Dalmia
Refractories

ANNUAL REPORT
2017-18

Dalmia
Refractories
Limited

DALMIA REFRACTORIES LIMITED
CIN: L24297TN1973PLC006372

HEAD OFFICE
4-Scindia House, Connaught Place,
New Delhi-110 001

REGISTERED OFFICE
Dalmiapuram, P.O. Kallakudi-621 651
Dist. Tiruchirapalli, Tamil Nadu

DIRECTOR
Mr. N. Gopalaswamy
Mr. C. Nagaratnam
Mr. M.K. Doogar
Mr. Deepak Thombre
Mr. P.D. Mathur
Mr. Sameer Nagpal
Ms. Leena Rawal

KEY MANAGERIAL PERSONNEL
Mr. C.N. Maheshwari, Chief Executive Officer
Mr. Sudhir Kumar Srivastava, Chief Financial Officer
Ms. Akansha Jain, Company Secretary

REGISTRAR & SHARE TRANSFER AGENT
Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda, Hyderabad-500 032
Email: einward.ris@karvy.com; Website: www.karvy.com

WORKS
Dalmiapuram, P.O. Kallakudi-621 651
Dist. Tiruchirapalli, Tamil Nadu

Khambalia-361 305
Dist. Devbhumi Dwarka, Gujarat.

AUDITORS
M/s Chaturvedi & Shah
Chartered Accountants

DIRECTORS' REPORT

For the year ended 31st March, 2018

Your Directors hereby present the Forty Fifth Annual Report together with audited financial statements for the year ended 31st March, 2018.

Financial Results

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Revenue	18090.79	17801.28	18139.16	17801.28
Profit before interest, depreciation and tax	434.15	1142.55	84.55	1141.72
Less: Interest and Financial Charges	91.13	160.20	91.23	160.20
Profit before depreciation and tax	343.02	982.35	(6.68)	981.52
Less: Depreciation	903.56	1010.60	904.79	1010.60
Profit before tax	(560.54)	(28.25)	(911.47)	(29.08)
Provision for current tax	29.64	113.00	29.64	113.00
Provision for deferred tax	(272.72)	(121.52)	(303.38)	(121.52)
Prior year tax charge	-	2.19	-	2.19
Profit / (loss) after tax before share of profit in associates	(317.46)	(21.92)	(637.73)	(22.75)
Less: Share of minority interest	-	-	(37.76)	-
Profit / (loss) after tax	(317.46)	(21.92)	(599.97)	(22.75)
Other Comprehensive Income	3186.35	4063.22	3186.35	4063.22
Total Comprehensive Income	2868.89	4041.30	2548.62	4040.47
Add: Surplus brought forward	18275.19	14252.86	18274.36	14252.86
Corporate Dividend and Tax Thereon	37.95	18.97	37.95	18.97
Add: Provision for dividend Distribution tax written back	-	-	-	-
Profit available for appropriation	21106.14	18275.19	20823.19	18274.36
Surplus carried forward after appropriations	21106.14	18275.19	20823.19	18274.36

*Previous financial year figures have been restated as per IND AS

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 0.50 (5%) per equity share of face value of ₹ 10/- each for the current financial year ended 31st March, 2018. The dividend payout is subject to approval of the members at the ensuing Annual General Meeting.

OPERATIONS AND FUTURE OUTLOOK

During the year, there was a marginal improvement in the capacity utilization of the cement industry in India, the main customer segment for the Company. The consolidation in the Cement Industry is continuing and very few new projects are coming up. As a result, there has not been a significant increase in the demand for alumnia based refractories, our product segment and margins continued to be under pressure.

Further, the profitability of the Company has been adversely affected because of its inability to pass on the increase in raw material and fuel costs to its customers.

TRANSFER TO RESERVES

The Company proposes not to transfer any amount to the General Reserve.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The report on the financial position of the Company's Subsidiary, Dalmia Seven Refractories Limited, for the year ended March 31, 2018 is attached in Form AOC-1 and forms part of this report as Annexure -I. Apart from this, the Company does not have any other associate or joint venture Company.

The detailed Annual Report of the Subsidiary Company is not being enclosed with this Annual Report. Any member desirous of obtaining a copy of the same may write to the registered office of the Company or download the same from the Company's website www.dalmiarefractories.com. Any member desirous to inspect the same, may conduct inspection at the Registered Office of the Company during business hours.

During the said financial year, no Company ceased to be the subsidiary of the Company.

The policy for determining material subsidiaries may be accessed on the Company's website at https://www.dalmiarefractories.com/pdf/Material-Subsidiary-Policy.pdf

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with Section 129(3) of the Companies Act, 2013 ("Act") read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting Standard 21, this Annual Report also includes Consolidated Financial Statements for the Financial Year 2017-18.

CORPORATE GOVERNANCE

Your Directors believe that corporate governance practices aim at continuous commitment to ethical business values adopted by the Company to focus on creating and sustaining deep relationship of trust and transparency with all stakeholders. A detailed report on corporate governance of the Company pursuant to requirements of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 forms the part of Annual Report. A certificate from M/s. Chaturvedi & Shah, Statutory Auditors of the Company, confirming the compliance of Corporate Governance Code as stipulated under listing regulations is also annexed and forms the part of this report.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of the Companies Act, 2013, regarding the Corporate Social Responsibility are not applicable to the Company for the financial year 2017-18. However, the Company is fully aware of its social responsibilities and is providing time to time assistance through the local institutions to benefit the local residents of the nearby areas, where the Company's plants are located.

EXTRACT OF ANNUAL RETURN

In compliance with the provisions of Section 92(3) of the Companies Act 2013, the details forming part of the extract of the Annual Return is attached to this Report as 'Annexure II' in Form MGT 9.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. C. Nagaratnam, retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment. Mr. C. Nagaratnam has given his declaration in terms of Section 164(2) of the Companies Act, 2013 to the effect that he is not disqualified from being reappointed as a Director of the Company.

All Independent Directors namely, Mr. N.Gopalaswamy, Mr. P.D.Mathur and Mr. M.K. Doogar have given their declaration of independence in terms of Section 149(6) of the Companies Act, 2013.

The Key Managerial Persons, namely, Mr. C. N. Maheshwari, Chief Executive Officer, Mr. Sudhir Kumar Srivastava, Chief Financial Officer and Ms. Akansha Jain, Company Secretary continue to hold their respective offices during the year under review.

BOARD OF DIRECTORS, COMMITTEES AND MEETINGS

During the year, four Meetings of the Board were convened and held. The time gap between two consecutive meetings of the Board did not exceed one hundred and twenty days. In terms of the provisions of Rule 8 of Schedule IV to the Companies Act, 2013, a separate meeting of the Independent Directors excluding all other Directors and Officials of the

Company was also held. Reference is invited to the attached Corporate Governance Report for the details thereof.

As on 31.03.2018, there are four Board level committees. The composition, terms of reference and other details of all Board level Committees have been elaborated in the Corporate Governance Report annexed to this Report.

The Nomination and Remuneration Policy of the Company on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided in section 178(3) of the Companies Act, 2013 is attached as 'Annexure-III' to this Report.

The details of familiarization programs imparted to Independent Directors of the Company during the financial year 2017-18 can be accessed at the website of the Company at https://www.dalmiarefractories.com/upload/document/Familarisation-Programme-for_Independent-Directors-2017-18.pdf

Your Board of Directors have conducted a formal evaluation of its own performance, and the performance of its Committees and that of individual Directors, in accordance with the norms laid down in the Nomination and Remuneration Policy of the Company and SEBI Guidance Note on Board Evaluation.

WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The Company has in place the Whistle Blower Policy and the Vigil Mechanism with a view to provide for adequate safeguards against victimization of stakeholders who use such mechanism and provide for direct access to the Chairperson of the Audit Committee in appropriate cases.

The policy can be accessed at the website of the Company at https://www.dalmiarefractories.com/pdf/Whistleblower-Policy_and_Vigil-Mechanism.pdf

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has adequate system of internal control commensurate with the size of the company and nature of its Business which are reviewed periodically.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not given any loans, directly or indirectly, to any person or to other body corporates or given any guarantee or provided any security in connection with a loan to any other body corporate or person in terms of Section 186 of the Companies Act, 2013. The details of investments made by the Company are given in Note 5.1 of the Standalone Financial Statements.

RELATED PARTY POLICY AND TRANSACTIONS

The Company has formulated a Related Party Transactions Policy and the same can be accessed at the website of the Company at https://www.dalmiarefractories.com/pdf/Related-Party-Transactions-Policy.pdf.

During the year, the Company has not entered into any arrangement/ transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions. Hence, Form AOC-2 is not applicable.

RISK MANAGEMENT

The Board has established a Risk Management Committee to frame and monitor the Risk Management Plan of the Company. The Committee oversees the risk management process for identifying critical risks, framing risk management plan and reviewing effectiveness of implementation of the same on ongoing basis.

AUDITORS & AUDITORS' REPORT

SECRETARIAL AUDITORS

The Board of Directors of the Company appointed, Mr. N.C. Khanna, Practicing Company Secretary, to conduct the Secretarial Audit for the financial year 2017-18 in terms of section 204 of the Companies Act, 2013. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed as 'Annexure IV' of this Report.

STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013, M/s Chaturvedi & Shah, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office for a period of five years effective from the conclusion of Annual General Meeting of the Company held on 24th August, 2017 subject to ratification by the members at every Annual General Meeting.

They are not disqualified for acting as Auditors of the Company and they have confirmed their eligibility to the effect that ratification of their appointment, if made, for their entire remaining term, would be within the prescribed limit under the Act, as amended.

COMMENTS ON AUDITORS REPORT

The Reports submitted by the Secretarial Auditor and the Statutory Auditor of the Company are self-explanatory and do not contain any qualification, reservation, adverse remark or disclaimer.

During the year under review, the Auditors have not reported any matter under Section 143(12) of the Act.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under the Act are given in Annexure-A which forms part of the Directors' Report.

PARTICULARS OF REMUNERATION OF DIRECTORS', KEY MANAGERIAL PERSONNEL AND EMPLOYEES'

The particulars of remuneration of Directors and Key Managerial Personnel and other particulars in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure-V of the Report.

A statement sharing the names and other particulars of the employee in terms of the provisions of Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in Annexure-VA.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public till date.

MATERIAL CHANGES AND COMMITMENTS

The plant of the Company located at Katni, Madhya Pradesh, has been leased out to Dalmia Seven Refractories Limited, Subsidiary of the Company w.e.f 1st April, 2018 pursuant to the agreement entered with them.

Apart from above, no other material changes and commitments have occurred, after the close of the year till the date of this report, which affect the financial position of the Company.

INDUSTRIAL RELATIONS

The industrial relations during the year under review remained harmonious and cordial.

DISCLOSURES

No significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has complied with the applicable Secretarial Standards during the year.

DIRECTORS RESPONSIBILITY STATEMENT:

In terms of the provisions of Section 134(5) of the Companies Act, 2013, your Directors declare that:

i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

ii) the Directors had 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 and loss of the Company for that period;

iii) the Directors had 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;

iv) the Directors had prepared the annual accounts on a going concern basis.

v) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENT

The Directors also take this opportunity to place on record their sincere thanks and appreciation for assistance and continued support to the Company from its Bankers, State and Central Government agencies, employees and other stakeholders of the Company.

For and on behalf of Board

Place: New Delhi	N.GOPALASWAMY	C. NAGARATNAM
Dated: 25.05.2018	DIRECTOR	DIRECTOR
	DIN : 00017659	DIN : 00266838

ANNEXURE-A

Prescribed Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

A. CONSERVATION OF ENERGY

(a) The steps taken/ impact on conservation of energy:-

(i) Installation of pulverizer to grind clay to improve productivity and reduce power consumption.

(ii) Variable Frequency Drives (VFD) have been installed at appropriate places for power saving.

(iii) Introduction of two Roll Crushers in the grinding circuit to improve productivity and reduce power consumption.

(b) The steps taken by the Company, for utilizing alternate sources of energy:-

Use of Pet Coke to reduce the fuel cost in all kilns.

(c) The capital investment on energy conservation equipments:

The Company has invested ₹ 24 lakhs during the FY 2017-18 to conserve the energy.

B. TECHNOLOGY ABSORPTION:

1. The efforts made towards technology absorption:

Efforts are being made for technical collaborations and in-house research and development for producing wider and better range of products.

2. The Benefits derived like Product improvement, cost reduction, product development, import substitution, etc.:

In order to reduce cost, waste dust from Rotary Kiln of Khambalia Unit has been made as pellets and fired in Rotary Kiln.

3. No technology has been imported in the last three years.

4. Expenditure incurred on Research and Development.

₹ 17.87 Lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

i. Foreign Exchange earned in terms of actual inflows during the year

₹ 1276.82 lakhs

ii. Foreign Exchange outgo during the year in terms of actual outflows

₹ 4288.90 lakhs

<u>**ANNEXURE-I**</u>
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

<u>**Part "A": Subsidiaries**</u>

(Information in respect of each subsidiary to be presented with amounts in ₹ in lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Dalmia Seven Refractories Limited
2.	The date since when subsidiary was acquired	16.12.2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
5.	Share capital	1000
6.	Reserves & surplus/other equity	(77.89)
7.	Total assets	987.92
8.	Total Liabilities	987.92
9.	Investments	474.00
10.	Turnover	48.37
11.	Profit before taxation	(107.73)
12.	Provision for taxation –Deffered tax	30.66
13.	Profit after taxation	(77.07)
14.	Proposed Dividend	NIL
15.	Extent of shareholding (In percentage)	51%

1. Names of subsidiaries which are yet to commence operations – NIL
2. Names of subsidiaries which have been liquidated or sold during the year - NIL

<u>**Part "B": Associates and Joint Ventures**</u>

NOT APPLICABLE

C.N. Maheshwari
Chief Executive Officer

N. Gopalaswamy
Director
DIN: 00017659

S.K. Srivastava
Chief Financial Officer

Akansha Jain
Company Secretary

C.Nagaratnam
Director
DIN: 00266838

Date : 25.05.2018
Place : New Delhi

ANNEXURE-II

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2018 of

Dalmia Refractories Limited

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L24297TN1973PLC006372
ii)	Registration Date:	21/06/1973
iii)	Name of the Company	DALMIA REFRACTORIES LIMITED
iv)	Category/ Sub-Category of the company	Public Company Limited by shares
v)	Address of the Registered Office and contact details	Dalmiapuram, P.O. Kallakudi, Tiruchirapalli, Tamil Nadu-621651. Tel No : 04329-235133,011-23457100 E-mail : sncci l@dalmiarf.com Website: www.dalmiarefractories.com
vi)	Whether listed Company Yes/ No	Yes
vii)	Name , Address and Contact details of Registrar and Transfer Agent.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Tel No: 040-67161500; Fax:040-23001153 E-mail: einward.ris@karvy.com Website: www.karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/ Service*	% to total turnover of the Company
1	Manufacture & sale of Refractories, Castables and Mortars.	2391	93%

Note: As per National Industrial Classification – Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	**Dalmia Seven Refractories Limited** 4, Scindia House, Connaught Place, New Delhi-110001	U74999DL2016PLC309327	Subsidary	51%	2(87)

IV. SHARE HOLDING PATTERN
(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physi-cal	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/Hindu Undivided Family	-	-	-	-	-	-	-	-	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2043577	-	2043577	64.83	2043577	-	2043577	64.83	0.00
e) Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
f) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)									
(2) Foreign									
a) Individuals (Non- Resident Individuals/Foreign Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
c) Qualified foreign investor	-	-	-	-	-	-	-	-	-
Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**2043577**	**-**	**2043577**	**64.83**	**2043577**	**-**	**2043577**	**64.83**	**0.00**

Category of Shareholder	No. of Shares held at the beginning of the year (As on 01.04.2017)				No. of Shares held at the end of the year (As on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public shareholding									
1. Institutions									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Financial Institutions/ Banks	-	1210	1210	0.04	-	663	663	0.02	(0.02)
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i) Qualified foreign investor	-	-	-	-	-	-	-	-	-
j) Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**-**	**1210**	**1210**	**0.04**	**-**	**663**	**663**	**0.02**	**(0.02)**
2. Non-institutions									
a) Bodies Corporate									-
i) Indian	25791	7627	33418	1.06	26518	5055	31573	1.00	(0.06)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals–									
i) Individual shareholders holding nominal share capital upto ₹1 lakh.	352784	300237	653021	20.72	355684	231544	587228	18.64	(2.09)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh.	418472	-	418472	13.28	418472	-	418472	13.28	0.00
c) Others (specify)									
Directors	-	58	58	0.00	-	58	58	0.00	0.00
NBFC registered with RBI	-	-	-	0.00	255	-	255	0.01	0.01
Non Resident Indians	1650	618	2268	0.07	100	-	100	0.00	(0.07)
NRI Non-Repatriation	10	-	10	0.00	1635	-	1635	0.05	0.05
Trusts	50	-	50	0.00	50	-	50	0.00	0.00
IEPF	-	-	-	0.00	68473	-	68473	2.17	2.17
Sub-Total (B)(2)	**798757**	**308540**	**1107297**	**35.13**	**871187**	**236657**	**1107844**	**35.15**	**0.02**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**798757**	**309750**	**1108507**	**35.17**	**871187**	**237320**	**1108507**	**35.17**	**0.00** -
Total (A)+(B)	**2842334**	**309750**	**3152084**	**100**	**2914764**	**237320**	**3152084**	**100.00**	**0.00**
(C)Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	**2842334**	**309750**	**3152084**	**100**	**2914764**	**237320**	**3152084**	**100.00**	

ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year **(As on 01.04.2017)**			Shareholding at the end of the year **(As on 31.03.2018)**			
		No of shares	% of total shares of the company	% of shares pledged/ encum-bered to total shares	No. of shares	% of total shares of the company	% of shares Pledged/ encumbe red to total shares	% change in shareholdi-ng during the year
1.	Akhyar Estate Holdings Private Limited	1446840	45.90	-	1446840	45.90	-	-
2.	Garvita Solution Services and Holdings Private Limited	349530	11.09	-	349530	11.09	-	-
3.	Alirox Abrasives Limited	247187	7.84	-	247187	7.84	-	-
4.	Himgiri Commercial Limited	5	0.00	-	5	0.00	-	-
5.	Valley Agro Industries Limited	5	0.00	-	5	0.00	-	-
6.	Keshav Power Limited	5	0.00	-	5	0.00	-	-
7.	Shree Nirman Limited	5	0.00	-	5	0.00	-	-

Note: Shareholders listed above are disclosed as Promoter group under regulation 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

iii) Change in Promoter's Shareholding (Please specify, if there is no change)

				Shareholding at the beginning of the year		**Cummulative Shareholding during the year**	
S.No.	**Name of the Shareholder**	**Reason**	**Date**	**No. of Shares**	**% of total shares of the Company**	**No. of Shares**	**% of total shares of the company**
1.		NO CHANGE IN PROMOTERS SHAREHOLDING DURING THE YEAR					

(iv) Shareholding pattern of top ten shareholders(other than Directors,Promoters and Holders of GDRs and ADRs):

S. No.	Name of the Shareholder	Reason	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% total shares of the company	No. of shares	% total shares of the company
1	Mahendra Girdharilal	Opening balance	01.04.2017	181067	5.74	181067	5.74
		Closing balance	31.03.2018			181067	5.74
2	Akash Bhanshali	Opening balance	01.04.2017	116500	3.70	116500	3.70
		Closing balance	31.03.2018			116500	3.70
3	Saral Bhanshali	Opening balance	01.04.2017	58239	1.85	58239	1.85
		Closing balance	31.03.2018			58239	1.85
4	Anil Kumar Goel	Opening balance	01.04.2017	19421	0.62	19421	0.62
		Closing balance	31.03.2018			19421	0.62
5	Tehmina Kali Cawasji j/w Raiomond Khodadad Irani	Opening balance	01.04.2017	16400	0.52	16400	0.52
		Closing balance	31.03.2018			16400	0.52
6	Bhavana Govindbhai Desai	Opening balance	01.04.2017	0	0.00	0	0.00
		Purchase	21.04.2017	14273	0.45	14273	0.45
		Closing Balance	31.03.2018			14273	0.45
7	Bhavna Govindbhai Desai	Opening balance	01.04.2017	0	0.00	0	0.00
		Purchase	02.06.2017	12572	0.40	12572	0.40
		Closing Balance	31.03.2018			12572	0.40
8	Siyat Holdings Private Limited	Opening balance	01.04.2017	10000	0.32	10000	0.32
		Closing Balance	31.03.2018			10000	0.32
9	Shreekant Phumbhra	Opening balance	01.04.2017	10000	0.32	10000	0.32
		Closing Balance	31.03.2018			10000	0.32
10	Chandravadan Desai	Opening balance	01.04.2017	8900	0.28	8900	0.28
		Closing Balance	31.03.2018			8900	0.28

Note: 68,473 Equity Shares have been transferred to Investor Education and Protection Fund Authority

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of Directors and KMP	**No. of Shares**	**% of total shares of the company**	**No. of Shares**	**% of total shares of The Company**
1	**Mr. N. Gopalaswamy, Director**				
	At the beginning of the year	18	0.0006	18	0.0006
	Changes during the year	No change during the year			
	At the end of the year			18	0.0006
2	**Mr. C.Nagaratnam, Director**				
	At the beginning of the year	40	0.0013	40	0.0013
	Changes during the year	No change during the year			
	At the end of the year			40	0.0013
3	**Mr. C. N. Maheshwari, Chief Executive Officer**				
	At the beginning of the year	98	0.0031	98	0.0031
	Changes during the year	(25)	(0.0008)	73	0.0023
	At the end of the year			73	0.0023

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrue but not due for payment

	Secured Loans Excluding Deposits	**Unsecured Loans**	**Deposits**	**Total Indebted-Ness**
Indebtedness at the beginning				
of the financial year (01.04.2017)				
i) Principal Amount	2228.78	-	-	2228.78
ii) Interest due but not paid	-	-	-	-
ii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**2228.78**	**-**	**-**	**2228.78**
Change in Indebtedness during				
the financial year				
• Addition	289.29	-	-	289.29
• Reduction		-	-	
Net change	**289.29**	**-**	**-**	**289.29**
Indebtedness at the end of the				
financial year (31.03.2018)				
i) Principal Amount	2518.07	-	-	2518.07
ii) Interest due but not paid	-	-	-	-
ii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**2518.07**	**-**	**-**	**2518.07**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director,Whole Time Director and/or Manager:

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	**Gross Salary**	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	-	-
	(b) Value of perquisites u/s 17(2) Income tax Act,1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act,1961	-	-
2	**Stock Option**	-	-
3	**Sweat Equity**	-	-
4	**Commission**		
	- as % of profit		
	- others, specify	-	-
5	**Others, please specify**	-	-
	Total (A)	-	-
	Ceiling as per the Act	NA	NA

Note: The Company did not had any Managing Director, Whole Time Director and/or Manager during the year 2017-18

B. REMUNERATION TO OTHER DIRECTORS:

1. Independent Directors (₹ in lakhs)

Particulars of Remuneration	Name of the Director			Total Amount
	Mr. N. Gopalaswamy	**Mr. M. K Doogar**	**Mr. P. D. Mathur**	
• Fee for attending Board & Committee Meetings	1.20	1.25	1.55	4.00
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
Total(1)	**1.20**	**1.25**	**1.55**	**4.00**

2. Other Non-Executive Directors (₹ in lakhs)

Other Non-Executive Directors	**Mr. Deepak Thombre**	**Mr. C. Nagaratnam**	**Smt. Leena Rawal**	**Mr. Sameer Nagpal**	
• Fee for attending Board & Committee Meetings	0.90	1.15	1.00	1.00	4.05
• Commission	-	-	-	-	-
• Others, please specify	-	-	-	-	-
Total (2)	**0.90**	**1.15**	**1.00**	**1.00**	**4.05**
Total (B)=(1+2)					**8.05**
Total Managerial Remuneration(A+B)					**8.05**
Overall Ceiling as per the Act					-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in lakhs)

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	**CFO**	**Company Secretary**	**Total**
1	**Gross Salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	-	32.76	4.15	36.91
	(b) Value of perquisites u/s 17(2) of the Income tax Act,1961	-	1.31	-	1.31
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act,1961	-	-	-	-
2	**Stock Option**	-	-	-	-
3	**Sweat Equity**	-	-	-	-
4	**Commission** - as % of profit - others, specify	-	-	-	-
5	**Others, please specify**	77.48*	-	-	77.48
	Total (C)	77.48*	34.07	4.15	115.70
	Ceiling as per the Act				

*Being reimbursed to Dalmia Bharat Limited for the Services of Mr. C.N. Maheshwari, Chief Executive Officer.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

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

ANNEXURE-III

DALMIA REFRACTORIES LIMITED

NOMINATION AND REMUNERATION POLICY

(Amended in the Board Meeting held on 08.02.2018)

1. INTRODUCTION

Dalmia Refractories Limited ("**Company**") considers human resources to be its invaluable asset. This policy on nomination, evaluation and remuneration of directors, key managerial personnel and senior managerial personnel of the Company ("**Policy**") has been formulated by the Company's Nomination and Remuneration Committee ("**Committee**") in terms of the relevant provisions of the Companies Act, 2013 ("**Act**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**").

2. OBJECTIVE

The objectives and the purpose of the Policy are:

(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 Act and the SEBI Listing Regulations;

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

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

(d) to ensure diversity of the board of the Company.

3. DEFINITIONS

(a) "**Act**" means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.

(b) "**Board**" means the board of directors of the Company.

(c) "**Committee**" refers to the Nomination and Remuneration Committee of the Company which was constituted by the Board on May 29, 2014 or as may be reconstituted from time to time.

(d) "**Company**" means Dalmia Refractories Limited.

(e) "**Directors**" means the directors of the Company as may be appointed from time to time.

(f) "**Independent Director**" means a Director who has been appointed as such and who satisfies the criteria and conditions laid down in the Act and the SEBI Listing Regulations.

(g) "**Key Managerial Personnel (KMPs)**" has the meaning assigned to it under Section 2(51) of the Act.

(h) "**SEBI Listing Regulations**" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

(i) "**Policy**" means this Nomination and Remuneration Policy of the Company.

(j) "**Senior Managerial Personnel (SMPs)**" shall have the meaning assigned to the term Senior Management in Regulation 16(1)(d) of the SEBI Listing Regulations and Section 178 of the Act.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and the SEBI Listing Regulations shall have the meaning respectively assigned to them therein.

4. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

4.1 The Committee shall consist of 3 (three) or more non-executive Directors, out of which not less than one half shall be Independent Directors.

4.2 The Chairman of the Committee shall be an Independent Director.

4.3 The Chairman of the Board of Directors of the Company may be nominated as a member of the Committee but shall not chair the Committee.

4.4 The Chairman of the Committee, or in his absence, any other member of the Committee authorized by him / her in this behalf, shall attend the general meetings of the Company, to answer the queries of the members.

5. ROLE OF THE COMMITTEE

The role of the Committee shall include the following:

5.1 The Committee shall identify persons who are qualified to become Directors in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

5.2 The Committee shall identify persons who may be appointed as KMPs in accordance with the criteria laid down and recommend to the Board their appointment and removal.

5.3 The Committee shall lay down the criteria for appointment of persons as SMPs.

5.4 The Committee shall specify 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 review its implementation and compliance. It shall also determine whether to extend or continue the term of appointment of Independent Directors based on their evaluation.

