Revenue: Rs 3,328 Cr



# DALMIA BHARAT LIMITED

- 4<sup>th</sup> Largest Cement Player in the Fastest Growing Economy in the World



## Our Vision

To unleash the potential of everyone we touch



## Our Mission

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



## Our Values

- Integrity
- Humility
- Trust & Respect
- Commitment

## People. Planet. Performance

At Dalmia Bharat, we believe that the interplay of our commitment to people, planet and profit makes us profitable for the moment and sustainable for the future.



# Dalmia Bharat by the Numbers

## Fundamentals

**43.7 MnT<sup>^</sup>**

Cement Capacity



**25.7 MnT**

Sales Volume



**21.7 MnT**

Clinker Capacity



**382 MW\***

Captive Power Capacity



**15<sup>^</sup>**

Plants



**23**

States Served



**41,000**

Channel Partners



**5,747**

Employees



## Financials

**₹13,540 Cr**

Net Sales



**₹ 5,259**

NSR / Ton



**₹ 2,316 Cr**

EBITDA



**₹ 900**

EBITDA / Ton



**17.1%**

EBITDA Margin



**₹36,667 Cr\***

Market Cap



**₹1,079 Cr**

Profit After Tax

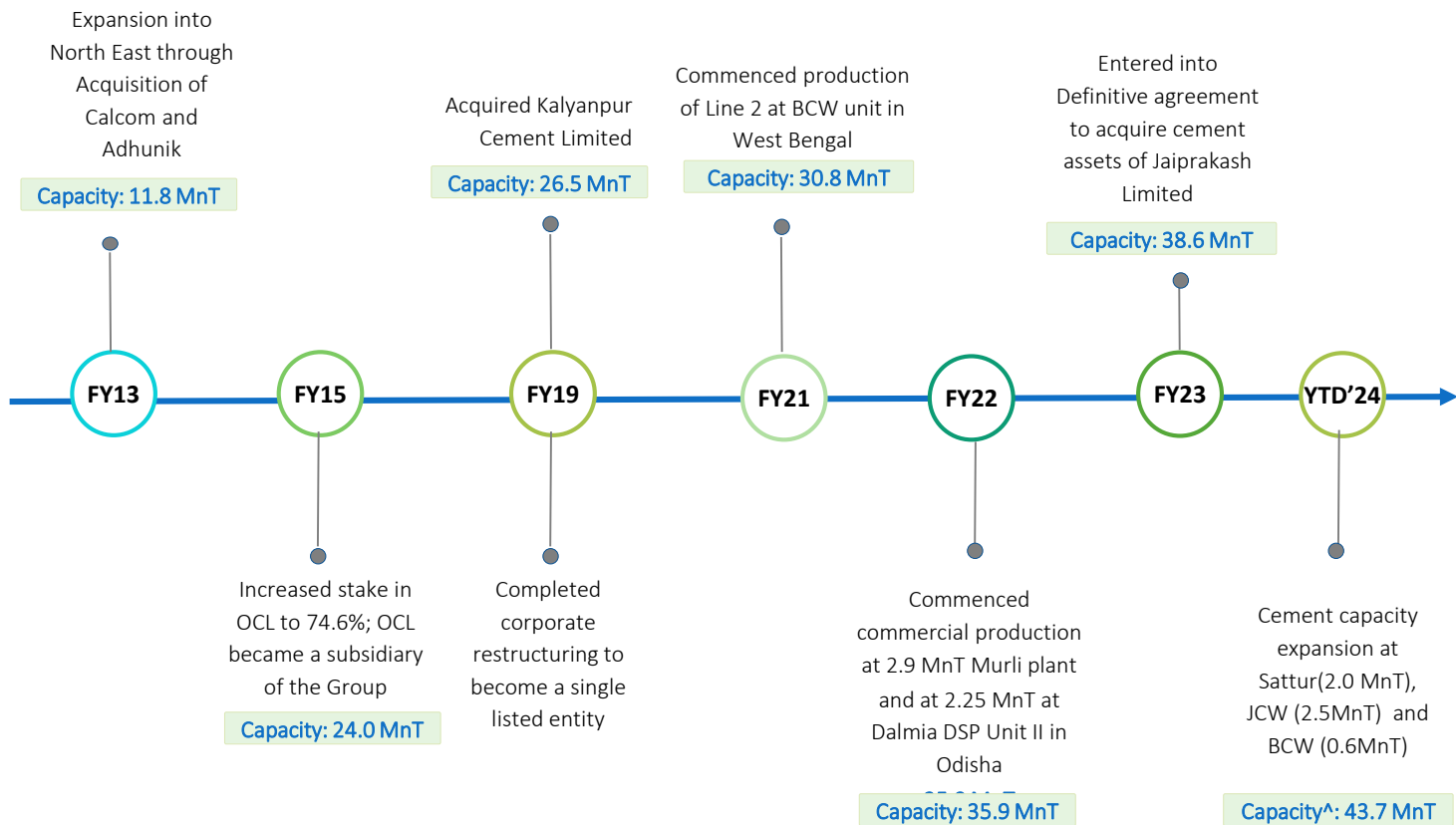


**8.0%**

PAT Margin



# Key Milestones Over The Past Decade



^Cement capacity as on date

## Past Decade

The company has consistently made substantial investments to increase their production capabilities and broaden their presence **across various regions**

## Today

Enjoys **leading market position** in highly attractive **East, North-East and South region.**

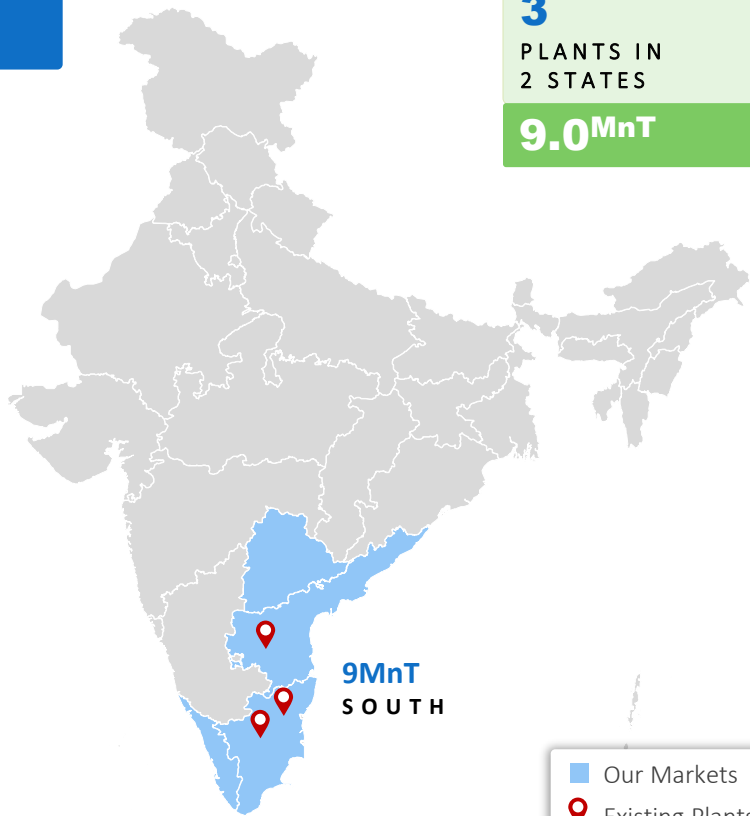
The company's unwavering attention towards developing **their scale, strengthening their brand, utilizing digital technology, and prioritizing sustainability** has positioned them favorably to take advantage of future growth opportunities

# Geographic Expansion

**FY12**

**3**  
PLANTS IN  
2 STATES

**9.0MnT**

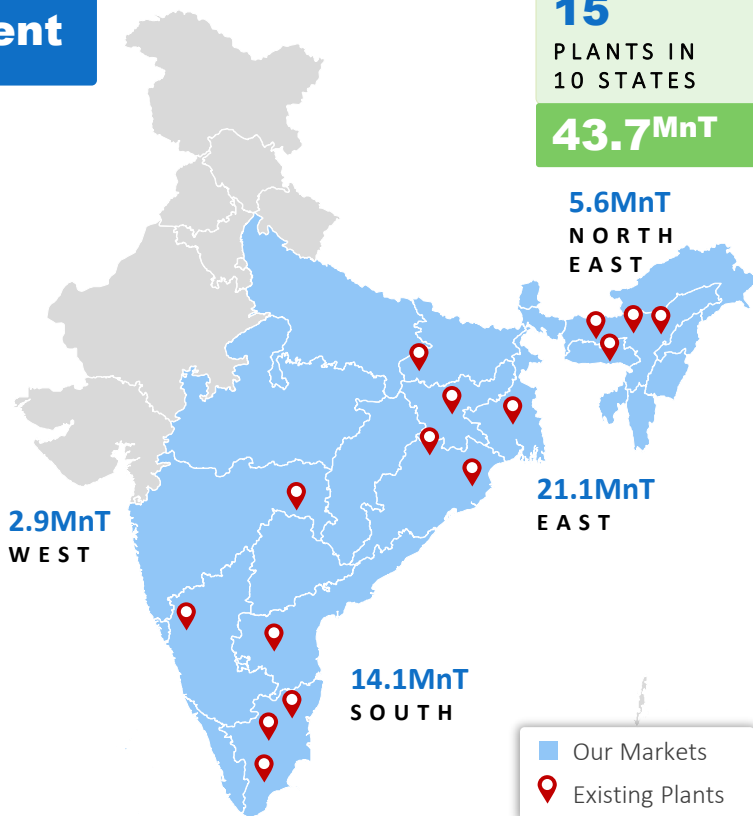


■ Our Markets  
📍 Existing Plants

**Present**

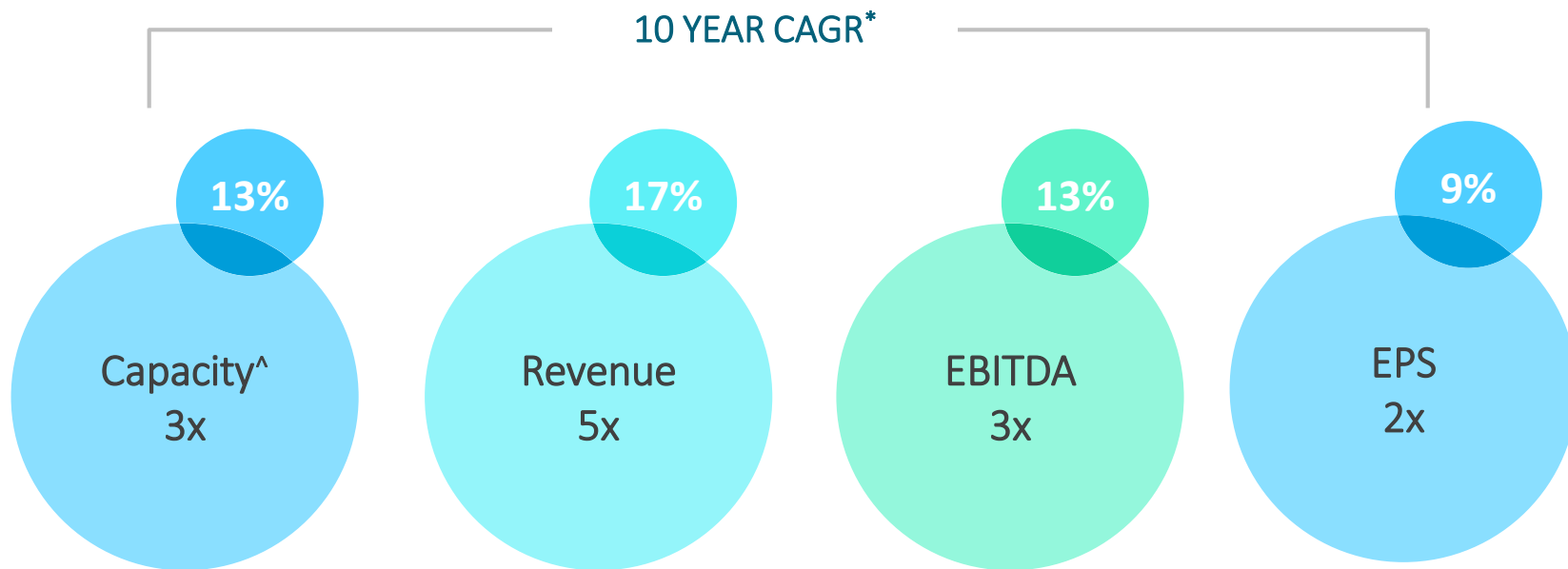
**15**  
PLANTS IN  
10 STATES

**43.7MnT**



■ Our Markets  
📍 Existing Plants

# Growth Snapshot



Aggressive Yet Sustainable Growth Enabled Us to Emerge as the 4th Largest Cement Player In India



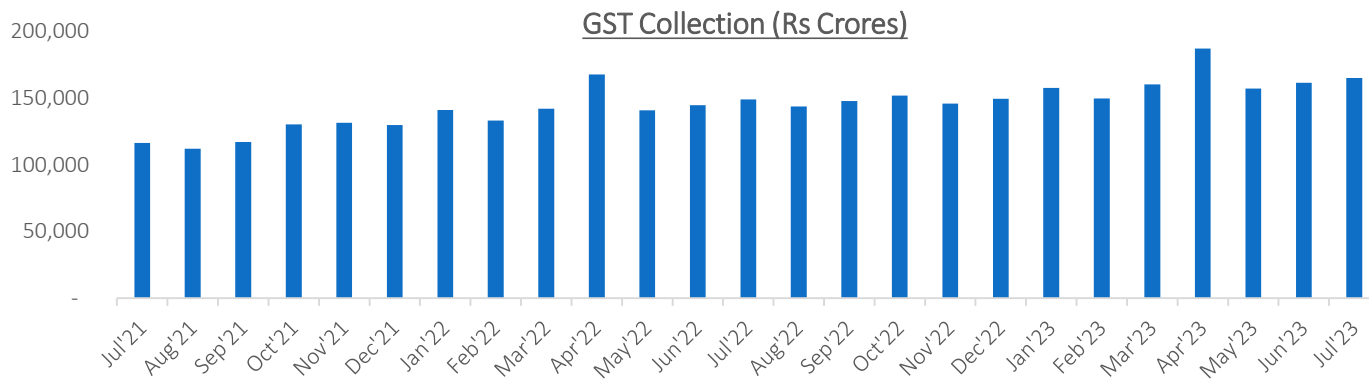
SECTION

02

# INDUSTRY OUTLOOK

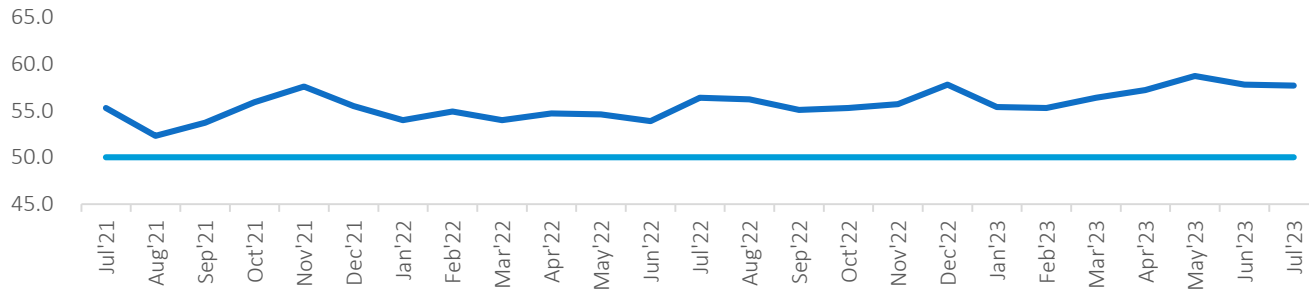
# Strong Revival In Indian Economy

India's underlying economic fundamentals are robust



Gross GST collection crosses ₹1.6 lakh crore mark for 5th time in July'23 since inception of GST

