Dalmia
Bharat Limited

UNLEASHING POTENTIAL

Dalmia Bharat Limited | Annual Report 2016-17

Disclaimer and cautionary statement

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

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

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Living values. Unleashing potential.

At Dalmia Bharat Limited, we believe that the values enhance value.

Values help outperform.
Values strengthen margins.
Values reinforce sustainability.

Over the decades, the principal value that we have professed has often gone contrary to the prevailing scenario: in a world largely focused on enhancing value for itself, we have focused on helping unleash the value of everyone we touch.

We have not merely enunciated this value; we have consistently lived it.

And that has made all the difference.

Ananda Hazarika
drives through the Dhola Sadiya Bridge across the Brahmaputra River in Assam, saving five hours in commuting time.
A bridge made with Dalmia Bharat's cement (among other brands).

Raj Kishore
in Bokaro selects to buy Dalmia DSP confidently recommended by the dealer as being the 'next generation cement', a super premium brand made and marketed by Dalmia Bharat.

Sulabha
in Belgaum receives an appointment letter through courier appointing her as an engineer on the shopfloor of a cement manufacturing facility. She embarks a journey with Dalmia Bharat.

touch

Siddhartha
in Bengal is one of the fastest growing cement dealers, the trade's envy. He enjoys a comfortable lifestyle. He is a Dalmia Bharat dealer.

Dhanalakshmiben
in Rajkot is happy that her retirement plan is falling into place. Much of her direct investments are performing well; one company is the pride of her portfolio. Her holding in Dalmia Bharat.

Murugan
in Dalmiapuram lives in the shadow of a cement manufacturing facility. He is happy to see executives of the Company periodically seek his feedback on the quality of air that he breathes. The executives come from Dalmia Bharat.

Lakhsmi S.
in Ariyalur is sending her daughter to school. The school built toilets, strengthening her confidence to keep her daughter enrolled. The school is managed by Dalmia Bharat.

The secret of sustainable success comes down to just one word. *Connect.*

Customer
We inspired customer confidence in the use of our brands; we responded to the evolving construction needs of our customers by producing a superior cement grade, helping enhance structural quality and delivered nearest to their point of consumption

Nation
We produced cement of the right quality to catalyse nation-building; we contributed attractively to the national exchequer.

Environment
We strengthened our environmental commitment, reducing our carbon footprint to a level that is among the lowest in the global cement industry

The Dalmia Bharat Way

Consider the stakeholder as the principal business driver

Generate surplus for stakeholders; you will automatically benefit

Business sustainability is derived from relationships

Profit is derived from the value we generate for the stakeholders

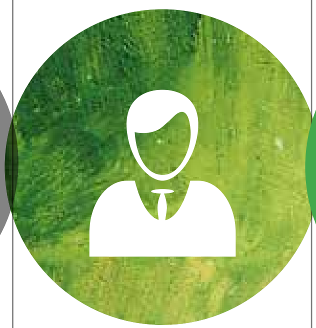
Growth is derived from collective interest

Connect is a philosophy through which we engage with all our stakeholders, generating enhanced value of life.

Trade partner
We created a consumer pull that enhanced throughput and revenues for our trade partners; we serviced them with a speed that enhanced their working capital efficiency

Shareholder
We outperformed the growth of our overall sector, generating margins and profits higher than the sectoral average, leaving enhanced value in the hands of our shareholders

Employee
We provided our employees with an empowered workplace that inspired emotional ownership and outperformance



Community
We extended our prosperity to our surroundings, enhancing their life quality

connect

We produced cement of the right quality to catalyse nation-building.

Dalmia Bharat brings to the sectoral reality a dynamic complement

Low manufacturing cost
Improving capacity utilisation
> Prudent fuel substitution
> Low operating costs

Superior realisations
Stronger brand
> Market leadership
> Superior terms of trade

Robust Balance Sheet
Lower debt cost
> Declining Net Debt: EBITDA
> Superior cash flows

Timely acquisitions
Eastern India acquisitions
> Efficiently managing plants
> Improved viability

Environment compliance
Move to greener inputs
> Lower costs
> Industry statesmanship

Dalmia Bharat is the fourth largest cement major in India > Increased capacity from 1.2 MnT to 25 MnT in a decade > Highest EBITDA per tonne among sectoral majors > Among the lowest costs of debt in India's cement industry > Profitable growth

Nation
- Proactive capacity creation
- Capacity creation in under-provided regions
- Addressing core infrastructure projects

Shareholders
- Operational transparency
- Attractive market capitalisation growth
- Focus on profitable growth

Customers
- Brand-driven product offtake
- Quality products
- Timely service

Employees
- Extensive delegation and empowerment
- Personal and professional development
- Fair and equitable wages / contracts

Communities
- Commitment to enhance community welfare
- Environmentally safe operations
- Generating sustainable livelihoods

Society
- Contribution to exchequer
- Driving employment
- Skilling people in complementary areas

Environment
- Extra-statutory approach
- Attaining water neutrality
- One of global cement industry's lowest carbon footprints

Dalmia Bharat. Unleashing the potential of everyone we touch

Unleashing everyone's potential made unbelievable things happen at Dalmia Bharat

At a time when the broad Indian cement industry declined by 1%, Dalmia Bharat grew volumes 20% in FY17

At a time when incremental sales became imperative, Dalmia Bharat reported the highest volume growth in FY17

At a time when margins were under pressure in a challenging business such as cement, Dalmia Bharat reported the highest EBITDA per ton (among the five largest cement companies)

At a time when realisations were subdued, Dalmia Bharat reduced its net debt-to-EBITDA from 3.8x to 2.8x

At a time when a cost-push threatened margins, Dalmia Bharat reported one of the lowest costs of production in the industry among peers

At a time when brand clutter increased, Dalmia Bharat launched an even more value-added super-premium Dalmia DSP brand

At a time when diesel costs increased, Dalmia Bharat reduced logistics cost due to benefits accruing through digitisation

At a time when pet coke prices increased, Dalmia Bharat switched to different pet coke varieties 15-20% cheaper than the prevailing market price

At a time when it would have been reasonable to believe that cost moderation would not sustain, Dalmia Bharat reduced power consumption per tonne of cement produced to among the lowest levels in the industry

At a time when it became imperative to enhance perception, Dalmia Bharat simplified its corporate structure

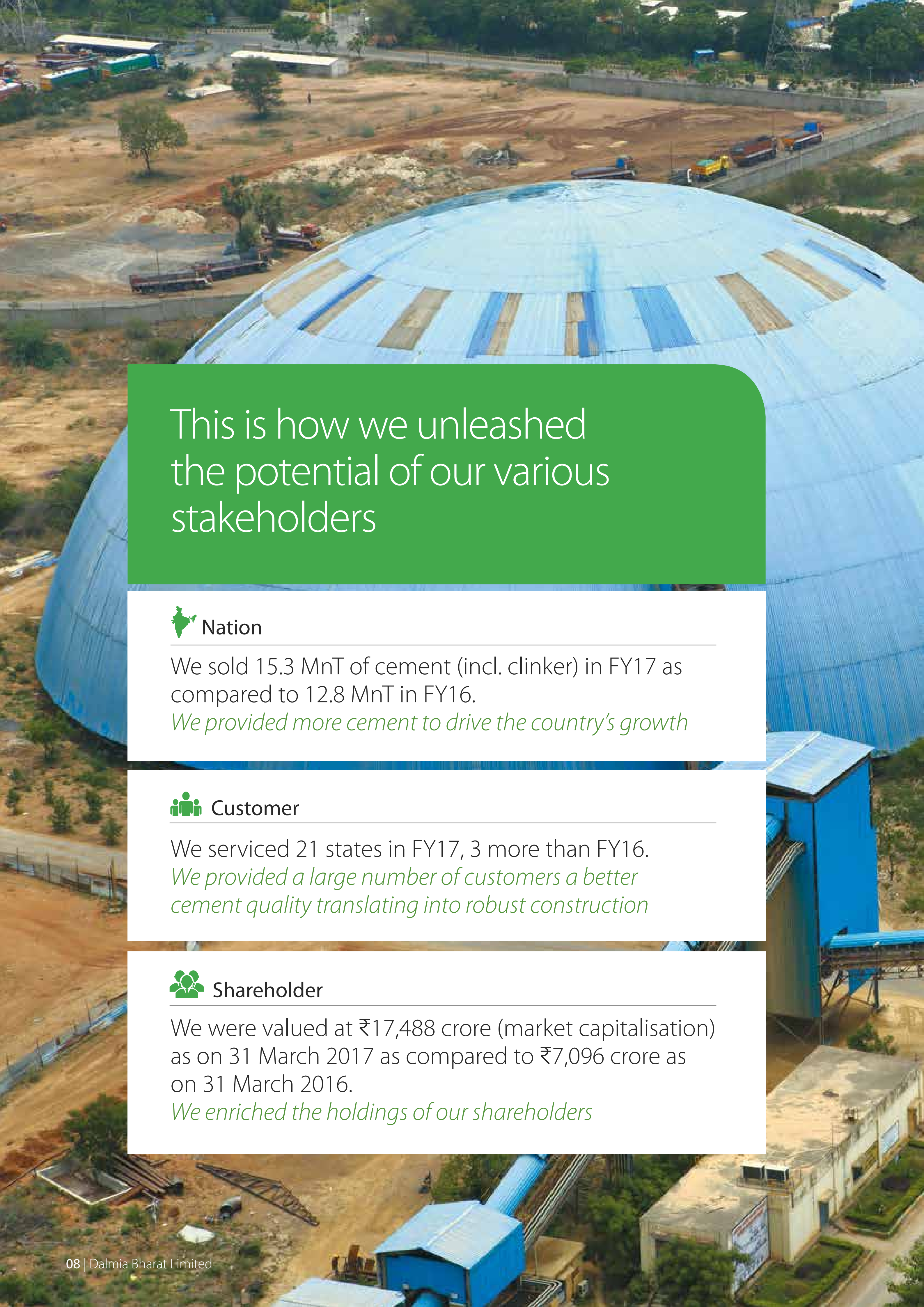
At a time when the country's economic growth slowed and marketing cement became increasingly difficult, Dalmia Bharat enhanced its market share in all markets; it entered new markets like UP, MP and Maharashtra

At a time when increased water-stress affected the country, three Dalmia Bharat plants turned water-neutral with a target to turn completely water-neutral in the future

At a time when consumer sentiment was affected for an entire quarter, Dalmia Bharat generated an EBITDA per tonne of ₹1258 and strengthened PAT by 81% to ₹345 cr

At a time when it was imperative to enhance investment productivity, Dalmia Bharat generated more than 60% of revenues from plants acquired in the last five years

At a time when debt cost management became imperative, Dalmia Bharat moderated its average debt cost by 50 bps in FY17 as compared to the previous year



This is how we unleashed the potential of our various stakeholders

Nation

We sold 15.3 MnT of cement (incl. clinker) in FY17 as compared to 12.8 MnT in FY16.