5.5 The Committee shall periodically formulate the criteria for determining qualifications, positive attributes and independence of a Director.

5.6 The Committee shall ensure that the remuneration policy of the Company meets the following criteria:-

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required to run the Company successfully;

(b) Relationship of remuneration to performance is clear, and meets appropriate performance bench marks; and

(c) Remuneration to Directors, Key Managerial Personnel, and Senior Management personnel, involves a balance between fixed and incentive pay, reflecting short and long term performance objectives, appropriate for the Company.

5.7 The Committee shall ensure that the appointments to the Board are made in a manner to ensure diversity in the Company.

6. APPOINTMENT AND REMOVAL OF DIRECTORS / KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT

Appointment of Directors

6.1 For a person to be appointed as a Director, it is envisaged that a person shall, (a) have attained the age of 21 (twenty one) years; (b) at the minimum, be a graduate in any discipline and (c) be able to contribute positively to the deliberations at the Board meetings.

6.2 A person, to be appointed as a Director, should possess impeccable reputation for integrity, personal and professional ethics, deep expertise and insights in areas relevant for the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members and must not hold the office of a director in more than 20 (twenty) companies (provided that the maximum number of public companies, including in any holding or subsidiary companies of a public company, that such person can be director of is not more than 10 (ten)), at the same time.

6.3 In making recommendations for appointment to the Board, the Committee shall ensure that the concerned persons represent diversity of gender, thought, experience, knowledge and perspective and have diverse qualifications, experience and exposure in areas including but not limited to finance, human relations, marketing, engineering, management, etc.

6.4 It shall be necessary to have at least 1 (one) woman Director and at least 1 (one) Director who has been a resident of India in the previous financial year on the Board.

Appointment of Independent Directors

6.5 At least one third of the Board shall comprise of Independent Directors, where the Chairman of the Board is a non-executive Director. However, where the Chairman of the Board is an executive Director, then at least one half of the Board shall comprise Independent Directors.

6.6 The criteria for determining the independence of an Independent Director would be as per the provisions of the Act and the SEBI Listing Regulations and the Company shall re-assess the independence of such persons when any new interests or relationships are disclosed.

6.7 The Independent Director must possess appropriate skills, experience, knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

6.8 A person shall not serve as an Independent Director in more than 7 (seven) listed companies. However, a person who is serving as a whole-time Director of a listed company shall not serve as an independent director in more than 3 (three) listed entities.

Appointment of Key Managerial Personnel, Senior Managerial Personnel and other employees

6.9 For being appointed as a managing director or a whole time director or a manager of the Company, the minimum age of a person must be 21 (twenty one) years and the maximum age should be 70 (seventy) years. However, in exceptional circumstances, a person of the age of 70 (seventy) years and above may be appointed as managing director or a whole time director or a manager if a special resolution to this effect has been passed by the Company.

6.10 For the post of Key Managerial Personnel and Senior Managerial Personnel, the Human Resources Department of the Company shall lay down the minimum qualifications and desired experience criteria for each post. Such criteria shall also meet the statutory requirements wherever applicable. The Human Resource Department would also keep in view the age profile of existing personnel and also the succession plan while identifying the suitable persons as Key Managerial Personnel and Senior Managerial Personnel.

6.11 Prior to being employed as a Key Managerial Personnel or Senior Managerial Personnel in the Company, a person should clear the Dalmia BEI (Behavioural Evaluation Interview).

6.12 The Human Resource Department of the Company shall be responsible for the appointment, evaluation of the performance and remuneration of all other employees.

7. Term of Appointment

Managing Director/Manager/Whole-time Director

7.1 The Company shall appoint or re-appoint any person as its managing director or whole-time director for a term not exceeding 5 (five) years at a time and in accordance with the Act. No re-appointment shall be made earlier than 1 (one) year before the expiry of the term.

Independent Director

7.2 An Independent Director shall hold office for a term of up to 5 (five) consecutive years on the Board, but shall be eligible for re-appointment based on their evaluation of performance and on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

7.3 No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to be an Independent Director.

Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed by or be associated with the Company in any other capacity, either directly or indirectly.

Retirement

7.4 Except for Directors whose office is liable to determination by rotation, all the other Directors, Key Managerial Personnel and Senior Managerial personnel (other than the managing director, whole time director or manager of the Company) shall retire as per the employement rules of the Company. However, the Board shall have the discretion to retain any such person even after the attainment of the retirement age in the best interests of the Company and in compliance with applicable laws.

Removal

7.5 Any Director/KMP/SMP may be removed from thier role/services of the Company due to any disqualification arising under the provisions of the Act or under any other applicable law, violation of the Company's policies (including its Code of Conduct) or violation of such person's terms of appointment.

8. EVALUATION

Evaluation of Board as a whole

8.1 The performance of Board shall be evaluated on the basis of the following criteria:

(a) Structure of the Board with specific reference to the competency, experience of Directors, mix of qualifications, diversity in the Board, etc.;

(b) Meetings of the Board with respect to regularity, frequency, logistics, discussions at the meetings, etc.;

(c) Fulfillment of the functions of the Board specified under the Act and the SEBI Listing Regulations such as evaluation of performance of other directors, evaluation of risk, grievance redressal for investors, conflict of interest, stakeholder value and responsibilities, etc;

(d) Evaluation of performance of the management by the Board, independence of the management from the Board, etc.

Evaluation of Committees

8.2 The performance of various committees of the Board shall be evaluated on the basis of following criteria:

(a) Clearly defined mandate and composition in accordance with the law.

(b) Effectiveness in fulfillment of functions as assigned by the Board and laws as may be applicable.

(c) Meetings of the committee with respect to inter-alia regularity, frequency, logistics, discussions at such meetings.

(d) Independence of the Committee from the Board; and

(e) Contribution of the Committee to the decisions of the Board.

Evaluation of Directors

8.3 The performance of Directors and Independent Directors shall be evaluated on the basis of the following criteria:

(a) attendance at Board Meetings and committee meetings;

(b) preparedness and level of participation in Board meetings;

(c) expression of views in free, frank and an independent manner;

(d) participative discussions with management team when desired.

8.4 In addition to the above, the executive directors of the Company, including the managing and whole time directors of the Company will be evaluated on the basis of:

(a) their business performance as against laid out targets and business policies / plans;

(b) their strategic contribution towards business sustenance and growth.

Evaluation of Key Managerial and Senior Managerial Personnel

8.5 The performance of the Key Managerial (other than Managing and Whole-time Directors) and Senior Managerial personnel will be evaluated on the basis of key performance areas which shall be finalized by Company's human resources department in association with the concerned official. The evaluation shall be done on annual basis. However, in exceptional cases the evaluation of performance may also be undertaken at shorter intervals. The Company may engage the services of a professional for advising it on the process of evaluation of such personnel.

9. REMUNERATION POLICY

Remuneration for Directors

9.1 The remuneration to the Managing Directors and Whole-Time Directors shall be based on their qualification, experience and industry standards. If it exceeds the limits prescribed under the Act, it shall be with due approval of the prescribed authorities.

The remuneration payable to Directors who are neither Managing directors nor Whole-time Directors shall not exceed the limits presecribed under the Act The percentage aforesaid shall be exclusive of any fee for attending the meetings of the Board or Committee thereof or remuneration of services rendered by any such Director in other capacity if the services rendered are of a professional nature.

Remuneration for Key Managerial Personnel and Senior Managerial Personnel

9.2 The remuneration payable to the Key Managerial Personnel and the Senior Managerial Personnel shall be within the limits prescribed under the Act and fixed based on (a) their experience and qualifications; and (b) annual compensation surveys, followed by industry benchmarks, position benchmarks, performance benchmarks, comparative, and percentile position analysis. Annual increments will be based on such personnel's annual performance results and his/ her potential to grow into the next role.

9.3 The Directors (excluding the Independent Directors), Key Managerial Personnel and the Senior Management would be entitled to grant of ESOPs as per the schemes, framed by the Company from time to time.

9.4 The total managerial remuneration paid by the Company shall be in accordance with the limits prescribed in the Act.

10. GENERAL

10.1 In case of any subsequent changes to the Act or the SEBI Listing Regulations which make any of the provisions of the Policy inconsistent with the Act or the SEBI Listing Regulations, as the case maybe, the provisions of the Act and the SEBI Listing Regulations would prevail over the Policy and the provisions of the Policy would be modified in due course to make it consistent with applicable law.

10.2 The Policy shall be reviewed by the Committee as and when deemed appropriate by it. Any changes or modifications in the Policy, as recommended by the Committee, would be given for approval to the Board.

10.3 The policy shall be placed on the website of the Company.

Annexure-IV

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

DALMIA REFRACTORIES LIMITED
CIN:- L2429TN1973PLC006372
DALMIAPURAM P.O. KALLAKUDI
TIRUCHIRAPALLI
Tamil Nadu – 621651
INDIA

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DALMIA REFRACTORIES LIMITED (hereinafter 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 REFRACTORIES LIMITED 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 31.03.2018 complied with the statutory provisions listed hereunder 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 REFRACTORIES LIMITED for the financial year ended on 31.03.2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under and the relevant provisions of the Act;

(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 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, 2009*;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999*;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008*;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act, 2013 and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;* and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;*

** Not applicable because company did not carry out the activities covered by the regulations/guidelines during the audit period.*

(vi) Other Laws specifically applicable to the Company:-

I have examined the entire framework, processes and procedures of compliance of the under mentioned Industry Specific laws applicable to the Company. The reports, compliances etc with respect to these laws have been examined by me on test check basis.

(a) The Mines Act – 1952 Mines Rule

(b) Metalliferous Mines Regulation – 1961

(c) Mines Labour Welfare Fund Act

(d) Explosives Rules & Regulations

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

I further report that

The Board of Directors of the Company is duly constituted with proper balance of 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.

Adequate notice is given to all directors to schedule the Board 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 compliance with applicable labour, environmental and industrial laws, rules, regulations and guidelines.

Place : New Delhi
Date : 22-05-2018

N C KHANNA
(Practicing Company Secretary)
FCS No. 4268
C P No. 5143

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

Annexure A to the Secretarial Audit Report

To,

The Members,
DALMIA REFRACTORIES LIMITED
CIN:- L2429TN1973PLC006372
DALMIAPURAM P.O. KALLAKUDI
TIRUCHIRAPALLI
Tamil Nadu-621651
INDIA

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my 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 vertified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever 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 verfification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : New Delhi
Date : 22-05-2018

N C KHANNA
(Practicing Company Secretary)
FCS No. 4268
C P No. 5143

Dalmia Refractories

Annexure-V

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The percentage increase in remuneration of each Director and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18

Sr. No.	Name of Director	Remuneration of Director for Financial year 2017-18 (₹ in lakhs)	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. N. Gopalaswamy, Independent Director	1.20	(26.15)	0.538:1
2.	Mr. P.D. Mathur Independent Director	1.55	(4.62)	0.695:1
3.	Mr. M.K. Doogar Independent Director	1.25	(18.03)	0.561:1
4.	Mr. Deepak Thombre Non-Executive Director	0.90	12.50	0.404:1
5.	Mr. C. Nagaratnam Non-Executive Director	1.15	(4.17)	0.516:1
6.	Smt. Leena Rawal Non-Executive Director	1.00	150	0.448:1
7.	Mr. Sameer Nagpal Non-Executive Director	1.00	150	0.448:1

Note: Sitting fees paid to Directors for attending the meetings of the Board and committees forms part of the Remuneration paid to Directors. Further, the sitting fees for the Board and Committee Meetings was increased during the year.

(ii) The percentage increase in the remuneration of Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2017-18

During the financial year 2017-18, the remuneration of Chief Financial Officer and Company Secretary has increased by 8% and 16% respectively and reimbursements were made to Dalmia Bharat Limited for the services of Chief Executive Officer .

(iii) The percentage decrease in the median remuneration of employee in the financial year was 2.95%.

(iv) There were 373 permanent employees on the rolls of Company as on March 31, 2018;

(v) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentage increase in the salaries of employees other than managerial personnel is 7.5%.

Further, there was no Managing Director, Manager or Whole-Time Director during the financial year 2017-18 and 2016-17. Hence, not comparable.

(vi) It is hereby affirmed that the remuneration paid during the year ended March 31, 2018 is as per the Remuneration Policy of the Company.

Annexure-V A

Statement of particulars of Employees pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2017-18

Sl. No.	Name	Designation	Qualification	Experience (Years)	Date of Commen-cement of Employ-ment	Last Employment Held	Remuneration received (in Lakhs)	Whether related to a Director
1	Mr. Sudhir Kumar Srivastava	Senior General Manager	Chartered Accountant	28	08.01.1990	-	45.15	NO
2	Mr. Sanat Ganguli	General Manager	B.Tech	14	03.03.2016	Wislo India (Wugang)	35.10	NO
3	Mr. UM Moorthy	Assistant Executive Director	B.Tech-Chemical	34	02.01.2004	Viswakarma Refractories Limited	33.23	NO
4	Mr. Manish Shaw	Assistant General Manager	PGDM	11	01.06.2016	Valcon	31.50	NO
5	Mr.Sumanata Mukhopadhyay	General Manager	B.E and M.B.A	29	15.02.2017	V M Corporation	28.00	NO
6	Mr. Sarbeswar Das	General Manager	B.Tech	28	10.06.2013	TRL	24.78	NO
7	Mr. Dipankar Das	Deputy General Manager	B.SC	25	07.08.2004	Kasoram Refractories Limited	23.04	NO
8	Mr. S. Sankar	General Manager	B.A-Corporate Secretary and FCMA	29	06.06.2008	Sugana Poultry Form Pvt Ltd	21.42	NO
9	Mr. Bikas Chandra De	Deputy General Manager	B.Tech-Ceramic	30	11.03.2002	VRW Refractories Limited	20.95	NO
10	Mr. Sanjay Kumar Kaushik	Deputy General Manager	B.SC and MSC-Geologist	26	05.03.1992	Parya Wram Consultant Pvt. LTD.	20.89	NO

Notes:

1 None of the above employees held 2% or above of the equity share capital of the Company as on March 31, 2018 either himself and/or alongwith his spouse and dependent children.

2 Remuneration, shown above, inter-alia, includes value of perquisites, all other allowances and all retiral benefits (excluding gratuity).

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Dalmia Refractories Limited believes in adopting the best practices of Corporate Governance and stands committed to good corporate governance. The spirit of Corporate Governance is shaped by the values of transparency, professionalism, accountability, and high levels of integrity in decision making. We have identified four core values of Learning, Teamwork, Speed and Excellence which are being institutionalized in our organization. Our policies are constantly reviewed and improved keeping in mind our goal of maximization of values to all the stakeholders. The stipulations of Corporate Governance mandated by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are being fully complied with.

This Chapter, inclusive of Management Discussion and Analysis and Additional Shareholders Information, reports Dalmia Refractories Limited's (DRL's) compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. BOARD OF DIRECTORS

Composition of the Board

As on 31st March, 2018, the Company's Board comprised of seven members – All being Non-Executive Directors of which three are Independent Directors and one Woman Director. Mr N. Gopalaswamy, a Non- Executive Independent Director is appointed as the Chairman of the Board of Directors. The composition of the Board is in conformity with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, none of the Directors are related to each other or to any Key Managerial Personnel of the Company.

Directors' Attendance Record and Directorships Held

As mandated by the Listing Regulations, none of the Independent Directors of the Company are Whole- Time Directors in any listed Company and do not serve as an Independent Director in more than seven listed Companies. Further, none of the Directors are members of more than ten Board level Committees or Chairman of more than five Committees across all Companies of which he/she is a Director. Details of the composition of the Board and attendance are given below:

Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of other Directorship(s) and Committee(s) Memberships' / Chairmanships		
		Number of Board of Meeting		Last AGM	Other Director-ships	Committee Member-ships #	Committee Chairman-ships' #
		Held	Attended				
Mr. N.Gopalaswamy	Independent	4	3	Yes	6	5	2
Mr. Deepak Thombre	Non-Executive	4	3	No	-	-	-
Mr. C. Nagaratnam	Non-Executive	4	3	Yes	-	-	-
Mr. P.D. Mathur	Independent	4	4	No	-	-	-
Mr. M.K. Doogar	Independent	4	4	No	6	4	2
Mr. Sameer Nagpal	Non-Executive	4	4	No	1	-	-
Ms. Leena Rawal	Non-Executive	4	4	No	2	-	-

@ The directorships held by the Directors do not include directorship of foreign companies and private limited companies.

As required under Regulation 26(1)(b) of the SEBI (LODR) Regulations, 2015, the membership/chairmanship of Audit Committee and Stakeholders' Relationship Committee alone have been considered.

Dalmia Refractories

Number of Board Meetings

The Board of Directors met four times during the year on 8th May, 2017, 21st August, 2017, 12th December, 2017 and 8th February, 2018. The time gap between two consecutive Board Meetings did not exceed one hundred and twenty days.

Meeting of Independent Directors and Familiarization Programme

During the year under review, the Independent Directors met on 8th February, 2018 without the attendance of non-independent directors and members of the management. All independent directors of the company were present at the meeting. The meeting of the directors was held to inter alia:

i) review the performance of the Non Independent Directors and the Board as a whole;
ii) assess the quality, quantity and timelines of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Company is regularly imparting familarization programmes for its Independent Directors. The details of such familiarization programme for the year have been disclosed at https://www.dalmiarefractories.com/upload/document/Familarisation-Programme-for_Independent-Directors-2017-18.pdf

Information Supplied to the Board

The Board has complete access to all the information with the Company. The agenda and the papers for consideration of the Board are circulated well in advance. Adequate information including any important development connected with the business of the Company is circulated as part of Agenda papers and also placed at the meeting to enable the Board to take informed decisions.

Details of the shares and convertible instruments held by the Directors as on 31st March, 2018

Name of the Director	Category	Number of shares held	No. of Convertible Instruments held
Mr. N. Gopalaswamy	Independent	18	Nil
Mr. C. Nagaratnam	Non-executive	40	Nil
Mr. M. K. Doogar	Independent	Nil	Nil
Mr. Deepak Thombre	Non-executive	Nil	Nil
Mr. P.D. Mathur	Independent	Nil	Nil
Mr. Sameer Nagpal	Non-executive	Nil	Nil
Ms. Leena Rawal	Non-executive	Nil	Nil

III. COMMITTEES OF THE BOARD

As on 31st March, 2018, the Company has four Board-level Committees – Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee Members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

a) Audit Committee

As on 31st March 2018, the Audit Committee comprises of four members namely Mr. N. Gopalaswamy, Chairman of the Audit Committee, Mr. C. Nagaratnam, Mr. M.K Doogar and Mr. P.D. Mathur. The committees' composition meets the requirement of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee possess requisite accounting and financial management expertise. Mr N. Gopalaswamy, Chairman of the Audit Committee was present at the Annual General Meeting held on 24th August, 2017.

The Audit Committee met four times during the year on same dates as Board Meetings. The time gap between any two meetings was less than four months. The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Attendance Record of DRL'S Audit Committee during 2017-18

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Mr. N. Gopalaswamy	Independent	Chairman	4	3
2. Mr. P.D. Mathur	Independent	Member	4	4
3. Mr. M.K. Doogar	Independent	Member	4	4
4. Mr. C. Nagaratnam	Non-Executive	Member	4	3

The Board has accepted all the recommendations made by the Audit Committee. The Statutory Auditor and Internal Auditors are also regularly invited by the Audit Committee to discuss their comments and recommendation of accounts, internal controls and processes.

The Statutory Auditors and Internal Auditors were present at all Audit Committee meetings held during the year. The Chief Executive Officer and Chief Financial Officer are permanent invitees to the meetings of the Committee. Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee.

The Audit Committee has the power to investigate any activity within its terms of reference, to seek information from any employee, to obtain outside legal or other professional advice and to secure attendance of outsiders with relevant expertise, if it considers necessary.

The Role and terms of reference of the Audit Committee has been defined under Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews the Internal Audit Reports and action taken reports of the management thereupon. It also reviews and discusses with the management and Statutory Auditors, the quarterly results, financial statements and such other related issues before their submission to the Board.

The Broad terms of reference of the Audit Committee therefore include:

- recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the Auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitor the end use of funds raised through public offers and related matters.

The Company also has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters/ letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor/ Internal Auditor.

b) Nomination and Remuneration Committee

As on 31st March 2018, the Nomination and Remuneration Committee comprises of four members namely Mr. P.D. Mathur, Chairman of the Committee, Mr. N. Gopalaswamy, Mr. C. Nagaratnam and Mr. Deepak Thombre. Ms. Akansha Jain, Company Secretary is the Secretary to the Committee.

During the financial year ended March 31, 2018, three meetings of the Nomination and Remuneration Committee were held on 8th May, 2017, 21st August, 2017 and 8th February, 2018. Mr. C. Nagaratnam, member of the Nomination and

Remuneration Committee was authorised by the Chairman of the Committee on his behalf to attend the Annual General Meeting of the Company held on 24th August, 2017.

The composition of Nomination and Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors are given below:

Composition and Attendance Record of DRL'S Nomination and Remuneration Committee during 2017-18

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Mr. N. Gopalaswamy	Independent	Member	3	3
2. Mr. Deepak Thombre	Non-Executive	Member	3	2
3. Mr. P.D. Mathur	Independent	Chairman	3	3
4. Mr. C. Nagaratnam	Non-Executive	Member	3	3

The terms of reference of Nomination and Remuneration Committee are:

The terms of reference of Nomination and Remuneration Committee cover all the areas mentioned under Section 178 of the Companies Act, 2013, and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The broad terms of reference of the Nomination and Remuneration Committee include:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees;
- Identifying persons who are qualified to become Directors / Independent Directors in accordance with the criteria laid down;
- Identifying and selecting potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions
- Recommend to the Board appointment and removal of the aforementioned persons;
- Review and evaluate the performance of the Directors; and
- To carry out any other functions as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

Performance Evaluation criteria for Independent Directors

Performance evaluation of each Independent Director of the Company is done regularly by the Board of Directors of the Company on the basis of the parameters such as percentage attendance at Board Meetings, participation in discussions, preparedness for meetings by reading of the relevant papers, level of engagement, contribution in terms of improving business performance, proactive availability for Company's business besides time given by them in Board Meetings, etc.

Remuneration Policy

The Nomination and Remuneration Policy of the Company has been annexed to the Report of the Directors and is also available on the Company's website at https://www.dalmiarefractories.com/pdf/DR-Nomination-%26-Remuneration-Policy.pdf

Remuneration Paid to Directors

The Non-Executive including Independent Directors, apart from the sitting fees, are paid a commission of upto 1% of the net profit of the Company calculated in accordance with the provisions of the Companies Act, 2013, as approved by the shareholders in their general meeting subject to a maximum of ₹ 3 lakhs in aggregate in terms of Articles of Association of the Company. The details of remuneration paid, during the year, to the Directors are given below:-

Details of remuneration paid to Directors for 2017-18

(₹.in Lakhs)

Name of the Directors	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission*	Total
Mr. N.Gopalaswamy	Independent	1.20	-	-	-	1.20
Mr. Deepak Thombre	Non-Executive	0.90	-	-	-	0.90
Mr. C. Nagaratnam	Non-Executive	1.15	-	-	-	1.15
Mr. P.D. Mathur	Independent	1.55	-	-	-	1.55
Mr. M.K. Doogar	Independent	1.25	-	-	-	1.25
Ms. Leena Rawal	Non-Executive	1.00	-	-	-	1.00
Mr. Sameer Nagpal	Non-Executive	1.00	-	-	-	1.00

* Due to loss in the financial year 2017-18, no commission is being paid to the directors for the financial year 2017-18.

c) Stakeholders' Relationship Committee

As on 31st March, 2018, the Committee comprises of four members namely Mr. C. Nagaratnam, Mr. N. Gopalaswamy, Mr. Deepak Thombre and Mr. P.D. Mathur with Mr C. Nagaratnam, Non-Executive Director acting as the Chairman of the Committee. Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee. The Committees' composition and the terms of reference meet with the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Section 178 of the Companies Act, 2013.

The Chairman of the Committee was present at the Annual General Meeting of the Company held on 24th August, 2017.

The composition of Stakeholders' Relationship Committee and details of meetings attended by the Directors are given below:-

Attendance Record of DRL'S Stakeholders Relationship Committee during 2017-18

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Mr. N. Gopalaswamy	Independent	Member	2	1
2. Mr. P.D. Mathur	Independent	Member	2	2
3. Mr. Deepak Thombre	Non-Executive	Member	2	1
4. Mr. C. Nagaratnam	Non-Executive	Chairman	2	1

The terms of reference of this Committee is to look into and redress the complaints received from investors, in coordination with the Company's Registrar and Share Transfer Agent. Though the powers of approving the transfer/ transmission of shares/debentures has been delegated to senior executives of the Company, the Committee periodically reviews all matters connected with the Company's transfer/transmission of securities.

The Name and Designation of the Compliance Officer is as follows:-
Ms. Akansha Jain, Company Secretary

During the year, complaints received from investors were resolved in time to the satisfaction of the concerned investors. At the close of the year, there were no cases pending in respect of share transfers. Details regarding the same are given below:-

Details of Complaints from Shareholders during 2017-2018

Number of shareholders complaints received in the Financial year (01.04.2017 - 31.03.2018)	63
Number of shareholders complaints not solved to the satisfaction of shareholders	NIL
Number of pending shareholders complaints* (as on 31.03.2018)	1

*Complaint received on 28.03.2018 was responded and closed on 04.04.2018.

d) Risk Management Committee

As on 31st March 2018, the Committee comprises of three members namely Mr. P.D. Mathur, Chairman of the Committee, Mr. N. Gopalaswamy and Mr. C. Nagaratnam. Ms. Akansha Jain, Company Secretary, is the Secretary of the Committee.

The terms of reference of this Committee is to lay down procedures to inform the Board members about the risk assessment and minimisation procedures and to frame, implement, monitor and review the risk management plans for the Company.

Composition and Attendance Record of DRL'S Risk Management Committee during 2017-18

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
1. Mr. N. Gopalaswamy	Independent	Member	1	1
2. Mr. P.D. Mathur	Independent	Chairman	1	1
3. Mr. C. Nagaratnam	Non-Executive	Member	1	1

IV. FINANCIAL HIGHLIGHTS AND MANAGEMENT DISCUSSION & ANALYSIS

Financial Highlights

(₹ in lakhs)

	F. Y. 2018	F. Y. 2017	Growth %
Revenue	17864	16076	11
PBT	(561)	(28)	(1884)
PAT	(317)	(22)	(1341)

*Previous financial year figures have been restated as per IND AS

The Company has been able to achieve a revenue of ₹ 17864 lakhs as against Previous year revenue of ₹ 16076 lakhs. It has incurred a loss of ₹ 561 lakhs as against the loss of ₹ 28 lakhs in the previous year, due to significant increase in the cost of raw material and power & fuel and its inability to pass on the same to the customers.

INDUSTRY OVERVIEW & OUTLOOK

Steel, Power, and Cement Companies are primary consumers of Refractories. Global Refractories Market demand is witnessing a steady growth owing to rising demand of high performance refractories along with the increasing production of steel, cement, and glass materials across the globe. Among the aforementioned types, steel & iron is the most dominating end-use industry accounting for more than 70% of the overall consumption. The consolidation in steel & cement industry is likely to gain pace with the takeover of financially weak companies by the strong players with advent of the Insolvency and Bankruptcy Code enacted in India. This is likely to lead to increase in capacity utilization and consequently increase in refractory demands.