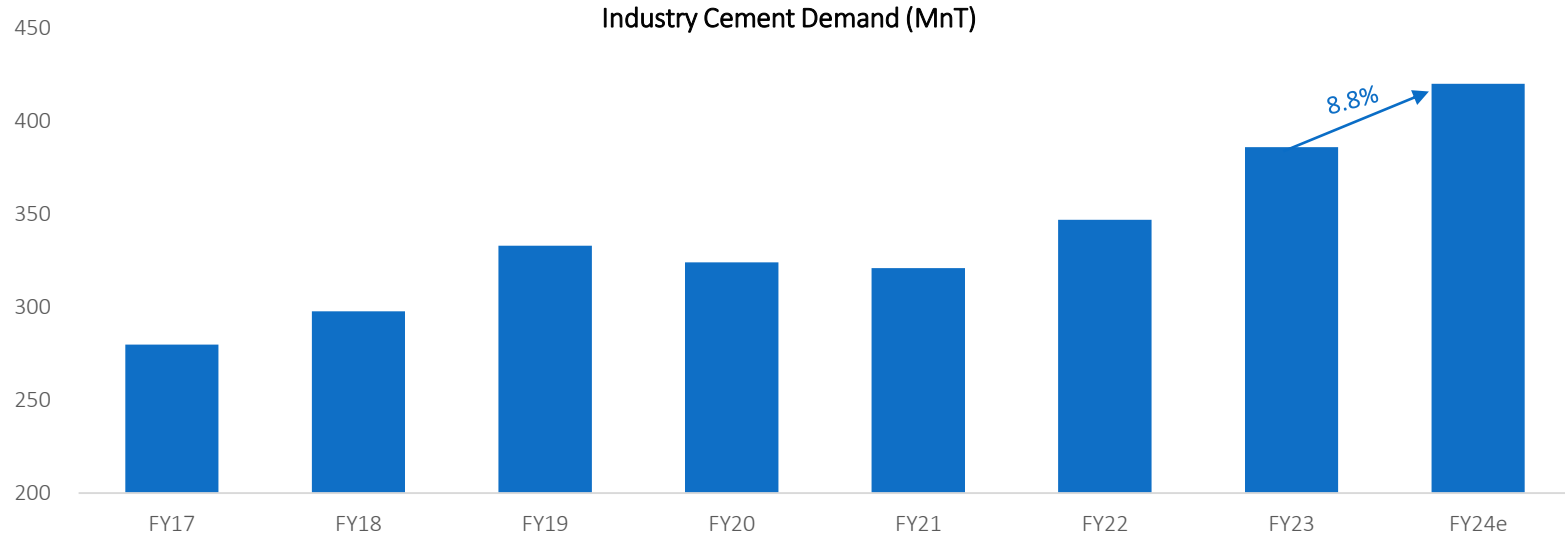
S&P Global India Manufacturing PMI



The Manufacturing PMI Index consistently remained above 57 mark since last 4 months

# Cement Demand Growing Strongly with Revival of Economy

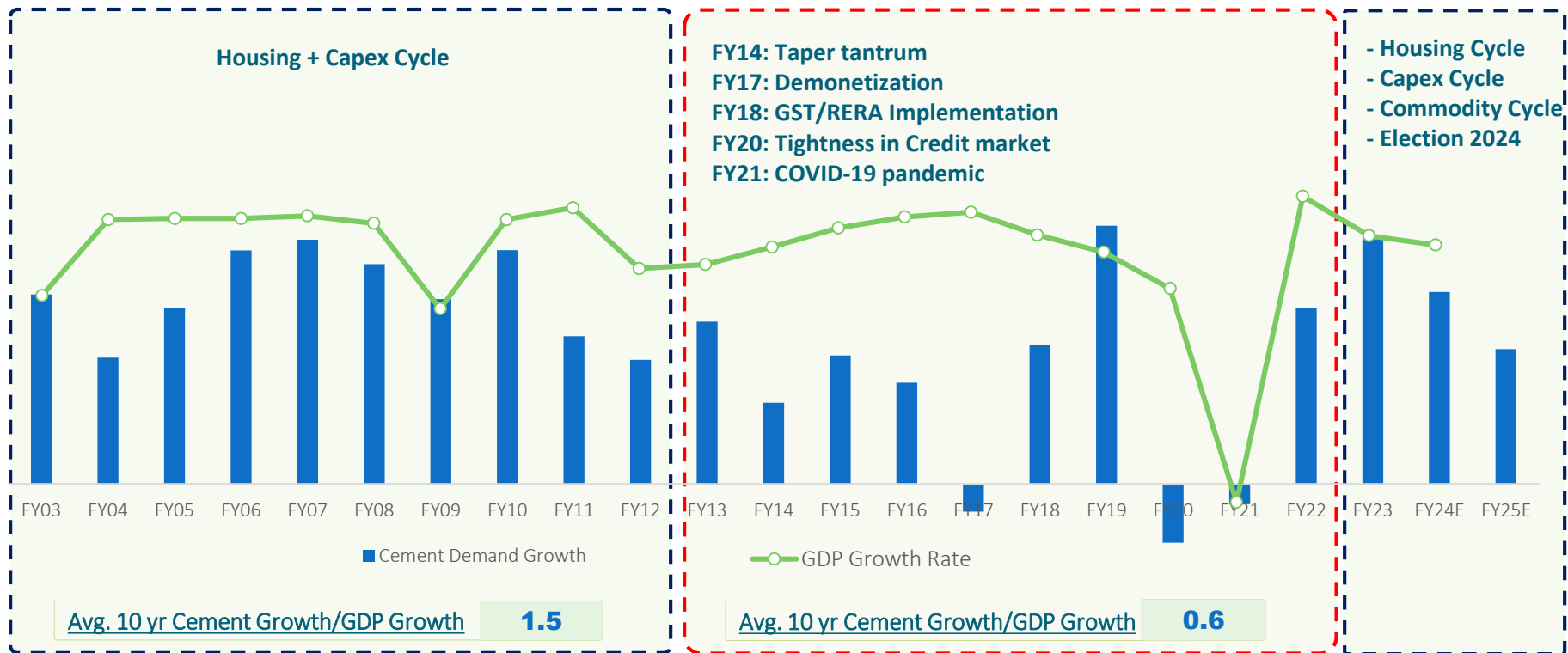
Overall Cement Demand is believed to have grown by 8.8% to 420 MnT in FY24



The demand trajectory is currently favorable, and we anticipate it to remain consistent in the short to medium term

# Cement Demand Growth To Be Robust

After a slowdown in last decade, Cement Demand is reviving driven by a fresh Housing Cycle, Capex Cycle and Commodity Cycle

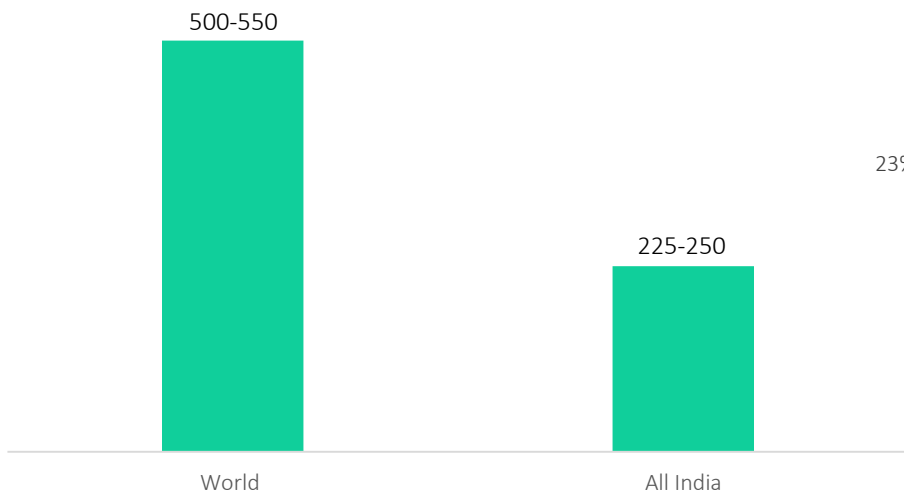




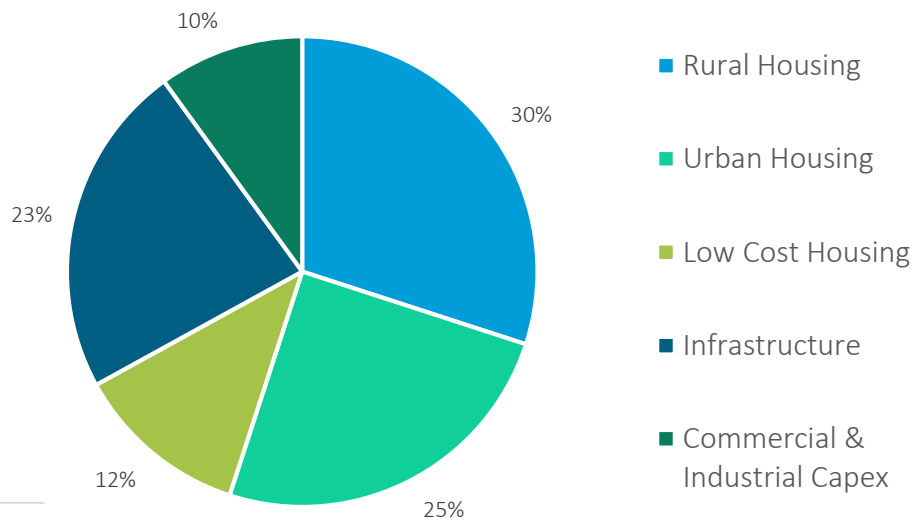
# Cement Demand Growth To Be Robust

Low per capita cement consumption presents healthy cement demand growth opportunity largely supported by housing and infrastructure sectors

Per Capita Cement Consumption/Kg



Cement Demand Mix



# Key Demand Drivers

## Rural Housing & Affordable Housing

- Government's continued push on affordable housing, reflected in rising spending to provide subsidized loans to economically weaker segments of the population will support growth in cement demand
- 66% increased allocation for PMAY at ~Rs 78,000 Cr in Union Budget 2023-24:
  - ~4.3 million houses (37% of total target) to be completed under PMAY Urban in the final stretch
  - ~5.2 million houses (18% of total target) to be completed under PMAY – Rural by Dec'23

## Urban Housing

- With a brief pause in interest rate hike in the recent two monetary policy committee meetings of (RBI), real estate developers remain optimistic regarding housing demand
- Real estate sentiment index has risen to 63 in the Q1'FY24, which is the highest in the last 6 quarters

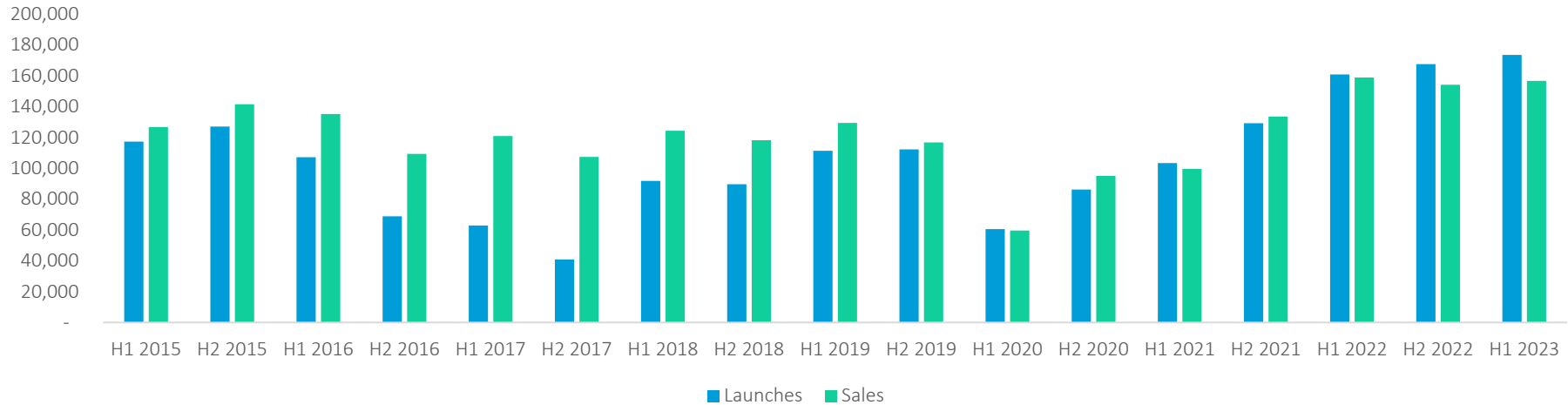
## Infrastructure: Roads, Airports & Railways

- MoRTH plans to construct 12,500 Km of highways in 2023-24 (~20% higher than 2021-22)
- Targeted capital outlay of Rs 98,000 Cr by 2025 for construction of Greenfield Airports and new terminals, expansion and modernization of existing terminals and strengthening of runways.
- The Government of India has planned to develop 100 airports by 2024 under the Regional Connectivity scheme (RCS) UDAN infrastructure scheme.
- Ministries of Railways and Roads accounts for ~50% of the total capital expenditure budget in 2023-24