We provided more cement to drive the country's growth

Customer

We serviced 21 states in FY17, 3 more than FY16.

We provided a large number of customers a better cement quality translating into robust construction

Shareholder

We were valued at ₹17,488 crore (market capitalisation) as on 31 March 2017 as compared to ₹7,096 crore as on 31 March 2016.

We enriched the holdings of our shareholders

Trade partner

We marketed products through more than 8000 dealers and distributors in FY17.

We enriched our large family of trade partners at a time of sectoral sluggishness

Environment

We joined global collaborative initiative RE 100 (first cement company in the world to join).

We helped create a cleaner world through dialogue.

Employee

We reported a Passion and Happiness Quotient of 85% at our Company.

We emerged as a people-friendly employer of talent

Community

We enhanced our CSR reach across 6 lakh people in FY17.

We enhanced community trust

Mr Puneet Yadu Dalmia (sitting) and Mr Gautam Dalmia,
Directors of Dalmia Bharat Limited

Management's overview

Dalmia Bharat Limited's multi-decade endurance has been derived from managing the entire eco-system of stakeholder relationships.

Central to this eco-system of relationships has been the ability of the Company to unleash the potential of everyone whose lives it has touched.

When most people engage with each other, the relationship in most cases remains functional. With respect to commercial transactions, this is even more so; in most cases, the engagement is limited to the basic exchange of goods and services rendered.

At Dalmia Bharat, we recognised the limitation of such an approach. We recognised that unless we strengthened our business model to enhance the profitability or take-home value for our stakeholders, we would be reduced to the generic, or like any other principal company.

And that is the Dalmia Bharat value system that we strengthened: the confidence to demand value from stakeholders only after we have generated larger value for our stakeholders in the first place. Take a small instance: we focused on servicing our trade partners with quicker product replenishment; this made it possible for them to work with a lower working capital outlay; in turn, this made them achieve higher revenues with the same quantum of financial resources, strengthening profitability and helping unleash the trade partner's larger potential.

Beyond business

Over the years, what has made us different is that our executives who engage with our trade partners are encouraged to extend their relationship beyond business; they are encouraged to take an interest in the larger well-being of the trade partner's life, business or family; they are encouraged to offer advice and support in areas that extend beyond the transaction. In doing so, we believe that a number of our sales and distribution executives have long outlived the narrow description of their job profiles and functions; they have emerged as friends-philosophers-guides for the thousands of our trade partners. They are perceived as individuals who help unleash the potential of our stakeholders.

Shareholder value driver

Besides, the Company acquired shareholding of Kohlberg Kravis Roberts in Dalmia Cement (Bharat) Limited and brought KKR in as a shareholder in Dalmia Bharat (8.5%), making it the largest foreign institutional investor. The divestment of KKR from the cement operations and investment in the holding company reinforced a sense of trust and partnership, enhancing structural clarity. This enhanced public float in a listed company, attracting reputable institutional shareholders, helping unleash the value of the equity of the Company. The restructuring of Dalmia Bharat Group, expected to be completed by end of FY18, would not only strengthen and consolidate our position as one of the leading cement players in India but also enhance the shareholders' value as the shareholders of the Company would receive two shares of the merged entity for every one share held.

Responsible nation builder

The Company strengthened its brand as a responsible nation builder, manufacturing cement in line with the highest quality standards. Besides, the Company introduced a wider brands complement addressing the specific needs of customers, making it possible to unleash the true potential of their structures.

People builder

As a potential-focused management, we believe that it is imperative to grow people from within; in turn, our people collaborate and co-operate; our team-working within a location and pan-organisation-working locations makes it possible to transform standalone learnings into a transformer of best practices. This approach ensures that we enrich the potential of our people which, in turn, extends outward to touch all our stakeholders.

At Dalmia Bharat, this philosophy is validated most unambiguously in our ability to perform better than our retrospective performance average.

If, over the last few years, we have been able to acquire four companies and integrate them successfully, each time with a shorter learning curve, then this achievement has been derived from our ability to empower, trust, educate and de-risk.

If, over the last few years, we have been able to report possibly the lowest carbon footprint in the global cement industry, then this benchmark performance has been achieved because we have outlined challenging targets and empowered our people to find the best way to get us there.

If, over the last few years, we have performed better than our sectoral growth average, it is because we have continuously been driven by the belief that nothing is impossible.

This then is the deeper import of the message that we wish to convey: if we have emerged as the fastest growing large cement company in India and one of the most responsible corporates, then it is only because we placed our stakeholder first with the objective to unleash his / her potential.

Optimistic of prospects

At Dalmia Bharat, we are optimistic of our prospects. We believe that India is at the cusp of a significant transformation: we see the structural correction (through demonetisation and GST implementation) as a platform for robust and sustainable

Unleashing the potential of everyone we touch represents the cornerstone of our sustainability

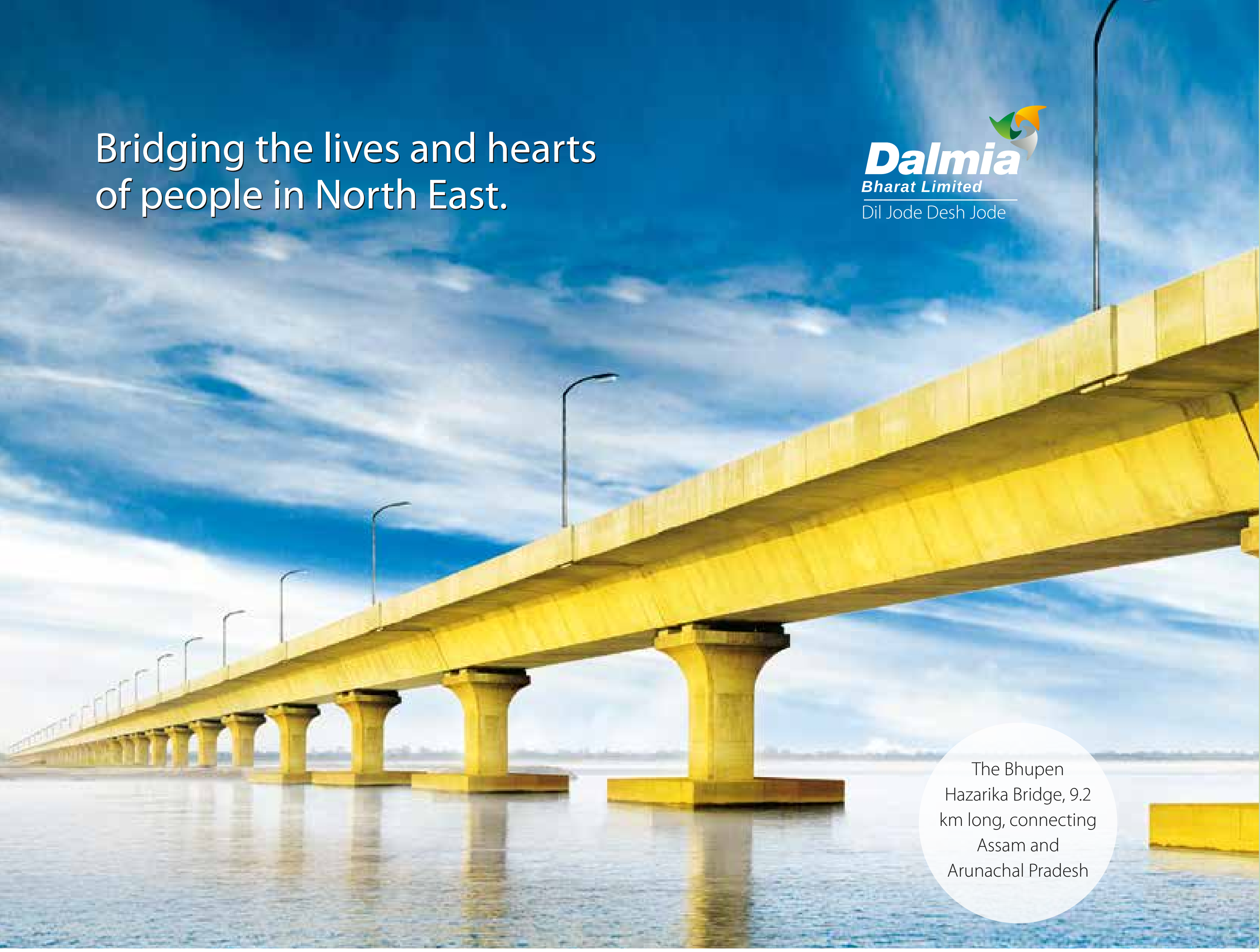
national growth. We also believe that private capital expenditure will gradually witness pick-up; sustained increase in personal incomes will continue to drive home-building and; we expect the government to extend higher tax collections into stronger infrastructure spending. The Company is adequately invested for the moment, is attractively placed to capture the demanding upturn in the regions of its presence and will enhance its capacity utilisation (operating leverage) in line with growing demand, which we believe will translate into superior value.

Conclusion

We must thank the stakeholders of the Company – Government, bankers, equity partners, Board of Directors, employees and community members – for their guidance, support and faith in our prospects. We are optimistic that we will be able to live up to their trust and help each of our stakeholders unleash the true value of our relationship with them.