Asia-Pacific has the highest share in the market, accounting for nearly 59% of the global market share in 2017. The large consumer base and the cheaper manufacturing costs in the Asia-Pacific region are drawing in high FDIs, with India and China being the major players.

Long term outlook for cement industry to which we mainly cater is likely to be relatively more favorable given the government's focus on revival of infrastructure and investment spending. The pace of recovery in the steel & cement industry is likely to mirror the trends in economic recovery.

In the meantime, the Company is also continuously exploring opportunities in new markets and developing new improved products through in-house R&D and by improved technologies.

Opportunities

The Government taking steps in several areas including amendments in policy legislations and with likely increase on infrastructure expenditure, refractory installation activity is expected to pick up thereby leading to better growth prospects for the Refractory Industry.

Currently, our Company is supplying Alumina based refractories particularly for the cement plants and efforts are being made for technical collaborations and in-house research and development for producing wider and better range of products to become a complete refractory solution provider. The Company is also looking for opportunities in other markets.

Threats, Risks & Concerns

India's refractory industry sources almost half of its raw material from China and is now bracing for a shortage that could adversely impact the refractory industry. Due to intensified pollution control measures in China, most bauxite and magnesite mines have shut down which has led to a sharp increase in prices of raw material from China, leaving domestic refractory makers struggling to manage this uncertainty of availability of material & volatility in the prices.

Hence, High dependence on imports for major raw materials like bauxite and magnesite and adverse foreign exchange fluctuations and inability to pass on the increase in the cost to the customers, continues to be a cause of concern.

Human Resources

The Company believes that human resource is the most important and valuable resources of an organization. It fosters a culture that is performance oriented, promotes rewards for results and helps its people grow. The Company believes in the development of employees at professional and personal level by providing necessary training and taking care of employee welfare. During the year, the industrial relations continued to be cordial.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has an appropriate internal control system commensurate with the size of the Company. The internal auditor of the Company conducts regular internal audits and the Audit Committee conducts periodic reviews to adjudge the adequacy and effectiveness of internal control systems and undertakes corrective measures whenever required.

Segment wise Performance

The Company is primarily engaged in manufacture and supply of refractories and is managed organizationally as a single unit. Accordingly, the company is a single business segment company.

V. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings (AGMs) are given below:-

Details of last three AGMs

Financial year	Date of AGM	Time	Location
2016-2017	24.08.2017	11.00 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu
2015-2016	24.08.2016	11.00 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu
2014-2015	06.08.2015	11.00 am	Dalmiapuram, Tiruchirapalli District, Tamil Nadu

Special resolutions passed during the last three AGMs

Date of AGM	Particulars
24.08.2017	None
24.08.2016	None
06.08.2015	None

Postal Ballot

No resolutions were passed by Postal Ballot during the year 2017-2018.

Appointment/ Reappointment of Directors

Pursuant to the Articles of Association of DRL, at every Annual General Meeting of the Company, one-third of the rotational Directors shall retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. Accordingly, Mr. C. Nagaratnam, Director of the Company retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/ re- appointment at Annual General Meeting is furnished and forms a part of the notice.

VI. MEANS OF COMMUNICATION WITH SHAREHOLDERS

The quarterly financial results are published in the Financial Express, English Newspaper having nationwide circulation and Makkal Kural, Regional Newspaper, within the stipulated time. These financial results and quarterly shareholding patterns are both physically and electronically filed to the stock exchanges and are also uploaded on Company's website www.dalmiarefractories.com. The Annual Report containing inter alia, the audited financial statements, Directors Report, Auditors Report and other important information is circulated to the members well in advance of the Annual General Meeting.

VII. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date	:	19.09.2018
Time	:	11:00 a.m.
Venue	:	Dalmiapuram, P.O Kallakudi -621651, Distt Tiruchirapalli, Tamil Nadu.

Financial Calendar

Financial Year : 1st April, 2018 to 31st March, 2019

For the year ended 31st March, 2019, results will be announced:

- First quarter : By mid of August, 2018
- Second quarter : By mid of November, 2018
- Third quarter : By mid of February, 2019
- Fourth quarter : By end of May, 2019

Book Closure

The dates of book closure are from 18th September, 2018 to 19th September, 2018 inclusive of both days.

Dividend Payment

Your directors have recommended a final dividend of ₹ 0.50/- per equity share of face value of ₹10/- each for the financial year 2017-18. The dividend will be paid after the approval of shareholders at Annual General Meeting.

If declared, Credit/dispatch of dividend warrants will be completed on or before 15th October, 2018.

The Company has complied with the requirements of Section 125 of the Companies Act, 2013 and all amounts due to be credited to the Investor Education and Protection Fund have been duly credited within the time specified under the said section.

DALMIA REFRACTORIES LIMITED

Corporate Identification Number (CIN): L24297TN1973PLC006372

Listing of Securities
The Equity Shares are listed on the following Stock Exchanges:

a. Metropolitan Stock Exchange of India Limited,
   Vibgyor Towers, 4th floor, Plot No C 62, G - Block,
   Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E),
   Mumbai – 400 098

b. Calcutta Stock Exchange
   7, Lyons Range, Kolkata – 700 001

The annual listing fee has been paid for the year 2017-18 to both the above-mentioned Stock Exchanges.

Stock Code

Metropolitan Stock Exchange of India Limited : **DALMIAREF**
ISIN (for Dematerialised Shares) : INE200F01017

Stock Market Data

The last traded price of shares was ₹ 112.50 on 29th January, 2015 at NSE.

At present, the shares of the Company are listed at Metropolitan Stock Exchange of India Limited and Calcutta Stock Exchange and no trading has taken place during the year 2017-18

Registrar and Share Transfer Agent

Karvy Computershare Private Limited
Unit-Dalmia Refractories Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
Tel No: 040-67161500; Fax: 040-23001153; Email:einward.ris@karvy.com; Website:www.karvy.com

Share Transfer System

The share transfers in the physical form are presently processed by the Registrar and Transfer Agent and are dispatched within a period of fifteen working days from the date of receipt, subject to documents being valid and complete in all respects. The securities of the Company can be traded in electronic form, both on Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL). Under the dematerialized system, the Shareholder can approach a Depository Participant (DP) for getting his shares converted from physical form to dematerialized form. The DP will generate a request for the dematerialization, which will be sent by it to the Company's Registrar and Transfer Agent. On receipt of the same the shares will be dematerialized.

In terms of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, the Company is required to credit such shares, in respect of which dividend has not been paid or claimed for seven consecutive years or more, to Demat Account of IEPF Authority. As required under the said rules, the Company has complied with the requirements of the Companies Act, 2013 and all shares due to be credited to the Demat Account of Investor Education and Protection Fund Authority have been duly credited within the time specified under the Act.

Unclaimed Suspense Account

In terms of SEBI (LODR) Regulations, 2015, the Company has opened a demat Unclaimed Suspense Account. However, there are no shares in the said account.

Distribution of Shareholding

The distribution of the shareholding of the equity shares of the Company by size and by ownership class as on 31st March, 2018 is given below:

Shareholding Pattern by size

Category (No. of Equity Shares held)	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1-500	4007	95.40	341105	10.82
501-1000	102	2.43	70641	2.24
1001-2000	50	1.19	73680	2.34
2001-3000	11	0.26	27675	0.88
3001-4000	7	0.17	25079	0.80
4001-5000	1	0.02	4100	0.13
5001-10000	10	0.24	79302	2.52
10001 and above	12	0.29	2530502	80.27
Total	4200	100.00	3152084	100.00

Shareholding Pattern by ownership

Particualrs	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Banks	8	0.19	663	0.02
Directors	2	0.04	58	0.00
H.U.F	35	0.83	12232	0.40
IEPF	1	0.02	68473	2.17
Bodies Corporate	48	1.15	31573	1.00
NBFC	1	0.02	255	0.01
Non Resident Indians	1	0.02	100	0.00
Non Resident Indian Non Repatriable	5	0.12	1635	0.05
Promoter Bodies Corporate	8	0.20	2043577	64.83
Resident Individuals	4090	97.39	993468	31.52
Trusts	1	0.02	50	0.00
Total	4200	100.00	3152084	100.00

Dematerialisation of Securities

As on 31st of March, 2018, 92.47% of Equity Shares of the Company were held in dematerialized form. The promoters of the Company hold their entire shareholding in dematerialized form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

Nil

Commodity Price Risk or Foreign Exchange Risk and hedging activities

The Company undertakes hedging activities for the import and export transactions, conducted for the purpose of business in the event of foreign exchange risk only, as per the Risk Management Policy of the Company, when such exposure arises.

Details of Plant Locations and Address for Correspondence

Registered Office Address & Dalmiapuram Plant	**Khambalia Plant**	**Head Office and Correspondence Address**
Dalmia Refractories Limited	Dalmia Refractories Limited	Dalmia Refractories Limited
Dalmiapuram, P.O.Kallakudi-621651 Dist. Tiruchirapalli, Tamil Nadu Ph: 04329-235133/144/155 Fax : 04329-235122	P. Box-10, Jam-Khambalia-361305, Dist. Devbhumi Dwarka, Gujarat Ph : 02833-234112 Fax : 02833-234038	4, Scindia House, Connaught Place, New Delhi-110001 Ph: 011-23457100 Website: www.dalmiarefractories.com

Address for Communication

All communication regarding share transactions, change of address, bank mandates, nominations etc. should be addressed to the Registrars and Share Transfer Agents of the Company. Complaints, if any, may also be addressed to the Company Secretary by email at snccil@dalmiarf.com.

Website

The Company has a functional website www.dalmiarefractories.com that contains relevant information updated in time in compliance with regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

VIII. DISCLOSURES

Related Party Transaction

All related party transactions are approved by the Audit Committee. There were no materially significant related party transactions which may have potential conflict with the interests of the Company at large. The weblink of Company's policy on Related Party Transaction is https://www.dalmiarefractories.com/pdf/Related-Party-Transactions-Policy.pdf

Details of Non-Compliance by the Company

DRL has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Whistle Blower Policy

The Company has an established mechanism for Directors, Employees and Stakeholders to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the audit committee to lodge their grievances. The Company has formulated a Whistle Blower Policy and Vigil Mechanism which is also available on the Company's website at https://www.dalmiarefractories.com/pdf/Whistleblower-Policy_and_Vigil-Mechanism.pdf

Compliance

The Company is fully compliant with the applicable mandatory requirements of Corporate Governance provisions of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

The Company is complying with all corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations.

Adoption of Non Mandatory 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 half yearly declaration of financial performance to shareholders have been adopted by the Company.

Subsidiary

Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, defines material subsidiary as a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively of the listed entity and its subsidiaries in the immediately preceding accounting year.

As mandated by Regulation 46 of SEBI(LODR) Regulations, the Company has framed a policy on Material Subsidiaries and has displayed it on its website at https://www.dalmiarefractories.com/pdf/Material-Subsidiary-Policy.pdf. As on 31st March, 2018, under this definition, DRL does not have a ‘material non-listed Indian Subsidiary’.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Indian Accounting Standards 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.

First year of implementation of Indian Accounting Standards

This is the first year of implementation of the Indian Accounting Standards. The financial statements for the year ended on March 31, 2018 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The financial statements for the year ended on March 31, 2017 have been restated in accordance with Ind AS for comparative information.

Code for Prevention of Insider-Trading Practices

In compliance with the SEBI regulations, on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of Company, and cautioning them of the consequences of violations.

IX CODE OF CONDUCT

DRL’s Board has laid down a code of conduct for all Board Members and designated senior management of the Company. The Code is available on the website of the Company at https://www.dalmiarefractories.com/pdf/code-conduct.pdf.

The Code of Conduct has been circulated to all Board Members and senior management personnel and they have affirmed the compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

X CEO/CFO CERTIFICATION

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

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF THE CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of Dalmia Refractories Limited

1. The Corporate Governance Report prepared by the Dalmia Refractories Limited ("the Company") contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations) with respect to Corporate Governance for the year ended 31st March 2018. This certificate is required by the Company for annual submission to the Stock Exchange and be sent to the shareholders of the Company.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to preparation and presentation of Corporate Governance Report.

3. The management alongwith the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the listing regulations, issued by Securities and Exchange Board of India.

AUDITORS' RESPONSIBILITY

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditors' judgement, inclduing the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OPINION

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year March 31, 2018, referred to in paragraph 1 above

OTHER MATTERS AND RESTRICTION OF USE

10. This Certificate 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.

11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and 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 or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this Certificate.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Place: New Delhi
Date: May 25, 2018

(Vijay Napawaliya)
Partner
Membership No. 109859

DALMIA REFRACTORIES LIMITED

To

The Board of Directors,
Dalmia Refractories Limited
Dear Sirs,

As required under Regulation 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, I hereby declare that all members of the Board of Directors of the Company and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2018.

Place: New Delhi	C.N. Maheshwari
Dated: May 25, 2018	Chief Executive Officer

To

The Board of Directors,
Dalmia Refractories Limited

Dear Sirs,

1. We have reviewed the Audited Financial Statements and Cash Flow Statement for the year ended March 31, 2018 and certify that to the best of our knowledge and belief:

    1. These Statements do not contain any materially untrue statement or omit any material fact or contain Statements that might be misleading.
    2. These Statements together present a true and fair view of the listed entity's affair and are in compliance with existing accounting standards, applicable laws and regulations.

2. We further certify that, to the best of our knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated(wherever applicable) to the Auditors and the Audit Committee:

    (i) Significant changes in internal control over financial reporting during the year;

    (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

    (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems over financial reporting.

Place: New Delhi	SUDHIR KUMAR SRIVASTAVA	C. N. MAHESHWARI
Dated: May 25, 2018	Chief Financial Officer	Chief Executive Officer

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INDEPENDENT AUDITORS' REPORT

To the Members of
Dalmia Refractories Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **Dalmia Refractories Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with relevant rules issued there under. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of Standalone Ind AS financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Company had prepared the audited standalone financial statement for the corresponding year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in the statement in accordance with the Companies (Accounting Standards) Rules, 2006 referred to in Section 133 of the Act, on which S.S. Kothari Mehta & Co., Chartered Accountants (Firm registration no. 000756N) vide their audit report dated May 8, 2017 and May 23, 2016, respectively, had issued an unmodified audit report. The financial statements for the year ended March 31, 2017 and transition date opening balance sheet as at April 1, 2016 are based on the previously audited financial statement prepared in accordance with the Companies (Accounting Standards), Rules, 2006 as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. Further to our comment in the Annexure A, as required by Section 143 (3) of the Act, 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), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

    d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with Ind AS prescribed under Section 133 of the Act read with relevant rules there under;

    e. On the basis of the written representations received from the directors of the Company as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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"**;

    g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company, as detailed in Note 29 to the Standalone Ind AS financial statements, has disclosed the impact of pending litigations on its financial position.

ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Place: New Delhi
Date: May 25, 2018

(Vijay Napawaliya)
Partner
Membership No. 109859

“Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of the Dalmia Refractories Limited on the Standalone Ind AS financial statements for the year ended March 31, 2018)

(i) In respect of fixed assets:-

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) According to information and explanation given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of its inventories:-

As explained to us, inventories have been physically verified during the year by the management except goods in transit which have been verified with reference to confirmations and/or subsequent receipt of material. In our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company and the same have been properly dealt with.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provision of paragraph 3 (iii) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, as applicable, in respect of making investments. The Company has not granted any loan as mentioned in section 185 of the Act and has not provided any guarantees and securities.

(v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. During the year, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal

(vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete

(vii) (a) According to the records of the company and information and explanations given to us, the Company has been 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, Goods and Service Tax, cess and any other statutory dues to the appropriate authorities as applicable during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at March 31, 2018 for a period of more than six months from the date 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, sales-tax, Goods and Service Tax, service-tax, duty of customs, and duty of excise or value added tax which have not been deposited on account of any dispute except as mentioned below:-

Name of the statute	**Nature of the dues**	**Amount (₹ Lakhs)**	**Period to which amount relates**	**Forum where the dispute is amount pending**
Madhya Pradesh Vat Act, 2002	Sales Tax	5.44	2009-10 to 2014-15	Jabalpur High Court
Central Excise & Salt Act, 1944	Excise Duty	14.45	2008-2010	CESTAT Chennai
Central Excise & Salt Act, 1944	Excise Duty	0.53	1992-2005	CEGAT-Mumbai
The Gujarat VAT Tax Act, 2003	Sales Tax	35.07	2001-2002	Gujarat High Court
Finance Act, 1994	Service Tax	25.47	2004-05 to 2011-12	CESTAT Ahmedabad
Finance Act, 1994	Service Tax	32.92	2013-14 to 2014-15	Commissioner (Appeals), Rajkot
Finance Act, 1994	Service Tax	23.00	2014-15	Assistant Commissioner of Central GST & Central Excise, Jamnagar

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date. There are no dues of Government or debenture holders.

(ix) According to the information and explanations given to us, the Company did not raise any moneys by way of initial public offer, further public offer (including debt instruments) and no term loan was raised during the year. Therefore, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid or provided managerial remuneration during the year. Therefore, the provision of clause 3 (xi) of the Order are not applicable to the company.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Place: New Delhi
Date: May 25, 2018

(Vijay Napawaliya)
Partner
Membership No. 109859

“Annexure B” to the Independent Auditor’s Report

Referred to in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of the Dalmia Refractories Limited on the Standalone Ind AS financial statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Dalmia Refractories Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS 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. 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 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 Companies Act, 2013.

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 standalone Ind AS 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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, 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, 2018, 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.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Place: New Delhi
Date: May 25, 2018

(Vijay Napawaliya)
Partner
Membership No. 109859

DALMIA REFRACTORIES LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non - current assets				
(a) Property, plant and equipment	4	11,184.95	12,135.25	13,060.97
(b) Capital work - in - progress	4	36.84	-	49.76
(c) Other intangible assets	4	-	0.56	7.92
(d) Financial assets	5			
(i) Investments	5.1	10,555.10	6,881.38	2,793.82
(ii) Loans	5.2	88.18	112.56	102.72
Total non current assets		21,865.07	19,129.75	16,015.19
Current assets				
(a) Inventories	6	5,177.81	3,674.14	4,054.39
(b) Financial assets	7			
(i) Investments	7.1	0.30	1,511.72	0.27
(ii) Trade receivables	7.2	2,341.69	1,578.10	2,942.53
(iii) Cash and cash equivalents	7.3	105.77	208.07	488.24
(iv) Bank balances other than (iii) above	7.4	20.34	23.16	24.98
(v) Loans	7.5	147.86	87.43	157.96
(vi) Other financial assets	7.6	2.35	3.47	3.33
(c) Current tax assets (net)	8	102.84	156.21	163.17
(d) Other current assets	9	227.43	340.81	558.73
Total current assets		8,126.39	7,583.11	8,393.60
Total assets		**29,991.46**	**26,712.86**	**24,408.79**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	10.1	315.21	315.21	315.21
(b) Other equity	10.2	21,106.14	18,275.19	14,252.86
Total equity		21,421.35	18,590.40	14,568.07
LIABILITIES				
Non - current liabilities				
(a) Financial liabilities				
(i) Borrowings	11	-	-	124.95
(b) Provisions	12	386.36	379.33	396.01
(c) Deferred tax liabilities (net)	13	2,270.55	2,536.61	2,665.70
Total non current liabilties		2,656.91	2,915.94	3,186.66
Current liabilities				
(a) Financial liabilities	14			
(i) Borrowings	14.1	2,518.07	2,228.78	2,392.14
(ii) Trade payables	14.2	2,704.10	2,134.14	2,957.85
(iii) Other financial liabilities	14.3	14.42	18.76	396.39
(b) Other current liabilities	15	643.70	777.76	898.42
(c) Provisions	16	32.91	47.08	9.26
Total current liabilties		5,913.20	5,206.52	6,654.06
Total Equity & Liabilities		**29,991.46**	**26,712.86**	**24,408.79**
Notes to Accounts	1 to 42			

As per our report of even date
For Chaturvedi & Shah
Chartered Accountants
Firm Regn. No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859
Place : New Delhi
Date : May 25, 2018

For and on behalf of the Board Of Directors of Dalmia Refractories Limited

N. Gopalaswamy
Director
DIN: 00017659

C.Nagaratnam
Director
DIN: 00266838

C N Maheshwari
Chief Executive Officer

Sudhir Kumar Srivastava
Chief Finacial Officer

Akansha Jain
Company Secretary

DALMIA REFRACTORIES LIMITED
STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

	Particulars	Note No.	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
I	Revenue from operations	17	18,090.79	17,801.28
II	Other income	18	480.97	117.93
III	**Total income (I + II)**		**18,571.76**	**17,919.21**
IV	Expenses			
	Cost of materials consumed	19	10,666.61	8,532.62
	Purchases of stock in trade		336.91	118.23
	Changes in inventories of finished goods, and work - in - progress	20	(72.46)	(81.21)
	Excise duty on sale		226.77	1,724.91
	Employee benefits expense	21	2,689.51	2,433.87
	Finance costs	22	91.13	160.20
	Depreciation and amortization expense	23	903.56	1,010.60
	Other expenses	24	4,290.27	4,048.24
	Total expenses		**19,132.30**	**17,947.46**
V	Profit / (loss)for the year before tax (III-IV)		(560.54)	(28.25)
VI	Tax expense	25		
	(1) Current tax		29.64	113.00
	(2) Deferred tax		(272.72)	(121.52)
	(3) Income tax pertaining to earlier years		-	2.19
			(243.08)	(6.33)
VII	Net Profit/(Loss) for the year after tax (V - VI)		(317.46)	(21.92)
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss	26		
	Re-measurement gains/(losses) on defined benefit plans		19.32	(21.91)
	Income tax relating to items that will not be reclassfied to profit or loss	25	(6.69)	7.58
	Re-measurement gains/(losses) on investment		3,173.72	4,077.55
			3,186.35	4,063.22
IX	Total comprehensive income for the year (VII + VIII)		2,868.89	4,041.30
X	Earnings per equity share	27		
	Nominal value of equity shares (₹ 10.00 each)			
	(1) Basic		(10.07)	(0.70)
	(2) Diluted		(10.07)	(0.70)
	Notes to Accounts	1 to 42		

As per our report of even date
For Chaturvedi & Shah
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Dalmia Refractories

DALMIA REFRACTORIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

₹ in lakhs

Particulars	2017-18	2016-17
A. Cash Flow from Operating Activities		
Net Profit before tax	(560.54)	(28.25)
Adjustments		
Depreciation / Amortization	903.56	1,010.60
Provision no longer required Written back	(59.81)	(15.29)
Provision for doubtful debts	17.37	-
Bad Debts written off	6.79	21.44
Loans & Advances Written off	-	19.50
Dividend Income	(7.72)	(0.02)
Finance Cost	91.13	160.20
Interest Income	(20.19)	(10.54)
(Profit)/Loss on sale of Investments	(58.87)	(11.68)
(Profit)/Loss on sale of PPE	(245.12)	(0.03)
Operating Profit before working Capital Changes	**66.60**	**1,145.93**
Adjustments for working Capital changes :		
Inventories	(1,503.67)	380.24
Trade and Other Payables	445.61	(947.77)
Trade and Other Receivables	(647.78)	1,619.21
Cash Generated from / (used in) Operations	**(1,639.24)**	**2,197.61**
Net Direct Taxes Paid/(Refund)	(23.72)	108.23
Net Cash from / (used in) Operating activities	**(1,615.52)**	**2,089.38**
B Cash Flow from Investing Activities		
Purchase of PPE	(79.36)	(54.36)
Sale of PPE	308.00	0.03
(Purchase) / Sale of Current Investments (net)	1,570.29	(1,499.77)
Investment in Subsidiary	(500.00)	(10.00)
Interest Received	21.31	10.40
Dividend Received	7.72	0.02
Net Cash from / (used in) Investing Activities	**1,327.96**	**(1,553.68)**
C Cash Flow from Financing Activities		
Proceeds/(Repayment) of Short term Borrowings	289.13	(163.36)
Proceeds/(Repayment) of Long term Borrowings	-	(482.55)
Finance Cost	(61.73)	(146.76)
Dividend Paid including CDT	(42.14)	(23.20)
Net cash from / (used in) financing activities	**185.26**	**(815.87)**
Net increase in cash and cash equivalents (A+B+C)	(102.30)	(280.17)
Cash and cash equivalents (Opening Balance)	208.07	488.24
Cash and cash equivalents (Closing Balance)*	105.77	208.07
Change in Cash & Cash Equivalents	(102.30)	(280.17)

DALMIA REFRACTORIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

₹ in Lakhs

Components of Cash & Cash Equivalents	Ast at 31 March 2018	At at 31 March 2017	As at 1st April 2016
Balances with banks			
- in Current Accounts	**105.13**	**205.67**	478.58
- Deposits with original maturity of less than 3 months			
Cash on hand	-	1.10	6.39
Cheques in hand	0.52	1.19	3.16
Silver Coin	0.12	0.11	0.11
Net Cash & Cash Equivalents	**105.77**	**208.07**	**488.24**

As per our report of even date
For Chaturvedi & Shah
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Partner
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Place : New Delhi
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DALMIA REFRACTORIES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A Equity Share Capital **₹ in Lakh**

Balance of Equity Share Capital	As at 1st April 2016	Changes during the year	As at 31st March, 2017	Changes during the year	As at 31st March, 2018
	315.21	-	315.21	-	315.21

B. Other equity

₹ in Lakhs

Particulars	Reserve and Surplus					Items of other comprehensive income		Total
	Capital Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	Actuarial Gain & Losses on DBO	
As at 01.04.2016	**5.00**	**588.02**	**120.00**	**684.82**	**3,728.14**			**5,125.98**
Changes in accounting policy	(5.00)				5.00			
Remeasurement effect					6,808.70	2,299.21		9,107.91
Dividend and CDT Payment					18.97			18.97
Restated balance as at 1.04.2016	**-**	**588.02**	**120.00**	**684.82**	**10,560.81**	**2,299.21**	**-**	**14,252.86**
Movement During FY 16-17								
Profit of the year	-	-	-	-	(21.92)			(21.92)
Dividend and CDT Payment					(18.97)			(18.97)
Other comprehensive income						4,077.55	(14.33)	4,063.22
Transfer to general reserve	-	-	(120.00)	120.00	-	-		-
As at 31.3.2017	**-**	**588.02**	**-**	**804.82**	**10,519.92**	**6,376.76**	**(14.33)**	**18,275.19**
Movement During FY 17-18								-
Profit of the year					(317.46)			(317.46)
Other comprehensive income	-	-	-	-		3,173.72	12.63	3,186.36
Dividend and CDT Payment	-	-	-	-	(37.95)	-		(37.95)
As at 31.03.2018	**-**	**588.02**	**-**	**804.82**	**10,164.52**	**9,550.48**	**(1.70)**	**21,106.14**

As per our report of even date
For Chaturvedi & Shah
Chartered Accountants
Firm Regn. No. 101720W

Vijay Napawaliya
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Place : New Delhi
Date : May 25, 2018

For and on behalf of the Board Of Directors of Dalmia Refractories Limited

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Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 1 Corporate Information

The Company is in the business of refractory manufacturing and selling. It produces High Alumina Refractory Bricks, Castables and Supplying to Core Industries namely Cement, steel and others. The Company is having manufacturing Units at Dalmiapuram (Tamil Nadu), Khambalia (Gujarat) and Katni (Madhya Pradesh) and its corporate office is situated at New Delhi. The Securities of the Company are listed at Calcutta Stock Exchange and Metropolitan Stock Exchange of India Ltd (Formerly MCX Stock Exchange Ltd.).