# Recovery in Real Estate Market

The Residential sector has recorded a 9-year high sales launches in H1 2023

## Residential Unit Sales and Launches in Top 8 Cities in India

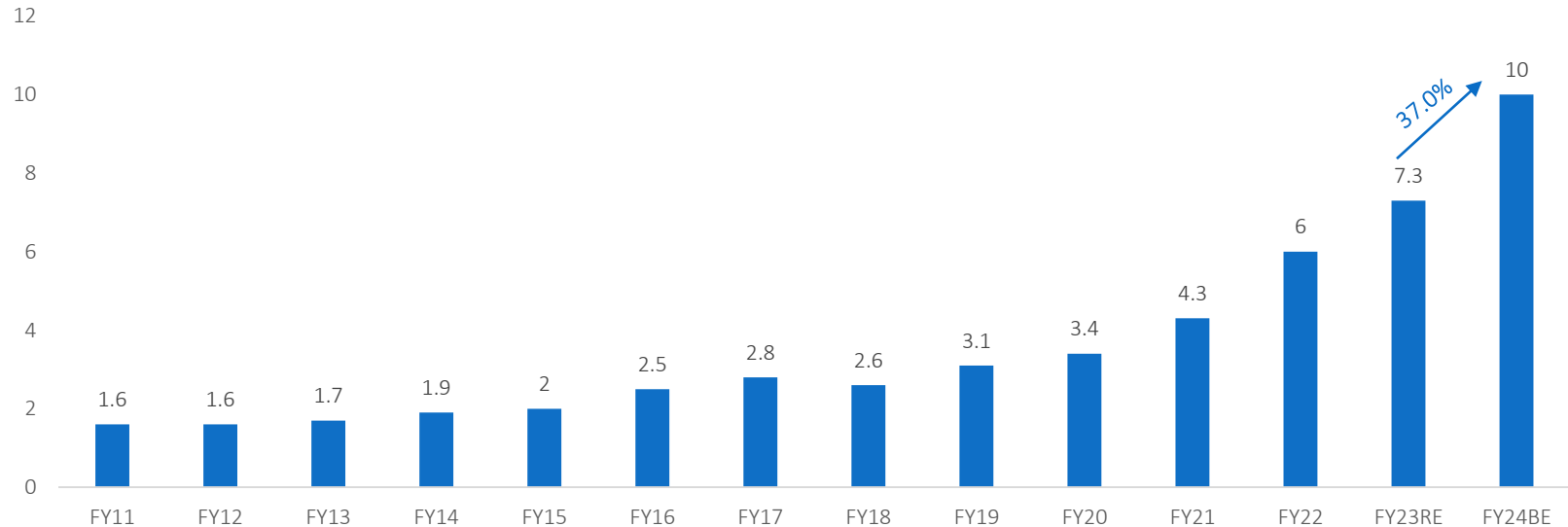


- ✓ Housing launches rose 8% YoY in H1 2023 across eight major cities, reaching a total of 1,73,364 units, which is the highest number of half-yearly launches in the last 9 years. This surge reflects a higher supply to cater to future demand
- ✓ Sales and launches have both remained above 1.5 lakhs in the last 3 halves of the year, showing a strong real estate demand in top-tier cities

# Capex Push of Government to Drive Demand

Union budget FY24's Capex push as well as continued focus on infrastructure development will boost cement demand

Capex by Center (Rs Trillion)

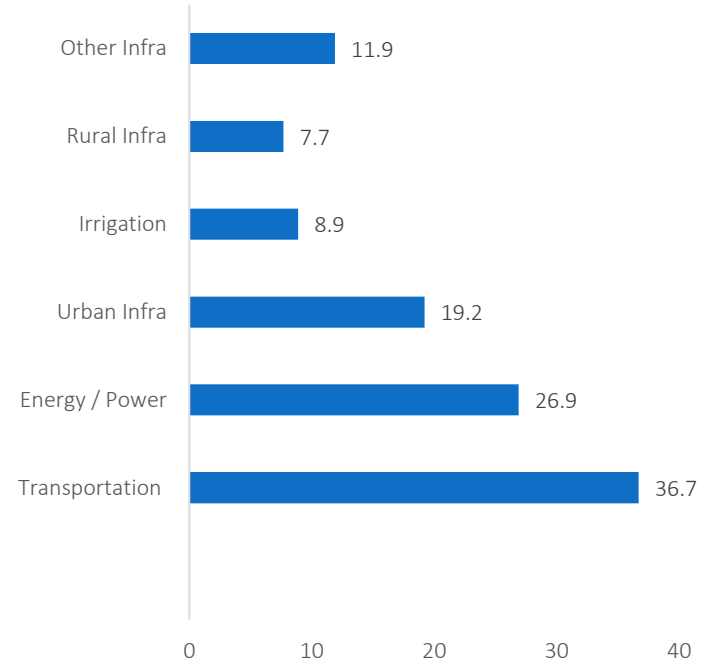


Capex expenditure expected to increase at a CAGR of 18% from FY14 to FY24 under the current government

# National Infrastructure Pipeline (NIP)

- NIP Envisages Rs 111 lakh crore investment over FY20-FY25 period which would require doubling the pace of infrastructure investment
- Major Part of NIP is towards transportation, energy/power and urban infrastructure which will see healthy traction of new project awards
- Bharatmala execution is likely to get completed by FY26 provides a huge demand for the cement sector in the medium term
- Investment of Rs 98,000 cr across various major airports in India
- Capital Allocation under National Rail Plan is ~Rs 9.4 lakh cr; 67% of which accounts for track and terminal infrastructure which will generate significant cement demand

**Breakup of Infra Investment planned Under NIP**  
(Rs lakh crore)





SECTION

03

# COMPANY OVERVIEW

# Company Overview

Pioneer in the Area of  
Sustainability

01

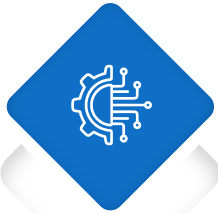


02

Diverse Product Portfolio with  
Strong Brand Recognition

Integrated Model with State-of-  
the-Art Production Facilities and  
Supply Chain

03



04

Ability to Add Capacity at Lowest  
Cost

Lowest Cost Producer with Proven  
Track Record of Financial  
Performance

05



06

Market Leader in Each of Our  
Operating Regions

Multi-tier Governance Structure  
Overseen by Diverse Board

07



# 01 Pioneer in the Area of Sustainability

Dalmia has one of the lowest net carbon footprint in Global cement industry - **462 CO<sub>2</sub> emission-Kg/ton** in Q1FY24

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

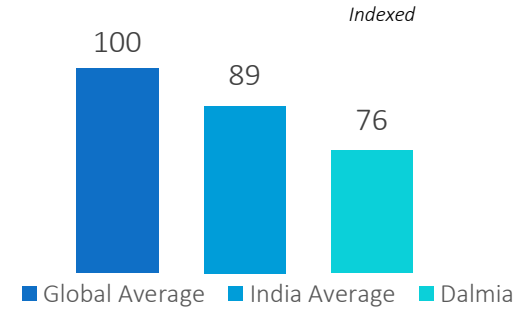
One of the Largest producer of slag cement in India with **88% blending ratio** in Q1FY24

Pioneered usage of alternative fuel use in cement kilns

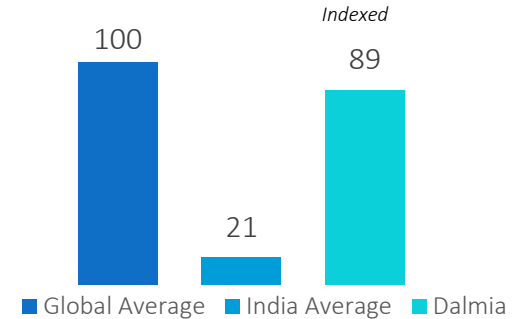
Commenced Electrical Vehicles Transition by joining EV100 and becomes first triple joiner globally of RE100, EP100, and EV100

**14x water-positivity**

## Clinker Factor



## Green Fuel



Source : GNR data for global (40% capacity) and India average (65% capacity)  
 \*Global & India Average based on latest published data as per CY 20; DBL data as of Q1FY24  
 Green Fuel → Alternate fuel



01

# Globally Recognized for its Focus on Sustainability

## DALMIA BELIEF

Clean and Green is  
Profitable  
& Sustainable



- Member, G20 Resource Efficiency Circular Economy Industry Coalition (RECEIC)



- First global triple Joiner company for RE100, EV100 & EP100



- Founding member - LEADIT and First Movers Coalition (FMC)



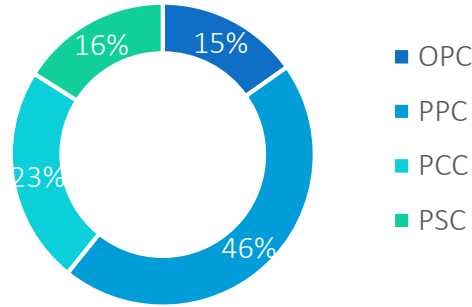
- COP-26 and 27 Business Leader



- Member of The Alliance of CEO Climate Leaders, World Economic Forum

# Diverse Product Portfolio with Strong Brand Recognition

Product mix, FY23



## Largest producer of Portland Slag Cement (PSC) in India

- Manufactured by blending ground clinker with slag and fly ash
- Reduced clinker factor for enhanced sustainability

## Category leader in super-specialty cements

- Portfolio includes Railway Sleeper Cement, Oil Well Cement and special cements for air strips and nuclear power plants construction
- Largest producer of Oil Well Cement in India

### Consumer Brands



- AA+ Category premium product for high strength concrete applications



- Produced using superior ingredients to provide high strength construction



- Protects the construction from harsh environmental conditions

### Institutional Brands



- Superior ingredients and a Robotic Quality control process



- Consumers 25% less water & requires 15-20% lower cement content to produce concrete



- Premium OPC Cement with lower setting-time that helps in reducing brick-lifting time

## Launched Dalmia Supreme Cement

Launch of High quality product



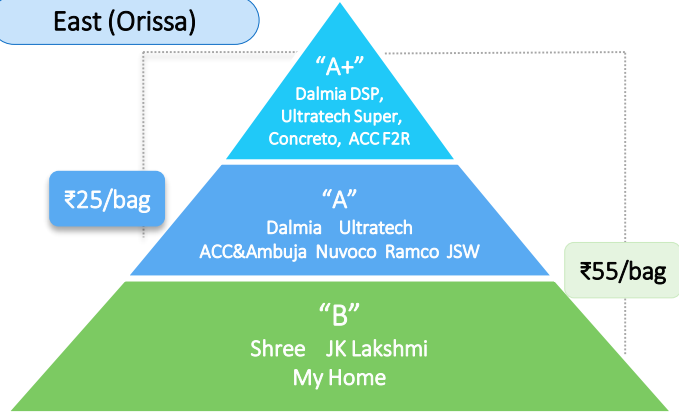
- Dalmia Supreme Cement is a new brand included in the portfolio of brands from Dalmia Bharat Limited.
- Dalmia Supreme is Portland Pozzolana Cement product type and would help consumers in building a Strong & Durable home
- The product is launched in the Eastern market and has been well-received by the consumers



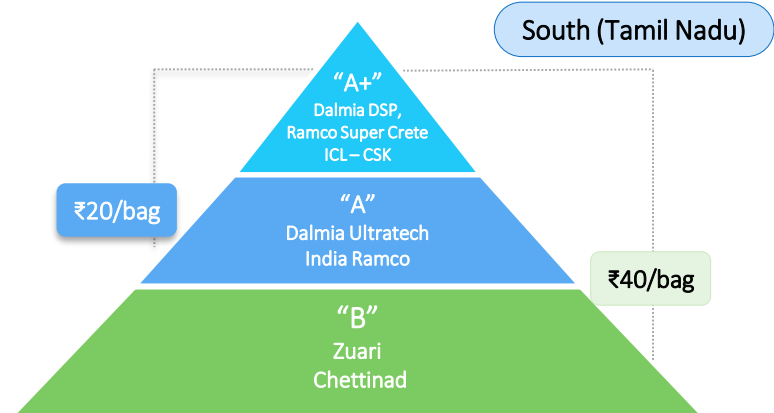
02

# Dalmia DSP positions itself in A+/A category across markets

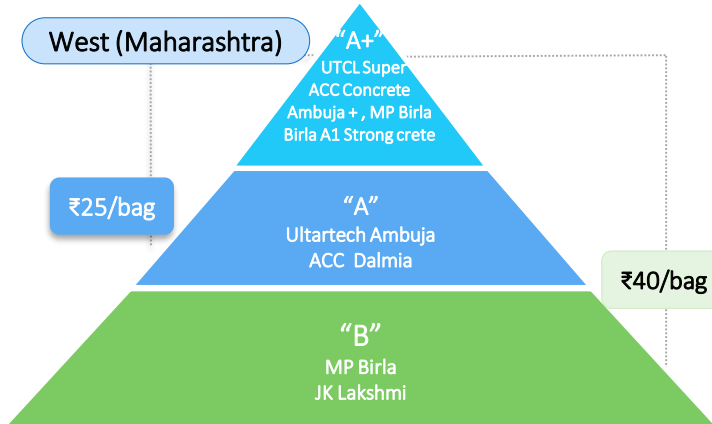
East (Orissa)



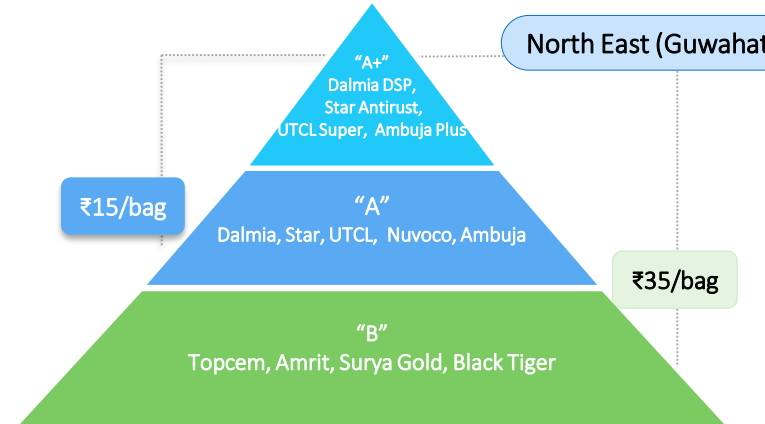
South (Tamil Nadu)



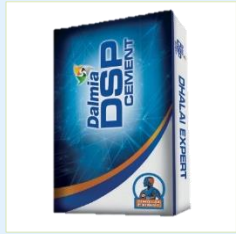
West (Maharashtra)



North East (Guwahati)

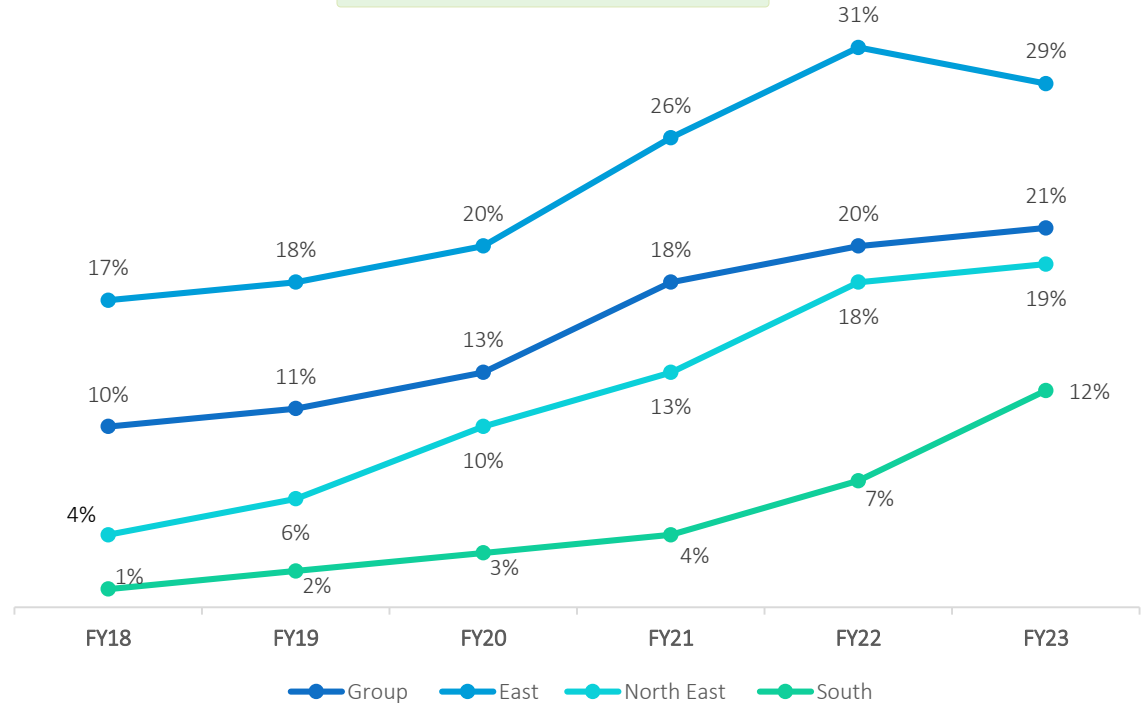


## 02 Consistent Increase in Share of Premium Product



- Since its launch, Dalmia DSP has been immensely successful in **East and North East Region**
- DSP contributes **10-15% higher profitability** than other products
- The South region has experienced the most significant growth in terms of trade sales, with trade sales **accounting for 12% in FY23**, as compared to 7% in FY22.