Puneet Yadu Dalmia

Gautam Dalmia



The Bhupen Hazarika Bridge, 9.2 km long, connecting Assam and Arunachal Pradesh

STAKEHOLDER: NATION

Dalmia Bharat. Taking India ahead.

The Bhupen Hazarika Bridge (Dhola Sadiya Bridge)

182
Total piers with seismic buffers

10
Fuel savings per day (₹ lac) offered by the longest bridge in the country (9.2 kilometres)

100
Expected longevity (years) of this modern feat of engineering

Dalmia Bharat is proud to be the one of the major cement suppliers to this landmark infrastructure. Helping build modern India.

Overview

At Dalmia Bharat Limited, we put the country first. The country is our biggest stakeholder.

The inclusion of 'Bharat' was conscious: it set out to evoke the pride of a fundamental Indianness that would inspire our people to deliver their best to raise their game; it stood for our intention to graduate from a multi-decade regional identity into a pan-Indian personality; it enunciated our overarching ambition to emerge as a national growth proxy.

Courage with conviction

The national interest was always core to the Company. India took 60 years to reach its first trillion dollars in GDP; it was widely estimated that the next trillion dollars would be achieved considerably quicker.

The Company possessed 1.2 million tonnes of cement capacity until 2006; it was becoming increasingly evident that if India was to grow quicker (the next trillion dollars), then it would need a considerably larger cement capacity.

As a proactive organisation, Dalmia Bharat transformed: instead of the tried organic capacity creation route, the Company responded to a rapidly-changing ground reality; it set out to acquire companies instead. This was challenging; the Company had never acquired a company. Here too, the Company brought different components to the forefront; it attracted patient long-term private equity funding from the globally-respected Kohlberg Kravis Roberts to fund its acquisition ambition.

Positive transformation

The fusion of patient capital on the one hand and corporate ambition on the other fast-tracked what would have possibly taken a considerably longer period of organic asset creation into a fraction of the time through a combination of organic and inorganic expansions.

Dalmia Bharat grew to an installed capacity of 25 MnT per annum within a decade, one of the fastest capacity expansions within the country's cement industry.

More than scale, Dalmia Bharat transformed its multi-decade regional (South India) standing; the Company extended from one location to 11 locations; the Company extended from one states to eight states; the Company extended from one zone to three zones.

In doing so, the Company graduated from a point when it was among the 10 large cement groups in India to a point where today, it is among the five largest cement groups in the second largest cement market in the world.

Core presence

At Dalmia Bharat, it would have been reasonable to expect this national positioning to reflect in the use of our brands in traditional home-building applications; the Company engaged in the manufacture of cement for building enduring public infrastructure as well.

Over the years, Dalmia Bharat's cement has been extensively used in the building of tarmacs, riverine bridges, mountainous railway linkages, thermal power plants, metro railway stations cum tunnels, urban convention centres, industrial facilities, homes and highways, reinforcing its recall as a responsible and holistic nation-builder.

Conclusion

Dalmia Bharat's contrarian decision to pursue the growth at a time when most would have preferred the organic was validated by the country's rapid growth to its second trillion dollars in GDP growth.

Dalmia Bharat has been serving the nation since 1939.

A contributor to large infrastructure projects commissioned in the last five years.

Arunachal Pradesh
Advanced Landing Grounds for Indian Air Force.

Assam
9.2 km Dhola Sadiya Bridge in Tinsukia across the Brahmaputra river, the longest in the country

Manipur
Jiribam-Tupul-Imphal railway link comprising one of the longest railway tunnels in India

Tripura
ONGC Thermal Power Project – 530 MW.

Tamil Nadu
Chennai Metro Rail

Kerala
Kochi Metro Rail, Kannur Airport

Odisha
Tata Steel plant in Kalinganagar; Tata Housing Project

West Bengal
Asian Highway Project, Siliguri


shareh

STAKEHOLDER: SHAREHOLDER

Dalmia Bharat. Enhancing value for long-term investors.

Dalmia Bharat and KKR. Helping unleash each other's potential.

Around a decade ago, when Dalmia Bharat embarked on a strategy to fast-track growth through the contrarian and relatively-untried acquisition route, it sought long-term equity funding. Kohlberg Kravis Roberts (KKR), one of the largest private equity funds in the world, selected to back the Company's growth ambition with equity investment. The challenges were considerable; Dalmia Bharat had never acquired a cement company; a sectoral slowdown affected cash flows. With KKR's support, Dalmia Bharat made four acquisitions in three years, three-folded its capacity and emerged as one of the most dynamic proxies of India's cement industry. KKR made a complete exit in 2017, happy with their returns.

Overview

At Dalmia Bharat, we believe that numbers indicate clearly and precisely whether we have unleashed the potential of everyone we touch.

During the last few years, one of the most visible ways in which we enhanced stakeholder value was through the enhanced robustness of our business model and Balance Sheet.

This strengthened our ability to compete for the moment; it strengthened our business continuity and sustainability as well.

Sales outperformance

At Dalmia Bharat, we are pleased to report that we reported a sales volume growth of 20% in FY17, a year when the Indian economy grew around 7% and the country's cement sector growth was negative. This followed the Company's FY16 outperformance when the country's cement sector grew 5% and the Company's sales grew 19%. The Company successfully leveraged its strong brand, 'go direct' approach, strengthening channel partnerships, higher sales proportion of special cement, deeper penetration into new markets and proactive focus on digitisation.

Cash profit: Dalmia Bharat reported a cash profit of ₹1,311 crore during the year under review, which was 20% higher than FY16.

Margins

We believe that effective cost management is immediately visible in the strength of its operating margins. During the year under review, the Company reported the highest EBITDA per ton among the five largest cement companies in India.

Cost management

At Dalmia Bharat, we moderated expenditure across the organisation with the objective of retaining our sectoral cost leadership. We examined every single Balance Sheet component and then set about rationalizing it to achieve sectoral benchmarks. We strengthened our fuel mix through the introduction of fuel types and additives by enhancing fuel use flexibility (both in sourcing and fuel kind) which is a unique advantage. The proportion of pet coke in the Company's fuel mix increased from 39% to 76% in the last two years. From a position of complete dependence on imported pet coke, the Company graduated to the use of different pet coke varieties (fluid pet coke and domestic pet coke), moderating the Company's power and fuel cost by an attractive 6%. We addressed short-term challenges like an increase in pet coke and diesel costs; we analysed every item of expenditure; we benchmarked best practices in our best plants across the acquired units; we reduced costs during the financial year under review; we achieved among the lowest variable costs in the industry among prominent cement manufacturing peers. With numerous initiatives on the power front, power wheeling from captive units to grinding units, use of renewable energy (solar power), reducing auxiliary power consumption and improved plant load factor helped moderate power cost from ₹4.8 per unit in FY16 to ₹3.9 per unit in FY17.

At Dalmia Bharat, we are pleased to report a sales volume growth of 20% in FY17, a year when the Indian economy grew around 7% and the country's cement sector growth was negative.

Cash and cash equivalents

Dalmia Bharat held cash and cash equivalents worth ₹2816 crore on its books as on March 31, 2017, which was 1% higher than on March 31, 2016. This helped generate ₹299 crore in 'Other income'.

Debt management

The effectiveness of debt management has a direct impact on the Company's cost competitiveness and cash flows; Over the last few years, we expanded operations significantly and also mobilised a large proportion of debt for the same, convinced that as this gets gradually repaid, it will enhance shareholder value.

During FY17, Dalmia Bharat was able to reduce gross debt significantly and repaid ₹722 crore, significantly higher than the scheduled repayments. Net debt-to-EBITDA declined from 6.8 in FY15 to 3.8 in FY16 to 2.8 during the year under review. The interest outflow of the Company increased from ₹730 crore in FY16 to ₹890 crore in FY17 because the interest on the loan that was capitalised in the previous year was transferred to the P&L account in FY17 following the completion of projects under construction. Overall cost of debt reduced to 9.1% during the year under review; interest cover strengthened from 1.7x to 1.8x in FY17.

To insulate against major foreign currency movements, the Company mobilised most of its debt in the rupee currency and hedged most of its foreign currency borrowings. This helped the Company to remain foreign exchange-neutral and completely protect from currency swings largely outside the Company's control.

Resource mix: During the last few years, the Company increased the proportion of slag and fly ash (both procured cost-effectively) in the manufacture of


Ariyalur, Tamil Nadu

blended cement, which helped reduce production costs. The Company procured these from steel and power-producing companies, where these materials were generated as waste. The proportion of slag increased from around 55% a couple of years ago to 62% of the total volume of PSC manufactured.

Brand management: The Company strengthened its complement of brands and introduced Dalmia DSP to address the highest needs of customers. As branding and corresponding investments increased, offtake and realisations strengthened, enhancing shareholder value.

Group Restructuring

The restructuring of Dalmia Bharat Group which includes, amongst others, the proposed merger of the Company with its step down subsidiary, OCL India Limited, would further strengthen and consolidate our position as one of the leading cement players in India, uniquely placed to support India's economic growth.

Conclusion

The Company institutionalised cost management with the objective to moderate waste and costs in a continuous way, strengthening its on-going competitiveness and enhancing value for shareholders.

The proportion of slag increased from around 55% a couple of years ago to 62% of the total volume of PSC manufactured. Enhancing value for shareholders.

How we are leveraging digitisation to unleash our financial value

At Dalmia Bharat, we believe that customer delight is derived from the superior interplay of partners like transporters, CFAs and drivers. In lined with this, the Company launched a digitisation initiative to enhance supply chain efficiency.

Since the sales officer represents the first touch-point with the customer (the truck driver being the last), the digitisation journey was initiated from this point onwards. The 'SalesForce' mobile application was launched, empowering sales officers to access data required for efficient channel management. This was followed by automated order placement wherein dealers called designated offices to place orders. A Suvidha mobile application was launched to facilitate dealer engagement, making it possible to place orders 24x7, resulting in a larger order throughput beyond working hours and maximising non-peak hour utilisation.