The registered office of the Company is located at Dalmiapuram, P.O. Kallakudi-621 651, Dist. Tiruchirapalli, Tamil Nadu

These financial statements of the Company for the year ended 31st March 2018 were approved and adopted by board of directors of the Company in their meeting held on 25th May 2018.

Note 2 Significant accounting policies and critical accounting estimate and judgments:

2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation
Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Companies Act, 2013 (“the Act”). These are the Company’s first Ind AS financial statements and Ind AS 101, ‘First–time Adoption of Indian Accounting Standards’ has been applied. The policies set out below have been consistently applied during the years presented.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (“Previous GAAP”).

These financial statements for the year ended March 31, 2018 are the first financial statements which the Company has prepared in accordance with Ind AS. An explanation of how the transition from Previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows including reconciliations and descriptions of the effect of the transition is provided in note 42 below.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the certain assets and liabilities which have been measured at fair value/amortised cost.

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in ‘Indian Rupees’ (₹), which is the Company’s functional and presentation currency. All values are expressed in ₹ lakhs rounded of to the nearest thousand, except when otherwise indicated.

Current vis-à-vis non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.
The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) 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 classified as current when it is:
a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company has identified twelve months as its normal operating cycle.

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 on the measurement date. The Company uses valuation techniques that are appropriate in the circumstances 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.

2.2 Critical accounting estimates and judgements

The presentation of financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Property, plant and equipment and intangible assets

The useful life and residual value of plant, property, equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

b. Recognition and measurement of defined benefit obligations

The Cost of the defined benefit plan and other post-employment benefits and the present value of such 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, future salary increases, mortality rates and attrition rate. 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.

c. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in active markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market where possible, but this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.

d. Provision

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

e. Impairment of Financial and Non-Financial Assets

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.The Company assesses at each reporting date whether there is an indication that a Non-financial 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 which is higher of an asset's or CGU's fair value less costs of disposal and its value in use. 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.

f. Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

g. Income Tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the standalone financial statements.

h. Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

2.3 Recent accounting pronouncements - Standards issued but not yet effective

New Ind AS:- Ind AS 115 " Revenue from Contracts with Customers"

Ind AS 115 'Revenue from Contracts with customers' notified on 28th March, 2018 and effective from 1st April 2018, establishes a five-step model to account for revenue arising from contracts with customers. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company continues to evaluate the available transition methods, the changes to accounting system and processes and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the Financial Statements will be possible once the assessment has been completed.

Note 3 Significant Accounting policies

3.1 Property, plant and equipment

All items of Property, plant and equipment are stated at historical cost net of tax/ duty credit availed which includes capitalised borrowing cost, less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.
Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to adopt the fair value of all of its property, plant and equipment as at April 01, 2016 as deemed cost.

Depreciation methods, estimated useful lives and residual value:

Depreciation on Property, Plant and Equipment (PPE) is provided over the useful life of assets as specified in schedule II to the Act. Property, Plant and Equipment which are added / disposed off during the year, deprecation is provided pro-rata basis with reference to the month of addition / deletion.
Certain item of PPE has been considered as countinous process plant on the basis of technical assessment and depreciation on the same is provided accordingly.

The following methods of depreciation are used for PPE :

Property Plant & Equipment at	
- Dalmiapuram, Khambalia and Katni works	Straight Line Method
- Head Office	Written Down Value
Leasehold land	Amortised over the period of lease

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

3.2 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition 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.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

3.3 **Impairment of Non-financial assets**

Assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.4 **Trade Receivable**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

3.5 **Leases**

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 at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease liability. 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 as finance costs in the statement of profit and loss.

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.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

3.6 **Government grants**

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.7 **Borrowing Cost**

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.8 **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer and the Chief Financial Officer that makes strategic decisions.

3.9 **Employee Benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered

b. Defined contribution plan

Retirement benefits in the form of provident fund , pension scheme and superannuation scheme and ESI are a defined contribution plan and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund.

c. Defined benefit plan

The Company's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund.The Company's Employee Gratuity Fund is managed by Life Insurance Corporation The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, which is expected to be utilized 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 actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

3.10 **Inventories**

a. Inventories are valued at lower of historical cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Stock of Non Plant Grade Bauxite at Mines are valued at cost. Materials and other supplies 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. However, when there has been a decline in the price of materials and it is estimated that the cost of the finished products will exceed net realizable value, the materials are written down to net realizable value. In such circumstances, the replacement cost of the material may be the best available measure of their net realizable value.

b. Historical cost is determined on the basis of real time weighted average method.

c. 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.

3.11 **Revenue recognition and other income:**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of Goods

Revenue from operations is recognised in respect of export sales on the basis of shipment of goods to customer and in respect of domestic sales on dispatch from factory.

Sale of Services

Revenues from sale of services are recognized as per the term of contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed.

Other Operating Income

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit or loss after due consideration of certainty of utilization/receipt of such incentives.

The quantum of accruals in respect of claims receivable such as from Railways, Insurance, Electricity, Customs Excise and the like are accounted for on receipt basis.

<u>Interest Income:</u>
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

<u>Dividend Income</u>
Dividend Income is recognised when the right to receive the payment is established.

3.12 Foreign Currency Transactions

• Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

• Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

• Exchange differences

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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

3.13 Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. 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.

Minimum alternate tax

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are 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 assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.14 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

• There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

• A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation

• A present obligation arises from the past event, when no reliable estimate is possible

• A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.15 Cash & Cash Equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.
Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.16 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

(a) Investment and other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss) and

• those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments in subsidiaries, the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures financial assets at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value through Profit or Loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the Statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

The Company subsequently measures all equity investments at fair value. The Company's management has elected to present fair value gains and losses on equity investments in OCI, and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii. Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv. Derecognition of financial assets

A financial asset is derecognised only when:

• The Company has transferred the rights to receive cash flows from the financial asset or

• Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v. Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(b) Financial Liabilities & Equity

i. **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. Initial recognition and measurement:

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 and financial guarantee contracts.

iii. Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawdown. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawdown, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade and other payables: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Those payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method.

Financial guarantee contracts: Financial guarantee contracts are recognised as a financial liability at the time when guarantee is issued. The liability is initially at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

Where guarantees in relation to loans of subsidiaries are provided for no compensation, the fair values are expensed out in the Statement of Profit and Loss.

iv. Derecognition:

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged,cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses). 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Offsetting of financial instrument

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 realize the assets and settle the liabilities simultaneously.

3.17 **Dividend Distribution**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

3.18 **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

4. Property, Plant and Equipment

(i) **Tangible Assets** **₹ in lakhs**

Particulars	Land Free Hold	Land Lease Hold	Buildings	Plant and Machinery	Office Equip-ment	Furniture and Fixtures	Vehicles	Total Tangible Assets	Comp-ter Software	Total Intang-ible assets
Deemed Cost as at 1st April 2016	5,962.11	375.53	2,908.98	3,772.15	27.22	8.23	6.75	13,060.97	7.92	7.92
Additions	-	-	4.69	71.99	21.54	5.90	-	104.12	-	-
Disposals/Adjustment	-	26.60	-	-	-	-	-	26.60	-	-
Balance as at 31 March 2017	5,962.11	348.93	2,913.67	3,844.14	48.76	14.13	6.75	13,138.49	7.92	7.92
Additions	-	-	-	27.42	14.31	0.80	-	42.53	-	-
Disposals/Adjustment	-	95.43	-	-	-	-	-	95.43	-	-
Balance as at 31 March 2018	5,962.11	253.50	2,913.67	3,871.56	63.07	14.93	6.75	13,085.59	7.92	7.92
Balance as at 1 April 2016	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	26.62	232.54	716.46	23.78	2.57	1.27	1,003.24	7.36	7.36
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	26.62	232.54	716.46	23.78	2.57	1.27	1,003.24	7.36	7.36
Depreciation for the year	-	24.00	187.46	666.95	20.54	2.78	1.27	903.00	0.56	0.56
Accumulated depreciation on disposals	-	5.60	-	-	-	-	-	5.60	-	-
Balance as at 31 March 2018	-	45.02	420.00	1,383.41	44.32	5.35	2.54	1,900.64	7.92	7.92
Net block										
As at 1st April 2016	**5,962.11**	**375.53**	**2,908.98**	**3,772.15**	**27.22**	**8.23**	**6.75**	**13,060.97**	**7.92**	**7.92**
As at 31 March 2017	**5,962.11**	**322.31**	**2,681.13**	**3,127.68**	**24.98**	**11.56**	**5.48**	**12,135.25**	**0.56**	**0.56**
As at 31 March 2018	**5,962.11**	**208.48**	**2,493.67**	**2,488.15**	**18.75**	**9.58**	**4.21**	**11,184.95**	**-**	**-**
Capital work-in- progress										
Balance as at 1st April , 2016	-	-	-	-	-	-	-	49.76	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Assets capitalised during the year				-		-	-	49.76	-	-
Balance as at 31 March 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions	-	-	-	-	-	-	-	**36.84**	-	-
Assets capitalised during the year								-		
Balance as at 31 March 2018	-	-	-	-	-	-	-	**36.84**	-	-

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
5	**Non- Current Assets: Financial Assets**			
	5.1 Investments			
	A Unquoted Investment			
	Investments in Subsidiaries (At Cost) 51,00,000 (Previous year March 31, 2017 100,000 shares, April 01 2016 Nil shares) of Dalmia Seven Refractories Ltd of ₹ 10 each fully paid	510.00	10.00	-
	B Quoted Investment			
	Quoted fully paid up Equity Shares of Others (At FVTOCI) 1,000 Shares (Previous year March 31, 2017, 1000 shares, April 01, 2016 1000 shares) of Dalmia Bharat Sugar Industries Limited of ₹ 2.00 each	0.64	1.74	0.99
	3,49,476 (Previous year March 31, 2017 3,49,476; April 01, 2016 3,49,476) Shares of Dalmia Bharat Limited of ₹ 2.00 each	10,044.46	6,869.64	2,792.83
		10,555.10	6,881.38	2,793.82
	Aggregate amount of Non Current Investments.			
	Particulars			
	Aggregate amount of quoted investments	10,045.10	6,871.38	2,793.82
	Market value of quoted investments	10,045.10	6,871.38	2,793.82
	Aggregate amount of unquoted investments	510.00	10.00	-
	5.2 Loans			
	Advances to Employees			
	- Unsecured & Good	10.59	17.70	19.37
	Security Deposit			
	- Unsecured & Good	77.59	94.86	83.35
		88.18	**112.56**	102.72
	Current Assets:			
6	**Inventories**			
	Raw materials	2,435.10	1,218.55	1,593.77
	Work - in - progress	234.91	217.16	261.82
	Finished goods	1,916.82	1,862.11	1,736.24
	Stores and spares	389.34	349.07	370.93
	Loose tools	2.92	4.37	7.07
	Goods in transit:			
	Raw materials	197.96	22.88	75.07
	Stores and spares	0.76	-	9.49
		5,177.81	3,674.14	4,054.39

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
				₹ in Lakhs
7	**Current financial assets**			
7.1	**Current Investments**			
	Mutual Funds (At FVTPL)			
	HDFC Floating Rate Fund (Units 2947 Previous year March 31, 2017 : 2812, April 01, 2016 : 2659.)	0.30	0.29	0.27
	Birla Sunlife Cash Plus Growth Direct (Units Nil Previous year March 31, 2017 : 378414, April 01, 2016 : Nil)	-	300.09	-
	Birla Sunlife Savings fund Growth Direct (Units Nil Previous year March 31, 2017 : 114839, April 01, 2016 : Nil)	-	1,211.34	-
		0.30	1,511.72	0.27
	Aggregate Book value of quoted investments	**0.30**	1,511.72	0.27
	Fair value of quoted investments	**0.30**	1,511.72	0.27
7.2	**Trade Receivable**			
	Trade Receivable			
	- Unsecured, considered good	2,341.69	1,578.10	2,942.53
	- Unsecured, considered doubtful	243.61	226.24	226.24
	Less : Provision for bad debt	(243.61)	(226.24)	(226.24)
		2,341.69	1,578.10	2,942.53
7.3	**Cash & Cash Equivalent**			
	Balances with banks			
	- in Current Accounts	105.13	205.67	478.58
	Cash on hand	0.00	1.10	6.39
	Cheques in hand	0.52	1.19	3.16
	Silver Coins/Stamps	0.12	0.11	0.11
		105.77	208.07	488.24
7.4	**Bank Balances**			
	Margin Money	5.91	4.40	4.31
	Margin money with bank (including accrued interest)			
	- Earmarked for unpaid dividend	12.17	16.36	20.59
	- Earmarked for Debenture and Interest	2.26	2.40	-
	- Earmarked for NCD Application money	-	-	0.08
		20.34	23.16	24.98

There is no amount due and outstanding to be credited to the Investor Education and Protection Fund. During previous year ₹ 5.82 lakh (PY 2017 ₹ 5.08 lakh; PY 2016 ₹ 2.39 lakh) on account of unclaimed dividend and NCD Application money was credited to the Investor Education and Protection Fund.

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
7.5	**Loans**			
	Amount recoverable from employees			
	- Unsecured, considered good	12.99	15.54	12.17
	Amount recoverable from others			
	- Unsecured, considered good	134.87	71.89	145.79
	- Unsecured & Doubtful	-	-	3.00
	Less: Provision for Doubtful advances	-	-	(3.00)
		147.86	87.43	157.96
	7.6 Others Financial Asset			
	Unsecured, considered good			
	- Interest receivable	2.35	3.47	3.33
		2.35	3.47	3.33
8	**Current Tax Assets:**			
	Advance income tax (net of provision for the year ended March 31, 2018 : 208.64 lakhs, March 31, 2017 : 179.00 lakhs, April 01, 2016 ₹ 133.00 lakhs)	102.84	156.21	163.17
		102.84	156.21	163.17
9	**Other Current Assets:**			
	Prepaid expenses	11.36	6.94	42.45
	Balance with statutory authorities	216.07	333.87	516.28
		227.43	340.81	558.73
10				
	10.1Share Capital			
	Authorised			
	5,000,000' Equity Shares of ₹ 10 each	500.00	500.00	500.00
	Total	**500.00**	500.00	500.00
	Issued, Subscribed & fully paid up			
	3,152,084 Equity shares of ₹ 10 each	315.21	315.21	315.21
	Total	**315.21**	315.21	315.21

(i) **Reconciliation of number and amount of equity shares outstanding:**

	No. of shares	Amount
As at 1st April 2016	3,152,084	315.21
Movement during the year	-	-
As at 31st March, 2017	3,152,084	315.21
Movement during the year		
As at 31st March, 2018	3,152,084	315.21

Rights, restrictions and preferences attached to each class of shares

The Company has only one class of equity shares having par value of ₹ 10/- per share Each holder of equity share is entitled to one vote per share.In the event of liquidation of the company, the holder of equity shares will be entitled to receive the assets of the company. The distribution will be in proportion the number of equity shares held by the shareholders.

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

(ii) **Details of shareholders holding more than 5% shares in the company**

₹ in Lakhs

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number	% Holding	Number	% Holding	Number	% Holding
Equity shares of ₹ 10 each fully paid						
Mayuka Investment Limited	-	-	-	-	614,396	19.49%
Ankita Pratisthan limited	-	-	-	-	402,091	12.76%
Sita Investment Co Ltd	-	-	-	-	312,300	9.91%
Alirox Abrasives Limited	247,187	7.84%	247,187	7.84%	247,187	7.84%
Mahendra Girdharilal Wadhawani	181,067	5.74%	181,067	5.74%	181,067	5.74%
Rama Investment Co. Private Limited	-	-	-	-	176,728	5.61%
Akhyar Estate Holding Private limted	1,446,840	45.90%	1,446,840	45.90%	-	-
Garvita Solutions Service and Private Limited	349,530	11.09%	349,530	11.09%	-	-

As per records of the company,including register of shareholders/members and other declaraions received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

10.2 Other Equity

		As at March 31, 2018 (₹)	As at March 31, 2017 (₹)	As at April 1, 2016 (₹)
a.	**Securities Premium Account**			
	Opening Balance	588.02	588.02	
	Closing Balance	**588.02**	588.02	588.02
b.	**Debenture Redemption Reserve**			
	Opening Balance	-	120.00	
	(-) Transfer to General reserve	-	120.00	
	Closing Balance	-	-	120.00
c.	**General Reserve**			
	Opening Balance	804.82	684.82	
	(+) Transfer from Debenture Redemption Reserve	-	120.00	
	Closing Balance	**804.82**	804.82	684.82
d.	**Retained Earnings**			
	Opening balance	10,519.92	10,560.81	
	Add : Transfer From Capital Reserve	-	-	
	(+) Net Profit/(Net Loss) For the current year	(317.46)	(21.92)	
	Remeasurement effect	-	-	
	Reversal/(Payment) of Dividend and CDT Payment	(37.95)	(18.97)	
	Closing Balance	**10,164.52**	10,519.92	10,560.81

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
e. Comprehensive Income			
Opening Balance	6,362.43	2,299.21	
Addition During The year	3,173.72	4,077.55	
Total Income recognised on Equity instruments	9,536.15	6,376.76	
Actuarial Gain & (Losses) on DBO	12.63	(14.33)	
Closing Balance	**9,548.79**	6,362.43	2,299.21
Grand Total	**21,106.14**	18,275.19	14,252.86

Nature and Purpose Of Reserves

a Securities premium represents the amount received in excess of par value of securities. Securities Premium is utilised in accordance with the Provisions of the Companies Act, 2013.

b Debenture redemption reserve was transferred to General Reserve subsequent to redemption of debentures.

c General Reserve is free reserve created by the Company by transfer from retained earnings.

d Equity instruments through other comprehensive income - The Company has elected to recognise changes in the fair value of investment in equity instruments in other comprehensive income. The changes are accumulated with in Fair Value through Other Comprehensive Income equity instruments reserve with in equity. The Company will transfer the amount from this reserve to retained earnings when the relevant equity securities are derecognised.

Non - current liabilities

11 Financial Liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings			
Secured at amortised cost			
Loans from banks			
- term loans	-	-	124.95
	-	**-**	124.95

Term Loan

Loans of ₹ Nil lakh (PY 2017 'Nil ,PY 2016 ₹ 244.95 lakh) as shown in Non Current Borrowing and current maturities of long term debts in Note-14.3 are secured by equitable mortgage of Factory Land and Building at Khambalia Unit of the Company. In addition to that secured by first charge over moveable fixed assets and hypothecation of Stocks and other current assets as collateral extension

The company during the year 2017 has paid off its entire term loan from internal accruals.

The interest rate for the said Term Loans varies from 11.85% to 12.00%.

12 Provisions

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits Leave Encahment	74.37	69.79	89.05
Provision against asset retiring obligation	311.99	309.54	306.96
	386.36	379.33	396.01

13 Deferred Tax Liability

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax liability			
On account of Property, Plant & Equipment	2,458.55	2,688.41	2,932.20
	2,458.55	2,688.41	2,932.20

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets			
On account of expenditure charged to Statement of profit and loss but allowed for tax purposes on payment basis.	35.00	40.45	34.02
On account of unabsorbed depreciation & business losses	37.77	-	87.13
On account of provision for doubtful debts	83.23	79.35	79.35
	156.00	119.80	200.50
Net deferred tax liability	2,302.55	2,568.61	2,731.70
MAT Credit Entitement	32.00	32.00	66.00
	2,270.55	2,536.61	2,665.70

(i) Movement in deferred tax items

Fy 17-18	**Opening Balance**	**Recognised in Profit & Loss Account**	**Recognised other comprehensive income**	**Closing Balance**
Deferred tax liability / (asset) on account of				
Difference in Book value of Tangible and Intangible assets	2,678.43	(237.94)		2,440.49
Difference in Book value of Inventory	9.98	8.08		18.06
Expenses allowed on payment basis	(40.45)	(1.24)	6.69	(35.00)
Provision created for bad & Doubtful debts	(79.35)	(3.88)		(83.23)
Recognition of DTA on business losses and accumulated depreciation	-	(37.77)		(37.77)
MAT Credit Entitlement	(32.00)	-	-	(32.00)
	2,536.61	(272.72)	6.69	2,270.55

Fy 16-17	**Opening Balance**	**Recognised in Profit & Loss Account**	**Recognised other comprehensive income**	**Closing Balance**
Deferred tax liability / (asset) on account of				
Difference in Book value of Tangible and Intangible assets	2,932.20	(253.77)		2,678.43
Difference in Book value of Inventory		9.98		9.98
Expenses allowed on payment basis	(34.02)	1.15	(7.58)	(40.45)
Provision created for bad & Doubtful debts	(79.35)	-		(79.35)
Recognition of DTA on business losses and accumulated depreciation	(87.13)	87.13		-
Mat Credit entitlement	(66.00)	34.00		(32.00)
Net Deferred tax liability / (asset)	2,665.70	(121.52)	(7.58)	2,536.61

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current liabilities			
14 Financial Liability			
14.1 Borrowings			
Secured - at amortised cost			
Loans repayable on demand			
- from banks Cash Credit	140.77	579.24	2,012.02
- from banks Buyers credit	2,377.30	1,649.54	380.12
	2,518.07	2,228.78	2,392.14

1 Cash credit from banks is secured by hypothecation of stocks of raw materials, semi-finished goods, finished goods, stores, spares, book debts and moveable fixed assets at the company's Dalmiapuram, Khambalia and Katni Units.

2 The Cash Credit is repayable on demand and carries interest and which varies from 9.25% to 11.60%.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
14.2 Trade Payables			
Trade Payables	2,704.10	2,134.14	2,957.85
Total	**2,704.10**	2,134.14	2,957.85

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Since there are no such parties identified based on the information so far available, the disclosure regarding overdue amounts and interest payable thereon are not given.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
14.3 Other financial liabilities			
Unpaid matured debentures and interest	2.25	2.40	-
Interest accrued but not due on borrowings	-	-	15.72
Current maturities of long term debt	-	-	120.00
Current maturities of long term debentures	-	-	240.00
Unpaid Dividend	12.17	16.36	20.59
Application money received for allotment of securities and due for refund and interest accrued thereon			
- 6% NCD Application money	-	-	0.08
	14.42	18.76	396.39

Debenture

6% Non Convertible Debentures of total value of ₹ 240 lakh were redeemed during the F.Y. 2016-17 at the face value of ₹ 10 each on 16.08.2016 at the end of seven years from the date of issue i.e. 14.08.2009. Debentures were Secured by Hypothecation and Pari Passu charge on Company's moveable and fixed assets at its Dalmiapuram Unit.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
15 Other current liabilities			
Advances from Customers	429.78	375.73	516.30
Statutory Liabilities	130.12	250.80	276.51
Other Payables	83.80	151.23	105.61
	643.70	777.76	898.42
16 Provision			
Provision for employee benefits Leave Encashment	26.82	47.08	9.26
Provision for employee benefits Gratuity	6.09	-	-
	32.91	47.08	9.26

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

₹ in Lakhs

			For the year ended March 31, 2018	For the year ended March 31, 2017
17	**Revenue from operations**			
	A.	**Sale (Gross of excise duty)**		
	i.	Sale of products		
		Refractories	17,161.52	16,875.87
		Calcined Bauxite	197.56	0.01
		Traded goods	424.61	137.32
			17,783.69	17,013.20
	ii.	**Sale of Services**	235.99	315.24
			235.99	315.24
			18,019.68	17,328.44
	B.	**Other Operating Revenue**		
		Sale of NPG Bauxite	-	400.62
		Scrap Sales	71.11	72.22
			71.11	472.84
			18,090.79	17,801.28
18	**Other income**			
		Interest income from bank/others	20.19	10.54
		Dividend income	7.72	0.02
		Provision/liabilities no longer required written back	59.81	15.29
		Profit on Sale of an Property plant and equipment	245.12	0.03
		Net gain/loss on sale of current investments	58.87	11.68
		Foreign Exchange Fluctuation	17.00	46.18
		Other non operating income	72.26	34.19
			480.97	117.93
19	**Cost of Material consumed**			
		Raw Material Consumed	10,666.61	8,532.62
			10,666.61	8,532.62
20	**Changes in inventories of finished goods and work - in - progress**			
		Inventories at the beginning of the year		
		Work-in-Process	217.16	261.82
		Finished Goods	1,862.11	1,736.24
			2,079.27	1,998.06
		Less - Inventories at the end of the year		
		Work-in-Process	234.91	217.16
		Finished Goods	1,916.82	1,862.11
			2,151.73	2,079.27
		Changes in inventories of finished goods and work - in - progress	**(72.46)**	(81.21)
21	**Employee benefits expense**			
		Salaries, wages, Allowances & Commission	2,358.14	2,103.77
		Contribution to Provident & Other funds	101.58	102.67
		Gratuity & Pension	125.56	114.93
		Staff welfare expenses	104.23	112.50
			2,689.51	2,433.87

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

₹ in Lakhs

		For the year ended March 31, 2018	For the year ended March 31, 2017
22	**Finance costs**		
	Interest on Term Loans	-	13.73
	Interest on Cash Credits	18.87	106.86
	Interest on Debentures	-	5.33
	Unwinding Discount	29.41	29.16
	Interest - Others	42.85	5.12
		91.13	160.20
23	**Depreciation and amortization expense**		
	Depreciation of tangible assets	903.00	1,003.24
	Amortization of intangible assets	0.56	7.36
		903.56	1,010.60
24	**Other expenses**		
	Consumption of stores & spare parts	202.59	179.80
	Power and fuel	1,379.33	1,017.57
	Packing freight & transport	600.71	550.50
	Commission	247.24	307.10
	Rebate Discount & Allowances	30.50	46.21
	Rent	20.89	19.01
	Repairs to buildings	25.10	39.30
	Repairs to machinery	405.99	450.52
	Repairs others	46.00	85.82
	Insurance	13.60	29.28
	Rates and taxes	22.79	19.00
	Payment to the auditors		
	- as auditor	8.04	4.27
	- for other services	10.62	5.94
	- for reimbursement of expenses	5.84	1.34
	Advertisement & publicity	2.77	2.80
	Bad Debt written off	6.79	21.44
	Loans and advances written off	-	19.50
	Provision for Doubtful Debt	17.37	-
	Travelling & Conveyance	286.99	286.95
	Donations	0.79	0.98
	Professional & Legal Fees	466.47	374.42
	Bank Charges	94.78	71.42
	Brick Lining Expenses	229.70	280.01
	Miscellaneous expenses	165.37	235.06
		4,290.27	4,048.24
25	**Tax expense**		
	Current tax	29.64	113.00
	Deferred tax		
	- Deferred tax Asset	(272.72)	(155.52)
	- Mat Credit Utilisation / (Adjustment)	-	34.00
	Income Tax pertaining to earlier years	-	2.19
		(243.08)	(6.33)

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

₹ in Lakhs

		For the year ended March 31, 2018	For the year ended March 31, 2017
	Income tax recognised in other comprehensive income	**For FY 17-18**	**For FY 16-17**
	Deferred tax related to items recognised in other comprehensive income during the year:		
	Remeasurement of defined benefit obligations	(6.69)	7.58
	Fair valuation of Equity Instruments	-	-
	Total income tax expense recognised in other comprehensive income	(6.69)	7.58
	Bifurcation of the income tax recognised in other comprehensive income into:		
	Items that will not be reclassified to profit or loss	(6.69)	7.58
	Items that will be reclassified to profit or loss	-	-
	Total income tax expense recognised in other comprehensive income	(6.69)	7.58
	Total income tax expense recognised in profit & loss account	**(236.39)**	**(13.91)**
	Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:	34.608%	34.608%
	Profit / (loss) before tax	(560.54)	(28.25)
	Income tax expense calculated at **34.608%** (including surcharge and education cess)	(193.99)	(9.78)
	Effect of income that is not chargeable to tax	(2.67)	0.44
	Effect of income Chargeable at different rate of tax	(55.19)	-
	Impact of chage in tax rate	5.36	-
	Effect of expenses that are deductible in determining taxable profit		
	Effect of expenses that are non-deductible in determining taxable profit	10.10	27.24
	Utilisation of MAT cedits	-	(34.00)
	Impact of Tax Pertaining to earlier years		2.19
	Total income tax expense recognised in profit & loss account	**(236.39)**	(13.91)
26	**Other Comprehensive Income**		
	Item that will not be reclassified to profit or loss		
	- Acturial gain / (loss) on defined benefit obligation	19.32	(21.91)
	- Fair valuation of equity instruments at FVTOCI	3,173.72	4,077.55
	Total Other Comprehensive Income	**3,193.04**	4,055.64
27	**Earning per Share**		
	Profit after tax	(317.46)	(21.92)
	Number of equity shares outstanding during the period (weighted average)	3,152,084	3,152,084
	Nominal value of equity shares (₹ 10.00 each)	10.00	10.00
	Earning per share (₹) Basic	(10.07)	(0.70)
	Earning per share (₹) Diluted	(10.07)	(0.70)

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

28 Capital Commitments

₹ in Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance Nil PY 2017 Nil ; PY 2016 Nil)	-	-	3.16

29 Contingent Liabilities

₹ in Lakhs

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i	Other monies for which the company is contigently liable including bank gurantees,	255.01	552.48	706.77
ii	Letter of Credit opened by bank	0.00	315.12	17.25
iii	Claims against the company not acknowledge as debt and being contested before the appropriate authorities.			
-	Excise matters	101.87	78.87	82.73
-	Sale tax matters	125.15	125.15	122.00
-	Other matters	109.94	109.94	106.65

30 Remuneration paid to Auditors (included in Other Expenses) :

₹ In lakh

S. No.	Particulars	2017-18	2016-17
	Statutory Auditor		
i	Audit Fee	8.04	4.27
ii	Certification/other Services	10.62	5.94
iii	Out of Pocket Expenses	5.84	1.34
	Total	**24.50**	**11.55**

31 The Company during the year has entered into a Shareholders' Agreement with Seven Refractories GesmbH(SR) and Dalmia Seven Refractories Limited(DSRL), on 6th April, 2017 to carry on the business of manufacturing and selling of monolithic refractory products and rendering of services incidental thereto. In terms of the agreement, the shareholding of the Company and SR in DSRL will be in the ratio of 51:49 respectively and DSRL will continue to remain the subsidiary of the Company.