DSP % of Trade Sales



# Integrated Model with State-of-the-Art Facilities



## Raw Material

### Limestone

- Each integrated plant has captive mines to extract limestone
- Avg. Life of Mine: 20+ years across majority plants
- Constantly participating in mine auctions

### Fly Ash, Slag, Pet coke, Coal

- Strategically located plants providing easy access
- Long-term tie ups with suppliers
- Constantly exploring and participating in coal mine auctions



## Power

### Power Source

- One of the lowest power consumption per ton of cement in the industry
- Captive Power Capacity at 382 MW including 212 MW Thermal Power capacity

### Renewable Power

- 45% of captive power capacity constitute by Renewable energy
- Current WHRS Capacity : 70 MW
- Current Solar Capacity : 100 MW
- RE Capacity FY24 target: 328 MW



## Plants

### Location

- Well Balanced Capacity staggered at central locations
- Only Company to have Clinker Unit In Bihar

### Technology

- Fungible plants that are equipped with Multi Fuel Kilns & Boilers
- State-of-the-Art machinery with superior compressor along with variable frequency drives, and turbo blowers

# One of most Efficient and Resilient Supply Chain

## New Initiatives launched

- ▶ Institutionalized spot auction (order based auction) across plants
- ▶ Deployed dedicated insourced fleet model with higher carrying capacity
- ▶ Deployment of EV & LNG trucks into our fleet capability to optimise cost & reduce carbon emissions
- ▶ 95% Visibility of Consignment from Source to destination with help of track & trace model ( GPS)
- ▶ Express Delivery Launched in which orders can be placed on In-transit vehicle for faster Delivery
- ▶ Green Channel-Dealer trucks at Plant with Priority loading
- ▶ Successfully completed 3 years of long term traffic contract with Indian Railways

## Supply Chain by Numbers

12,000+	Truck Fleet
400+	Warehouses
2,500+	Daily Truck Movement
15+	Daily Rail/Rakes Movement
15,000+	Destinations Served
~300 Km	Avg. Lead Distance
~95%	Primary Track & Trace

03

# Focused on Usage of Smart Technology

Focused on automation and mobility and cloud solutions, strengthening supply chain management

### TMS Solution

Dalmia tied up with Blue Yonder to implement TMS solution which provides a comprehensive platform that helps companies manage their transportation operations more efficiently and effectively, resulting in improved performance, cost savings, and customer satisfaction

### ASO Services

First company in cement industry that provides gamification tool to ASOs to help our dealers maximize scheme incentives



### SAP Ariba

Provide better management of our suppliers, end to end management of procurement cycle and stronger compliance

### RPA (Robotic Process Automation)

Automating 10+ processes leading to shorter turnaround time of key customer facing processes and stronger compliance

**ANALYTICS:** Integrates data from multiple applications through process automation and provide real time insights

### Technology Stack

Power BI

PowerApps

QlikView

python

SAP

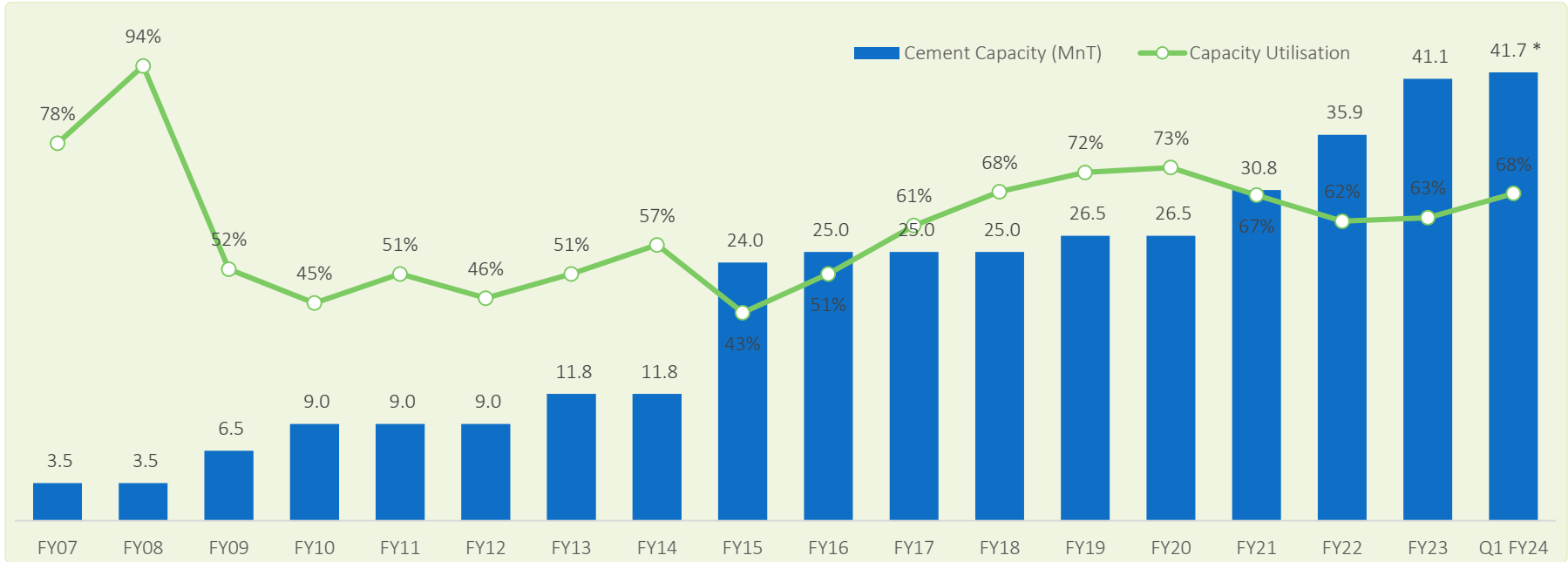
Data Lake

Amazon SageMaker

Flutter



# 04 Ability to Add Capacity at Lowest Cost



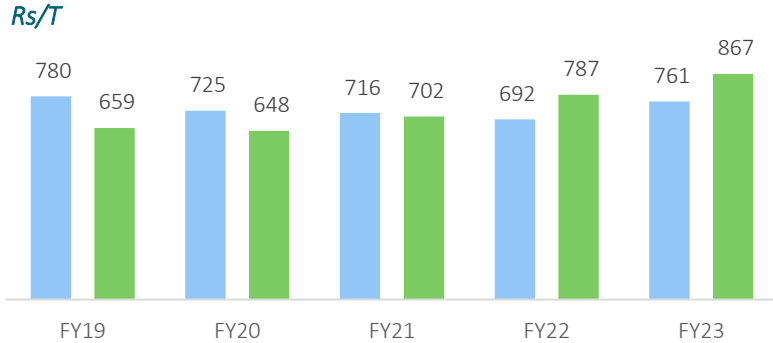
**\*Current Cement Capacity**  
 (With addition of 2.0 MnT at Sattur post 30<sup>th</sup> June 2023) **43.7 MnT**

**Average Cost of Capacity expansion**  
**~\$40/T**

Expansion cost based on INR/USD Exchange Rate of INR 80/US\$

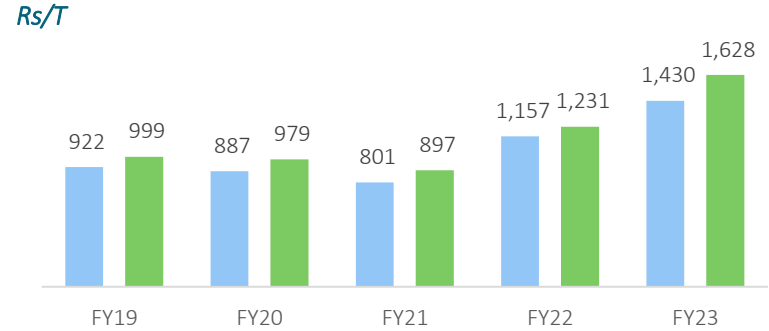
# Lowest Total Cost Producer of Cement in India

## Raw Material Cost/T

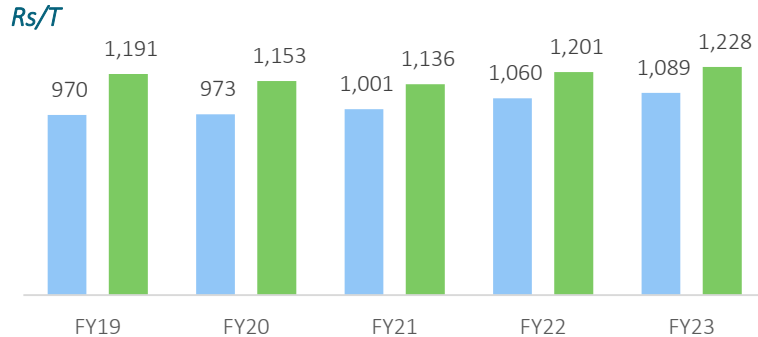


Key drives include long term tie-ups with suppliers, focus on blended cement along with investment in alternative fuel

## Power & Fuel Cost/T

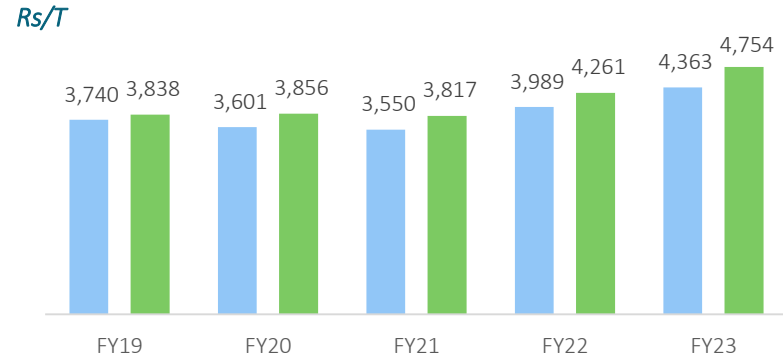


## Freight Cost/T



We continue to remain as the lowest cost structure even in the most volatile times

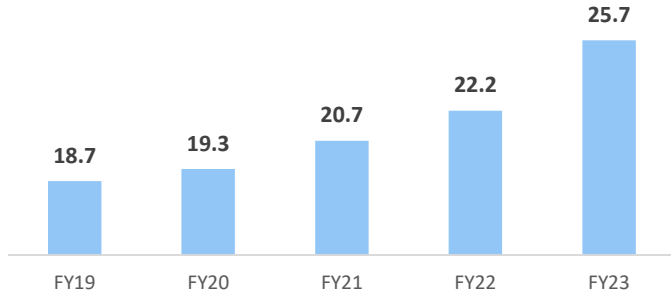
## Total Cost/T



# Proven Track Record of Financial Performance

## Sales Volume (MnT)

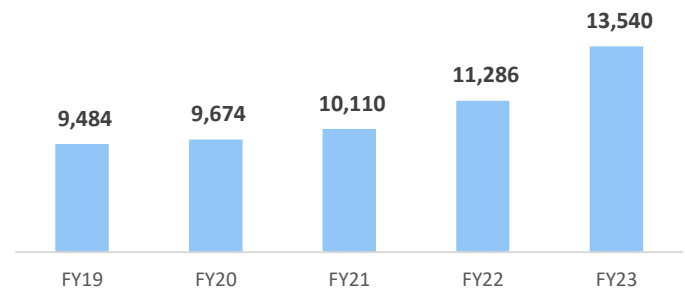
5Y CAGR: 9%



Consistent Capacity additions and share of premium products led volume and revenue growth

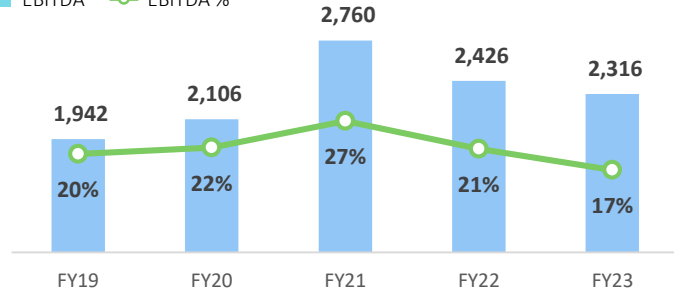
## Sales Revenue

5Y CAGR: 10%



## EBITDA and EBITDA%

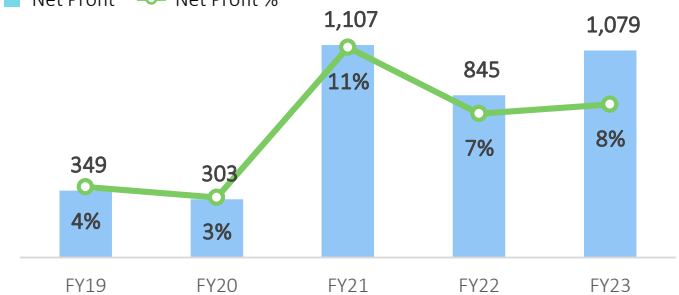
■ EBITDA    ● EBITDA %



Continuous investment in supply chain and greentech has enabled us to mitigate external cost headwinds

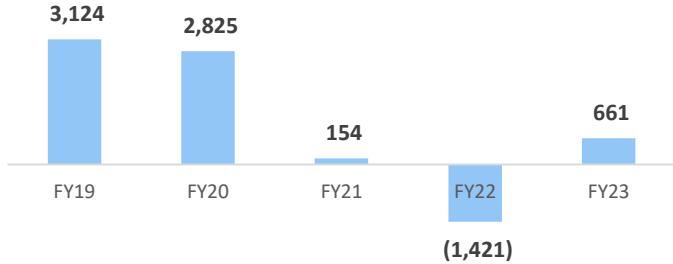
## Net Profit and Net Profit%

■ Net Profit    ● Net Profit %



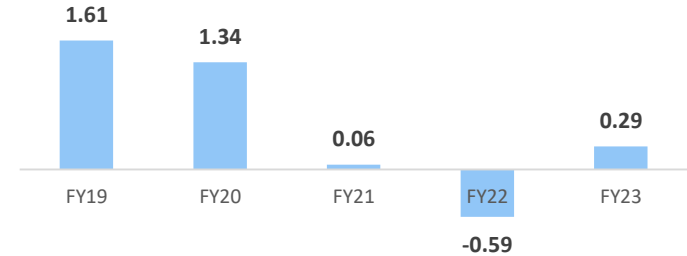
# 05 Proven Track Record of Financial Performance