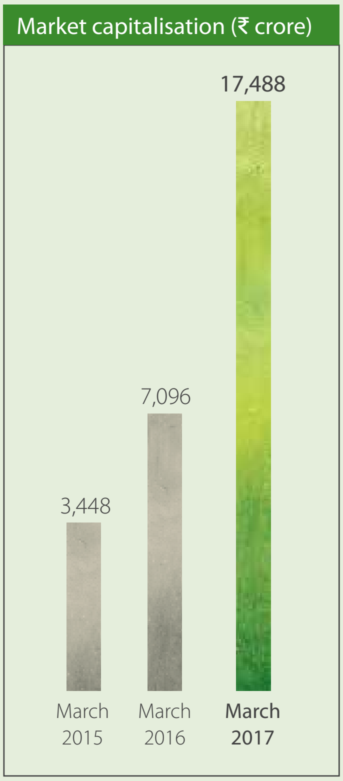
Following success in these areas, the Company targeted the last mile of the supply chain (truck drivers). The proof of delivery (PoD) process was digitised through the E-PoD mobile app, allowing the generation of new delivery points on the move and confirmation of each delivery through a password by receiving parties (obviating the need for the driver / transporter to revert to the original billing party for confirmation), enhancing convenience in the challenging last leg of the delivery chain.

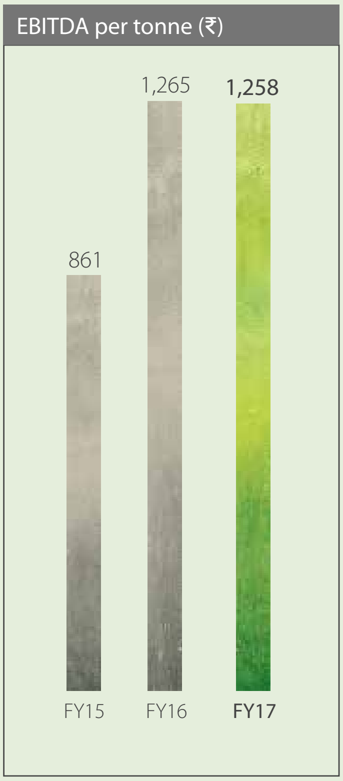
Besides, the Company's cadre of young data scientists developed and customised a number of graphical tools from the Google suite to work with legacy delivery data to identify sales-intensity maps and suggest alternative delivery models, redefining depot linkages with customer delivery points.

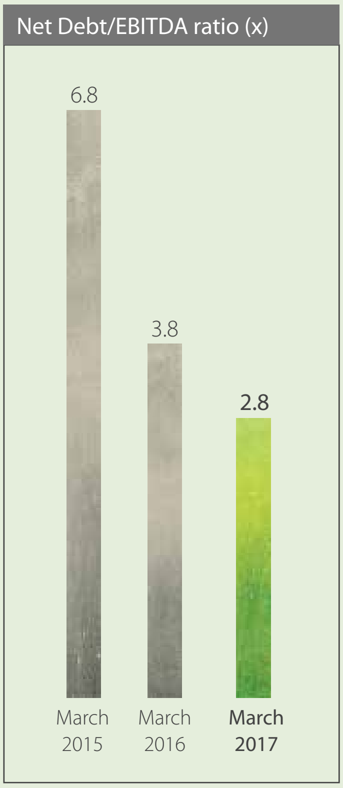
The digital pipeline empowers truck drivers to seek repeat orders from network partners. An alternative platform will empower transporters to holistically address business challenges while 'on the go' through mobile handsets. These mobile technologies will also drivers and transporters counter the usual challenges in addition to enhancing the attractiveness of their businesses, encouraging their children to take their businesses ahead.

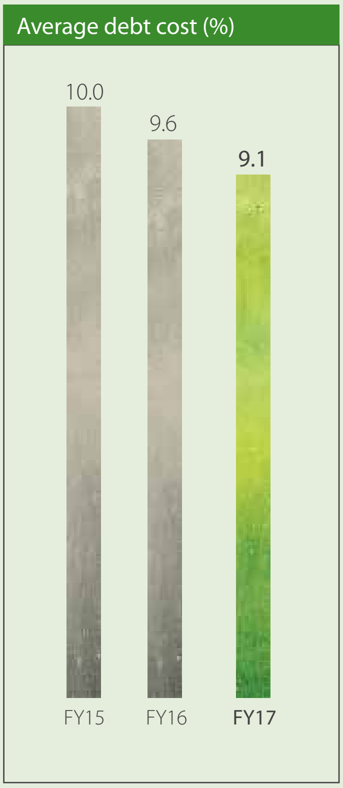
How digitisation enhanced our efficiency

Mr. Subramanium, the Company's channel partner for 35 years, saw his business grow manifold. His morning routine commenced with phone calls to Dalmia Bharat's local order booking staff, placing orders for the day. He would then follow through the day about dispatch. His business was constrained by the working hours of the Company staff as any orders or enquires after close of business would be accommodated only the following day. His son, who recently joined the business after his MBA, started placing and tracking orders through Suvidha app, liberating his father from the daily routine. The result: the Subramaniums now conduct their business round-the-clock. Mr. Subramanium has moved to a new smartphone presented by Dalmia Bharat as a token of appreciation for the lasting relationship!









STAKEHOLDER: CUSTOMER

Customer-centricity lies at the heart of our business.

Owning your customer

Vaikuntham and Charulatha of Thanjavur district were building their home.

They had a surprise visitor during their 'bhoomi puja' (ground breaking ceremony). It was the Technical Service Engineer from Dalmia Bharat.

He had not come to market cement; he had come to offer assistance and advice related to sound construction practices, materials selection, construction supervision, material

testing (including concrete) and suggested use of cover blocks for reinforcement.

They heard him patiently; when he left, the couple conceded that the engineer's suggestions were extensively helpful for first-time home builders like them.

His suggestions would help them save money; the advice would enhance construction quality.

When they inaugurated their home a year later, the engineer was also invited. They were in for a bigger surprise: the engineer arrived with a sapling that was planted in the garden.

The result is that Dalmia Bharat became an integral part of their lives. Whenever they step into the garden they cannot but think of the helpful engineer and his organisation.

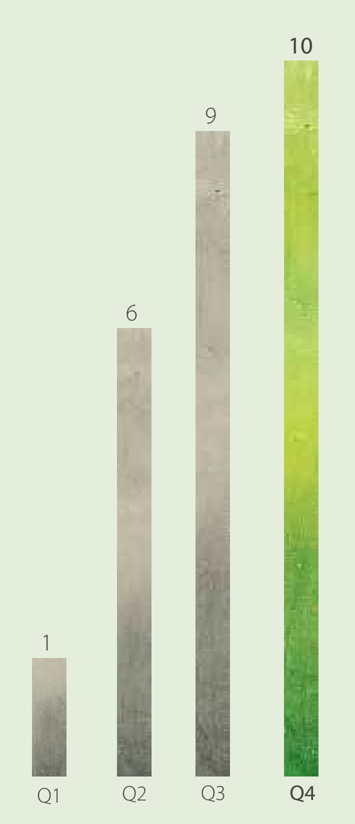
Dalmia Bharat had extended the engagement beyond a transaction into an enduring relationship.

Overview

At Dalmia Bharat, our principal objective is to ensure that we manufacture quality cement to address the requirement of various customers. We strive to provide the best service to our end consumers by working closely with trade partners. Our special areas of focus comprised critical areas like smart business practices, inventory management and the highest customer service tools.

High Operating Efficiencies: At Dalmia Bharat, we continue to build on our core strength of multi-located manufacturing plants. Highest efficiency parameters drive a tight control on costs, leveraging economies of scale. On the overall, these result in competitive advantages of flexibility of supplies, timely availability and the best prices to customers.

Dalmia DSP sales as % of total trade sales (FY17)



Varieties: We did not just produce more to address the growing consumption appetite of customers; we widened the varieties on offer so that customers could choose the most suitable cement variety that would meet their specific needs. Over the last few years, Dalmia Bharat has been working on enhancing the product basket keeping in mind the optimum mix to deliver best value for customers and higher profitability for the Company. The Company strengthened its special cement sales used for different applications like oil wells, airport runways, railway sleepers, concrete, roofing and construction in harsh conditions like coastal areas.

Brand-driven: Dalmia Bharat strengthened its core brand position around trust, premium and product specialisation. The brands introduced following acquisition (Jaypee Bokaro, for instance) as well as new brands received a good consumer response, confidence and demand at premium prices.

Dealers: The Company continued to provide efficient service to its primary customers – dealers selling the Company's products across the country. A special focus was given to enhance the spread of the dealer network to cover wider geographic coverage in all parts of South India, Eastern India and North East India. This was rightly complemented by robust logistics support of high frequency and smaller lost sizes. This resulted in better inventory management across the value chain and a more efficient working capital management for trade partners. Besides, the Company continued to build on its strong influencer management strategy, helping the customers to get the right advice on construction practices and building materials, including right quality and type of cement. These efforts resulted in strong brand affinity, high trust and helped Dalmia emerged as the brand of choice among the individual and institutional customers across all markets.

The runaway success of the super-premium Dalmia DSP brand

In a country where cement brands abound, the Dalmia DSP brand is a seminal moment.

Launching a brand in the intensely competitive Indian market is itself a challenge. But creating a category is an even bigger challenge. Given this background, the launch of the Dalmia DSP brand represented a seminal moment.

Dalmia DSP was launched as a Super Premium Cement and positioned as the best cement one can buy in the country. In FY17, a few observers including our competition gave us a modest chance of success. The management was convinced about the Dalmia DSP quality and opportunities.

Targeted specially for special applications of 'dhalai' or 'concreting', the product was positioned as a 'Dhalai Expert' or 'Concrete Expert'. This best quality product across attributes was packed in a special and industry-first premium BOPP bags with shower-resistant, tamper-proof and minimal seepage properties.

The market responded well; the brand contributed 10% to trade sales by the end of FY17.

Demonstrating the point that when you set out to unleash the potential of the people you touch, remarkable things can happen.