32 Segment Information

(i) General Disclosure

The Company is primarily is in the business of refractory manufacturing and selling. It produces High Alumina Refractory Bricks, Castables and Supplying to Core Industries namely Cement, steel and others. Hence there is only one identified reportable segments as per Ind As 108 - Segment reporting.

The above reportable segment have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments.

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

(ii) Entity wide disclosure required by IND AS 108 are made as follows:

a) Revenues from sale of products to external customers

₹ in Lakhs

Particulars	**2017-18**	**2016-17**
India	16,093.94	15643.19
Outside India	1,689.75	1370.01
Total	**17,783.69**	17,013.20

b) **Segment Assets**

All Assets are within India only.

(iii) Information about major customers:

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31st March, 2018 and 31st March, 2017

33 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 makesprovision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

A. Statement of profit and loss

Net employee benefit expense

₹ in lakh

	2017-18		**2016-17**	
Particulars	**Gratuity (funded)**	**Leave encash-ment**	**Gratuity (funded)**	**Leav encash-ment**
Current Service cost	25.83	12.21	24.93	12.86
Interest Cost	26.64	8.77	26.19	7.87
Expected return on plan asset	(20.19)	-	(23.27)	-
Total Expense	**32.28**	**20.98**	**27.85**	**20.73**

Dalmia Refractories

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for gratuity and Leave Encashment

₹ in lakh

Particulars	2017-18		2016-17	
	Gratuity (funded)	Leave encash-ment	Gratuity (funded)	Leave encash-ment
Present value of Obligation as at year-end	363.68	101.19	355.17	116.87
Fair value of plan assets	264.74	-	269.19	-
Net Asset/(Liability) recognized in the Balance Sheet*	(98.94)	(101.19)	(85.98)	(116.87)

* Payment made towards Gratuity for planned Asset ₹ 92.85 lakhs for year 2017-18 & ₹ 85.98 lakhs for year 2016-17.

(ii) Changes in the present value of the defined benefit obligation are as follows:

₹ in lakh

Particulars	2017-18		2016-17	
	Gratuity (funded)	Leave encash-ment	Gratuity (funded)	Leave encash-ment
Opening defined benefit obligation	**355.17**	116.87	**327.39**	98.31
Interest cost	**26.64**	8.77	**26.19**	7.87
Current service cost	**25.83**	12.21	**24.93**	12.86
Benefit paid	**(26.66)**	(45.98)	**(45.98)**	(26.05)
Actuarial (gains)/losses on obligation	**(17.30)**	9.32	**22.64**	23.88
Closing defined benefit obligation	**363.68**	101.19	**355.17**	116.87

(iii) Changes in the fair value of plan assets (gratuity) are as follows:

₹ in lakh

Particulars	2017-18	2016-17
Opening fair value of plan assets	**269.19**	290.91
Expected return on Plan Assets	**20.19**	23.27
Contribution during the year	**98.94**	85.98
Amount Receivable from LIC	**(15.32)**	(9.06)
Actuarial gains / (losses) on plan asset	**2.02**	0.73
Benefit paid	**(11.34)**	(36.66)
Closing fair value of plan assets	**363.68**	355.17

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2017-18	2016-17
Discount rate (%)	7.73%	7.50%
Expected salary increase (%)	6.50%	6.00%
Demographic Assumptions		
Retirement Age (year)	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Withdrawal rate		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

v. Contribution to defined contribution plans:

₹ in lakh

Particulars	2017-18	2016-17
Provident fund	101.58	102.67

vi Sensitivity analysis of the defined benefit obligation:

₹ in lakh

Particulars	2017-18		2016-17	
	Gratuity (funded)	Leave encash-ment	Gratuity (funded)	Leave encash-ment
Impact of the change in discount rate				
Impact due to increase of 0.50%	(11.11)	(3.74)	(9.99)	(3.45)
Impact due to decrease of 0.50%	11.86	4.07	10.36	3.75
Impact of the change in salary increase				
Impact due to increase of 0.50%	11.94	4.10	10.39	3.78
Impact due to decrease of 0.50%	(11.29)	(3.81)	(10.00)	(3.52)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

vii Other comprehensive income (OCI):

₹ in lakh

Particulars	2017-18	2016-17
	Gratuity	Gratiuty
Net cumulative unrecognized actuarial (gain)/loss opening		
Actuarial (gain)/loss for the year on PBO	17.30	(22.64)
Actuarial (gain)/loss for the year on plan asset	2.02	0.73
Unrecognized actuarial (gain)/loss at the end of the year	-	-
Total actuarial (gain)/loss at the end of the year	19.32	(21.91)

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

34 Related Party Transaction

A. Relationships

i) Subsidiary of the Company : Dalmia Seven Refractories Limited

ii. Key Managerial Person

Mr. C.N. Maheshwari	Chief Executive Officer
Mr. S.K. Srivastava	Chief Financial Officer
Ms. Akansha Jain	Company Secretary

iii. Promoters of the Company/Relatives of the Promoters :-

Mr. J. H. Dalmia, Mr. Y. H. Dalmia, J. H. Dalmia (HUF), Y. H. Dalmia (HUF), Mr. Gautam Dalmia, Mr. Puneet Yadu Dalmia, Gautam Dalmia (HUF), Ms. Kavita Dalmia, Ms. Bela Dalmia, Ms. Anupama Dalmia, Ms. Avantika Dalmia, Ms. Shrutipriya Dalmia, Ms. Sukeshi Dalmia, Ms. Vaidehi Dalmia, Ms. Sumana Dalmia, Ms. Avanee Dalmia, Mst Priyang Dalmia,

iv. Enterprises controlled by the Promoters of the Company :-

Rama Investment Company Private Limited, Puneet Trading & Investment Company Private Limited, Sita Investment Company Limited, Mayuka Investment Limited, Ankita Pratisthan Limited, Himgiri Commercial Limited, Valley Agro Industries Limited, Shree Nirman Limited, Keshav Power Limited, Avanee and Ashni Securities Private Limited, OCL India Limited, ZipAhead.Com Private Limited, Alirox Abrasives Limited, Dalmia Bharat Limited (formerly Dalmia Bharat Enterprises Limited), Kanika Investment Limited, Ishita Properties Limited, Dalmia Cement (Bharat) Limited, D.I. Properties Limited, Geetee Estates Limited, Hemshila Properties Limited, Shri Rangam Properties Limited, Arjuna Brokers & Minerals Limited, Dalmia Minerals & Properties Limited, Shri Radha Krishna Brokers & Holdings Limited, Dalmia Power Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Madhusudhana Mines and Properties Limited, Sri Trivikrama Mines & Properties Limited, Sri Dhandauthapani Mines & Minerals Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, Rajputana Properties Private Limited, Golden Hills Resorts Private Limited, Dalmia Bharat Sugar and Industries Limited, Himshikhar Investment Limited, Dalmia Solar Power Limited, Dalmia Sugar Ventures Limited, Sukeshi Trust, Vaidehi Trust, Sumana Trust, Shrutipriya Dalmia Trust, Priyang Trust, Avanee Trust, Adhunik Cement Ltd., Adhunik MSP Cement (Assam) Ltd, Calcom Cement (India) Ltd, Vinay Cement Ltd, RCL Cements Ltd., SCL Cements Ltd, Khappal Coal Co. Pvt. Ltd., Shri Chamundeswari Minerals Ltd., Shri Yadu Hari Trusteeship Services Pvt. Ltd., YHD Trusteeship Services Pvt. Ltd., Vastalaya Developers Pvt. Ltd., Vinimay Developers Pvt. Ltd., Dalmia Bharat Cements Holdings Ltd., Sri Rangam Securities and Holdings Ltd., Shri Investments,Yadu Hari Dalmia Parivar Trust, Respect Elders & Co., Love Children & Co., Respect Nature & Society, Shri Brahma Creation Trust, Shri Vishnu Preservation Trust, Shubh Home Realtors LLP., Dalmia Cement EastLimited, Glow Homes Technologies Private Limited, Jayevijay Agro Farms Private Limited, OCL Global Limited, OCL China Limited, Odisha Cement Limited, Bangaru Kamak Shiamman Agro Farms Pvt. Ltd.,Coin Tribe Technologies Pvt. Ltd., Tijori Capital Pvt. Ltd., Samagama Holdings and Commercial Pvt. Ltd.,Antordaya Commercial and Holdings Pvt. Ltd., Akhyar Estate Holdings Pvt. Ltd., Adhirath Power and Holdings Private Limited, Hareon Dalmia Solar Private Limited, Alsthom Industries Limited, Vanika Commercial and Holdings Private Limited, Dalmia Stefanutti Stocks Private Limited, Garvita Solution Services and Holdings Private Limited, Jai Hari Dalmia Parivar Trust, Jai Hari Dalmia Trust, Kavita Dalmia Trust, Y.H.Dalmia Parivar Trust, Bela Dalmia Parivar Trust, Puneet Dalmia Parivar Trust, Avantika Dalmia Parivar Trust, Shrutipriya Dalmia Parivar Trust, Avanee Dalmia Parivar Trust, Priyang Dalmia ParivarTrust and Dalmia Bharat Parivar Trust, Dalmia Mining & Services Pvt. Ltd, Dalmia Renewables Energy Ltd, Sarvapriya Healthcare Solutions Private Ltd,

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

B. The following transactions were carried out with the related parties in the ordinary course of business:

₹ in Lakhs

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year 2017-18	For the year 2016-17
Promoter Controlled enterprises	Dalmia Cement (Bharat) Ltd	Sale of Goods & Services	**910.39**	793.05
	Adhunik Cement Limited		**186.49**	188.99
	Dalmia Bharat Sugar & Industries Limited		**16.02**	3.61
	OCL India Limited		**508.33**	851.82
	Calcom Cement (India) Ltd		**27.26**	129.95
	Dalmia Cement (Bharat) Ltd	Purchase of goods & Services	**448.23**	201.34
	OCL India Limited		**105.74**	42.28
	Alirox Abrasives Ltd.		**21.10**	17.25
	Govan Travels (Prop. Dalmia Bharat Sugar & Industries Ltd.)		**46.83**	27.57
	Dalmia Cement (Bharat) Ltd	Reimbursement of expenses paid	**1.66**	1.91
	Shri Chamundeswari Minerals Limited		**4.95**	2.75
	Dalmia Bharat Limited		**314.35**	279.36
Subsidiaries	Dalmia Seven Refactories Limited	Reimbursement of expenses received	**-**	0.57
		Investment	**500.00**	10.00
		Sale of Land	**308.00**	-
Key Management Personnel	Mr. C.N Maheshwari- CEO	Salary & Perquisites	**77.48**	70.65
	Mr. S.K Srivastava - CFO		**33.90**	32.21
	Ms. Akansha Jain - CS		**4.15**	3.95

C. Balances outstanding at year end:

₹ in Lakhs

Nature of Relationship	Name of Related Party	Nature of Transaction	31-Mar-18	31-Mar-17	1-Apr-16
Promoter Controlled enterprises	Dalmia Bharat Sugar & Industries Limited	Outstanding balance at year end **(Amount Receivable)**	-	-	0.87
	OCL India Limited		133.13	75.47	80.64
	Adhunik Cement Limited		134.36	42.27	
	Dalmia Cement (Bharat) Ltd		68.90	67.88	27.92
	Calcom Cement (India) Ltd		12.01	67.11	47.92
Key Management Personnel - CFO	Mr. S.K Srivastava- CFO		-	4.16	-
Promoter Controlled enterprises	Dalmia Bharat Limited	Outstanding balance at year end **(Amount payable)**	36.87	18.59	18.12
	Dalmia Cement (Bharat) Ltd		-	0.75	-
	Govan Travels (Prop. Dalmia Bharat Sugar & Industries Ltd.)		1.84	1.77	3.00
	Shri Chamundeswari Minerals Limited		0.57	0.28	-
	OCL India Limited		13.79	-	5.86

35 Expenditure incurred on Corporate Social Responsibilities

Pursuant to section 135 of the Companies Act, 2013, regarding the Corporate Social Responsibility, the same is not applicable to the Company for the Financial year 2017-18.

36 Dividend

The Board of Directors are pleased to recommend a dividend of 5 % amounting to ₹ 0.50 (₹ 1.0 previous year) per equity share of the face value of ₹ 10 each. The dividend payout is subject to the approval of shareholders in the ensuing Annual General Meeting.

37 Events occurring After the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

38 All amounts including those in contingent liabilities and notes have been expressed in Rupees lakh rounded off to the nearest thousands. Figures less than Rupees five hundred which are required to be shown separately have been shown at actuals in double bracket.

39 Financial Risk Management Objectives And Policies

Financial Risk Factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise approrpiate risk management framework for the Company. The senior management provides assurance 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

A. 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

To manage this, Company periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Company for extension of credit to customer Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. 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 40. 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.

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

₹ in lakhs

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months	Upto 6 months	More than 6 months
Gross carrying amount (A)	2,190.33	394.97	1,398.92	405.42	2,473.16	695.61
Expected Credit Losses (B)	-	(243.61)	-	(226.24)	-	(226.24)
Net Carrying Amount (A-B)	**2,190.33**	**151.36**	**1,398.92**	**179.18**	**2,473.16**	**469.37**

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. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018, March 31, 2017 is the carrying amounts as illustrated in note 40.

B. Liquidity Risk :

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of **cash credit facilities, short term loans and buyers credit**. The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

Table hereunder provides the current ratios of the Company as at the year end

₹ in lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Total current assets	**8126.39**	7,583.11	8,393.60
Total current liabilities	**5913.20**	5,206.52	6,654.06
Current ratio	**1.37**	1.46	1.26

The table below summarises the maturity profile of the Company's financial liabilities :

₹ in lakhs

Particulars	Payable on demand	Less than 1 year	More than 1 year	Total
As at April 1, 2016				
Borrowings	-	2,752.14	124.95	2,877.09
Other financial Liabilities	20.59	15.80	-	36.39
Trade and other payables	-	2,957.85	-	2,957.85
Total	20.59	5,725.79	124.95	5,871.33
As at March 31, 2017				
Borrowings	-	2,228.78	-	2,228.78
Other financial Liabilities	18.76	-	-	18.76
Trade and other payables	-	2,134.14	-	2,134.14
Total	18.76	4,362.92	-	4,381.68
As at March 31, 2018				
Borrowings	-	2,518.07	-	2,518.07
Other financial Liabilities	14.42	-	-	14.42
Trade and other payables	-	2,704.10	-	2,704.10
Total	14.42	5,222.17	-	5,236.59

C. 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. The Company is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. The Company is exposed to following key market risks:

i. 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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short term borrowings obligations in the form of cash credit and buyer's credit carrying floating interest rates.

₹ in Lakhs

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Borrowing
As at March 31, 2018	-	2,518.07	**2,518.07**
As at March 31, 2017	-	2,228.78	**2,228.78**
As at April 1, 2016	240.00	2,637.09	**2,877.09**

Sensitivity analysis - For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

₹ in Lakhs

Sensitivity on variable rate borrowings	Impact on Profit & Loss Account	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest rate increase by 0.25%	(5.93)	(6.08)
Interest rate decrease by 0.25%	5.93	6.08

ii. 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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings and foreign paybles on account of import of raw materials and other consumables. This foreign currency risk is covered by using foreign exchange forward contracts and currency swap contracts.

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

The details of foreign currency exposure is as follows:

₹ in lakhs

Particulars	**FY 2017-18**		**FY 2016-17**		**1st April , 2016**	
	In FC	**In ₹ lakhs**	**In FC**	**In ₹ lakhs**	**In FC**	**In ₹ lakhs**
Unhedged Foreign Currency Trade Paybles - Purchase of Raw Material	USD 747,250 EURO 1,155	486.11 0.93	USD 940,550 EURO 21,960	609.84 15.21	USD 1,044,539 EURO 67,310	692.87 50.55
Buyers credit	USD 2,767,516 EURO 344,280	1800.11 277.57	USD 692,250 EURO 116,064	448.85 80.37	USD 432,150	286.66
Balance in EEFC account	-	-	-	-	USD 413,660	274.39
Trade Receivable - Export	USD 79,000 EURO 152,422	51.38 122.89	USD 33,420 -	21.88 -	USD 68,360 -	45.40 -
Hedged Foreign Currency Buyers credit (USD) Trade Paybles - Purchase of Raw Material	USD 460,649	299.62	USD 1,625,903	1120.32	USD 138,750 USD 350,000	93.46 235.89

Rate Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

₹ in lakhs

Particulars	**Increase / Decrease in basis points**	**Impact on Profit & Loss Account**	
		For the year ended 31st March, 2018	**For the year ended 31st March, 2017**
USD Sensitivity	+ 50 basis points	(1.72)	(0.80)
	- 50 basis points	1.72	0.80
Euro Sensitivity	+ 50 basis points	(0.10)	(0.07)
	- 50 basis points	0.10	0.07

* Holding all other variable constant

40 Financial Instrument - Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

Financial Assets

₹ in Lakhs

Sl. No	Particulars	Note	Fair value hierarchy	At at March 31, 2018 Carrying Amount	At at March 31, 2018 Fair Value	At at March 31, 2017 Carrying Amount	At at March 31, 2017 Fair Value	At at April 1, 2016 Carrying Amount	At at April 1, 2016 Fair Value
1	**Financial assets designated at fair value through profit and loss**								
	Current								
	- Investment in mutual funds and others	A	Level-1	0.30	0.30	1,511.72	1,511.72	0.27	0.27
2	**Financial assets designated at fair value through other comprehensive income**								
	Non Current								
	- Investment In Equity shares	B	Level-1	10,045.10	10,045.10	6,871.38	6,871.38	2,793.82	2,793.82
3	**Financial assets designated at amortised cost**	D							
	Non Current								
a)	Loans			88.18	88.18	112.56	112.56	102.72	102.72
	Current								
a)	Trade receivables *			2,341.69	2,341.69	1,578.10	1,578.10	2,942.53	2,942.53
b)	Cash & Cash Equivalents *			105.77	105.77	208.07	208.07	488.24	488.24
c)	Other Bank Balances *			20.34	20.34	23.16	23.16	24.98	24.98
d)	Loans*			147.86	147.86	87.43	87.43	157.96	157.96
e)	Other financial assets*			2.35	2.35	3.47	3.47	3.33	3.33
4	**Investment in subsidiary company**	C		510.00	510.00	10.00	10.00	-	-
				13,261.59	**13,261.59**	**10,405.89**	**10,405.89**	**6,513.85**	**6,513.85**

Financial Liabilities

Sl. No	Particulars	Note	Fair value hierarchy	At at March 31, 2018 Carrying Amount	At at March 31, 2018 Fair Value	At at March 31, 2017 Carrying Amount	At at March 31, 2017 Fair Value	At at April 1, 2016 Carrying Amount	At at April 1, 2016 Fair Value
1	**Financial liability designated at amortised cost**	D							
	Non Current								
	- Borrowings			-	-	-	-	124.95	124.95
	Current								
	- Borrowings			2,518.07	2,518.07	2,228.78	2,228.78	2,392.14	2,392.14
	- Trade payables *			2,704.10	2,704.10	2,134.14	2,134.14	2,957.85	2,957.85
	- Other financial liability *			14.42	14.42	18.76	18.76	396.39	396.39
				5,236.59	**5,236.59**	**4,381.68**	**4,381.68**	**5,871.33**	**5,871.33**

The fair value of financial assets and liabilities are 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.

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

A Company has opted to fair value its mutual fund investment through profit & loss

B Company has opted to fair value its quoted investments in equity share through OCI

C As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries at cost.

D Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

41 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.

₹ in Lakhs

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**	**As at 1st April, 2016**
Debt (i)	2,518.07	2,228.78	2,517.09
Cash & bank balances	126.11	231.23	513.22
Net Debt	2,391.96	1,997.55	2,003.87
Total Equity	21,421.35	18,590.40	14,568.07
Net debt to equity ratio (Gearing Ratio)	0.11	0.11	0.14

(i) Debt is defined as long-term and short-term borrowings

42 Transition to Ind As

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 01, 2016. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the previously applicable Indian GAAP (Previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, 'First-time Adoption' of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017. The Company's opening Ind AS Balance Sheet has been prepared as at April 01, 2016, the date of transition to Ind AS.

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

(a) Ind AS optional exemptions

Deemed cost

Ind AS 101 permits a first-time adopter to measure all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS at fair value or Previous GAAP carrying value and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, “Intangible Assets”. Accordingly, the Company has elected to measure all of its property, plant and equipment (PPE) at their fair values. The Company has elected to use Previous GAAP carrying value as deemed cost for Intangible Assets covered by Ind AS 38, “Intangible Assets”.

Decommissioning liabilities included in the cost of property, plant and equipment

Appendix ‘A’ to Ind AS 16 Changes in Existing Decommissioning, Restoration and Similar Liabilities requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. Ind AS 101 permits a first-time adopter to not comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind ASs.The Company has availed the exemption for decommissioning and restoration liability and accordingly measured the discounted liability as at the date of transition, the liability prior to transition date is adjusted in retained earnings. The impact of such measurement is provided in summary of effect of transition.

Designation of previously recognised financial instruments
Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances on the date of transition to Ind AS.The Company has elected to apply this exemption for its investment in equity investments.

(b) Ind AS mandatory exceptions
The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i. Estimates

The Company’s estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April, 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP except where Ind AS required a different basis for estimates as compared to the Indian GAAP.

ii. Classification and measurement of financial assets:- The Company has classified the financial assets in accordance with Ind AS 109 “ Financial Instruments” on the basis of facts and circumstances that exist at the date of transition to Ind AS.