Net Debt (Rs Cr)

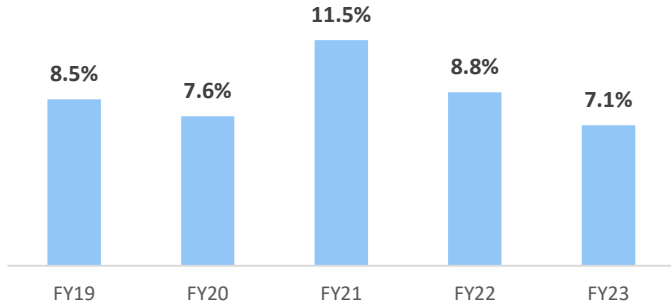


Our resiliency has enabled us to Delever our Balance Sheet and provided Flexibility for future expansion

Net Debt/EBITDA

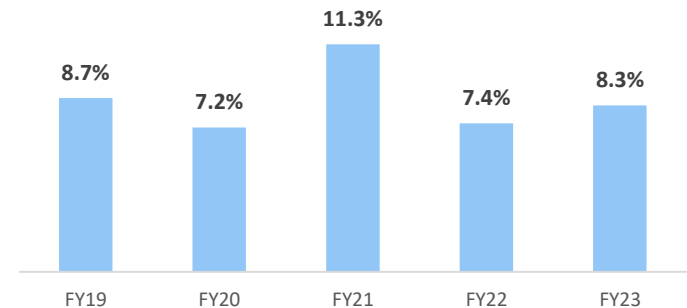


Adjusted RoCE\*



Our consistent focus on efficiency have translated into attractive Return Ratios for our stakeholders

Adjusted RoE\*



\*Adjusted for goodwill arising due to past restructuring of business

# Market Leader in Highly Attractive East India Market

Per capita cement consumption of the eastern regions is well below Pan-India

- World 500 – 550 kg
- India 225 – 250 kg
- East 150 – 175 kg

GDP growth of eastern regions is well above Pan-India GDP growth in FY23

- India: 6.5%
- East – 1.2- 1.3x of India <sup>(1)</sup>

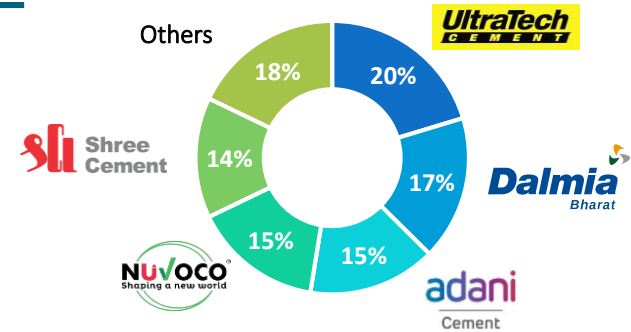
## Key demand drivers of the region

- Shortage of housing units - **42% PMAY** houses constructed till now are in East region
- With Eastern region playing a ever-increasing role in national security, government has initiated **large pipeline of Infrastructure projects**
- 21 out of 110 cities** selected under Smart City Mission are located in East Region

## Key Projects

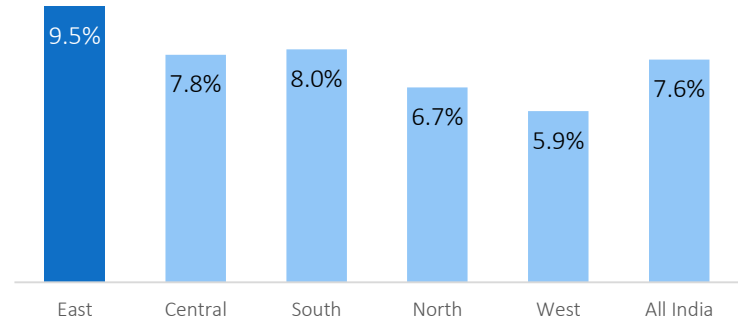
- East West Dedicated Freight Corridor Project** (₹73,084 cr)
- Smart City (Bilaspur) Project** (₹8,000cr)
- Western Dock (Paradip Port) Project**(₹3,025 cr)
- Patna Metro** (₹13,366 cr)
- Coastal Road (Gopalpur-Digha) Project** (₹8,000 cr)

## Capacity Break Up – East<sup>^</sup>



Cement demand growth in East expected to be the highest\*

## 3 Yr Demand growth CAGR (FY22-25)



(1) FY23e – RBI; <sup>^</sup>As per latest data available; \*Source: Research report

# Multi-Tier Governance Structure



DBL is the one of the company among the Top 7 cement players in India to appoint Big4 Accounting Firms to completely outsource Internal Audit Function

# Overseen by a Reputed Board



**Pradip Kumar Khaitan**

*Chairman & Independent Director*

- Serves as Sr. Partner of Khaitan & Co., an eminent firm of lawyers and member of the Bar Council of India, Bar Council of WB and Indian Council of Arbitration, Delhi
- Specialization in corporate & tax laws, arbitration, IPR, foreign collaboration and M&A



**Yadu Hari Dalmia**  
*(Non-Executive Director)*

- 46+ years of experience in the cement industry and has earlier served as President of the Cement Manufacturers Association
- Bachelor of Commerce (Hons) & Chartered Accountant



**Niddodi Subrao Rajan**  
*(Non-Executive Director)*

- Serves as Co-Chief Executive Officer at IDFC Foundation; previously held leadership positions with IDFC first Bank and Tata Sons.
- Holds doctorate from IIT Delhi and a graduate degree from Xavier School of Management



**Puneet Dalmia**

*Managing Director & CEO*

- 20+ years of experience in cement industry and a Government appointed Chairman of 25 member Development Council for Cement Industry
- B.Tech from IIT Delhi and Gold-Medalist, MBA from IIM Bangalore



**Gautam Dalmia**

*Managing Director*

- 29+ years of experience in cement and sugar industries
- Holds a B.S and an M.S. degree in Electrical Engineering from Columbia University



**Paul Heinz Hugentobler**

*Independent Director*

- Served as CEO of Siam City Cement Public Company Limited, Headquartered in Bangkok From January 2002 till his retirement on February 28, 2014,
- Has a degree in Civil Engineering from the ETH and a degree in economic science from the University of St. Gallen



**Sudha Pillai**

*Independent Director*

- Served Indian Administrative Services and held positions at various Government bodies such as Planning Commission and NHAI
- Master's degree in Public Administration from Harvard University



**Virendra Singh Jain**

*Independent Director*

- Served as CEO at Jindal Stainless Ltd. and Chairman of Steel Authority of India Ltd.
- Chartered Accountant and a Cost Accountant



**Anuradha Mookerjee**

*Independent Director*

- A bureaucrat for over three decades in revenue services
- Topper of the 1986 batch of the Indian Revenue Service. She has B.Sc (Botany), M.Sc & M. Phil Social Anthropology

# 07 Managed by a Diverse Leadership Team



**Mahendra Singh**  
*(MD & CEO – DCBL)*

- 40+ years of experience in cement sector
- Served as President of Cement Manufacturer’s Association (CMA)
- Chartered Accountant and a science and Law graduate



**Rajiv Bansal**  
*President and Chief Transformation Officer*

- 27+ years of experience in corporate leadership in Power, IT and Internet Start-up Industry
- Chartered Accountant, Cost Accountant and a B.Com (Hons) graduate



**Sameer Nagpal**  
*Chief Operating Officer*

- 24+ years of experience in paints, air-conditioning and security industry
- Former CEO of Dalmia OCL
- PGDM from IIM Calcutta and Bachelor’s degree in Mechanical engineering from DTU



**Dharmender Tuteja**  
*Chief Financial Officer*

- 35+ years of experience in various facets of Finance & Accounts function and Business Management in diverse industries
- Cost Accountant, Company Secretary and B.Com (Hons) graduate



**Rajiv Prasad**  
*Head - Sales, Logistics, Technical services and Marketing*

- 38+ years of experience in corporate leadership in various industries including cement, tyres and glass manufacturing
- PGDM from IIM Bangalore and a BE (Electronics) from Aligarh Muslim University



**Ganesh Wamanrao Jirkuntwar**  
*Head - Manufacturing*

- 30+ years of experience in manufacturing and plant operations across geographies including North America and Europe
- MBA from Warwick Business School



**Udayi Khanna**  
*Head - Human Resources*

- 30+ years of experience in HR across industries including IT, BFSI, Retail and Consumer Electronics
- MBA from XLRI Jamshedpur



**Dr. Arvind Bodhankar**  
*Head – ESG and Chief Risk Officer*

- Expert in renewable energy with 32+ years of proven track record and wealth of diverse experience in the area of Petrochemicals, Fertilizers, Steel and Cement
- Holds a PhD and a MBA





SECTION

04

# SHAREHOLDER VALUE AND CAPITAL ALLOCATION

# Drivers of Value Creation



# Strategic Imperatives

## Strategic Vision



- PAN India Pure Play Cement Company



- Significant presence in every market wherein Dalmia operates



- Grow capacity at a CAGR of 14% - 15% over the next decade to reach 110-130 MnT by 2031



- Target of 75 MnT by 2027



- Maintain a strong balance sheet along with highest standards of corporate governance



- Continue building a great organizational culture and a strong value system

# Disciplined and Value Focused Capital Allocation

## Capital Allocation Framework

Up to 10% of the Operating Cash Flow towards **shareholders' return** which would include a mix of both dividend & share buy-backs

Up to 10% of Operating Cash Flow towards an **Innovation & Green Energy Fund** which would be channelized towards focused R&D in the areas of Climate changes and technology advancements

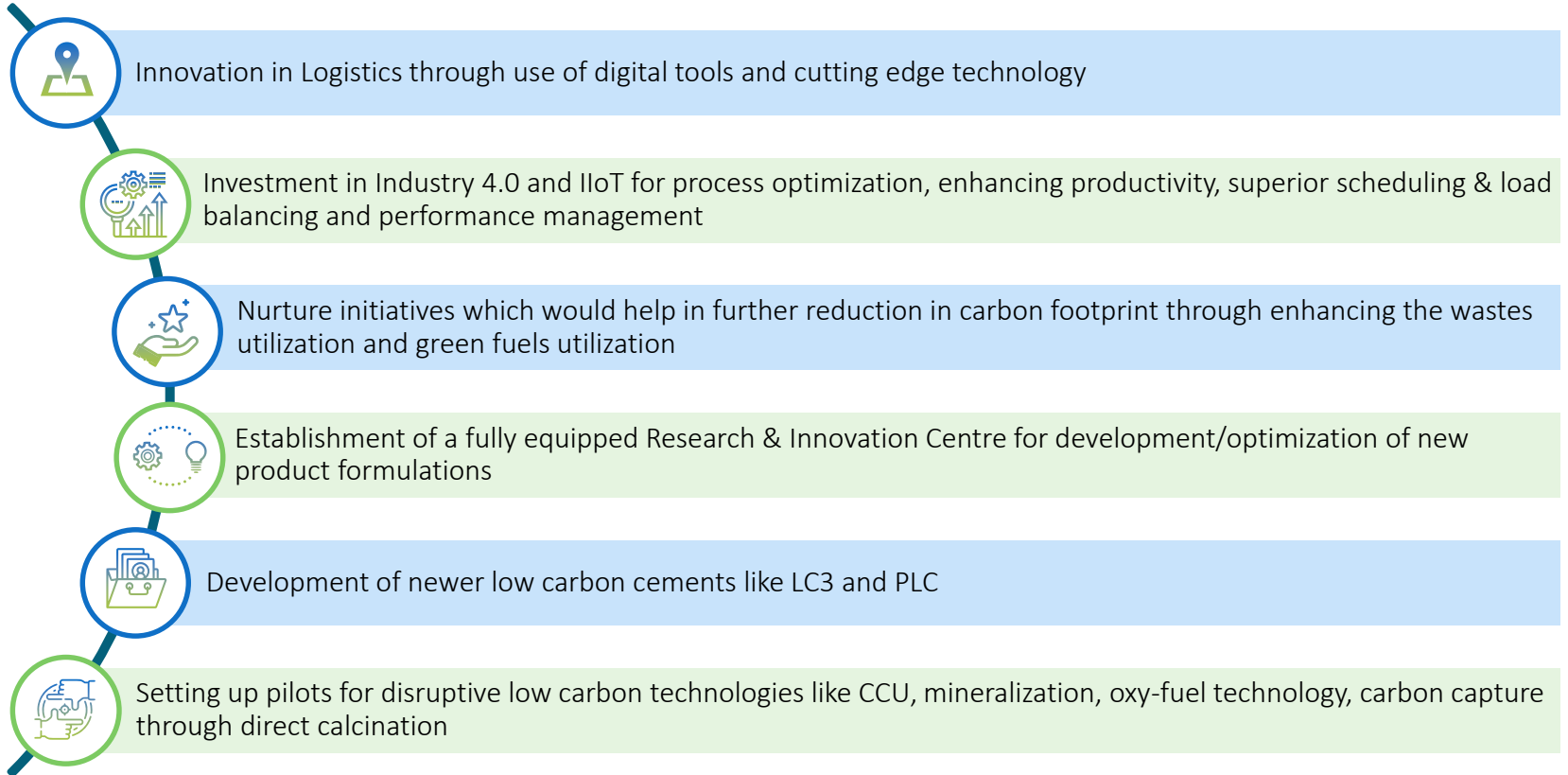
The balance available funds will be used to fund **growth** as well as **maintenance capex**