Technology: The Company has always been a leader in the adoption of latest technologies. Digitisation of the supply chain was taken up with several elements, including a digital proof of material delivery on smartphones and mail following the empowerment of drivers with the Google navigation system. This enabled customers and dealers in tracing vehicles any time across the journey. Besides, dealers were empowered with a special mobile app for placing orders anytime of the day with an acknowledgment within 90 seconds.

Team: The Company continues to invest in its Customer Management Team. The marketing team comprises senior professionals from diverse industries (FMCG, telecom and building materials etc.). Innovation, thought leadership ideas and excellent execution by the team helped deliver successful launches and garner significant East India market share in just two years and leadership in North East India within just three years in the face of intense competition.

Influencer engagement: The digital effort was extended to the Influencer Management System with the introduction of a smartphone-based tracking system that captured relevant information in real time – a big leap over the slow and relatively inefficient traditional system.

Consumer education: Building an enduring bond with customers is a fundamental practice at the Company. This involved the engagement with prospective home builders and provided relevant information of Dalmia Bharat's cement properties through tests, site demonstrations and plant visits. Being present on Dhalai Day (Concrete or Slab casting day) and Grihapravesh (housewarming) provided opportunities to enhance the value of engagement. The Company was a pioneer in this a few years ago when it celebrated the best house from each of 33 districts in Tamil Nadu.

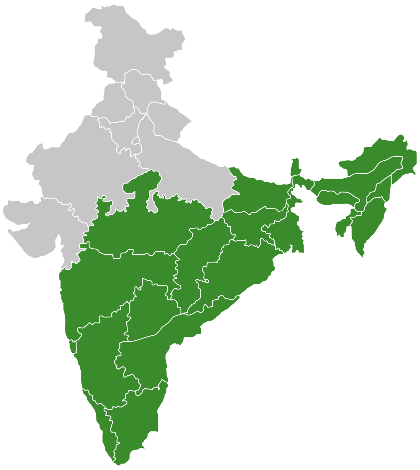
Promotions: The Company adopted cricket to advertise its brand and strengthen its positioning as a national brand. This complemented well with various promotions including mass media, outdoor and on-ground activations like road shows and market storming.

Packaging: Dalmia Bharat reinforced its reputation as an innovative company when it introduced premium bags for its Super Premium Dalmia DSP brand. The bags comprised nano-pores (compared to micro-pores or macro-pores) that provided a shower resistant property, minimal seepage, enhanced aesthetic appearance, extended cement freshness and facilitated multi- colour printing.

A special focus was given to enhance the spread of the dealer network to cover a wider geographic coverage. This was rightly complemented by a robust logistics support of high frequency and smaller lot sizes.

Dalmia Bharat's All-India performance

Dalmia Bharat reported an attractive market share increase across all key markets



South India

No capacity additions reported. Dalmia increased market share. The Belgaum plant commenced operations. Power plant efficiencies improved; auxiliary power consumption reduced (11.1% in FY16 to 9.2% in FY17), moderating power generation. 16% of Belgaum power plant (27 MW) generation marketed to the grid. Wheeled surplus power from Belgaum to Kadapa, moderating costs.

North East India

Commissioned the Company's clinker unit in Umrangshu, Assam. Enhanced efficiencies; kiln throughput increased 8% while power consumption per unit of cement declined 12%. Operational costs moderated 20%; Dalmia Bharat increased market share from 18.2% in FY16 to 20.1% in FY17. Power cost declined due to innovative sourcing: Meghalaya plant entered into a barter arrangement with the grid; Umrangshu plant sourced power through open access.

East India

Overall industry sentiment was challenging. Increase in pet coke prices was largely offset due to flexible fuel use. Dalmia Bharat defended market share despite increased competition; entered new markets like Chhattisgarh, Madhya Pradesh and Uttar Pradesh.

Exports

The Company increased exports by about 2.3 times to Sri Lanka, Myanmar and Maldives.

Outlook

The Company intends to enhance asset sweating, increase Dalmia DSP contribution, moderate power consumption/tonne of cement produced, enhance kiln productivity, optimise heat rate and reduce logistic costs.

South India market share

7%	7%	8%
FY15	FY16	FY17

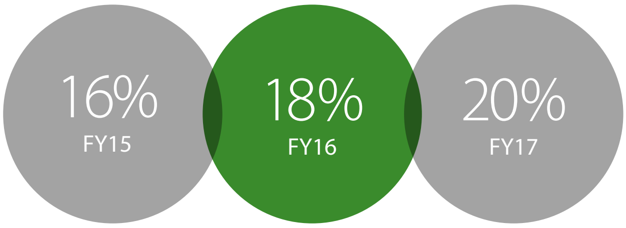
East India market share

11%	14%	14%
FY15	FY16	FY17

Dil Jode, Desh Jode

Dalmia Bharat enjoys a strong resonance across its large customer segment, reflecting its 'Dil Jode, Desh Jode' positioning. The brand consciously seeks suitable opportunities to leverage and bring alive the experience of its positioning. Towards this, ground activations provided a relevant opportunity. Recently, the Company commissioned an innovative structure for tourists to enhance their stay in Puri during the celebrated Ratha Yatra. The structure, which stayed until Bahuda Yatra, comprised a life-size chariot on the sands of Puri beach; the fun zone provided photo-opportunity moments against the backdrop of the Bay of Bengal, establishing a strong connect with Brand Dalmia.

North East market share



STAKEHOLDER: EMPLOYEE

Our people are the drivers of all progress at Dalmia Bharat

Rajeev Beboruah is a shop floor technician in a plant in North East India. He was one of the many employees who had been retained following the acquisition of the plant. He had heard of Dalmia Bharat's commitment to its people and had often wondered what it was. He was soon to realise that commitment to people at Dalmia Bharat meant, "Letting the employees live and flourish as empowered human beings". He experienced this first-hand.

One day, he had an idea: that a small change in the working of the electrical teams could moderate power consumption. In his earlier organisation, he would have shrugged it off, stating that the idea was too simple and would find no takers. But when he spoke about it at Dalmia Bharat, the reaction was different. His supervisor encouraged him to explain his idea and, in turn, briefed the senior.

Soon, Rajeev was asked to make a presentation and articulate his idea to a panel of six senior technical experts. To his amazement, not only was his idea applauded and accepted but he was also asked to lead the implementation team.

The result saved the Company unwarranted costs and increased productivity. It was then that Rajeev realised that the organisation actually lives its core purpose - unleash the potential of everyone we touch. Rajeev today has moved on to other roles in the organisation but his zeal to ideate and lead initiatives endures.

Dalmia Bharat's "better than the industry" growth has been on the back of its dedicated professionals working in an environment of Creativity and Innovation.

Overview

At Dalmia Bharat, we believe that people build companies.

Over the last six years, the Company's sectoral outperformance has been achieved on the back of dedicated professionals working in an environment of creativity, innovation and empowerment.

Dalmia Bharat's transition from conservative growth to an industry outperformance is the result of a number of people initiatives revolving around two pillars – sustenance and growth.

The people department conducted a survey across key stakeholders (employees, competition, partners and the Board of Directors) to understand what the words 'Dalmia Bharat' evoked. The consensus unanimously stated that the Company represented modern India, blending traditional Indian values **(Integrity, Trust, Respect, Humility and Commitment)** with an aggressive performance-driven culture comprising Speed, Learning, Teamwork and Excellence.

Thereafter, the Company moved to the second initiative, driving an entrepreneurial mindset, comprising risk-taking without the fear of failure, connected to the larger goal of nation-building. At Dalmia Bharat, this core ethos was reinforced through a culture of meritocracy, recognition and reward.

Living our values

Committed to live by our values, our first act of **Trust** towards our employees was in replacing the long-practiced variable pay structure with fixed remuneration, our way of saying: 'We believe you have potential and we trust that you will deliver.'

The Company delivered around the value of **Humility** by replacing the term 'Human Resource' with 'Human relations'. In doing so, the message to employees was: 'We respect you as a talent and do not consider you a mere resource'. Besides, the organisation replaced the use of the term 'Hiring/Recruitment', implying temporary engagement, with 'Talent acquisition'. The **Respect** for human dignity extended beyond the concept of hiring/recruiting towards engagement.

Besides, interviews were replaced with positive interactions comprising broad-based discussions of the Company's journey, values, culture, goals, challenges and corresponding need to facilitate competencies and passion. The concluding Behavioural Evaluation Interview, conducted by an external agency, helped map mindsets, following which talent was on-boarded for a specific role rather than a vacant position. The recently-conducted Passion Survey vindicated this move with a staggering 85% of the Company stating they were deeply passionate about their roles. Besides, lower attrition rate indicated that organisational values played a great organisational role.

The organisation's work in the area of business continuity helped identify 36 leading performers. A career progression plan helped groom leaders and a succession pipeline. The customised program LAKSHYA (won an award at the Boston World Human Resource Conclave for '**The best high performer programme**') indicated that 72% participants graduated to higher roles within the organisation. The 360 Degree Reflect program ensured that every manager derived an understanding how he /she was perceived by team members, peers and superiors, indicating improvement areas.

The year FY17 was dedicated to the Digital Drive in line with a growing premium for **Speed** and the Prime Minister's clarion call to create a Digital India. The Human Relations team's operations moved to a digital platform. With all core processes centralised and non-core processes outsourced, the HR team members have liberated time resources to build inter-departmental relationships through **Teamwork**.

The Predictive Analytics group within the HR team helped drive **Excellence**; analytics helped HR understand people-related bottlenecks and how they could be overcome.

Dalmia Bharat's guideline document - **Dalmia Way of Life** - standardised the work culture by defining '**One Dalmia**', a philosophy that complements the country's move towards 'One Nation'. The *Dalmia Way of Life* ensures equality and one-ness across, states, business, regions and plants.

Dalmia Bharat believes that talent is its biggest gift, helping unleash potential for organisational benefit, their individual selves and national benefit.

The Company is a signatory to the WBCDS WASH at the Workplace Pledge, which ensures that all employees have access to high standards of safe water, sanitation and hygiene at the workplace. The WASH pledge is an initiative by the World Business Council for Sustainable Development.

Reimagining Learning through NALANDA - Leadership, Learning & Change

Overview

Organisational learning and development is at a crossroads.