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

Reconciliation of balance sheet as previously reported under Previous GAAP to IND AS as at April 01, 2016

	As at April 1, 2016 ₹ in lakh	As at April 1, 2016 ₹ in lakh	As at April 1, 2016 ₹ in lakh
	IGAAP	**Adjustment**	**AS per IND AS**
Assets			
Non - current assets			
Property, plant and equipment	3,328.25	9,732.72	13,060.97
Capital work - in - progress	49.76	-	49.76
Other intangible assets	7.92	-	7.92
Financial assets			
Investments	494.62	2,299.20	2,793.82
Trade receivables			
Loans	331.88	(229.16)	102.72
Deferred tax assets (net)			
Other non - current assets	3.51	(3.51)	-
	4,215.94	**11,799.25**	**16,015.19**
Current assets			
Inventories	4,054.39	-	4,054.39
Financial assets			
Investments	0.27	-	0.27
Trade receivables	2,942.53	-	2,942.53
Cash and cash equivalents	509.71	(21.47)	488.24
Bank Balances		24.98	24.98
Loans	716.68	(558.72)	157.96
Others		3.33	3.33
Current tax assets (net)		163.17	163.17
Other current assets	3.33	555.40	558.73
	8,226.91	**166.69**	**8,393.60**
Total Assets	**12,442.85**	**11,965.94**	**24,408.79**
Equity and liabilities			
Equity			
Equity share capital	315.21	-	315.21
Other equity	5,125.98	9,126.88	14,252.86
	5,441.19	**9,126.88**	**14,568.07**
Liabilities			
Non - current liabilities			
Financial liabilities			
Borrowings	124.95	-	124.95
Other financial liabilities			
Provisions	89.05	306.96	396.01
Deferred tax liabilities (Net)	114.63	2,551.07	2,665.70
Other non-current liabilities			-
	328.63	**2,858.03**	**3,186.66**
Current liabilities			
Financial liabilities			
Borrowings	2,392.14	-	2,392.14
Trade payables	2,957.85	-	2,957.85
Other financial liabilities	396.39		396.39
Other current liabilities	1294.81	(396.39)	898.42
Provsions	28.23	(18.97)	9.26
	6,673.03	**(18.97)**	**6,654.06**
Total Equity & Liabilities	**12,442.85**	**11,965.94**	**24,408.79**

Dalmia Refractories

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

Reconciliation of balance sheet as previously reported under previous GAAP to IND AS as at March 31, 2017

	As at March 31, 2017 ₹ in lakh	As at March 31, 2017 ₹ in lakh	As at March 31, 2017 ₹ in lakh
	IGAAP	**Adjustment**	**AS per IND AS**
Assets			
Non - current assets			
Property, plant and equipment	3,045.79	9,089.46	12,135.25
Capital work - in - progress	-	-	-
Other intangible assets	0.56	-	0.56
Financial assets			
Investments	504.62	6,376.76	6,881.38
Loans	300.77	(188.21)	112.56
Others		-	-
Other non - current assets	3.55	(3.55)	-
	3,855.29	**15,274.46**	**19,129.75**
Current assets			
Inventories	3,645.35	28.79	3,674.14
Financial assets			
Investments	1,500.29	11.43	1,511.72
Trade receivables	1,578.10	-	1,578.10
Cash and cash equivalents	227.68	(19.61)	208.07
Bank Balances		23.16	23.16
Loans	428.24	(340.81)	87.43
Others		3.47	3.47
Current tax assets (net)	156.21	156.21	156.21
Other current assets	3.47	337.34	340.81
	7,383.13	**199.98**	**7,583.11**
Total Assets	**11,238.42**	**15,474.44**	**26,712.86**
Equity And Liabilities			
Equity			
Equity share capital	315.21	-	315.21
Other equity	5,492.42	12,782.77	18,275.19
	5,807.63	**12,782.77**	**18,590.40**
Liabilities			
Non - current liabilities			
Financial liabilities	-	-	-
Provisions	69.79	309.54	379.33
Deferred tax liabilities (Net)	154.46	2,382.15	2,536.61
	224.25	**2,691.69**	**2,915.94**
Current liabilities			
Financial liabilities			
Borrowings	2,228.78	-	2,228.78
Trade payables	2,134.14	-	2,134.14
Other financial liabilities		18.76	18.76
Other current liabilities	796.54	(18.78)	777.76
Provsions	47.08	-	47.08
	5,206.54	**(0.02)**	**5,206.52**
Total Equity & Liabilities	**11,238.42**	**15,474.44**	**26,712.86**

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

Equity Reconcilation

	2017	₹ in lakh 2016
As Per Previous GAAP	**5,807.63**	**5,441.20**
Reversal of Proposed Dividend	-	18.97
Fair Valuation of Property, Plant and Equipment (PPE)	8,832.69	9,425.75
Fair Valuation of Non Current Investment	6,376.76	2,299.21
Depreciation Charge on Asset Retirement Obligation (ARO)	(23.61)	-
Unwinding of discount on ARO obligation	(29.16)	-
Impact on inventory due to increase in depreciation	28.79	-
Fair Valuation of Current Investment	11.43	-
Tax adjustments on above	(2,414.13)	(2,617.06)
As Per IND AS	**18,590.40**	**14,568.07**

Reconcilation of Statement of profit and loss as previously reported under previous GAAP to IND AS for the year ended 31.03.2017

₹ in lakh

Particulars	**As at March 31, 2017 ₹ in lakh** **IGAAP**	**As at March 31, 2017 ₹ in lakh** **Adjustment**	**As at March 31, 2017 ₹ in lakh** **AS per IND AS**
Revenue from operations	16,065.29	1,735.99	17,801.28
Other income	106.50	11.43	117.93
Total income	**16,171.79**	**1,747.42**	**17,919.21**
Expenses			
Cost of materials consumed	8,532.62	-	8,532.62
Purchases of stock in trade	118.23	-	118.23
Changes in inventories of finished goods and work - in - progress	(52.42)	(28.79)	(81.21)
Excise duty on sale		1,724.91	1,724.91
Employee benefits expenses	2,455.77	(21.90)	2,433.87
Finance costs	131.03	29.17	160.20
Depreciation and amortization expenses	393.93	616.67	1,010.60
Other expenses	4,037.17	11.07	4,048.24
Total expenses	**15,616.33**	**2,331.13**	**17,947.46**
Profit / (loss) before tax	555.46	(583.71)	(28.25)
Tax expense			
Current tax	113.00	-	113.00
Deferred tax	73.83	(195.35)	(121.52)
Income tax pertaining to earlier years	2.19	-	2.19
	189.02	**(195.35)**	**(6.33)**
Net Profit / (loss) after Tax for the year	**366.44**	**(388.36)**	**(21.92)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans	-	(21.91)	(21.91)
Income tax relating to items that will not be reclassfied to profit or loss	-	7.58	7.58
Re-measurement gains/(losses) on investment	-	4,077.55	4,077.55
	-	**4,063.22**	**4,063.22**
Total comprehensive income for the year	**366.44**	**3,674.86**	**4,041.30**

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

Profit reconcilation for the year ended March 31, 2017	**₹ in lakh Amount**
Profit As per previous GAAP March 31, 2017	**366.44**
Transfer of acturial loss to OCI	21.91
Additional Depreciation on PPE on account of fair valuation and ARO	(616.67)
Unwinding of discount on ARO	(29.16)
Imapct on change in inventory on account of additional depreciation	28.79
Impact on Tax on account of above adjustment	195.34
Fair Valuation of Current Investment	11.43
Profit As Per IND AS March 31, 2017	**(21.92)**
Other comprehensive income	
Items that will not be reclassified to profit or loss	
Re-measurement gains/(losses) on defined benefit plans	**(21.91)**
Income tax relating to items that will not be reclassfied to profit or loss	**7.58**
Re-measurement gains/(losses) on investment	**4,077.55**
	4,063.22
Total comprehensive income for the year	**4,041.30**

Impact of Transition to Ind AS on Cash Flow Statement

The Ind AS adjustments are either non cash adjustments or are regrouping among the Cash Flow from Operating, Investing and Financing Activities. Consequently, Ind AS adoption has no impact on net cash flow for the year ended 31st March, 2017 as compared with previous IGAAP.

Other comprehensive income

Under the previous GAAP, the Company did not present total comprehensive income and other comprehensive income. Hence, it has reconciled the previous GAAP profit to profit as per Ind AS. Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS.

Revenue

Under the previous GAAP, revenue from sale of goods was presented as net of excise duty on sales. However, under Ind AS, revenue from sale of goods includes excise duty and such excise duty is separately presented as an expense on the face of the Statement of Profit and Loss. Thus, under Ind AS, sale of goods for the year ended 31st March, 2017 has increased by **₹ 1735.99 lakhs**.

Deferred tax assets (net)

Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under the previous GAAP. Moreover, carryforward of unused tax credits are to be treated as deferred tax assets which was earlier considered as Other non-current non-financial assets.In addition, the various transitional adjustments lead to temporary differences and consequently deferred tax adjustments have been recognized in correlation to the underlying transaction in retained earnings. The net impact on deferred tax liabilities has increased by **₹ 2551.07 lakhs and ₹ 2382.15 lakhs** as at the date of transition and for the year ended on 31st March 2017 respectively.

Property, plant and equipment & Depreciation

The company has elected to measure items of property, plant and equipment at its fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, the value of freehold land and other items of PPE

NOTES TO FINANCIAL STATEMENTS AS ON MARCH 31, 2018

has increased by ₹ 5277.00 lakhs and ₹ 4148.75 lakhs respectively. Hence on account of revaluation additional depreciation of ₹ 593.06 lakhs has been charged for the year ended 31st March, 2017. Consequentially the closing stock of inventory has increased by ₹ 28.79 lakhs as on 31st March, 2017 .

Decommissioning liabilities or Assets Retirement obligation

Under Indian GAAP no obligation on account of decommissioning cost or asset retirement cost had been recognised. On the date of transition to Ind AS, Asset retirement Obligation of **₹ 306.97 lakhs** has been recognised and the cost of related asset has been increased by equivalent amount. In FY 2016-17 interest cost of **₹ 29.16 lakhs** on account of unwinding of discount of decommissionig liability and additional depreciation of **₹ 23.61 lakhs** has been charged in statement of profit & loss.

Investment

Under Indian GAAP, the company accounted for long term investments in quoted equity share measured at cost less provision for other than temporary diminution in the value of investments.Under Ind AS, the compay has designated such investments in quoted equity shares as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value with changes in fair value recognised in other comprehensive income. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in other comprehensive income, net of related deferred taxes.Further, in case of a subsidiary, the Company has the option to account for investment in shares either at cost/deemed cost or FVTOCI or FVTPL as at the transition date. As per the aforesaid alternatives, the Company has designated investment in the subsidiary (unquoted investment) at deemed cost i.e. the previous GAAP carrying amount as at the date of transition.Under Indian GAAP, the company accounted for current investments in debt based mutual funds as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the company has designated such investments as FVTPL investments. Ind AS requires FVTPL to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and carrying value as at the date of transition has been recognised in retained earnings, net of related deferred taxes.

Defined benefit obligation

Both under Indian GAAP and Ind AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, 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.Thus the employee benefit cost is increcase by **₹ 21.91 lakhs** as on March 31, 2017 and acturial losses on defined benefit plans of equivalent amount has been recognized in the OCI .

Capital Reserve

Certain government grant were received by the Company in past years as grant in the nature of promoter's contribution and recognized under Capital reserve as required under the previous GAAP. Ind AS does not permit recognition of government grant in the nature of promoter contribution to capital reserve.Under Ind AS, such government grants are required to be treated as an asset related grant and to be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is to be recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the related asset. Accordingly, to comply with Ind AS 20 the Company has reclassified an amount of ₹ 5.00 lakhs from capital reserve to retained earnings as at the transition date.

Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ **18.97 lakhs** as at April 01, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Retained earnings

Retained earnings as at the transition date has been adjusted consequent to the above Ind AS transitional adjustments.

As per our report of even date
For Chaturvedi & Shah
Chartered Accountants
Firm Regn. No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859
Place : New Delhi
Date : May 25, 2018

For and on behalf of the Board Of Directors of Dalmia Refractories Limited

N. Gopalaswamy
Director
DIN: 00017659

C.Nagaratnam
Director
DIN: 00266838

C N Maheshwari
Chief Executive Officer

Sudhir Kumar Srivastava
Chief Finacial Officer

Akansha Jain
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of
Dalmia Refractories Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Dalmia Refractories Limited ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit (financial performance including other comprehensive income), consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of 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; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraph 9 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit (including Other Comprehensive Income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

9. The financial statements of one subsidiary included in the Statement which reflects total assets of ₹ 987.92 Lakh as at March 31, 2018, total revenues of ₹ 63.10 Lakh and Net Cash Inflow of ₹ 10.78 Lakh for the year then ended, have been audited by S.S. Kothari Mehta & Co. Chartered Accountants, (Firm registration no. 000756N), financial statements / financial information have been furnished to us by management and our opinion on the consolidated Ind AS financial statements in so far as it related to this subsidiary is based on report of other auditor of that subsidiary on which we have placed reliance. Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the said matter with respect to our reliance on the work done and the report of the other auditor.

10. The Group had prepared the audited consolidated financial statements for the corresponding year ended March 31, 2017 in accordance with the Companies (Accounting Standards) Rules, 2006 referred to in Section 133 of the Act, on which S.S. Kothari Mehta & Co., Chartered Accountants (Firm registration no. 000756N) vide their audit report dated May 8, 2017 had issued an unmodified audit report. The consolidated Ind AS financial statement for the year ended March 31, 2017 are based on the previously audited consolidated financial statement prepared in accordance with the Companies (Accounting Standards), Rules, 2006 as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us, read with paragraph 9 above. Our opinion on is not modified in respect of the above said matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section143(3) of the Act, 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 Ind AS financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary, none of the directors of the Group companies is disqualified as on March 31, 2018 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 Holding Company and its subsidiary the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations as at March 31, 2018 on the consolidated financial position of the Group – Refer Note 29 to the consolidated Ind AS financial statements.

ii. The Group did not have any material foreseeable losses 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 Holding Company during the year ended March 31, 2018 and in case of subsidiary companies incorporated in India, there were no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2018.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Place: New Delhi
Date: May 25, 2018

(Vijay Napawaliya)
Partner
Membership No. 109859

“Annexure A” to the Independent Auditor’s Report

Referred to in paragraph 11(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of the Dalmia Refractories Limited on the Consolidated Ind AS financial statements for the year ended 31st March 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Ind AS financial statements of Dalmia Refractories Limited (“the Holding Company”) as of March 31, 2018 we have audited the internal financial controls over financial reporting of the Holding Company and subsidiary which is company incorporated in India.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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. 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 respective 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Holding Company’s and Subsidiary company 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 Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 Ind AS 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 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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 explanation given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company and its subsidiary which is company incorporated in India, have, maintained 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, 2018, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary which is company incorporated in India, insofar as it relates to subsidiary is based on the corresponding report of, S.S. Kothari Mehta & Co. Chartered Accountants. Our opinion is not modified in respect of this matter.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration No. 101720W

Place: New Delhi
Date: May 25, 2018

(Vijay Napawaliya)
Partner
Membership No. 109859

DALMIA REFRACTORIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ in lakhs)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS				
Non - current assets				
(a)	Property, plant and equipment	4	11,319.52	12,135.25
(b)	Capital work - in - progress	4	38.53	-
(c)	Other intangible assets	4	-	0.56
(d)	Financial assets	5		
	(i) Investments	5.1	10,045.10	6,871.38
	(ii) Loans	5.2	88.18	112.56
	Total non current assets		21,491.33	19,119.75
Current assets				
(a)	Inventories	6	5,177.81	3,674.14
(b)	Financial assets	7		
	(i) Investments	7.1	474.30	1,520.79
	(ii) Trade receivables	7.2	2,390.06	1,578.10
	(iii) Cash and cash equivalents	7.3	116.93	208.45
	(iv) Bank balances other than (iii) above	7.4	20.34	23.16
	(v) Loans	7.5	171.44	87.43
	(vi) Other financial assets	7.6	2.35	3.47
(c)	Current tax assets (net)	8	102.84	156.21
(d)	Other current assets	9	248.10	340.81
	Total current assets		8,704.17	7,592.56
	Total assets		**30,195.50**	**26,712.31**
EQUITY AND LIABILITIES				
Equity				
(a)	Equity share capital	10.1	315.21	315.21
(b)	Other equity	10.2	20,823.19	18,274.36
(c)	Non-Controlling Interests		451.83	-
	Total equity		**21,590.23**	**18,589.57**
LIABILITIES				
Non - current liabilities				
(a)	Financial liabilities		-	-
(b)	Provisions	11	387.60	379.33
(c)	Deferred tax liabilities (net)	12	2,239.89	2,536.61
	Total non current liabilties		2,627.49	2,915.94
Current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	13.1	2,518.07	2,228.78
	(ii) Trade payables	13.2	2,765.83	2,134.37
	(iii) Other financial liabilities	13.3	14.42	18.76
(b)	Other current liabilities	14	646.55	777.81
(c)	Provisions	15	32.91	47.08
	Total current liabilties		5,977.78	5,206.80
Total Equity & Liabilities			**30,195.50**	**26,712.31**
Notes to Accounts		1 to 42		

As per our report of even date
For Chaturvedi & Shah
Chartered Accountants
Firm Regn. No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859
Place : New Delhi
Date : May 25, 2018

For and on behalf of the Board Of Directors of Dalmia Refractories Limited

N. Gopalaswamy
Director
DIN: 00017659

C.Nagaratnam
Director
DIN: 00266838

C N Maheshwari
Chief Executive Officer

Sudhir Kumar Srivastava
Chief Finacial Officer

Akansha Jain
Company Secretary

DALMIA REFRACTORIES LIMITED
CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in lakhs)

Particulars	Note No.	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Revenue from operations	16	18,139.16	17,801.28
Other income	17	250.46	118.00
Total income		**18,389.62**	**17,919.28**
Expenses			
Cost of materials consumed	18	10,666.61	8,532.62
Purchases of stock in trade		336.91	118.23
Changes in inventories of finished goodsand work - in - progress	19	(72.46)	(81.21)
Excise duty on sale		226.77	1,724.91
Employee benefits expense	20	2,764.24	2,433.87
Finance costs	21	91.23	160.20
Depreciation and amortization expense	22	904.79	1,010.60
Other expenses	23	4,383.00	4,049.14
Total expenses		**19,301.09**	**17,948.36**
Profit / (loss) for the year before tax		(911.47)	(29.08)
Tax expense	24		
(1) Current tax		29.64	113.00
(2) Deferred tax		(303.38)	(121.52)
(3) Income tax pertaining to earlier years		-	2.19
		(273.74)	**(6.33)**
Profit/(Loss) for the year after tax		(637.73)	(22.75)
Other comprehensive income			
Items that will not be reclassified to profit or loss	25		
Re-measurement gains/(losses) on defined benefit plans		19.32	(21.91)
Income tax relating to items that will not be reclassfied to profit or loss	24	(6.69)	7.58
Re-measurement gains/(losses) on investment		3,173.72	4,077.55
		3,186.35	**4,063.22**
Total comprehensive income for the year		**2,548.62**	**4,040.47**
Net Profit Attributable to			
a) Owners of the Company		(599.97)	(22.75)
b) Non Controlling Interest		(37.76)	-
Other Comprehensive Income Attributable to			
a) Owners of the Company		3,186.35	4,063.22
b) Non Controlling Interest		-	-
Total Comprehensive Income Attributable to			
a) Owners of the Company		2,586.38	4,040.47
b) Non Controlling Interest		(37.76)	-
Earnings per equity share	26		
Nominal value of equity shares (₹ 10.00 each)			
(1) Basic		(19.03)	(0.72)
(2) Diluted		(19.03)	(0.72)

As per our report of even date
For Chaturvedi & Shah
Chartered Accountants
Firm Regn. No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859
Place : New Delhi
Date : May 25, 2018

For and on behalf of the Board Of Directors of Dalmia Refractories Limited

N. Gopalaswamy
Director
DIN: 00017659

C.Nagaratnam
Director
DIN: 00266838

C N Maheshwari
Chief Executive Officer

Sudhir Kumar Srivastava
Chief Finacial Officer

Akansha Jain
Company Secretary

DALMIA REFRACTORIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

₹ in lakhs

Particulars	2017-18	2016-17
A. Cash Flow from Operating Activities		
Net Profit before tax	(911.47)	(29.08)
Adjustments		
Depreciation / Amortization	904.79	1,010.60
Provision no longer required written back	(59.81)	(15.29)
Provision for Doubtful debt	17.37	-
Bad Debts written off	6.79	21.44
Loans & Advances Written off	-	19.50
Dividend Income	(7.72)	(0.02)
Finance Cost	91.13	160.20
Interest Income	(20.19)	(10.54)
(Profit)/Loss on sale of Investments	(73.60)	(11.61)
(Profit)/Loss on sale of PPE	-	(0.03)
Operating Profit before working Capital Changes	**(52.71)**	**1,145.17**
Adjustments for working Capital changes :		
Inventories	(1,503.64)	380.24
Trade and Other Payables	511.12	(947.45)
Trade and Other Receivables	(740.43)	1,619.17
Cash Generated from/(used in) Operations	**(1,785.66)**	**2,197.13**
Net Direct Taxes Paid/(Refund)	(23.73)	108.23
Net Cash from/(Used in) Operating activities	**(1,761.93)**	**2,088.90**
B Cash Flow from Investing Activities		
Purchase of PPE	(153.97)	(54.36)
Sale of PPE	-	0.03
(Purchase) / Sale of Current Investments (net)	1,120.09	(1,508.91)
Investment In Subsidiary	-	-
Interest Received	21.31	10.40
Dividend Received	7.72	0.02
Net Cash Generated from /(used in) Investing Activities	**995.15**	**(1,552.82)**
C Cash Flow from Financing Activities		
Proceeds/(Repayment) of Short term Borrowings	289.13	(163.36)
Proceeds/(Repayment) of Long term Borrowings	-	(482.55)
Issue of Share Capital	490.00	
Finance Cost	(61.73)	(146.76)
Dividend Paid including CDT	(42.14)	(23.20)
Net cash from / (used in) financing activities	**675.26**	**(815.87)**
Net increase in cash and cash equivalents (A+B+C)	(91.52)	(279.79)
Cash and cash equivalents (Opening Balance)	208.45	488.24
Cash and cash equivalents (Closing Balance)*	116.93	208.45
Change in Cash & Cash Equivalents	**(91.52)**	**(279.79)**

DALMIA REFRACTORIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

₹ in Lakhs

Components of Cash & Cash Equivalents	**As at 31 March 2018**	**As at 31 March 2017**
Balances with banks		
- in Current Accounts	**116.22**	205.76
- On cash credit accounts		
- Deposits with original maturity of less than 3 months		
Cash on hand	0.07	1.39
Cheques in hand	0.52	1.19
Silver Coins	0.12	0.11
Net Cash & Cash Equivalents	**116.93**	**208.45**

As per our report of even date
For Chaturvedi & Shah
Chartered Accountants
Firm Regn. No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859
Place : New Delhi
Date : May 25, 2018

For and on behalf of the Board Of Directors of Dalmia Refractories Limited

N. Gopalaswamy
Director
DIN: 00017659

C.Nagaratnam
Director
DIN: 00266838

C N Maheshwari
Chief Executive Officer

Sudhir Kumar Srivastava
Chief Finacial Officer

Akansha Jain
Company Secretary

DALMIA REFRACTORIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A Equity Share Capital **₹ in Lakh**

Balance of Equity Share Capital	As at 31st March, 2017	Changes during the year	As at 31st March, 2018
	315.21	-	315.21

B. Other equity

₹ in Lakhs

Particulars	Reserve and Surplus				Items of other comprehensive income		Total
	Securities Premium	Debenture Redemption Reserve	General Reserve	Retained Earnings	Equity instruments through other comprehensive income	Actuarial Gain & Losses on DBO	
Opening Balance	**588.02**	**120.00**	**684.82**	**10,560.81**	**2,299.21**	**-**	**14,252.86**
Movement During FY 16-17							
Profit of the year	-	-	-	(22.75)			(22.75)
Dividend and CDT Payment				(18.97)			(18.97)
Other comprehensive income					4,077.55	(14.33)	4,063.22
Transfer to general reserve	-	(120.00)	120.00	-	-		-
As at 31.3.2017	**588.02**	**-**	**804.82**	**10,519.09**	**6,376.76**	**(14.33)**	**18,274.36**
Movement During FY 17-18							-
Profit of the year				(599.97)			(599.97)
Minority Interest							
of Previous year				0.40			0.40
Other comprehensive income	-	-	-		3,173.72	12.63	3,186.35
Dividend and CDT Payment	-	-	-	(37.95)	-		(37.95)
As at 31.03.2018	**588.02**	**-**	**804.82**	**9,881.57**	**9,550.48**	**(1.70)**	**20,823.19**

As per our report of even date
For Chaturvedi & Shah
Chartered Accountants
Firm Regn. No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859
Place : New Delhi
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Note 1 Corporate Information

The consolidated financial statements comprise financial statements of Dalmia Refractories Limited ("the parent company") and its subsidiary namely, Dalmia Seven Refractories Limited (collectively, "the Group") for the year ended 31st March, 2018.

The Group is in the business of refractory manufacturing and selling. It produces High Alumina Refractory Bricks, Castables and Supplying to Core Industries namely Cement, steel and others. It is having manufacturing Units at Dalmiapuram (Tamil Nadu), Khambalia (Gujarat) and Katni (Madhya Pradesh) and its corporate office is situated at New Delhi. The Securities of the Parent Company are listed at Calcutta Stock Exchange and Metropolitan Stock Exchange of India Ltd (Formerly MCX Stock Exchange Ltd.).

The registered office of the Parent Company is located at Dalmiapuram, P.O. Kallakudi-621 651, Dist. Tiruchirapalli, Tamil Nadu

These consolidated financial statements of the Group for the year ended 31st March 2018 were approved and adopted by board of directors of the Parent Company in their meeting held 25th May 2018

Note 2 Significant accounting policies and critical accounting estimate and judgments:

2.1 Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these consolidated Financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

Compliance with Ind AS

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS).

For all periods up to year ended 31st March, 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These consolidated financial statements for the year ended 31st March, 2018 are the first consolidated financial statements, the Group has prepared in accordance with Ind AS.

The consolidated financial statements are presented in Indian Rupees (₹) which is the Group's functional and presentation currency and all values are expressed in lakhs, rounded off to nearest thousands except when otherwise indicated.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary as at 31st March, 2018. 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.

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 and 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 during the year are included in the consolidated financial statements from the date the Group obtains control and assets, liabilities, income and expenses of a subsidiary disposed off during the year are included in the consolidated financial statements till the date the Group ceases to control the subsidiary.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The difference between the cost of investment in the subsidiaries and the Parent's share of net assets at the time of acquisition of control in the subsidiaries is recognised in the consolidated financial statement as goodwill. However, resultant gain (bargain purchase) is recognized in other comprehensive income on the acquisition date and accumulated to capital reserve in equity.

c) Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements.

d) Consolidated statement of profit or loss and each component of 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.

e) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If an entity of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

f) Consolidated 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 31st March. When the end of the reporting period of the parent is different from that of a subsidiary, if any, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the consolidated financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Historical cost convention

The Consolidated financial statements have been prepared under the historical cost convention, except for the certain assets and liabilities which have been measured at fair value/amortised cost:

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (₹), which is the Group's functional and presentation currency. All values are express in lakhs, rounded off to the nearest thousand, except when otherwise indicated.

Current vis-à-vis non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. The Group has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) 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 classified as current when it is:
a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Group has identified twelve months as its normal operating cycle.

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 on the measurement date. The Group uses valuation techniques that are appropriate in the circumstances 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.

2.2 Critical accounting estimates and judgements

The presentation of financial statements under Ind AS requires management to take decisions and make estimates and assumptions that may impact the value of revenues, costs, assets and liabilities and the related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Property, plant and equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

b. Recognition and measurement of defined benefit obligations

The Cost of the defined benefit plan and other post-employment benefits and the present value of such 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, future salary increases, mortality rates and attrition rate. 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.

c. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in active markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market where possible, but this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumption could affect the fair value of financial instrument.

d. Provision

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

e. Impairment of Financial and Non-Financial Assets

The impairment provision for financial assets are based on assumptions about risk of default and expected losses. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.The Group assesses at each reporting date whether there is an indication that a Non-financial 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 which is higher of an asset's or CGU's fair value less costs of disposal and its value in use. 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.

f. Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

g. Income Tax:

The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the consolidated financial statements.

h. Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Group as it is not possible to predict the outcome of pending matters with accuracy.

2.3 Recent accounting pronouncements - Standards issued but not yet effective

New Ind AS:- Ind AS 115 " Revenue from Contracts with Customers"

Ind AS 115 'Revenue from Contracts with customers' notified on 28th March, 2018 and effective from 1st April 2018, establishes a five-step model to account for revenue arising from contracts with customers. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group continues to evaluate the available transition methods, the changes to accounting system and processes and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the Financial Statements will be possible once the assessment has been completed.

Note 3 Significant Accounting policies

3.1 **Property, plant and equipment**

All items of Property, plant and equipment are stated at historical cost net of tax/ duty credit availed which includes capitalised borrowing cost, less depreciation and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

Transition to Ind AS:
On transition to Ind AS, the Group has elected to adopt the fair value of all of its property, plant and equipment as deemed cost.

Depreciation methods, estimated useful lives and residual value:
Depreciation on Property, Plant and Equipment (PPE) and is provided over the useful life of assets as specified in schedule II to the Act. Property, Plant and Equipment which are added / disposed off during the year, deprecation is provided pro-rata basis with reference to the month of addition / deletion. Certain item of PPE has been considered as countinous process plant on the basis of technical assessment and depreciation on the same is provided accordingly.