Target Net Debt / EBITDA < 2.0x\*

Target ROCE of 14-15% over next few years

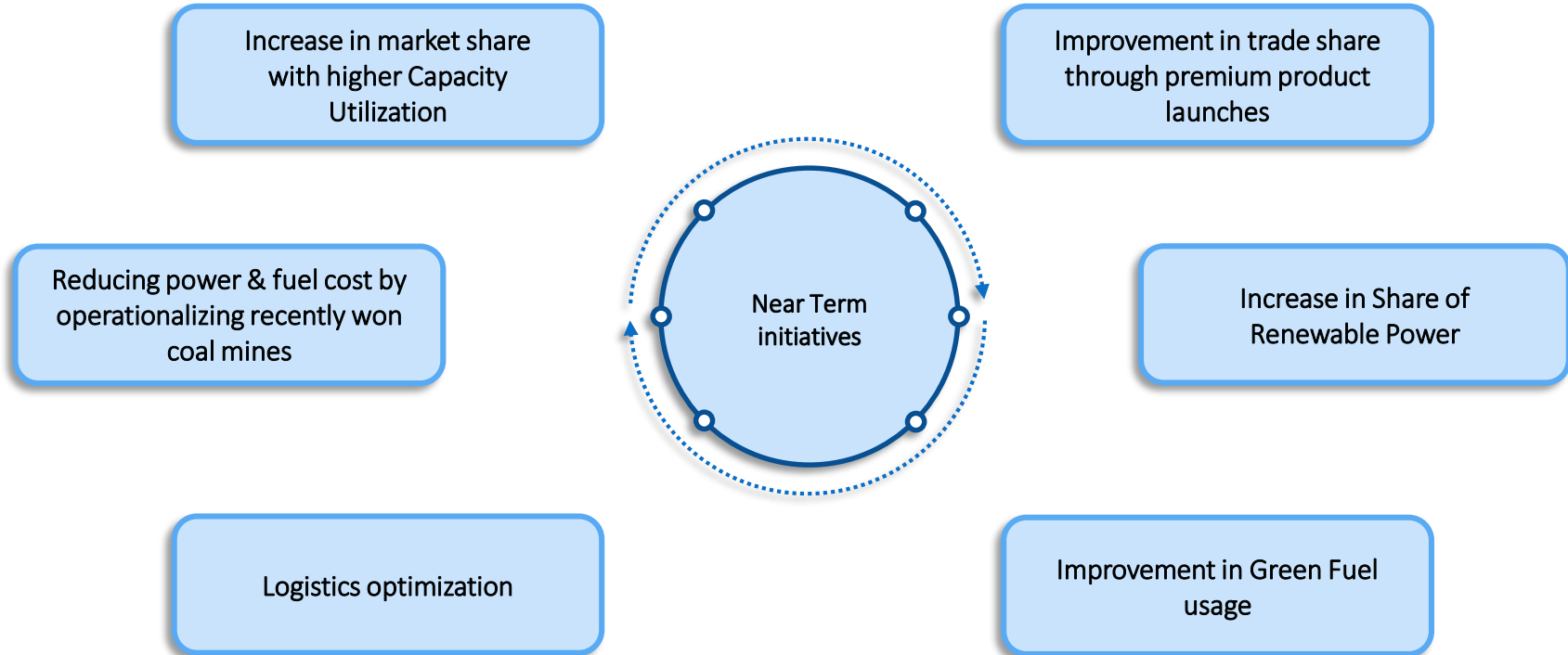
**Treasury** will be governed by our Board Approved Treasury Policy

# Innovation and Green Energy Fund



# EBITDA improvement focus areas

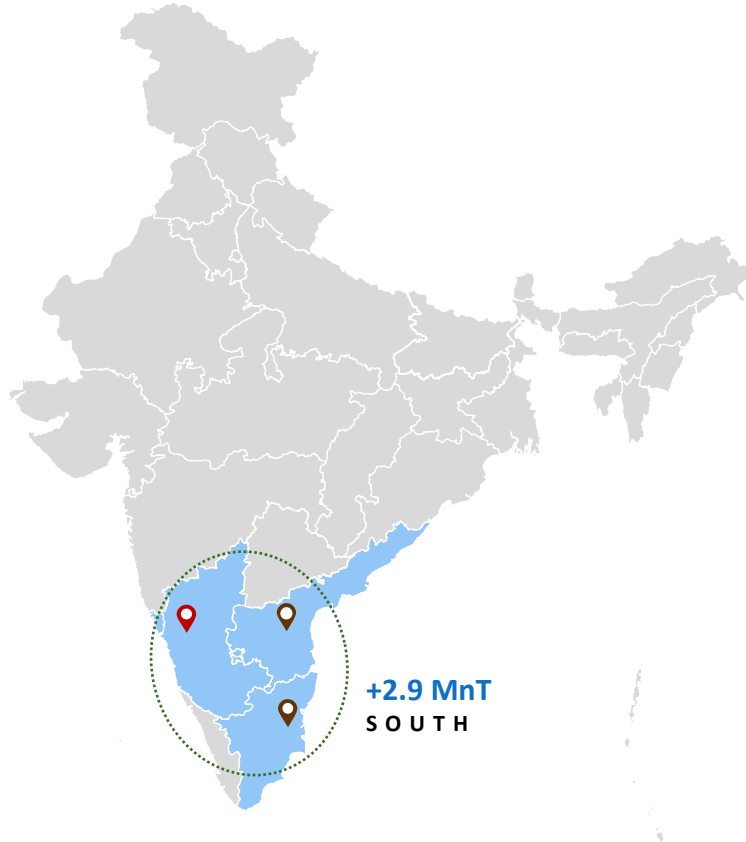
Focused initiatives on key operating levers to further improve EBITDA/T





# CAPEX PLAN

# Cement Capacity Expansion Plan – 46.6\* MnT by FY24



**+2.9 MnT**  
**SOUTH**

**+** Represents Capacity Additions from 41.7 MnT to 46.6 MnT  
**Blue** Represents States where in capacity would be added

Region	Plant	Capacity
<b>Closing Capacity FY22</b>		<b>35.9</b>
📍 East	Bokaro, JH	0.6
📍 North East	Adhunik, ML	0.2
📍 East	Rajgangpur, OR	0.3
📍 East	Kapilas, OR	0.3
📍 North East	Calcom, AS	1.3
📍 East	Bokaro Line 2, JH	2.5
📍 East	Medinipur, WB	0.6
📍 South	Sattur, TN	2.0
<b>Capacity as on date</b>		<b>43.7</b>
📍 South	Belgaum, KA	0.9
📍 South	Ariyalur, TN	1.0
📍 South	Kadapa, AP	1.0
<b>Closing Capacity FY24**</b>		<b>46.6</b>

📍 Debottlenecking   📍 Brownfield   📍 Greenfield

## NOTE

\*The Bihar Grinding Unit with a capacity of 2.5 MnT has been deferred  
 \*\*the closing capacity is excluding the acquisition of cement assets of Jaiprakash Associates



# Clinker Capacity Expansion Plan

	FY22	Q1FY24	FY24E*
SOUTH	7.8	9.2	10.4
EAST	6.8	7.7	8.3
NORTH-EAST	2.3	2.7	2.9
WEST	2.0	2.1	2.1
<b>TOTAL</b>	<b>18.9</b>	<b>21.7</b>	<b>23.7</b>

(Figures in MnT)

\*the closing capacity is excluding the acquisition of clinker assets of Jaiprakash Associates



SECTION

04

**ESG**

# Environmental, Social and Governance (ESG)

Environmental, Social & Corporate Governance (ESG) has been an central pillar of our business strategy

## Environmental



Our specific net emissions, **462 kg CO<sub>2</sub>/tonne of cement for Q1'FY24**, one of the lowest in the Global Industry.



First global cement company to embark on **EP100, EV100** and **RE100** collectively

First company from emerging economies in heavy-industry sector to join **First Movers Coalition (FMC)** as founding member



Led by sustainable business practices, we aim to become **20 times water positive by 2025** and **carbon negative by 2040**

## Social



Corporate Social Responsibility activities assessed on **ISO 26000**, a first for an Indian cement company



Aligned our sustainability strategy to the **UN Sustainable Development Goals (SDGs)**. The **Dalmia Bharat Foundation**, our CSR arm, helps meet our commitments to the **UN SDGs**



Our CSR program reaches out to over **10 lac individuals** spread across **eleven states**

## Governance



Institutionalized good governance led by robust **Corporate Governance Guidelines, a Code of Conduct, and Financial Ethics**



Through tools such as Oracle and SAP, Code of Conduct for Directors and Senior Management covers **conflict of interests, honest and ethical conduct, confidentiality, protection and proper use of the company's assets, and compliance with laws**



A formal **Capital Allocation Policy** and a **Treasury Policy** along with appointment of **EY as Internal Auditor** is a testament of our focus on Governance

# Leading the Cement World Globally in Carbon Emissions



**608**

Global Average\*



**560**

India Average\*\*



**462<sup>^</sup>**

Dalmia Bharat Net  
CO<sub>2</sub> Emissions



**330<sup>^</sup>**

Dalmia Bharat  
Eastern Operations  
Net CO<sub>2</sub> Emissions

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

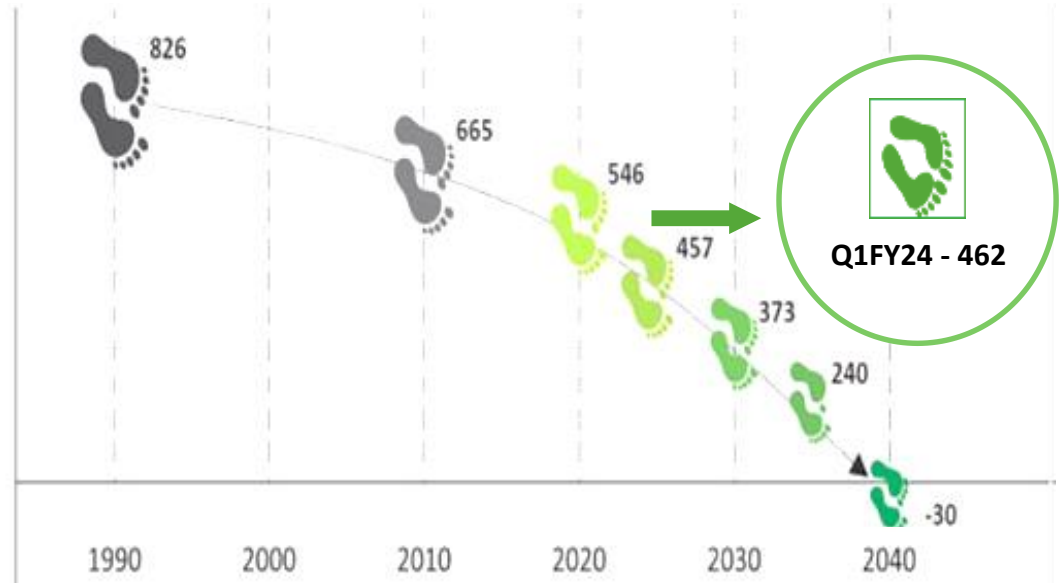
\*\* Source: GNR data published in 2021 representative of 55% cement production in India \*

<sup>^</sup>Data for Q1FY24

# Carbon Negative Roadmap

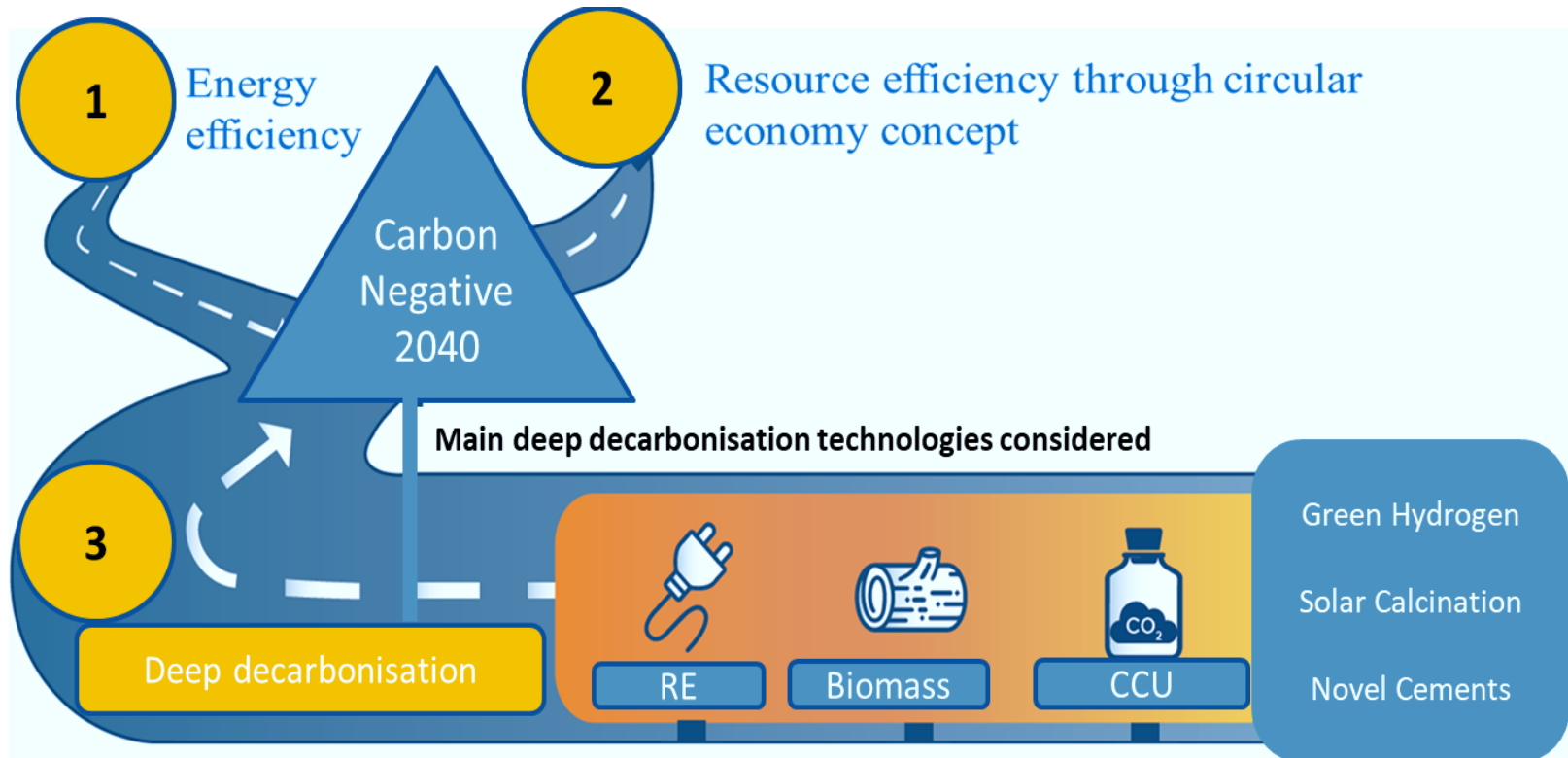
- ✓ 100% blended cement by next 5 years
- ✓ RE 100 commitment to transition to 100% renewable power by 2030
- ✓ EP 100 commitment to double energy productivity by 2030
- ✓ EV 100 commitment for sizable Electric Vehicle transition by 2030
- ✓ Use of renewable biomass, hazardous waste, hydrogen and MSW to fully replace fossil fuel by 2035
- ✓ Development of Carbon Sinks / Carbon Sequestration
- ✓ Adoption of CCU and other advanced green technologies by 2035

## Dalmia Determined Contribution (DDC) Grey to Green Roadmap for Carbon Negative Transition



Carbon Footprint Net CO<sub>2</sub>/ton of Cementitious Material

# Carbon Negative Roadmap



# First Triple Joiner Globally of RE 100, EP 100 and EV 100

**RE 100**

A global initiative bringing together businesses committed to 100% renewable electricity by 2030

**EP 100**

A global campaign to double Energy Productivity by 2030

**EV 100**

A global initiative to accelerate the transition to Electric Vehicles

One of the First Cement Company to join Globally

One of the First Companies in India

# 1.5°C - First Cement Company to join Globally



BENNETTS  
ASSOCIATES

DECATHLON

Glovo!