Traditional work flows have become obsolete, warranting rapid change in learning methods. An organisation's success depends on people's ability to drive results. In this respect, NALANDA is responsible for developing people capabilities, its top three responsibilities being:

- Identify change to drive growth and make business simpler
- Facilitate employee knowledge, skills, and competencies to lead change, and
- Drive employee engagement and retention by fast-tracking personal growth

Nalanda has always focused on building capabilities to address business challenges. Nalanda connects with change through the following initiatives:

Alignment (with business) Facilitation At Work Connections Environment

- Nalanda aligns with the business leaders for Performance Consulting & Performance Improvement programs
- Nalanda coaches and mentors Change Management through on-the-job Facilitation and experiential learning
- Nalanda teaches how to read and drive business analytics for business sustenance and growth (of learning methods) Facilitation At Work Connections Environment
- Nalanda uses innovative Learning Technologies and Impactful content Development to impart knowledge.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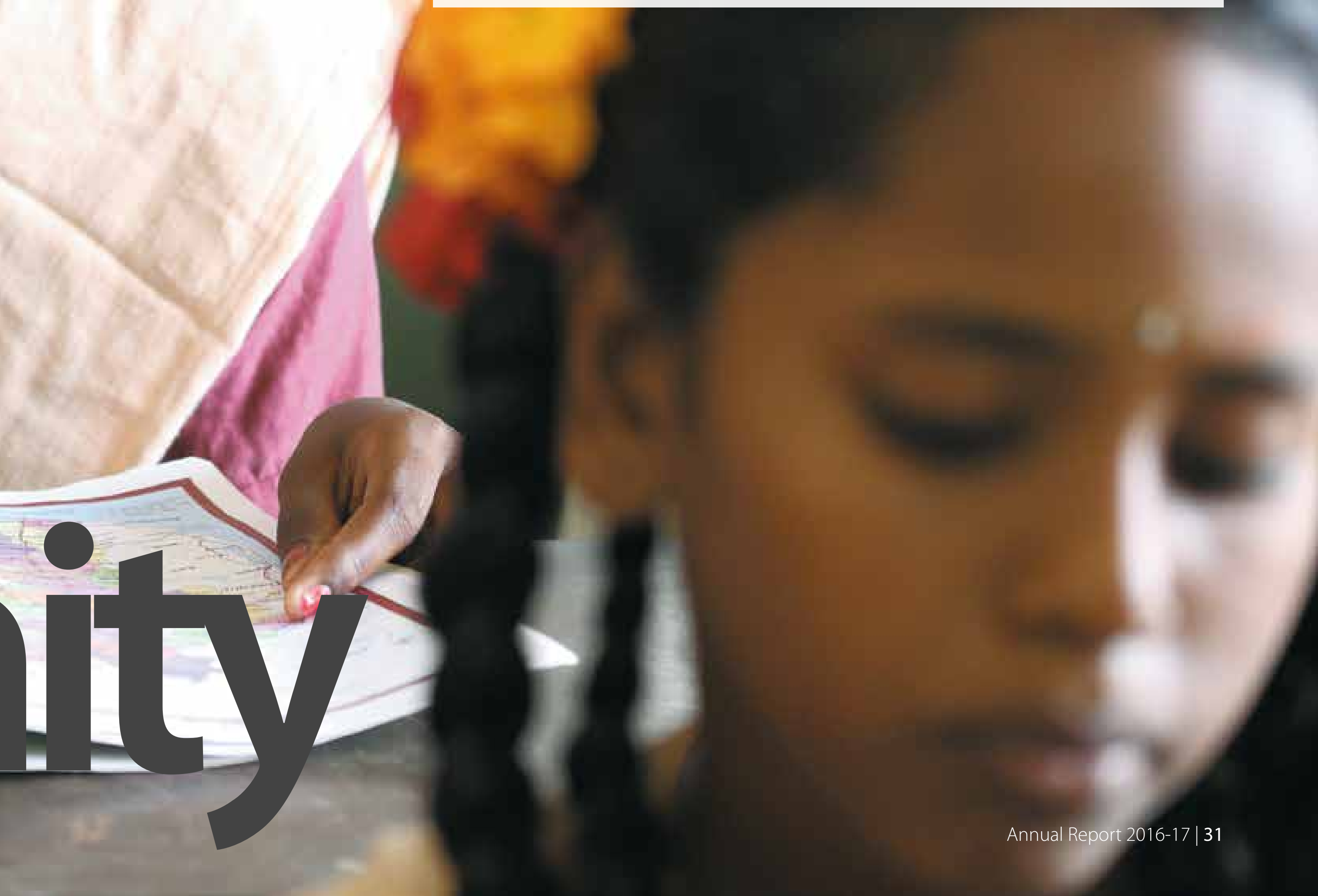
STAKEHOLDER: COMMUNITY

The community is an important stakeholder at Dalmia Bharat

I am a farmer. I can grow only a single crop a year. I was deep in debt because of expensive chemical fertilisers need to increase farm output. The burden of debt was too much to bear when Dalmia Bharat Foundation came to visit me. They explained how vermicomposting would help improve soil health and harvests. They helped me dig a farm pond for local irrigation. I started noticing immediate benefits and expanded my efforts into an organic kitchen garden, one more pond for water harvesting and fish farming. The people at Dalmia Bharat helped me connect with the government for agricultural and horticultural schemes. My agricultural yield doubled!

I am now famous in Bhaluduma village and others are following my example!

Gangadhar Toppo, Farmer, Bhaluduma village, Rajgangpur



Overview

At Dalmia Bharat, we focus on community building with the same passion that we bring to our core business.

This priority is derived from family values where it was imperative to share one's prosperity. Over the decades, the Company's community engagement reflected in a deep grassroots engagement around the singular objective of unleashing community potential.

The result of these initiatives is that three of the Company's manufacturing facilities turned water-neutral; the Kadapa plant is 2x water-positive, emphasising the Company's commitment in creating a resource foundation that helps unleash local potential.

The Company's vision of 'Creating sustainable shared values for the inclusive growth of business and society' is mirrored in its CSR vision of 'Every household must have a sustainable livelihood in our environment".

Dalmia Bharat Foundation

The community engagement of Dalmia Bharat is driven through its Foundation; the Foundation serves as the nodal agency for the CSR engagement of all Group companies, encouraging specialisation.

Holistic: The Foundation engages in community building initiatives (Soil and Water Conservation, energy conservation and climate change mitigation, livelihood skills training and social development) with a perspective of making a holistic difference

Accountability: The Foundation is as accountable as business teams; it reports to a CSR Committee (CEO/MD and an Independent Director) that in turn reports to the Board of Directors, which reviews progress every quarter; the head of the CSR vertical reports directly to the Managing Director. Besides, the individual heading the CSR function at the project site reports directly to the Plant Head and CSR Head, emphasizing the importance provided to this activity

Partnership: The Foundation works in partnership with stakeholders like Government, National NGOs , development organisations, corporates like NABARD, NSDC, HP, OSDA that enhances the scale of projects coupled with stakeholder buy-in and accountability.

Footprint: Even as there are a large number of geographies marked by social and economic inequity, the Company has selected to focus on touching lives and helping unleash the potential of communities proximate to the areas of its manufacturing presence.

Focus areas: The Company has selected to focus on soil and water conservation - (harvesting and management) and energy conservation leading to climate change mitigation and people skilling.

Soil and water conservation

At Dalmia Bharat, we believe that along with neighbouring communities, we need to moderate resource consumption with the objective of leaving enough for future generations. Over the years, the Company moderated the consumption of water with the objective of ensuring resource availability and sustainability for proximate communities. The Company not only invested in plants, processes and practices to moderate water use, but also communicated the importance of these initiatives to the neighbouring community remove any scope of miscommunication. We also worked with communities in treating their lands for watershed management, creating water harvesting structures and promoting optimal water utilisation techniques.

Domestic applications: The Company's energy conservation programmes benefited 40,000 people and reduced 10,000 tons of CO_2 through the promotion of clean cooking and solar home lighting products. We converted nearly 600 traditional kitchens to fuel-efficient alternatives; we converted 26 kitchens to a clean cooking biogas fuel; we helped light 3,800 households with solar home lighting products (solar study lamps and solar lanterns); we installed 150 solar streetlights directed at more than 14,000 beneficiaries; we piloted Solar Digital Education Centres (ten in all) to address 4,000 students.

Going ahead, the Company intends to achieve higher operational benchmarks in alternative fuel use and waste heat recovery systems.

Our water conservation structures helped in the additional water harvesting of 36 lakh m^3 per year. During the year under review, the Company's soil and water conservation programmes touched 26,000 beneficiaries. In Tamil Nadu and Andhra Pradesh, Dalmia Bharat is developing 8500 hectares under an Integrated Watershed Management Project, which is in a full implementation phase. The Company helped develop 258 farm ponds, 26 village ponds, constructed one check dam, seven ring wells and renovated 23 wells.

The Company brought 179 acres of land under drip irrigation to help farmers grow more crops with 70% less water. Some 177 units of vermicomposting, 400 organic kitchens, 12 water harvesting structures and eight sprinklers were promoted.

The result of these initiatives is that three of the Company's manufacturing facilities turned water-neutral; the Kadapa plant is 2x water-positive, emphasizing the Company's commitment in creating a resource foundation that helps unleash local potential.

Energy conservation and climate change mitigation

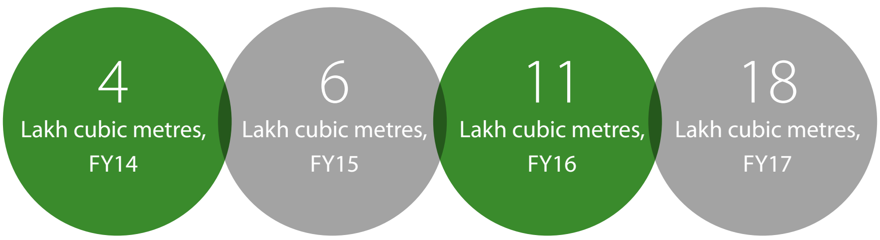
In a sector that generally emits 600-700 kgs of carbon dioxide per ton of cement, we pride in being one of the greenest cement manufacturers in the world (450 kg).