The following methods of depreciation are used for PPE :

Property Plant & Equipment at	
- Dalmiapuram, Khambalia and Katni works	Straight Line Method
- Head Office	Written Down Value
Leasehold land	Amortised over the period of lease

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

3.2 **Intangible assets**
Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. The assets' useful lives are reviewed at each financial year end.

Gains or losses arising from derecognition 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.

Transition to Ind AS:
On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

3.3 **Impairment of Non-financial assets**
Assets which are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows

which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.4 **Trade Receivable**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

3.5 **Leases**

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 Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the balance sheet as a finance lease liability. 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 as finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group 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.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

3.6 **Government grants**

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Group would comply with all the conditions attached with them

Government grants are recognised in profit or 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. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.7 **Borrowing Cost**

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.8 **Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer and the Chief Financial Officer that makes strategic decisions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

3.9 **Employee Benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered

b. Defined contribution plan

Retirement benefits in the form of provident fund , pension scheme and superannuation scheme and ESI are a defined contribution plan and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund.

c. Defined benefit plan

The Group's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution to respective fund.The Group's Employee Gratuity Fund is managed by Life Insurance Corporation The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leaves, 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 actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

3.10 **Inventories**

a. Inventories are valued at lower of historical cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Stock of Non Plant Grade Bauxite at Mines are valued at cost. Materials and other supplies 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. However, when there has been a decline in the price of materials and it is estimated that the cost of the finished products will exceed net realizable value, the materials are written down to net realizable value. In such circumstances, the replacement cost of the material may be the best available measure of their net realizable value.

b. Historical cost is determined on the basis of real time weighted average method.

c. 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.

3.11 **Revenue recognition and other income:**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of Goods

Revenue from operations is recognised in respect of export sales on the basis of shipment of goods to customer and in respect of domestic sales on dispatch from factory.

Sale of Services
Revenues from sale of services are recognized as per the term of contract with customers based on stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably. Percentage-of-completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

Other Operating Income
Incentives on exports and other Government incentives related to operations are recognised in the statement of profit or loss after due consideration of certainty of utilization/receipt of such incentives.

The quantum of accruals in respect of claims receivable such as from Railways, Insurance, Electricity, Customs Excise and the like are accounted for on receipt basis.

<u>Interest Income:</u>
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

<u>Dividend Income:</u>
Dividend Income is recognised when the right to receive the payment is established.

3.12 **Foreign Currency Transactions**

• Initial recognition

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction.

• Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

• Exchange differences

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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively). Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net basis.

3.13 **Taxes**
Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. 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.

Minimum alternate tax
Minimum Alternative Tax (MAT) is applicable to the Group. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified

period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are 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 assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.14 **Provisions, contingent liabilities and contingent assets**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible
- A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Contingent assets

A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.15 **Cash & Cash Equivalents**

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Group's cash management.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

3.16 **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

(a) Investment and other Financial Assets

(i) **Classification**

The Group classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss) and

• those measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments in subsidiaries, the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) **Measurement**

At initial recognition, the Group measures financial assets at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value through Profit or Loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the Statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

The Group subsequently measures all equity investments at fair value. The Group's management has elected to present fair value gains and losses on equity investments in OCI, and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of profit and loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii. **Impairment of financial assets:**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv. **Derecognition of financial assets**

A financial asset is derecognised only when:

• The Group has transferred the rights to receive cash flows from the financial asset or
• Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v. **Contributed equity:**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(b) Financial Liabilities & Equity

i. **Classification as debt or equity**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

ii. **Initial recognition and measurement:**

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 and financial guarantee contracts.

iii. **Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:

Borrowings: Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawdown. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawdown, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade and other payables: These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Those payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and other payables are subsequently measured at amortised cost using the effective interest rate method.

Financial guarantee contracts: Financial guarantee contracts are recognised as a financial liability at the time when guarantee is issued. The liability is initially at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

iv. Derecognition:

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged,cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses). 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Offsetting of financial instrument

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 realize the assets and settle the liabilities simultaneously.

3.17 **Dividend Distribution**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

3.18 **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

4. Property, Plant and Equipment

***(i)* Tangible Assets** ₹ in lakhs

Particulars	Land Free Hold	Land Lease Hold	Buildings	Plant and Machinery	Office Equip-ment	Furniture and Fixtures	Vehicles	Total Tangible Assets	Comp-ter Software	Total Intang-ible Assets
Balance as at 31 March 2017	5,962.11	348.93	2,913.67	3,844.14	48.76	14.13	6.75	13,138.49	7.92	7.92
Additions	-	6.79	-	91.72	16.15	0.80	-	115.46	-	-
Disposals/Adjustment	-	26.95	-	-	-	-	-	26.95	-	-
Balance as at 31 March 2018	5,962.11	328.77	2,913.67	3,935.86	64.91	14.93	6.75	13,227.00	7.92	7.92
Depreciation										
Balance as at 31 March 2017	-	26.62	232.54	716.46	23.78	2.57	1.27	1,003.24	7.36	7.36
Depreciation for the year	-	24.46	187.46	667.45	20.81	2.78	1.27	904.23	0.56	0.56
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	**-**	**51.08**	**420.00**	**1,383.91**	**44.59**	**5.35**	**2.54**	**1,907.47**	**7.92**	**7.92**
Net block										
As at 31 March 2017	**5,962.11**	**322.31**	**2,681.13**	**3,127.68**	**24.98**	**11.56**	**5.48**	**12,135.25**	**0.56**	**0.56**
As at 31 March 2018	**5,962.11**	**277.69**	**2,493.67**	**2,551.95**	**20.32**	**9.58**	**4.21**	**11,319.52**	**-**	**-**
Capital work-in- progress										
Balance as at 31 March 2017	-		-	-	-	-		-	-	- -
Additions								38.53		
Assets capitalised during the year								-		
Balance as at 31 March 2018								**38.53**		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

₹ in Lakhs

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017
5	**Non- Current Assets: Financial Assets**		
	5.1 Investments		
	A Quoted Investment		
	Quoted fully paid up Equity Shares of Others (At FVTOCI) 1,000 Shares (Previous year March 31, 2017, 1000 shares) of Dalmia Bharat Sugar Industries Limited of ₹ 2.00 each	0.64	1.74
	3,49,476 (Previous year March 31, 2017 3,49,476) Shares of Dalmia Bharat Limited of ₹ 2.00 each	10,044.46	6,869.64
		10,045.10	**6,871.38**
	Aggregate amount of Non Current Investments.		
	Particulars		
	Aggregate amount of quoted investments	**10,045.10**	6,871.38
	Market value of quoted investments	**10,045.10**	6,871.38
	5.2 Loans		
	Advances to Employees		
	- Unsecured & Good	10.59	17.70
	Security Deposit		
	- Unsecured & Good	77.59	94.86
		88.18	**112.56**
	There are no dues from related party.		
	Current Assets:		
6	**Inventories**		
	Raw materials	2,435.10	1,218.55
	Work - in - progress	234.91	217.16
	Finished goods	1,916.82	1,862.11
	Stores and spares	389.34	349.07
	Loose tools	2.92	4.37
	Goods in transit:		
	Raw materials	197.96	22.88
	Stores and spares	0.76	-
		5,177.81	**3,674.14**
7	**Current financial assets**		
	7.1 Current Investments		
	Mutual Funds (At FVTPL)		
	HDFC Floating Rate Fund (Units 2947 Previous year March 31, 2017 : 2812)	0.30	0.29
	Birla Sunlife Cash Plus Growth Direct (Units Nil Previous year March 31, 2017 : 378414)	-	300.09
	Birla Sunlife Savings fund Growth Direct (Units 137822 Previous year March 31, 2017 : 117674)	474.00	1,220.41
		474.30	**1,520.79**
	Aggregate Book value of quoted investments	**474.30**	1,520.79
	Fair value of quoted investments	**474.30**	1,520.79

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

₹ in Lakhs

Note No.		Particulars	As at March 31, 2018	As at March 31, 2017
	7.2	**Trade Receivable**		
		Trade Receivable		
		- Unsecured, considered good	2,390.06	1,578.10
		- Unsecured, considered doubtful	243.61	226.24
		Less : Provision for bad debt	(243.61)	(226.24)
			2,390.06	**1,578.10**
	7.3	**Cash & Cash Equivalent**		
		Balances with banks		
		- in Current Accounts	116.22	205.76
		Cash on hand	0.07	1.39
		Cheques in hand	0.52	1.19
		Others	0.12	0.11
			116.93	**208.45**
	7.4	**Bank Balances**		
		Margin Money	5.91	4.40
		Margin money with bank (including accrued interest)		
		- Earmarked for unpaid dividend	12.17	16.36
		- Earmarked for Debenture and Interest	2.26	2.40
			20.34	**23.16**

There is no amount due and outstanding to be credited to the Investor Education and Protection Fund. During previous year ₹ 5.82 lakh (PY 2017 ₹ 5.08 lakh) on account of unclaimed dividend and NCD Application money was credited to the Investor Education and Protection Fund.

Note No.		Particulars	As at March 31, 2018	As at March 31, 2017
	7.5	**Loans**		
		Amount recoverable from employees		
		- Unsecured, considered good	13.78	15.54
		Amount recoverable from others		
		- Unsecured, considered good	157.66	71.89
			171.44	**87.43**
	7.6	**Others Financial Asset**		
		Unsecured, considered good		
		- Interest receivable	2.35	3.47
			2.35	**3.47**
8	**Current Tax Assets:**			
	Advance income tax (net of provision for the year ended March 31, 2018 : 208.64 lakhs, March 31, 2017 : ₹ 179.00 lakh)		102.84	156.21
			102.84	**156.21**
9	**Other Current Assets:**			
	Prepaid expenses		11.36	6.94
	Balance with statutory authorities		236.74	333.87
			248.10	**340.81**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

₹ in Lakhs

Note No.		Particulars	As at March 31, 2018	As at March 31, 2017
10				
	10.1	**Share Capital**		
		Authorised		
		5,000,000' Equity Shares of ₹ 10 each	500.00	500.00
		Total	500.00	500.00
		Issued, Subscribed & fully paid up		
		3,152,084 Equity shares of ₹ 10 each	315.21	315.21
		Total	315.21	315.21
	(i)	**Reconciliation of number and amount of equity shares outstanding:**	**No. of shares**	**Amount**
		As at 31st March, 2017	3,152,084	315.21
		Movement during the year	-	-
		As at 31st March, 2018	3,152,084	315.21
	10.2	**Other Equity**		

₹ in Lakhs

Particulars	As at March 31 2018	As at March 31 2017
a. Securities Premium Account		
Opening Balance	588.02	588.02
Closing Balance	**588.02**	588.02
b. Debenture Redemption Reserve		
Opening Balance	-	120.00
(-) Transfer to General reserve	-	120.00
Closing Balance	-	-
c. General Reserve		
Opening Balance	804.82	684.82
(+) Transfer from Debenture Redemption Reserve	-	120.00
Closing Balance	**804.82**	804.82
d. Retained Earnings		
Opening balance	10,519.09	10,560.81
(+) Net Profit/(Net Loss) For the current year	(599.57)	(22.75)
Reversal/(Payment) of Dividend and CDT Payment	(37.95)	(18.97)
Closing Balance	**9,881.57**	10,519.09
e. Comprehensive Income		
Opening Balance	6,362.43	2,299.21
Addition During The year	3,173.72	4,077.55
Total Income recognised on Equity instruments	9,536.15	6,376.76
Actuarial Gain & (Losses) on DBO	12.63	(14.33)
Closing Balance	**9,548.78**	6,362.43
Grand Total	**20,823.19**	18,274.36

Nature and Purpose Of Reserves

a Securities premium represents the amount received in excess of par value of securities. Securities Premium is utilised in accordance with the Provisions of the Companies Act, 2013.

b Debenture redemption reserve was transferred to General Reserve subsequent to redemption of debentures.

c General Reserve is free reserve created by the Group by transfer from retained earnings.

d Equity instruments through other comprehensive income - The Group has elected to recognise changes in the fair value of investment in equity instruments in other comprehensive income. The changes are accumulated with in Fair Value through Other Comprehensive Income equity instruments reserve with in equity. The Group will transfer the amount from this reserve to retained earnings when the relevant equity securities are derecognised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

₹ in Lakhs

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017
11	**Provisions**		
	Provision for employee benefits Leave Encashment	74.37	69.79
	Provision against asset retiring obligation	311.99	309.54
	Provision against gratuity	1.24	-
		387.60	**379.33**
12	**Deferred Tax Liability**		
	Deferred tax liability		
	On account of Property, Plant & Equipment	2,459.23	2,688.42
		2,459.23	2,688.42
	Deferred tax assets		
	On account of expenditure charged to Statement of profit and loss but allowed for tax purposes on payment basis.	35.00	40.45
	On account of unabsorbed depreciation & business losses	69.10	-
	On account of provision for doubtful debts	83.23	79.35
		187.34	119.80
	Net deferred tax liability	2,271.89	2,568.61
	MAT Credit Entitement	32.00	32.00
		2,239.89	**2,536.61**

(i) Movement in deferred tax items

FY 17-18	**Opening Balance**	**Recognised in Profit & Loss Account**	**Recognised in other comprehensive income**	**Closing Balance**
Deferred tax liability / (asset) on account of Difference in Book value of Tangible and Intangible assets	2,678.43	(237.26)		2,441.17
Difference in Book value of Inventory	9.98	8.08		18.06
Expenses allowed on payment basis	(40.45)	(1.23)	6.69	(35.00)
Provision created for bad & Doubtful debts	(79.35)	(3.88)		(83.23)
Recognition of DTA on business losses and accumulated depreciation	-	(69.10)		(69.10)
Mat Credit Entitlement	(32.00)			(32.00)
Tax losses / (benefit)	2,536.61	(303.38)	6.69	2,239.89

FY 16-17	**Opening Balance**	**Recognised in Profit & Loss Account**	**Recognised in other comprehensive income**	**Closing Balance**
Deferred tax liability / (asset) on account of Difference in Book value of Tangible and Intangible assets	2,932.20	(253.77)		2,678.43
Difference in Book value of Inventory		9.98		9.98
Expenses allowed on payment basis	(34.02)	1.14	(7.58)	(40.45)
Provision created for bad & Doubtful debts	(79.35)	-		(79.35)
Recognition of DTA on business losses and accumulated depreciation	(87.13)	87.13		-
Mat Credit Entitlement	(66.00)	34.00		(32.00)
Net Deferred tax liability / (asset)	2,665.70	(121.52)	(7.58)	2,536.61

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

₹ in Lakhs

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017
Current liabilities			
13	**Financial Liability**		
	13.1 Borrowings		
	Secured - at amortised cost		
	Loans repayable on demand		
	- from banks Cash Credit	140.77	579.24
	- from banks Buyers credit	2,377.30	1,649.54
		2,518.07	**2,228.78**

1. Cash credit from banks is secured by hypothecation of stocks of raw materials, semi-finished goods, finished goods, stores, spares, book debts and moveable fixed assets at the company's Dalmiapuram, Khambalia and Katni Units.

2. The Cash Credit is repayable on demand and carries interest and which varies from **9.25% to 11.60%.**

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017
	13.2 Trade Payables		
	Trade Payables	2,765.83	2,134.37
	Total	**2,765.83**	**2,134.37**

Disclosure of sundry creditors under current liabilities is based on the information available with the Group regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Since there are no such parties identified based on the information so far available, the disclosure regarding overdue amounts and interest payable thereon are not given.

Note No.	Particulars	As at March 31, 2018	As at March 31, 2017
	13.3 Other financial liabilities		
	Unpaid matured debentures and interest	2.25	2.40
	Unpaid Dividend	12.17	16.36
		14.42	**18.76**
14	**Other current liabilities**		
	Advances from Customers	429.78	375.73
	Statutory Liabilities	132.24	250.80
	Other Payables	84.53	151.28
		646.55	**777.81**
15	**Provision**		
	Provision for employee benefits		
	- Leave Encashment	26.82	47.08
	- Gratuity	6.09	-
		32.91	**47.08**
16	**Revenue from operations**		
	A. Sale (Gross of excise duty)		
	i. Sale of products		
	Refractories	17,161.52	16,875.87
	Calcined Bauxite	197.56	0.01
	Traded goods	424.61	137.32
		17,783.69	**17,013.20**
	ii. **Sale of Services**	284.36	315.24
		284.36	315.24
		18,068.05	**17,328.44**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

₹ in Lakhs

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	B. Other Operating Revenue		
	Sale of NPG Bauxite(Net of Expenses)	-	400.62
	Scrap Sales	71.11	72.22
		71.11	**472.84**
		18,139.16	**17,801.28**
17	**Other income**		
	Interest income from bank/others	20.19	10.54
	Dividend income	7.72	0.02
	Provision/liabilities no longer required written back	59.81	15.29
	Profit on Sale of an Property plant and equipment	-	0.03
	Net gain/loss on sale of current investments	73.60	11.75
	Foreign Exchange Fluctuation	16.88	46.18
	Other non operating income	72.26	34.19
		250.46	**118.00**
18	**Cost of Material consumed**		
	Raw Material Consumed	10,666.61	8,532.62
		10,666.61	8,532.62
19	**Changes in inventories of finished goods and work - in - progress**		
	Inventories at the beginning of the year		
	Work-in-Process	217.16	261.82
	Finished Goods	1,862.11	1,736.24
		2,079.27	1,998.06
	Less - Inventories at the end of the year		
	Work-in-Process	234.91	217.16
	Finished Goods	1,916.82	1,862.11
		2,151.73	2,079.27
	Changes in inventories of finished goods and work - in - progress	(72.46)	(81.21)
20	**Employee benefits expense**		
	Salaries, wages, Allowances & Commission	2,431.91	2,103.77
	Contribution to Provident & Other funds	101.58	102.67
	Gratuity & Pension	126.51	114.93
	Staff welfare expenses	104.24	112.50
		2,764.24	2,433.87
21	**Finance costs**		
	Interest on Term Loans	-	13.73
	Interest on Cash Credits	18.87	106.86
	Interest on Debentures	-	5.33
	Unwinding Discount	29.41	29.16
	Interest - Others	42.95	5.12
		91.23	160.20

Dalmia Refractories

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

₹ in Lakhs

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
22	**Depreciation and amortization expense**		
	Depreciation of tangible assets	904.23	1,003.24
	Amortization of intangible assets	0.56	7.36
		904.79	1,010.60
23	**Other expenses**		
	Consumption of stores & spare parts	202.59	179.80
	Power and fuel	1,379.33	1,017.57
	Packing freight & transport	600.71	550.50
	Commission	247.24	307.10
	Rebate Discount & Allowances	30.50	46.21
	Rent	20.89	19.01
	Repairs to buildings	25.10	39.30
	Repairs to machinery	405.99	450.52
	Repairs others	46.00	85.82
	Insurance	13.60	29.28
	Rates and taxes	22.79	19.00
	Payment to the auditors		
	- as auditor	9.04	4.50
	- for other services	10.62	5.94
	- for reimbursement of expenses	5.84	1.34
	Advertisement & publicity	3.05	2.80
	Bad Debt written off	6.79	21.44
	Loans and advances written off	-	19.50
	Provision for Doubtful Debt	17.37	-
	Travelling & Conveyance	304.28	286.95
	Donations	0.79	0.98
	Professional & Legal Fees	466.47	374.57
	Bank Charges	95.04	71.42
	Brick Lining Expenses	288.85	280.01
	Miscellaneous expenses	180.12	235.58
		4,383.00	**4,049.14**
24	**Tax expense**		
	Current tax	29.64	113.00
	Deferred tax		
	- Deferred tax Asset	(303.38)	(155.52)
	- Mat Credit Utilisation / (Adjustment)	-	34.00
	Income Tax pertaining to earlier years	-	2.19
		(273.74)	(6.33)
	Income tax recognised in other comprehensive income		
	Deferred tax related to items recognised in other comprehensive income during the year:		
	Remeasurement of defined benefit obligations	(6.69)	7.58
	Fair valuation of Equity Instruments	-	-
	Total income tax expense recognised in other comprehensive income	(6.69)	7.58
	Bifurcation of the income tax recognised in other comprehensive income into:		
	Items that will not be reclassified to profit or loss	(6.69)	7.58
	Items that will be reclassified to profit or loss	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

₹ in Lakhs

Note No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Total income tax expense recognised in other comprehensive income	(6.69)	7.58
	Total income tax expense recognised in profit & loss account	(267.05)	(13.91)
		For FY 17-18	**For FY 16-17**
	Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:	34.608%	34.608%
	Profit / (loss) before tax	(911.47)	(28.25)
	Income tax expense calculated at **34.608%** (including surcharge and education cess)	(315.44)	(9.78)
	Effect of income that is not chargeable to tax	(2.67)	0.44
	Effect of income Chargeable at different rate of tax	29.64	-
	Effect of deduction under chapter VI of Income Tax Act 1961	5.36	-
	Effect of expenses that are deductible in determining taxable profit	-	-
	Effect of expenses that are non-deductible in determining taxable profit	10.10	27.24
	Effect of current year losses for which no deferred tax asset is recognised	-	-
	Utilisation of MAT cedits	-	(34.00)
	Other Differnce due to Temporary Differences in Tax Base	5.96	2.19
	Total income tax expense recognised in profit & loss account	**(267.05)**	**(13.91)**
25	**Other Comprehensive Income**		
	Item that will not be reclassified to profit or loss		
	- Acturial gain / (loss) on defined benefit obligation	19.32	(21.91)
	- Fair valuation of equity instruments at FVTOCI	3,173.72	4,077.55
	Total Other Comprehensive Income	**3,193.04**	**4,055.64**
26	**Earning per Share**		
	Profit after tax	(599.97)	(22.75)
	Number of equity shares outstanding during the year (weighted average)	3,152,084	3,152,084
	Nominal value of equity shares (₹ 10.00 each)	10.00	10.00
	Earning per share (₹) Basic	(19.03)	(0.72)
	Earning per share (₹ Diluted	(19.03)	(0.72)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

27 Financial information of subsidiary that have material non-controlling interests is provided below:-
Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation	% equity interest	
		As at 31st March, 2018	As at 31st March, 2017
Dalmia Seven Refractories Limited	India	49%	0%

Summarised financial Information:-

Summarised financial Information for subsidiary that has non-controlling interest that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

₹ in Lakhs

Summarised Balance Sheet	Dalmia Seven Refractories Limited	
	As at 31st March, 2018	As at 31st March, 2017
Current assets	577.80	9.45
Current Liabilities	64.57	0.28
Net current assets / (liabilities)	513.23	9.17
Non-current assets	410.12	-
Non-current liabilities	1.24	-
Net non-current assets	408.88	-
Net assets	922.11	9.17
Accumulated NCI	451.83	-

₹ in Lakhs

Summarised Statement of Profit and Loss Account	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue from operations	48.37	-
Profit/(Loss) for the year	(77.07)	(0.83)
Other Comprehensive income	-	-
Total comprehensive income	(77.07)	(0.83)
Profit allocated to NCI	(37.76)	-
Dividends paid to NCI	Nil	Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Summarised Statement of cash flow

₹ in Lakhs

Particulars	**For the period ended 31st March, 2018**	**For the period ended 31st March, 2017**
Cash flow from / (used in) operating activities	(134.93)	(0.55)
Cash flow from / (used in) investing activities	(844.28)	(9.07)
Cash flow from (used in) financing activities	990.00	10.00
Net increase / (decrease) in cash and cash equivalents	10.79	0.38

28 Capital Commitments

₹ In lakh

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Estimated amount of contracts remaining to be executed on capital account and not provided for.	-	-

₹ In lakh

29 Contingent Liabilities

S. N.	Particulars	**As at March 31, 2018**	**As at March 31, 2017**
i	Other monies for which the company is contimgently liable including bank gurantees,	255.01	552.48
ii	Letter of Credit opened by bank	-	315.12
iii	Claims against the company not acknowledge as debt and being contested before the appropriate authorities.		
-	Excise matters	101.87	78.87
-	Sale tax matters	125.15	125.15
-	Other matters	109.94	109.94

30 Remuneration paid to Auditors (included in Other Expenses) :

₹ In lakh

S. N.	**Particulars**	**2017-18**	**2016-17**
	Statutory Auditor		
i	Audit Fee	9.04	4.50
ii	Certification/other Services	10.62	5.94
iii	Out of Pocket Expenses	5.84	1.34
	Total	**25.50**	**11.78**

31 The Parent Company during the year has entered into a Shareholders' Agreement with Seven Refractories GesmbH(SR) and Dalmia Seven Refractories Limited(DSRL), on 6th April, 2017 to carry on the business of manufacturing and selling of monolithic refractory products and rendering of services incidental thereto. In terms of the agreement, the shareholding of the Parent Company and SR in DSRL will be in the ratio of 51:49 respectively and DSRL will continue to remain the subsidiary of the Parent Company.

32 Segment Information

(i) General Disclosure

The Group is primarily is in the business of refractory manufacturing and selling. It produces High Alumina Refractory Bricks, Castables and Supplying to Core Industries namely Cement, steel and others. Hence there is only one identified reportable segments as per Ind As 108 - Segment reporting.

The above reportable segment have been identified based on the significant components of the enterprise for which discrete financial information is available and are reviewed by the Chief operating decision maker (CODM) to assess the performance and allocate resources to the operating segments.

(ii) Entity wide disclosure required by IND AS 108 are made as follows:

a) Revenues from sale of products to external customers

₹ in Lakhs

Particulars	2017-18	2016-17
India	16,093.94	15,643.19
Outside India	1,689.75	1,370.01
Total	**17,783.69**	**17,013.20**

b) **Segment Assets**

All Assets are within Indian Only.

(iii) Information about major customers:

No single customer contributed 10% or more of the total revenue of the Group for the year ended 31st March, 2018 and 31st March, 2017

33 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 yearof 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 Group makesprovision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

A. Statement of profit and loss
Net employee benefit expense

₹ In lakh

Particulars	2017-18		2016-17	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Current Service cost	25.83	12.21	24.93	12.86
Interest Cost	26.64	8.77	26.19	7.87
Expected return on plan asset	(20.19)	-	(23.27)	-
Total Expense	**32.28**	**20.98**	**27.85**	**20.73**

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for gratuity and Leave Encashment

₹ In lakh

Particulars	2017-18		2016-17	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Present value of Obligation as at year-end	363.68	101.19	355.17	116.87
Fair value of plan assets	264.74	-	269.19	-
Net Asset/(Liability) recognized in the Balance Sheet *	(98.94)	(101.19)	(85.98)	(116.87)

* Payment made towards Gratuity for planned Asset ₹ 92.85 lakhs for year 2017-18 & ₹ 85.98 lakhs for year 2016-17.