ignitis  
group

globesight

L'ORÉAL

airtel



BUSINESS  
AMBITION FOR **1.5°C**   OUR ONLY  
FUTURE

A global campaign  
towards a 1.5°C  
future at UN Climate  
Action Summit





# Ranked No. 1 by CDP in its Global Cement Sector Report<sup>^</sup>



RANK :

1

SCORE :

4.64

## Key strengths reported by CDP for Dalmia Bharat

- Scores best on Scope 1 emissions intensity, with both the lowest absolute level and the steepest decline since 2012
- Only company to have an emissions reduction target beyond 2030 with a target based on 2050. Dalmia Bharat also has the third-best annual reduction target and is second on the way to achieving its target, being 8% ahead of where it needs to currently be.
- Best emissions profile against IEA 2-degrees targets out to 2030



In line with the Paris Agreement, Dalmia emerged as one of the world's greenest cement manufacturing companies



Out of the 13 cement majors globally, Dalmia Bharat ranked at the top of the Cement Sector League Table



Best performance in emissions intensity, clinker ratio and exposure to downstream regulation

<sup>^</sup>CDP released its latest global cement sector report in April 2018 which takes an in-depth look at high impact industries one-by-one with extensively long surveys and consideration of multi-years data

\*Scores are calculated on the basis of four parameters – Transition Risk, Physical Risk, Transition Opportunities and Climate Governance & Strategy

# MoU with FLSmidth, Denmark

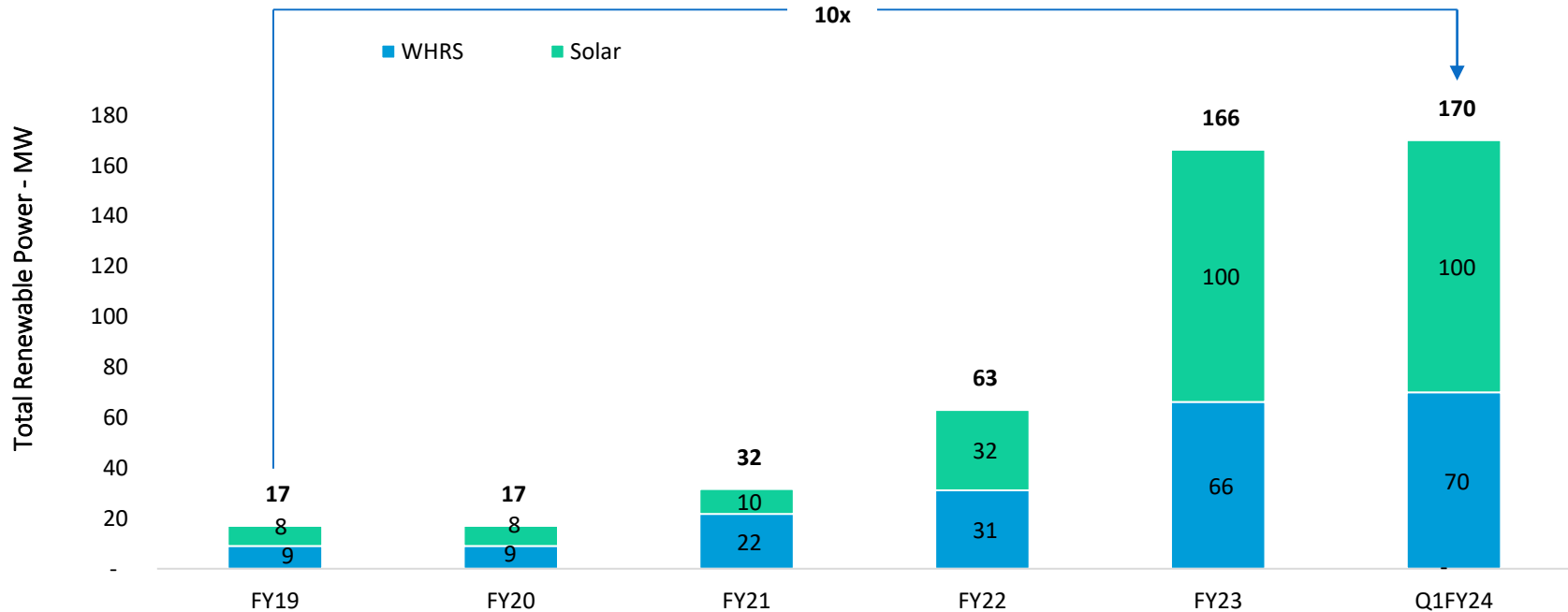
To Develop Breakthrough Innovations To Support Sustainability In Cement Industry, Dalmia Cement Signs MoU With FLSmidth, Denmark Under Green Strategic Partnership Of India And Denmark Government



- The company has signed a MoU with FLSmidth A/S, a leading supplier of technology solutions and equipment for cement and mining processing industry, on 3rd May 2022 at Copenhagen in the presence of Prime Minister of India and Prime Minister of Denmark
- Both sides commit to contribute ideas, research and development for an industrial scale cement production facility in order to develop breakthrough innovations to significantly accelerate the development of sustainability in cement and construction industry

# WHRS and Solar Power Update

## Renewable Energy Power



➤ In line with the commitment towards RE100 by 2030 & Carbon Negative by 2040, Dalmia Bharat to increase its RE capacity to 328 MW by FY24

# Industry Leading Water Positive Operations

## OUR STRATEGY



Air cooling instead of water cooling in CPP



Zero water discharge at plants



Rain water harvesting



Intervention program: drip irrigation, ponds, sprinklers

## OUR RESULTS

5x

2019

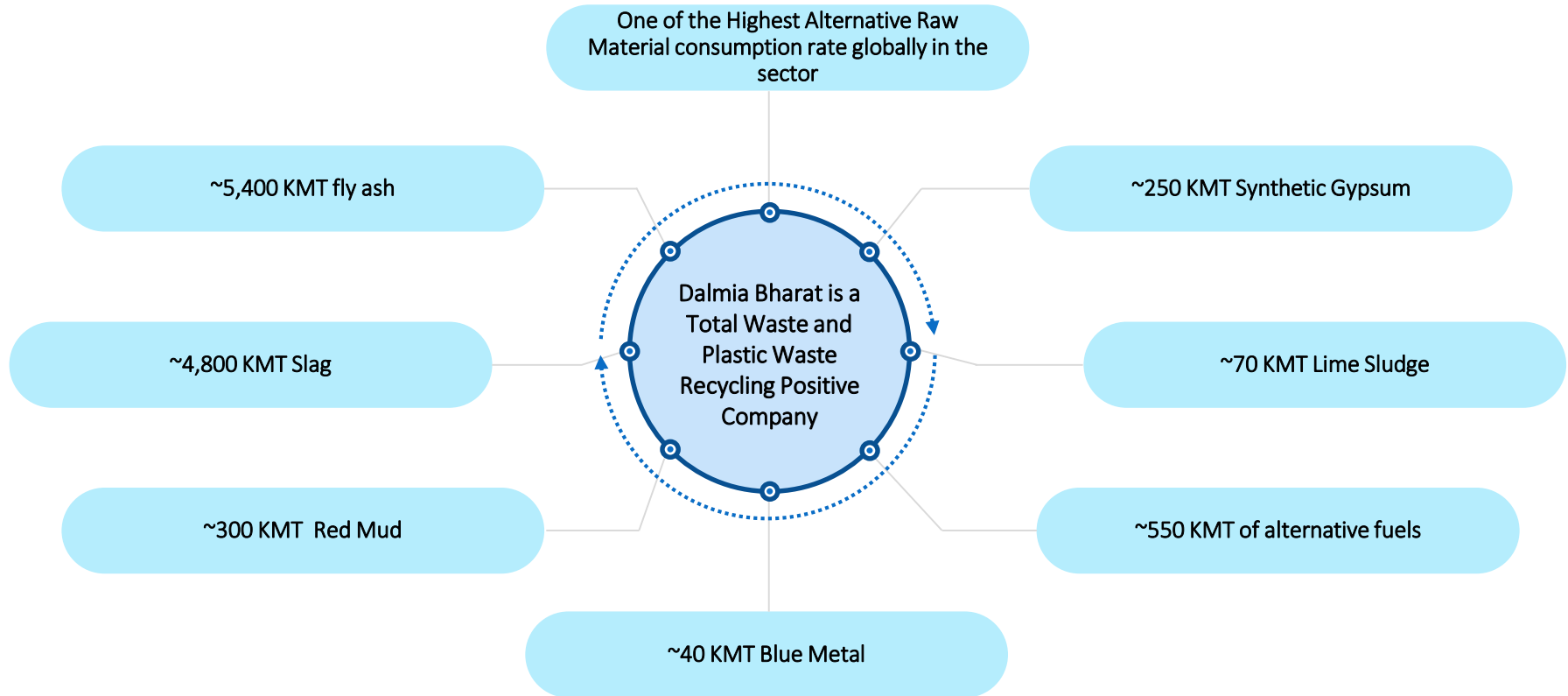
14x

2023

20x

2025

# Usage of Industrial Wastes as Raw Material or Fuels



# Leading Player to Supply Blended Cement in Key Infra Projects

A testament of the quality of our blended cement is its usage in construction of some of the breakthrough projects in the country



**Guwahati International Airport, Assam**  
expected footfall of 90 lacs+



**North Karanpura Thermal Plant, Jharkhand**  
1980 MW (3 x 660 MW) Thermal Plant



**NHA Project, Bihar & West Bengal**  
Blended Cement usage in Pavement Quality Concrete



**Crude Oil Import Terminal Project, Odisha**  
Blended Cement in Deep Tranche Concrete piles



**Shree Setu, Odisha**  
Odisha's First Trumpet Bridge



**Sevoke-Rangpo Railway Tunnel, Sikkim**  
Blended Cement in Concrete Tunnel Lining

# Leading Player to Supply Blended Cement in Key Infra Projects

A testament of the quality of our blended cement is its usage in construction of some of the breakthrough projects in the country



**Birsa Munde Hockey Stadium, Odisha**  
World's largest-seated hockey stadium



**Coal Mine Railway Conveyor Belt, Maharashtra**



**Kochi Water Metro, Kerala**  
First Water Metro System in India



**Kopili Hydro Electric Project, Assam**



**Bangalore-Chennai Expressway**  
one of the 26 new green expressways



**International Airport Taxiway Project, Chennai**

# Sustainability Measures and Its Impact

Measures	Impact
<ul style="list-style-type: none"> <li>Natural resource conservation by optimal use of Industrial wastes from other industries such as Steel, Thermal Power, Aluminum</li> <li>Commissioned state-of-the-art new cement plants with latest available technologies</li> </ul>	<ul style="list-style-type: none"> <li>Less Limestone and energy consumption /ton of cement</li> <li>Became largest producer of Portland Slag cement in India - A lowest carbon footprint cement</li> </ul>
<ul style="list-style-type: none"> <li>Plant-wise/unit-wise monthly GHG footprint monitoring and target settings</li> <li>Accelerated the alternative fuel use in cement kilns</li> </ul>	<ul style="list-style-type: none"> <li>One of the best energy efficiency ratings globally resulted in energy demand reduction</li> <li>GHG emissions monitoring with discussions on opportunities for improvement</li> </ul>
<ul style="list-style-type: none"> <li>New power plants based on renewable energy such as solar, wasted heat from kiln off-gases</li> <li>Targeted to become water positive cement group</li> </ul>	<ul style="list-style-type: none"> <li>Replacement of fossil fuels</li> <li>Renewable power to replace fossil fuel based electricity</li> <li>Better relations with local communities, community wide GHG reductions and more than 10 times water positive cement group.</li> </ul>



## Major Initiatives

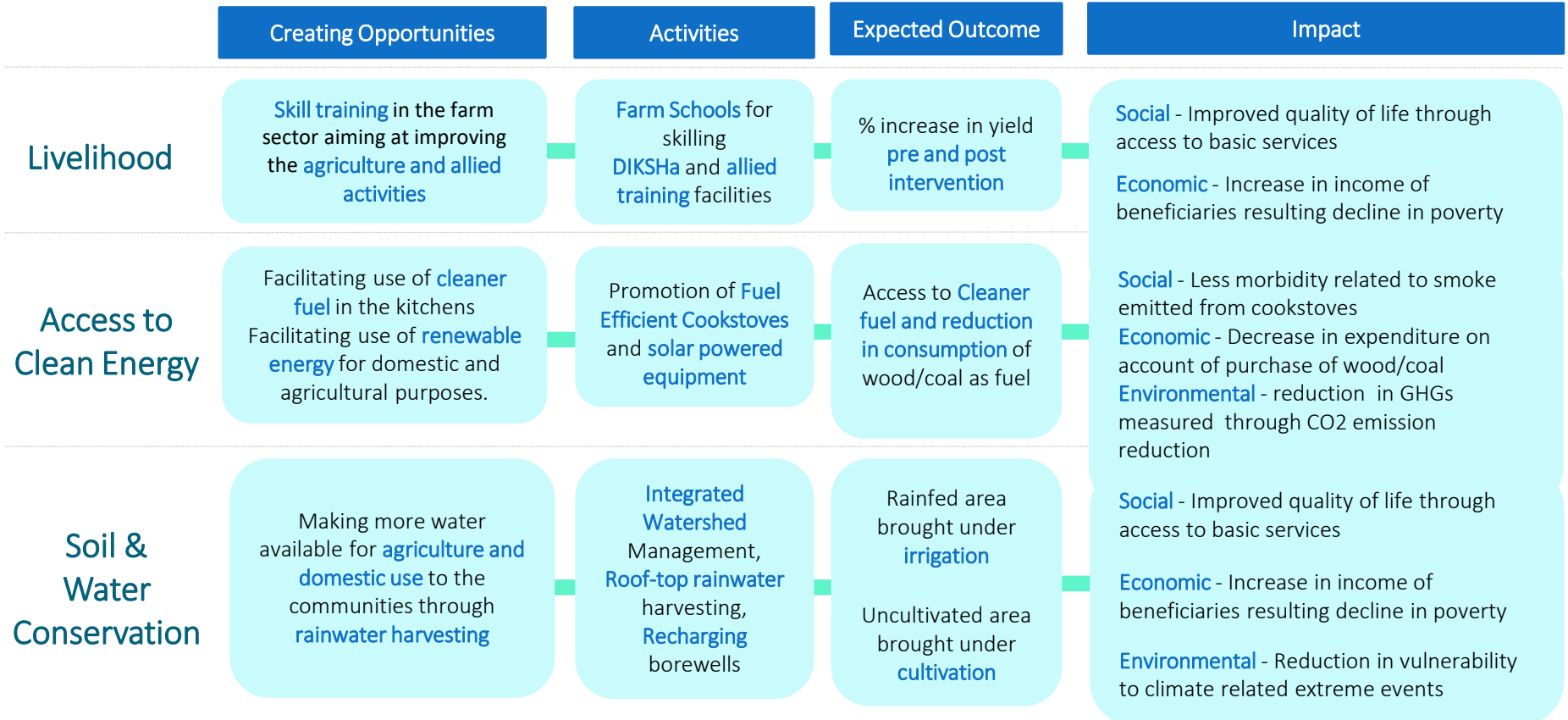
- **Dalmia Institute of Knowledge & Skill Harnessing (DIKSHa)**, a skill training programme, actively involved in imparting placement based, short-term skill trainings
- **Extended livelihood programme** – Working in farm and non-farm sector, to help communities build sustainable livelihoods
- **Climate Action** – Watershed Projects, Water Harvesting and Micro-Irrigation

During Q1'FY24, DIKSHA had a total of **1,609 trainees** enrolled for training. The popular trades included Home Health Aid, Assistant Electrician, Apparel, Beauty & Wellness, and CRM. Out of the enrolled trainees, **615 successfully completed their training**, and among them, 376 trainees have started earning an average monthly income of around Rs.10,000.