Dalmia Bharat's focus is not only to moderate greenhouse gas emission; it also lies in working closely with the neighbouring rural community (an aggregation of 500 villages) to assist them in meeting their day-to-day energy demands by adopting sustainable and clean energy sources and creating a cleaner world. Traditionally, most of the neighbouring villages consume wood as a cooking medium; each kg of wood generated 1.8 kg of carbon dioxide.

The Foundation provided these rural residents with a fuel-efficient cooking alternative. The result is that fuel wood

Our water conservation structures have helped in the additional water harvesting of 36 lakh m^3 per year.

Water harvesting capacity created



consumption declined 50%, cooking time reduced 50% and the health of families improved.

The Foundation also provided solar home lighting solutions and solar street lights across rural communities. These initiatives in switching to cleaner fuels helped mitigate about 18,000 tons of CO_2 emission a year.

Livelihood skills training

The Company strongly believes in the development of neighbouring communities along with the growth of the Company. One of the basic means to ensure this is by enabling communities to generate sustainable livelihoods. The Company has been providing skill trainings in various fields to help people become employable or start their micro-enterprises. The result was that 15,000 people were directly benefited through livelihood programmes across locations. Skill development training benefited more than 765 beneficiaries in 14 trades; many initiated small businesses like food processing, mushroom cultivation, stitching, weaving and beauty culture.

We are also motivating women to explore ways to generate additional income sources and become empowered. Some 811 self-help groups were created and about 9,521 women were supported, strengthening livelihoods.

The Company entered into a partnership with National Skill Development Corporation to provide skills to more than 60,000 youth in the next 10 years through eight centres. .

The Company commissioned three DIKSHa (Dalmia Institute of Knowledge and Skill Harnessing) Centres in Trichy, Belgaum and Rourkela in partnership with NSDC. 230 students were trained in four trades (beauty and wellness, home health aid, sewing machine operations and retail) from these centres; 70% have already got jobs or are self-employed.

The Company facilitated the formation of six Farmer Producer Companies (cotton, milk, paddy, vegetables and Bengal gram) with 1,740 shareholders; 10 SHG Federations were formed with 1200 members. The Company also assisted 357 households procure milch cattle loans aggregating ₹2.25 crore .

Social development

The Company is also working on the overall development of neighbouring communities addressing health, sanitation, education, rural infrastructure development and community development through sport and awareness campaigns as well.

The Company helped build basic community infrastructure by constructing 229 toilets under Swachh Bharat Abhiyan. Our initiatives in sanitation helped make eight villages open defecation-free. The Company addressed basic and primary health needs of the local population by organizing special medical camps and commissioning mobile medical units, dispensaries, awareness and sensitisation programmes benefiting 60,000 people.

The Company's 33 remedial education centres provided coaching to 1,934 students. Teaching learning materials were provided to two Anganwadis, 14 remedial education centres and books to 5000 children from 63 schools. Some 95 students were supported for higher education; 18 school repair works and BALA Art was done under Dalmia Happy School project. The Company promoted hockey, coaching 50 junior students.

The Company helped develop rural infrastructure by constructing roads, local markets, community centers, cremation ghats, bathing ghats, and football grounds across the locations of its presence. A series of social campaigns (World Water Day, World Health Day, HIV / AIDS Day and National Days) were observed.

Rainwater harvesting

2
Our total fresh water consumption (mn m^3 a year)

14
Targeted water replenishment (mn m^3), 2020

Water harvesting capacity created

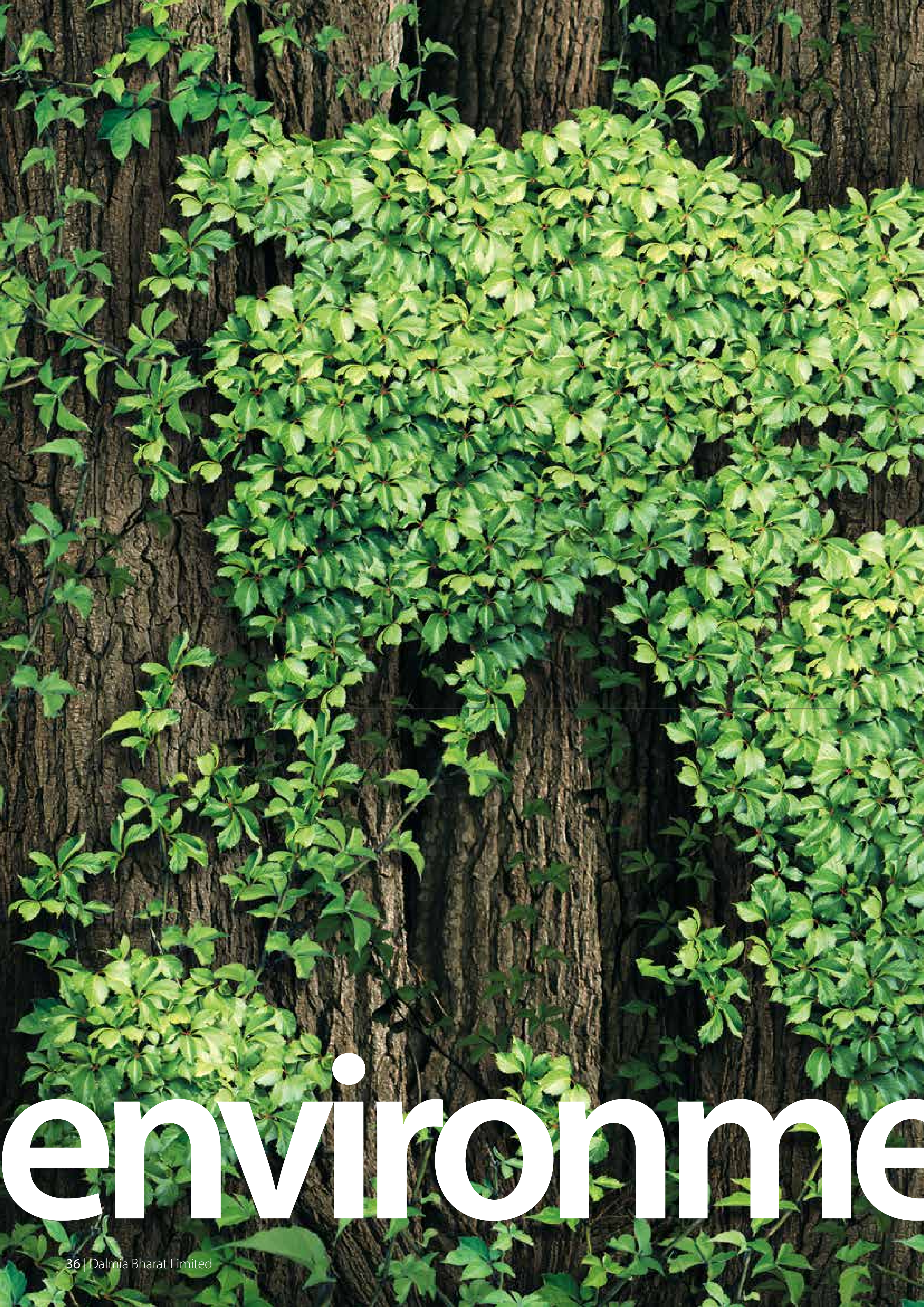
	FY14	FY15	FY16	FY17
Water harvesting capacity added (Lac m^3)	4	6	11	18
Land brought under micro-irrigation (acres)	148	248	426	600

Major achievements, FY17

The Company's community initiatives (in the context of Sustainable Development Goals and Provisions of Section 135 of the Indian Companies Act, 2013) were recognised:

- Best CSR Excellence Award 2016 by World CSR National Congress at Bangalore; Best CSR Practices Award-2016 to Odisha Cement Limited by Odisha CSR Forum, Bhubaneswar
- CII-ITC Sustainability Awards 2016 for Commendation for Significant Achievement in CSR to Dalmia Cement Bharat by CESD, CII
- Three DIKSHa (Dalmia Institute of Knowledge and Skill Harnessing) centres in partnership with National Skill Development Corporation in Rourkela, Trichy and Belgaum
- MoU with Odisha Skill Development Authority for setting up five centres in Sundargarh, Cuttack, Boudh and Bargarh districts (Odisha), to skill 2,300 youth in two years across nine trades
- MoU with NABARD for implementing an Integrated Tribal Development Project in Umrangshu, Assam

	Unit	Achieved during FY14	Achieved during FY15	Achieved during FY16	Achieved during FY17	Cumulatively achieved
Family-size bio gas plants	No.	38	34	42	26	150
Fuel-efficient cook stoves	No.	756	994	2,073	599	4,422
Solar home lighting solutions	No.	482	2,452	4,732	3,800	11,466
Solar street lighting	No.	86	38	47	150	321



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STAKEHOLDER: ENVIRONMENT

At Dalmia Bharat, we believe in fostering happiness and prosperity through environment value creation

How Dalmia Bharat helped bring a large lake to life

They said that Manodai Lake, Tiruchi and Ariyalur districts, was dying.

Extensively silted. Substantial decline in water capacity. Declining farm productivity in adjoining regions. Growing domestic water-stress.

The word started going around: residents would soon need to leave this place and go and stay elsewhere.

The community was showing the signs of anxiety.

Local farmers turned to Dalmia Bharat for help. Dalmia Bharat responded with a blueprint to rehabilitate the lake: while the Company would provide funds, people and equipment, the Public Works Department would provide technical and supervisory support.

Within a month's extensive working, the lake began to be desilted. Water availability increased. The lake now provides a larger throughput to the Palanganatham, Viragalur, Vanathirayanpalayam, Puthurpalayam and Alampakkam pockets, servicing 2,710 acres. It provides drinking water to 20 villages in the Tiruchi and Ariyalur districts.

The result of this model public-private engagement has enhanced local prosperity and brought smiles back into people's lives.