(ii) Changes in the present value of the defined benefit obligation are as follows:

₹ In lakh

Particulars	2017-18		2016-17	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Opening defined benefit obligation	**355.17**	116.87	**327.39**	98.31
Interest cost	**26.64**	8.77	**26.19**	7.87
Current service cost	**25.83**	12.21	**24.93**	12.86
Benefit paid	**(26.66)**	(45.98)	**(45.98)**	(26.05)
Actuarial (gains)/losses on obligation	**(17.30)**	9.32	**22.64**	23.88
Closing defined benefit obligation	**363.68**	101.19	**355.17**	116.87

(iii) Changes in the fair value of plan assets (gratuity) are as follows:

₹ In lakh

Particulars	**2017-18**	**2016-17**
Opening fair value of plan assets	269.19	290.91
Expected return on Plan Assets	20.19	23.27
Contribution during the year	98.94	85.98
Amount Receivable from LIC	(15.32)	(9.06)
Actuarial gains / (losses) on plan asset	2.02	0.73
Benefit paid	(11.34)	(36.66)
Closing fair value of plan assets	363.68	355.17

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2017-18	2016-17
Discount rate (%)	7.73%	7.50%
Expected salary increase (%)	6.50%	6.00%
Demographic Assumptions		
Retirement Age (year)	58 years	58 years
Mortality rates inclusive of provision for disability	100% of IALM (2006 - 08)	100% of IALM (2006 - 08)
Withdrawal rate		
Up to 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

v. Contribution to defined contribution plans:

₹ in lakh

Particulars	2017-18	2016-17
Provident fund	101.58	102.67

vi Sensitivity analysis of the defined benefit obligation:

₹ in lakh

Particulars	2017-18		2016-17	
	Gratuity (funded)	Leave encashment	Gratuity (funded)	Leave encashment
Impact of the change in discount rate				
Impact due to increase of 0.50%	(11.11)	(3.74)	(9.99)	(3.45)
Impact due to decrease of 0.50%	11.86	4.07	10.36	3.75
Impact of the change in salary increase				
Impact due to increase of 0.50%	11.94	4.10	10.39	3.78
Impact due to decrease of 0.50%	(11.29)	(3.81)	(10.00)	(3.52)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

vii Other comprehensive income (OCI):

₹ in lakh

Particulars	2017-18	2016-17
	Gratuity	Gratuity
Net cumulative unrecognized actuarial (gain)/loss opening		
Actuarial (gain)/loss for the year on PBO	17.30	(22.64)
Actuarial (gain)/loss for the year on plan asset	2.02	0.73
Unrecognized actuarial (gain)/loss at the end of the year	-	-
Total actuarial (gain)/loss at the end of the year	19.32	(21.91)

34 Related Party Transaction

A. Relationships

i. Key Managerial Person of the Holding Company

Mr. C.N. Maheshwari	Chief Executive Officer
Mr. S.K. Srivastava	Chief Financial Officer
Ms. Akansha Jain	Company Secretary

ii. Directors of the Subsidiary Company

Mr. C.N. Maheshwari, Mr. Sameer Nagpal, Mr. Sudhir Kumar Srivastava (till 09.05.2017), Mr Erik Zobec (w.e.f 1.05.2017), and Mr. Vladimir Bedov (w.e.f 01.05.2017)

iii. Promoters of the Parent Company/Relatives of the Promoters :-

Mr. J. H. Dalmia, Mr. Y. H. Dalmia, J. H. Dalmia (HUF), Y. H. Dalmia (HUF), Mr. Gautam Dalmia, Mr. Puneet Yadu Dalmia, Gautam Dalmia (HUF), Ms. Kavita Dalmia, Ms. Bela Dalmia, Ms. Anupama Dalmia, Ms. Avantika Dalmia, Ms. Shrutipriya Dalmia, Ms. Sukeshi Dalmia, Ms. Vaidehi Dalmia, Ms. Sumana Dalmia, Ms. Avanee Dalmia, Mst. Priyang Dalmia,

iv. Enterprises controlled by the Promoters of the Parent Company :-

Rama Investment Company Private Limited, Puneet Trading & Investment Company Private Limited, Sita Investment Company Limited, Mayuka Investment Limited, Ankita Pratisthan Limited, Himgiri Commercial Limited, Valley Agro Industries Limited, Shree Nirman Limited, Keshav Power Limited, Avanee and Ashni Securities Private Limited, OCL India Limited, ZipAhead.Com Private Limited, Alirox Abrasives Limited, Dalmia Bharat Limited (formerly Dalmia Bharat Enterprises Limited), Kanika Investment Limited, Ishita Properties Limited, Dalmia Cement (Bharat) Limited, D.I. Properties Limited, Geetee Estates Limited, Hemshila Properties Limited, Shri Rangam Properties Limited, Arjuna Brokers & Minerals Limited, Dalmia Minerals & Properties Limited, Shri Radha Krishna Brokers & Holdings Limited, Dalmia Power Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Madhusudhana Mines and Properties Limited, Sri Trivikrama Mines & Properties Limited, Sri Dhandauthapani Mines & Minerals Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, Rajputana Properties Private Limited, Golden Hills Resorts Private Limited, Dalmia Bharat Sugar and Industries Limited, Himshikhar Investment Limited, Dalmia Solar Power Limited, Dalmia Sugar Ventures Limited, Sukeshi Trust, Vaidehi Trust, Sumana Trust, Shrutipriya Dalmia Trust, Priyang Trust, Avanee Trust, Adhunik Cement Ltd., Adhunik MSP Cement (Assam) Ltd., Calcom Cement (India) Ltd, Vinay Cement Ltd, RCL Cements Ltd., SCL Cements Ltd, Khappal Coal Co. Pvt. Ltd., Shri Chamundeswari Minerals Ltd., Shri Yadu Hari Trusteeship ServicesPvt. Ltd., YHD Trusteeship Services Pvt. Ltd., Vastalaya Developers Pvt. Ltd., Vinimay Developers Pvt. Ltd., Dalmia Bharat Cements Holdings Ltd., Sri Rangam Securities and Holdings Ltd., Shri Investments,Yadu Hari Dalmia Parivar Trust, Respect Elders & Co., Love Children & Co., Respect Nature & Society, Shri Brahma Creation Trust, Shri Vishnu Preservation Trust, Shubh Home Realtors LLP., Dalmia Cement EastLimited, Glow Homes Technologies Private Limited, Jayevijay Agro Farms Private Limited, OCL Global Limited, OCL China Limited, Odisha Cement Limited, Bangaru Kamak Shiamman Agro Farms Pvt. Ltd.,Coin Tribe Technologies Pvt. Ltd., Tijori Capital Pvt. Ltd., Samagama Holdings and Commercial Pvt. Ltd.,Antordaya Commercial and Holdings Pvt. Ltd., Akhyar Estate Holdings Pvt. Ltd., Adhirath Power and Holdings Private Limited, Hareon Dalmia Solar Private Limited, Alsthom Industries Limited, Vanika Commercial and Holdings Private Limited, Dalmia Stefanutti Stocks Private Limited, Garvita Solution Services and Holdings Private Limited, Jai Hari Dalmia Parivar Trust, Jai Hari Dalmia Trust, Kavita Dalmia Trust, Y.H.Dalmia Parivar Trust, Bela Dalmia Parivar Trust, Puneet Dalmia Parivar Trust, Avantika Dalmia Parivar Trust, Shrutipriya Dalmia Parivar Trust, Avanee Dalmia Parivar Trust, Priyang Dalmia ParivarTrust and Dalmia Bharat Parivar Trust, Dalmia Mining & Services Pvt. Ltd, Dalmia Renewables Energy Ltd., Sarvapriya Healthcare Solutions Pvt Ltd.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

B. The following transactions were carried out with the related parties in the ordinary course of business:

₹ In lakh

Nature of Relationship	Name of Related Party	Nature of Transaction	For the year 2017-18	For the year 2016-17
Promoter Controlled enterprises	Dalmia Cement (Bharat) Ltd	Sale of Goods & Services	**910.39**	793.05
	Adhunik Cement Limited		**186.49**	188.99
	Dalmia Bharat Sugar & Industries Limited		**16.02**	3.61
	OCL India Limited		**508.33**	851.82
	Calcom Cement (India) Ltd		**27.26**	129.95
	Dalmia Cement (Bharat) Ltd	Purchase of goods & Services	**448.23**	201.34
	OCL India Limited		**105.74**	42.28
	Alirox Abrasives Ltd.		**21.10**	17.25
	Govan Travels (Prop. Dalmia Bharat Sugar & Industries Ltd.)		**46.83**	27.57
	Dalmia Cement (Bharat) Ltd	Reimbursement of expenses paid	**1.66**	1.91
	Shri Chamundeswari Minerals Limited		**4.95**	2.75
	Dalmia Bharat Limited		**314.35**	279.36
Key Management Personnel	Mr. C.N Maheshwari- CEO	Salary & Perquisites	**77.48**	70.65
	Mr. S.K Srivastava - CFO		**33.90**	32.21
	Ms. Akansha Jain - CS		**4.15**	3.95

C. Balances outstanding at year end:

₹ In lakh

Nature of Relationship	Name of Related Party	Nature of Transaction	2017-18	2016-17
Promoter Controlled enterprises	OCL India Limited	Outstanding balance at year end **(Amount Receivable)**	133.13	75.47
	Adhunik Cement Limited		134.36	42.27
	Dalmia Cement (Bharat) Ltd		68.90	67.88
	Calcom Cement (India) Ltd		12.01	67.11
Key Management Personnel - CFO	Mr. S.K Srivastava- CFO		-	4.16
Promoter Controlled enterprises	Dalmia Bharat Limited	Outstanding balance at year end **(Amount payable)**	36.87	18.59
	Dalmia Cement (Bharat) Ltd		-	0.75
	Govan Travels (Prop. Dalmia Bharat Sugar & Industries Ltd.)		1.84	1.77
	Shri Chamundeswari Minerals Limited		0.57	0.28
	OCL India Limited		13.79	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

35 Expenditure incurred on Corporate Social Responsibilities

Pursuant to section 135 of the Companies Act, 2013, regarding the Corporate Social Responsibility, the same is not applicable to the Group for the Financial year 2017-18.

36 Dividend

The Board of Directors of Parent Company are pleased to recommend a dividend of 5 % amounting to ₹ 0.50 (₹ 1.00 previous year) per equity share of the face value of ₹ 10 each. The dividend payout is subject to the approval of shareholders in the ensuing Annual General Meeting.

37 Events occurring After the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements

38 All amounts including those in contingent liabilities and notes have been expressed in Rupees lakh rounded off to the nearest thousands. Figures less than Rupees five hundred which are required to be shown separately have been shown at actuals in double bracket.

39 Financial Risk Management Objectives And Policies

Financial Risk Factors

The Group's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Group realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's senior management oversees the management of these risks and devise approrpiate risk management framework for the Group. The senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives

A. 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

To manage this, Group periodically assesses the financial reliability of customers, taking into account factors such as credit track record in the market and past dealings with the Group for extension of credit to customer Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. 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 40. 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.

₹ in Lakhs

Particulars	**As at 31st March, 2018**		**As at 31st March, 2017**	
	Upto 6 months	**More than 6 months**	**Upto 6 months**	**More than 6 months**
Gross carrying amount (A)	2,238.70	394.97	1,398.92	405.42
Expected Credit Losses (B)	-	(243.61)	-	(226.24)
Net Carrying Amount (A-B)	**2,238.70**	**151.36**	**1,398.92**	**179.18**

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, 2018 and March 31, 2017 is the carrying amounts as illustrated in note 40.

B. Liquidity Risk :

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities, short term loans and buyers credit. The table below summarises the maturity profile of the Group's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

Table hereunder provides the current ratios of the Group as at the year end

₹ in lakhs

Particulars	**As at 31st March, 2018**	**As at 31st March, 2017**
Total current assets	8704.17	7,592.56
Total current liabilities	5977.78	5,206.80
Current ratio	**1.46**	**1.46**

The table below summarises the maturity profile of the Group's financial liabilities :

₹ in lakhs

Particulars	**Payable on demand**	**Less than 1 year**	**More than 1 year**	**Total**
As at March 31, 2017				
Borrowings	-	2,228.78	-	2,228.78
Other financial Liabilities	18.76	-	-	18.76
Trade and other payables	-	2,134.37	-	2,134.37
Total	18.76	4,363.15	-	4,381.91
As at March 31, 2018				
Borrowings	-	2,518.07	-	2,518.07
Other financial Liabilities	14.42	-	-	14.42
Trade and other payables	-	2,765.83	-	2,765.83
Total	14.42	5,283.90	-	5,298.32

C. 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. The Group is exposed to the risk of movements in interest rates, inventory price and foreign currency exchange rates that affects its assets, liabilities and future transactions. The Group is exposed to following key market risks:

i. 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. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's **short term borrowings obligations in the form of cash credit and buyer’s credit carrying** floating interest rates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

₹ in Lakhs

Particulars	Fixed Rate Borrowing	Variable Rate Borrowing	Total Borrowing
As at March 31, 2018	-	2,518.07	2,518.07
As at March 31, 2017	-	2,228.78	2,228.78

Sensitivity analysis - For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

₹ in Lakhs

Sensitivity on variable rate borrowings	Impact on Profit & Loss Account	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest rate increase by 0.25%	(5.93)	(6.08)
Interest rate decrease by 0.25%	5.93	6.08

ii. **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 foreign currency denominated borrowings and foreign paybles on account of import of raw materials and other consumables. This foreign currency risk is covered by using foreign exchange forward contracts and currency swap contracts.

The details of foreign currency exposure is as follows:

₹ in lakhs

Particulars	FY 2017-18		FY 2016-17	
Unhedged Foreign Currency	**In FC**	**In ₹ lakhs**	**In FC**	**In ₹ lakhs**
Trade Paybles - Purchase of Raw Material	USD 747,250 EURO 61,155	486.11 49.30	USD 940,550 EURO 21,960	609.84 15.21
Buyers credit	USD 2,767,516 EURO 344,280	1800.11 277.57	USD 692,250 EURO 116,064	448.85 80.37
Trade Receivable - Export	USD 79000 EURO 152422	51.38 122.89	USD 33420 -	21.88 -
Hedged Foreign Currency Buyers credit (USD)	USD 460,649	299.62	USD 1,625,903	1120.32

Rate Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

₹ in lakhs

Particulars	Increase / Decrease in basis points	Impact on Profit & Loss Account For the year ended 31st March, 2018	For the year ended 31st March, 2017
USD Sensitivity	+ 50 basis points	(1.72)	(0.80)
	- 50 basis points	1.72	0.80
Euro Sensitivity	+ 50 basis points	(0.13)	(0.07)
	- 50 basis points	0.13	0.07

40 Financial Instrument - Disclosure

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

₹ in Lakhs

Sl. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial assets designated at fair value through profit and loss**						
	Current						
	- Investment in mutual funds and others	A	Level-1	474.30	474.30	1,520.79	1,520.79
2	**Financial assets designated at fair value through other comprehensive income**						
	Non Current						
	- Investment In Equity shares	B	Level-1	10,045.10	10,045.10	6,871.38	6,871.38
3	**Financial assets designated at amortised cost**	C					
	Non Current						
	a) Loans			88.18	88.18	112.56	112.56
	Current						
	a) Trade receivables *			2,390.06	2,390.06	1,578.10	1,578.10
	b) Cash & Cash Equivalents *			116.93	116.93	208.45	208.45
	c) Other Bank Balances *			20.34	20.34	23.16	23.16
	d) Loans*			171.44	171.44	87.43	87.43
	e) Other financial assets*			2.35	2.35	3.47	3.47
				13,308.70	**13,308.70**	**10,405.34**	**10,405.34**

Financial Liabilities

₹ in Lakhs

Sl. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2018		As at March 31, 2017	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1	**Financial liability designated at amortised cost**	C					
	Non Current						
	- Borrowings			-	-	-	-
	Current						
	- Borrowings			2,518.07	2,518.07	2,228.78	2,228.78
	- Trade payables *			2,765.83	2,765.83	2,134.37	2,134.37
	- Other financial liability *			14.42	14.42	18.76	18.76
				5,298.32	**5,298.32**	**4,381.91**	**4,381.91**

The fair value of financial assets and liabilities are 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.

A Group has opted to fair value its mutual fund investment through profit & loss

B Group has opted to fair value its quoted investments in equity share through OCI

C Group has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

41 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.

₹ in Lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2017
Debt (i)	2,518.07	2,228.78
Cash & bank balances	137.27	231.61
Net Debt	2,380.80	1,997.17
Total Equity	21,590.23	18,589.57
Net debt to equity ratio (Gearing Ratio)	0.11	0.11

(i) Debt is defined as long-term and short-term borrowings

42 Transition to Ind As

These are the Group's first financial statements prepared in accordance with Ind AS. The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017. For all periods upto and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with the previously applicable Indian GAAP (Previous GAAP).

The adoption of Ind AS has been carried out in accordance with Ind AS 101, ‘First-time Adoption’ of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Group has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017.

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Group in restating its Previous GAAP financial statements and the financial statements as at and for the year ended March 31, 2017.

(a) Ind AS optional exemptions

Deemed cost

Ind AS 101 permits a first-time adopter to measure all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS at fair value or Previous GAAP carrying value and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, “Intangible Assets”. Accordingly, the Group has elected to measure all of its property, plant and equipment (PPE) at their fair values. The Group has elected to use Previous GAAP carrying value as deemed cost for Intangible Assets covered by Ind AS 38, “Intangible Assets”.

Decommissioning liabilities included in the cost of property, plant and equipment

Appendix ‘A’ to Ind AS 16 Changes in Existing Decommissioning, Restoration and Similar Liabilities requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. Ind AS 101 permits a first-time adopter to not comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind ASs.The Group has availed the exemption for decommissioning and restoration liability and accordingly measured the discounted liability as at the date of transition, the liability prior to transition date is adjusted in retained earnings. The impact of such measurement is provided in summary of effect of transition.

Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances on the date of transition to Ind AS.The Group has elected to apply this exemption for its investment in equity investments.

(b) Ind AS mandatory exceptions

The Group has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

i. Estimates

The Group's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as on transition date are consistent with the estimates as at the same date made in conformity with Indian GAAP except where Ind AS required a different basis for estimates as compared to the Indian GAAP.

ii. Classification and measurement of financial assets:- The Group has classified the financial assets in accordance with Ind AS 109 “ Financial Instruments” on the basis of facts and circumstances that exist at the date of transition to Ind AS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Reconciliation of consolidated balance sheet as previously reported under Previous GAAP to IND AS as at March 31, 2017

₹ in Lakhs

	As at March 31, 2017 ₹ in lakh	As at March 31, 2017 ₹ in lakh	As at March 31, 2017 ₹ in lakh
	IGAAP	**Adjustment**	**AS per IND AS**
Assets			
Non - current assets			
Property, plant and equipment	3,045.79	9,089.46	12,135.25
Capital work - in - progress		-	-
Other intangible assets	0.56	-	0.56
Financial assets			
Investments	494.62	6,376.76	6,871.38
Loans	300.77	(188.21)	112.56
Other non - current assets	3.55	(3.55)	-
	3,845.29	**15,274.46**	**19,119.75**
Current assets			
Inventories	3,645.35	28.79	3,674.14
Financial assets			
Investments	1,509.29	11.50	1,520.79
Trade receivables	1,578.10	-	1,578.10
Cash and cash equivalents	228.06	(19.61)	208.45
Bank Balances	-	23.16	23.16
Loans	428.24	(340.81)	87.43
Others	-	3.47	3.47
Current tax assets (net)	-	156.21	156.21
Other current assets	3.47	337.34	340.81
	7,392.51	**200.05**	**7,592.56**
Total Assets	**11,237.80**	**15,474.51**	**26,712.31**
Equity And Liabilities			
Equity			
Equity share capital	315.21	-	315.21
Other equity	5,491.52	12,782.84	18,274.36
	5,806.73	**12,782.84**	**18,589.57**
Liabilities			
Non - current liabilities			
Financial liabilities	-	-	-
Provisions	69.79	309.54	379.33
Deferred tax liabilities (Net)	154.46	2,382.15	2,536.61
	224.25	**2,691.69**	**2,915.94**
Current liabilities			
Financial liabilities			
Borrowings	2,228.78	-	2,228.78
Trade payables	2,134.37	-	2,134.37
Other financial liabilities	-	18.76	18.76
Other current liabilities	796.59	(18.78)	777.81
Provsions	47.08	-	47.08
	5,206.82	**(0.02)**	**5,206.80**
Total Equity & Liabilities	**11,237.80**	**15,474.51**	**26,712.31**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Equity Reconcilation

	₹ in lakhs 2017
As Per Previous GAAP	**5,806.73**
Fair Valuation of Property, Plant and Equipment (PPE)	8,832.69
Fair Valuation of Non Current Investment	6,376.76
Depreciation Charge on Asset Retirement Obligation (ARO)	(23.61)
Unwinding of discount on ARO obligation	(29.16)
Impact on inventory due to increase in depreciation	28.79
Fair Valuation of Current Investment	11.50
Tax adjustments on above	(2,414.13)
As Per IND AS	**18,589.57**

Reconcilation of Statement of profit and loss as previously reported under Previous GAAP to IND AS for the year ended 31.03.2017

₹ in Lakhs

	As at March 31, 2017 ₹ in lakh IGAAP	As at March 31, 2017 ₹ in lakh Adjustment	As at March 31, 2017 ₹ in lakh AS per IND AS
Revenue from operations	16,065.29	1,735.99	17,801.28
Other income	106.50	11.50	118.00
Total income	**16,171.79**	**1,747.49**	**17,919.28**
Expenses			
Cost of materials consumed	8,532.62	-	8,532.62
Purchases of stock in trade	118.23	-	118.23
Changes in inventories of finished goods, and work - in - progress	(52.42)	(28.79)	(81.21)
Excise duty on sale	-	1,724.91	1,724.91
Employee benefits expenses	2,455.77	(21.90)	2,433.87
Finance costs	131.03	29.17	160.20
Depreciation and amortization expenses	393.93	616.67	1,010.60
Other expenses	4,038.07	11.07	4,049.14
Total expenses	**15,617.23**	**2,331.13**	**17,948.36**
Profit / (loss) before tax	554.56	(583.64)	(29.08)
Tax expense			
Current tax	113.00	-	113.00
Deferred tax	73.83	(195.35)	(121.52)
Income tax pertaining to earlier years	2.19	-	2.19
	189.02	**(195.35)**	**(6.33)**
Profit / (loss) for the year	**365.54**	**(388.29)**	**(22.75)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans	-	(21.91)	(21.91)
Income tax relating to items that will not be reclassfied to profit or loss	-	7.58	7.58
Re-measurement gains/(losses) on investment	-	4,077.55	4,077.55
	-	**4,063.22**	**4,063.22**
Total comprehensive income for the year	**365.54**	**3,674.94**	**4,040.47**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Profit reconcilation for the year ended March 31, 2017

	Amount
Profit As per Previous GAAP March 31, 2017	**365.54**
Transfer of acturial loss to OCI	21.91
Additional Depreciation on PPE on account of fair valuation and ARO	(616.67)
Unwinding of discount on ARO	(29.16)
Imapct on change in inventory on account of additional depreciation	28.79
Impact on Tax on account of above adjustment	195.34
Fair Valuation of Current Investment	11.50
Profit As Per IND AS March 31, 2017	**(22.75)**
Other comprehensive income	
Items that will not be reclassified to profit or loss	
Re-measurement gains/(losses) on defined benefit plans	(21.91)
Income tax relating to items that will not be reclassfied to profit or loss	7.58
Re-measurement gains/(losses) on investment	4,077.55
	4,063.22
Total comprehensive income for the year	**4,040.47**

Impact of Transition to Ind AS on Cash Flow Statement for the year ended March 31, 2017

The Ind AS adjustments are either non cash adjustments or are regrouping among the Cash Flow from Operating, Investing and Financing Activities. Consequently, Ind AS adoption has no impact on net cash flow for the year ended 31st March, 2017 as compared with previous GAAP.

Other comprehensive income

Under the previous GAAP, the Group did not present total comprehensive income and other comprehensive income. Hence, it has reconciled the previous GAAP profit to profit as per Ind AS. Further, the previous GAAP profit is reconciled to other comprehensive income and total comprehensive income as per Ind AS.

Property, plant and equipment & Depreciation

The Group has elected to measure items of property, plant and equipment at its fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, the value of freehold land and other items of PPE has increased by ₹ 5277 lakhs and ₹ 4148.75 lakhs respectively. Hence on account of revaluation additional depreciation of ₹ 593.06 lakhs has been charged for the year ended 31st March, 2017. Consequentially the closing stock of inventory has increased by ₹ 28.79 lakhs as on 31st March, 2017 .

Decommissioning liabilities or Assets Retirement obligation

Under Indian GAAP no obligation on account of decommissioning cost or asset retirement cost had been recognised. On the date of transition to Ind AS, Asset retirement Obligation of **₹ 306.97 lakhs** has been recognised and the cost of related asset has been increased by equivalent amount. In FY 2016-17 interest cost of **₹ 29.16 lakhs** on account of unwinding of discount of decommissionig liability and additional depreciation of **₹ 23.61 lakhs** has been charged in statement of profit & loss.

Deferred tax assets (net)

Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which were not required under the previous GAAP. Moreover, carryforward of unused tax credits are to be treated as deferred tax assets which was earlier considered as Other non-current non-financial assets.In addition, the various transitional adjustments lead to temporary differences and consequently deferred tax adjustments have been recognized in correlation to the underlying transaction in retained earnings. The net impact on deferred tax liabilities has increased by **₹ 2382.15 lakhs** for the year ended on 31st March 2017.

Revenue

Under the previous GAAP, revenue from sale of goods was presented as net of excise duty on sales. However, under Ind AS, revenue from sale of goods includes excise duty and such excise duty is separately presented as an expense on the face of the Statement of Profit and Loss. Thus, under Ind AS, sale of goods for the year ended 31st March, 2017 has increased by **₹ 1735.99 lakhs**.

Investment

Under Indian GAAP, the Group accounted for long term investments in quoted equity share measured at cost less provision for other than temporary diminution in the value of investments.Under Ind AS, the compay has designated such investments in quoted equity shares as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value with changes in fair value recognised in other comprehensive income. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in other comprehensive income, net of related deferred taxes.Under Indian GAAP, the Group accounted for current investments in debt based mutual funds as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Group has designated such investments as FVTPL investments. Ind AS requires FVTPL to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and carrying value as at the date of transition has been recognised in retained earnings, net of related deferred taxes.

Defined benefit obligation

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, 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.Thus the employee benefit cost is increcase by **₹ 21.91 lakhs** as on March 31, 2017 and acturial losses on defined benefit plans of equivalent amount has been recognized in the OCI .

Capital Reserve

Certain government grant were received by the Group in past years as grant in the nature of promoter's contribution and recognized under Capital reserve as required under the previous GAAP. Ind AS does not permit recognition of government grant in the nature of promoter contribution to capital reserve.Under Ind AS, such government grants are required to be treated as an asset related grant and to be presented in the balance sheet by setting up the grant as deferred income. The grant set up as deferred income is to be recognized in the Statement of Profit and Loss on a systematic basis over the useful life of the related asset. Accordingly, to comply with Ind AS 20 the Group has reclassified an amount of ₹ 5.00 lakhs from capital reserve to retained earnings as at the transition date.

Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

Retained earnings

Retained earnings as at the transition date has been adjusted consequent to the above Ind AS transitional adjustments.

As per our report of even date
For Chaturvedi & Shah
Chartered Accountants
Firm Regn. No. 101720W

Vijay Napawaliya
Partner
Membership No. 109859
Place : New Delhi
Date : May 25, 2018

For and on behalf of the Board Of
Directors of Dalmia Refractories Limited

N. Gopalaswamy
Director
DIN: 00017659

C.Nagaratnam
Director
DIN: 00266838

C N Maheshwari
Chief Executive Officer

Sudhir Kumar Srivastava
Chief Finacial Officer

Akansha Jain
Company Secretary

Dalmia Refractories Limited

(Formerly Shri Nataraj Ceramic & Chemical Industries Ltd.)

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