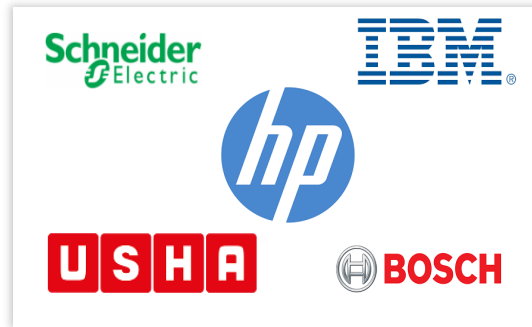
During Q1'FY24, a flagship program was initiated to support **61,000 households** with sustainable livelihoods through mapping, personalized interventions, capacity building, and credit linkages.

Till Q1FY24, DBL Successfully added a cumulative water harvesting potential of **103.94 lakh kilo liters** across all its cement locations. The objective is to become **20 times water positive by FY 2030**

# Theory of Change Designed to Ensure CSR Initiatives Help Achieve Our Vision & Mission



# Our CSR Partners



# Redefining Corporate Governance



- First cement company in India to formally announce a Capital Allocation framework
- Formal Treasury Policy - At least 85% of the money should be invested in AAA rated debt instruments, while the balance 15% can be in AA+ rated debt instruments



- Appointed one of the Big4 accounting firms, EY, as its Internal Auditors
- Member firm of Grant Thornton, Walker Chandniok & Co., appointed as Statutory auditors of the company



- Segregated the family office and the corporate office
- Completed Sale of Hippo Stores (retail business)
- Completed divestment of Refractory business
- Continue to evaluate divestment of IEX stake



- Use technology to track and monitor different dimension of business as well as to minimize human intervention and errors
- Use of SAP and Oracle across organization has strengthened operational checks and balances



- Implemented a organization wide Risk Framework
- Employee handbook encouraging best practices

HIGHEST STANDARDS OF GOVERNANCE

# Governing Polices at Dalmia

-  **Code of Conduct** for all members of Board of Directors and Senior Management
-  **Code of Conduct** to regulate, monitor and report trading by insider
-  **Code of Practices and Procedures** for Fair Disclosure of unpublished price sensitive information
-  Related Party Transaction
-  Nomination and Remuneration
-  Corporate Social Responsibility
-  Whistle Blower Policy and Vigil Mechanism
-  Determination of Materiality of Events
-  Dividend Distribution
-  Policy for Preservation of documents
-  Determination of Material Subsidiary
-  Familiarization Program of Independent Directors
-  Terms of Appointment of Independent Directors
-  Website Document Archival Policy

# Sustainability & CSR - Awards & Accolades

Dalmia Bharat has been consistently respected and recognized for its focus on Sustainability

CII-ITC Sustainability Award 2022  
Excellence in Corporate Social Responsibility  
(CSR)



Corporate Category: Sustainability in  
Cement Sector  
Apex India Green Leaf Award

FICCI Indian Circular Economy Award  
2022  
in Large Industry Category

National Award for Excellence in Energy  
Management  
Confederation of Indian Industry (CII)

Asia Sustainability and  
Environmental Stewardship Award  
International Cement Executive

BGM unit awarded for  
CII 3R Award 2022

RGP unit awarded “ESG Champion” for  
Green Fuel and Net Zero Commitments  
India Sustainability Awards 2022

“Climate Action Programme, CAP 2.0”  
Award  
Confederation of Indian Industry (CII)

Best Award for Environmental Excellence  
NCCBM 2022

Corporate Category: Environment  
Protection  
Greentech Environment Award 2022

# Sustainability & CSR - Awards & Accolades

Our CSR Program has been consistently recognized by several institutional bodies and forums

“Platinum Award” won by RGP unit  
Apex India Occupational Health & Safety  
Awards

NABARD Assam  
Winner Best Tribal Development Fund 2022

KDP Unit Won the  
Water Efficient Unit Award at  
the CII National Award for Excellence in  
water management 2022

CemWHR 2023 - conclave  
Meghalaya unit awarded for Innovation for  
Sustainability at the cemWHR-2023  
conclave



Business Today Best CEO Award  
To Mr. Puneet Dalmia

Chandrapur Unit won  
EXCEED Waste Management Award 2022  
Supported by MOEF&CC and organized by  
Sustainable Development Foundation, New  
Delhi

Green Champion Award  
For environmental improvement initiatives

Commendation for Significant  
Achievement in CSR  
CII-ITC Sustainability Awards 2019, 2017,  
2016, 2014, 2013, 2022

NCCBM Award 2022  
Award for environment excellence in  
Grinding Units

DL Shah Quality Gold Award  
for Promoting Green Blended cement and  
green binders

# Logistics – Awards & Accolades

**Best digitalization & End to End transformation in Supply Chain – Nov 22**

8th India Supply Chain thought Leadership Summit “Institute of Supply Chain Management”



**Best Supply Chain Firm in Cement Category – Dec 22**

3rd Annual Warehouse & Logistics Excellence Awards  
“Quantic India”

**Exceptional Leadership in Supply Chain Management – Nov 22**

8th India Supply Chain Thought Leadership Summit “Institute of Supply Chain Management (ISCM)”

**Logistics Leader of the Year – May 22**

4th India Logistics and warehousing excellence  
“Institute of Supply Chain Management (ISCM)”





SECTION

06

**APPENDIX**

# Key Financials

Particulars	FY19	FY20	FY21	FY22	FY23
Cement Capacity – MnT	26.5	26.5	30.75	35.9	38.6
<b>Sales Volume - MnT</b>	<b>18.69</b>	<b>19.29</b>	<b>20.7</b>	<b>22.2</b>	<b>25.7</b>
<b>Net Sales - Rs Cr</b>	<b>9,484</b>	<b>9,674</b>	<b>10,110</b>	<b>11,286</b>	<b>13,540</b>
EBITDA - Rs Cr	1,942	2,106	2,760	2,426	2,316
<b>EBITDA Margin%</b>	<b>20.5%</b>	<b>21.8%</b>	<b>27.3%</b>	<b>21.5%</b>	<b>17.1%</b>
EBITDA - Rs/MT	1,009	1,072	1,333	1,091	900
<b>PBT - Rs Cr</b>	<b>339</b>	<b>357</b>	<b>1,344</b>	<b>1,152</b>	<b>1,325</b>
<b>PAT<sup>^</sup> - Rs Cr</b>	<b>349</b>	<b>303</b>	<b>1,107</b>	<b>845</b>	<b>1,079</b>
Profit Margin%	3.7%	2.5%	10.9%	7.5%	8.0%
<b>Net Debt – Rs Cr</b>	<b>3,124</b>	<b>2,825</b>	<b>154</b>	<b>-1,421</b>	<b>661</b>
<b>Net Debt/EBITDA – x</b>	<b>1.61x</b>	<b>1.34x</b>	<b>0.06x</b>	<b>(0.59x)</b>	<b>0.29</b>

<sup>^</sup>Profit After Tax from Continuing & Discontinuing Operations

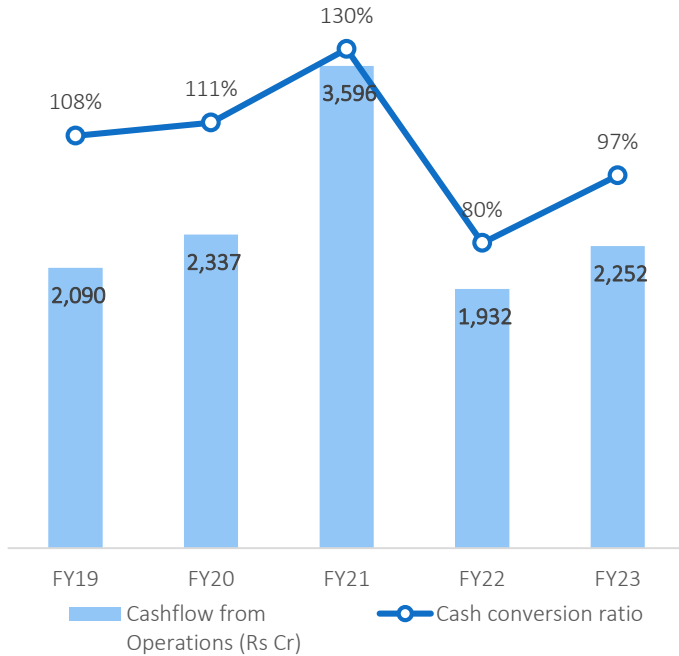
# Adjusted RoCE and RoE

	REPORTED					ADJUSTED*				
(in Rs Cr)	FY19	FY20	FY21	FY22	FY23	FY19	FY20	FY21	FY22	FY23
EBITDA (including Other Income)	2,186	2,323	2,949	2,586	2,454	2,186	2,323	2,949	2,586	2,454
Less : - Depreciation as per books	1,296	1,528	1,266	1,235	1,305	1,296	1,528	1,266	1,235	1,305
Add: Amortization on Goodwill						420	402	203	203	203
<b>EBIT</b>	<b>890</b>	<b>795</b>	<b>1,683</b>	<b>1,351</b>	<b>1,149</b>	<b>1,310</b>	<b>1,197</b>	<b>1,886</b>	<b>1,554</b>	<b>1,352</b>
Less: Finance Cost	551	438	304	202	234	551	438	304	202	234
PBT	339	357	1,344	1,152	1,325	759	759	1,547	1,355	1,528
<b>PAT^</b>	<b>349</b>	<b>303</b>	<b>1,107</b>	<b>845</b>	<b>1,079</b>	<b>769</b>	<b>705</b>	<b>1,310</b>	<b>1,048</b>	<b>1,282</b>
Equity + Reserves + Minority Interest	10,650	11,407	13,546	16,133	15,744	10,650	11,407	13,546	16,133	15,744
Less: WDV of Goodwill on merger schemes						1,389	987	784	580	377
<b>Total Net Worth</b>	<b>10,650</b>	<b>11,407</b>	<b>13,546</b>	<b>16,133</b>	<b>15,744</b>	<b>9,261</b>	<b>10,420</b>	<b>12,762</b>	<b>15,553</b>	<b>15,367</b>
Add: Gross Debt	5,907	5,959	3,726	3,140	3,763	5,907	5,959	3,726	3,140	3,763
<b>Capital Employed</b>	<b>16,557</b>	<b>17,366</b>	<b>17,272</b>	<b>19,273</b>	<b>19,507</b>	<b>15,168</b>	<b>16,379</b>	<b>16,488</b>	<b>18,693</b>	<b>19,130</b>
<b>RoCE%</b>	<b>5.2%</b>	<b>4.7%</b>	<b>9.7%</b>	<b>7.4%</b>	<b>5.9%</b>	<b>8.5%</b>	<b>7.6%</b>	<b>11.5%</b>	<b>8.8%</b>	<b>7.1%</b>
<b>RoE%</b>	<b>3.3%</b>	<b>2.7%</b>	<b>8.9%</b>	<b>5.7%</b>	<b>6.8%</b>	<b>8.7%</b>	<b>7.2%</b>	<b>11.3%</b>	<b>7.4%</b>	<b>8.3%</b>

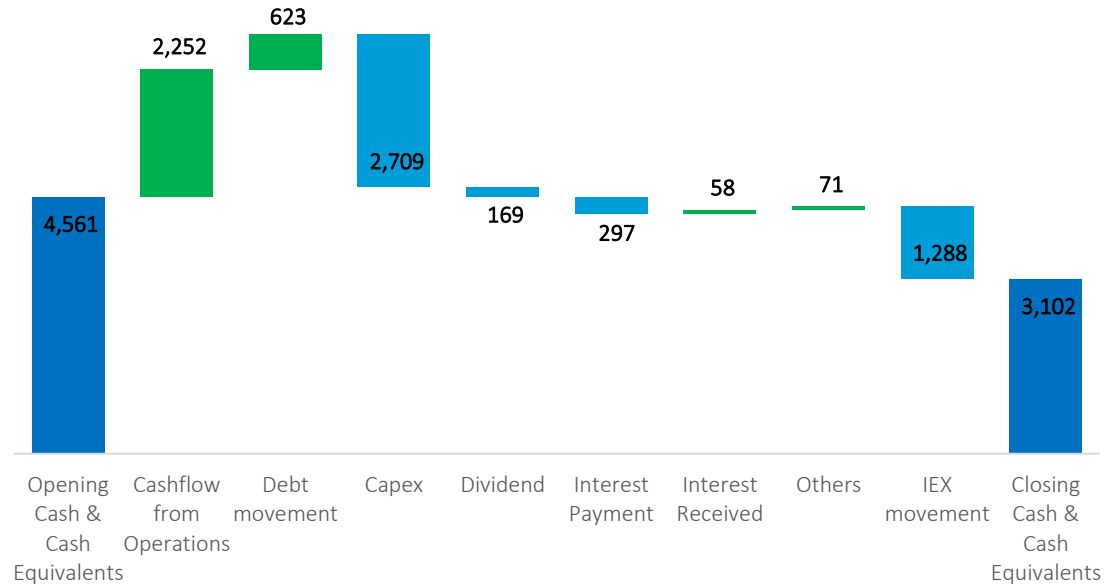
^Profit After Tax from Continuing & Discontinuing Operations; \*Adjustment on account of goodwill amortization

# Cash Flow analysis

## Healthy Cash Conversion Ratio



## Movement in Cash & Cash Equivalents in FY23 (Rs. Cr)



# Strong Balance Sheet

(Rs Crores)	31.03.2022	31.03.2023
Fixed Assets <sup>^</sup>	15,336	16,745
Investments <sup>^</sup>	1,305	1,389
Net Working Capital	(652)	(549)
Other Assets	670	925
<b>Total Assets</b>	<b>16,660</b>	<b>18,510</b>
Net Equity	16,133	15,744
Gross Debt	3,140	3,763
Less: Cash and Cash Equivalents*	(4,561)	(3,102)
Net Debt	(1,421)	661
Deferred Tax Liabilities (net)	1,564	1,610
Other Liabilities	383	495
<b>Total Liabilities</b>	<b>16,660</b>	<b>18,510</b>

<sup>^</sup>including Assets held for sale; \*Includes value of IEX shares (31<sup>st</sup> March 2023: Rs 1,703 cr; 31<sup>st</sup> March 2022: Rs 2,991 cr)  
 Net Working Capital: Total Current Assets (excluding Cash & Cash Equivalents) *minus* Total Current Liabilities (excluding current borrowings)



# Thank You

## CONTACT INFORMATION

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