Overview

At Dalmia Bharat, we envisioned inclusive growth for company's success. We know that the social and relationship value we create or the finite natural capital we preserve is going to contribute in making a cleaner world. Over the years, the Company's manufacturing units reconciled diverse initiatives: best practices in resource and energy efficiency through alternative raw material and fuel use, adoption of low carbon technologies, water conservation and deepening rain water harvesting measures in plants and beyond plant premises.

A 9.2 MW green power project (WHRS) is currently under implementation

Creating value – Fostering happiness and prosperity

It has become imperative to understand the relationship between the capitals and the trade-offs we make in daily business decisions. The idea is to not gain value in one capital at the cost of the other. Understanding the capitals enables us to build a strong business model responsive to changes in the availability, quality and affordability of inputs. Our approach of value-creation in all six capital viz. financial, manufactured, intellectual, human, social & relationship and natural is rewarding for us and our stakeholders.

Being a core segment manufacturer, we understand that our operations have certain key risks associated to Natural capital. However, our aim is to anticipate such risks and prepare mitigation policies around a long-term vision. Therefore, Climate protection, the most important natural capital risk in the cement industry, has been addressed with short, medium and long-term strategies related to low carbon technology deployment and initiatives never heard before in the cement sector.

We have championed the waste-to-wealth concept by using waste products from other industries, reducing the burden on naturally-occurring minerals and fuels. Today, our alternative raw material consumption rate is more than 30%. Our alternative fuel consumption rate is about 4% (Thermal Substitution Rate). Our actions in gaining a higher economic output from every unit of energy consumed led us to sign the prestigious EP 100 programme. Compared to 2005, our energy productivity has increased by 110%.

We embarked on an ambitious target of renewable electricity consumption under RE 100 programme, accelerating our actions in this domain under our fossil-free electricity generation initiative. Our 9.2 MW green power generation project is being implemented in our integrated plant at Rajgangpur, Odisha. We commissioned 8 MW solar power projects

Such collaborative efforts resulted in our eastern operations achieving one of the lowest carbon footprints/tonne of cement in the industry sector (i.e. 342 kg CO_2/tonne of cementitious material).

To give more to society than we consume, we embraced a Dalmia Group target of becoming water-positive by harvesting more water than we consume in 2015. The water positivity drive is making significant quantities of water available to the local communities and adding value to our Social and Relationship Capital through a contribution towards societal development.

We aspire to provide everyone with the information they need to build trust and facilitate long-term associations. A more detailed information on our performance against the IIRC reporting framework shall be released in form of a detailed Integrated Report in the next few months.

As a responsible corporate citizen, Dalmia Bharat has represented Indian business and more particularly, the country's cement sector in various high-level ministerial and business forums. Some of the crucial participations in FY17 comprised: Dalmia Cement joined RE 100 on Energy Day of COP-22 (Conference of Parities) in Marrakesh, Morocco. RE 100 is a global association of progressive companies who pledge to consume renewable electricity in their operations. Additionally, Dalmia Bharat participated in World Climate Summit 2016 in Marrakesh, Morocco; Business and Climate Summit 2016 in London, United Kingdom and United Nations Global Compact (UNGC) High-Level meeting on Climate Change during COP-22.

Dalmia Bharat – Aligning with UN initiated Sustainable Development Goals (SDG's)

1 NO POVERTY

- Significant employer in the regions of operation by creating direct and indirect jobs
- 6500 households have been assisted through various Income Generating Activities (IGAs) to augment their income by an extra $2.5 million each year.
- Assisted these individuals access over $ 2 million from financial and non-financial institutions as loans/ grants/ subsidies.

2 ZERO HUNGER

- Water being the most critical natural resource for agricultural productivity, assisted 35000 farmers to harvest over 4 million m^3 of water for irrigating their crops.
- Developing 8500 hectares of land on Watershed Basis to conserve water and soil and increase farm productivity
- Farmers have achieved up to 50% increase in their agricultural yields through these projects

3 GOOD HEALTH AND WELL-BEING

- Reaching out to over 550,000 people through preventive health services
- Clean drinking water to 10000 people
- 14,000 household smoke and kerosene free leading to good-health and well-being
- Employee health and safety taken as a key priority area
- Driver safety programmes to enable safe transportation

4 QUALITY EDUCATION

- Ensuring quality education through schools, technical institutions in the remote areas
- Skill development programmes for local communities
- Training programmes for local communities
- Toilets in 100 schools aiming at uninterrupted education to over 18,000 students

5 GENDER EQUALITY

- Equal opportunity employer
- Implementing programmes such as Prerna for women empowerment
- Policy frameworks for protection of women at the workplace
- We have promoted 580+ Self-help Groups (SHGs) with over 7000 women as members with over $246,000 as their own savings and another $750,000 from Banks for various livelihood purposes.
- With this corpus, women are now taking up IGAs, taking their and their families' financial decisions and have also become credit worthy for the local banks

6 CLEAN WATER AND SANITATION

- Committed to Safe Water, Sanitation and Hygiene at the Workplace through WASH Pledge of WBCSD
- Regular check on drinking water quality
- Assisted the communities construct over 100 school sanitation blocks, including those for girls.
- Over 500 individuals have also been assisted to construct toilets in their households to avoid open defecation.
- Over 10000 people drinking clean water taken from community RO plants set-up with our assistance.

7 AFFORDABLE AND CLEAN ENERGY

- Energy conservation and Climate change mitigation programme under CSR benefited more than 1.5 Lakh persons by providing them clean energy solutions
- Installed 8 MW Solar Power generation capacity

8 DECENT WORK AND ECONOMIC GROWTH

- One of the fastest growing cement company in India
- Providing wages in accordance to the rules and regulations of Government of India
- Significant thrust to the local sourcing
- A well established code of conduct policy and a reputed third party managed Ethics Helpline Service
- Assisted these individuals access over $ 2 million from financial and non-financial institutions as loans/ grants/ subsidies.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- One of the best in energy productivity and taken targets to enhance the energy productivity per unit of energy consumption
- Dedicated research and development lab to develop next generation green cements
- Collaborating with various international organisations to assess the feasibility of implementation of new Low Carbon technology in our cement plants

10 REDUCED INEQUALITIES

- Significant employer in the remote areas of India providing employment regardless of the age, sex, ethnicity, religion and any affiliations
- More than 200 thousand beneficiaries in FY17 from our CSR operations of cement business
- Member of United Nations Global Compact (UNGC) and adopted 10 principles of UNGC

11 SUSTAINABLE CITIES AND COMMUNITIES

- Conducting various awareness generation activities near our plant premises on road safety
- Providing training to truck drivers on road safety for a safe transport system
- Rain water harvesting of over 4 million m^3
- Over 16,000 tons of CO_2 emission reduction through fuel efficient cooking and solar lighting in homes

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- About 30% recycled materials being used in cement production which is waste from Thermal Power Plants (fly ash) and Steel Industry (Slag)
- About 4% kiln heat from alternative fuels thereby replacing the fossil fuels
- Supports "Polluter to Pay" principle for the greater utilisation of Industrial wastes in an efficient manner

13 CLIMATE ACTION

- Compared to 2010 baseline, above 15% reduction in the GHG intensity of cement at group level in 2017
- Probably the least carbon footprint cement company globally
- Top management participation in the international events for climate action
- Rain water harvesting of over 4 million m^3 water
- Over 16,000 tons of CO_2 emission reduction through fuel efficient cooking and solar lighting in homes

14 LIFE BELOW WATER

- No cement plant operations near any marine resource
- Major raw materials are locally sourced leading to the minimum impacts on marine biodiversity
- Zero liquid discharge cement plants
- Air cooled condensers in the captive power plants to reduce the water usage
- Target to become water positive in near future

15 LIFE ON LAND

- Member of India Business and Biodiversity Initiative (IBBI)
- Promotion of rain water harvesting and biodiversity conservation in plants by creating artificial lakes and ponds
- Plantation of native species in cement plants and mining areas to promote local plant and animal species
- Halting land degradation in 8500 hectares by way of soil and water conservation on watershed model.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Code of Conduct policy implemented across the operations of Dalmia Bharat Group to ensure honest and ethical conduct, non-conflict of interest and compliance laws, rules and regulations.
- Member to the United Nations Global Compact (UNGC) and adopted 10 principles of UNGC

17 PARTNERSHIPS FOR THE GOALS

- Consistently raising voice in international platforms on development or transfer of Low Carbon technologies to developing countries through concessional finance mechanisms to accelerate their implementation
- Developing partnerships at local and global level to understand, share and promote the best operating practices on sustainability.

Dalmiapuram, Tamil Nadu

Management discussion and analysis

Indian economic overview

India has been growing at an accelerated rate over the last few years, maintaining its position as the world's fastest-growing major economy. Although GDP growth is expected to decline from 8% in FY16 to 7.1% in FY17 as per the Central Statistics Organisation, the near-term outlook for India remains bright on the basis of four key governmental reform measures:

- The implementation of Insolvency and Bankruptcy Code
- The liberalisation of FDI norms across sectors
- The operationalisation of the Goods and Services (GST) Amendment Bill
- The signing of an agreement between the Central Government and the Reserve Bank of India on a monetary policy framework including the setting up of a monetary policy committee and agreeing on a flexible inflation target

The Central Government has also taken a number of steps to attract domestic and foreign investments with a focus on promoting 'Make in India' and building world-class infrastructure. Additional structural reforms to address legacy impediments to growth like GST implementation, clearing of NPAs of public sector banks, increased investment in the education sector and the implementation of the revised 'Housing for All' policy should sustain India's housing and infrastructural growth. The Central Government announced a record budgetary allocation of ₹3.96 lac crore to the infrastructure sector for FY18, as opposed to ₹2.21 lac crore for FY17 (an increase of almost 80%). The year also witnessed the 'Smart Cities' initiative getting underway, with 60 cities being shortlisted for financing after the first three rounds.

Cement industry overview

India is the world's second largest cement producer, producing 280 MT in FY17.

Demand

The housing sector is the largest consumer of cement in the country, with approximately 60% of the total consumption being contributed by the housing sector. The Government also laid a keen emphasis on overcoming housing shortage in the country by introducing the 'Housing for All by 2022' scheme, Smart Cities, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Pradhan Mantri Gramin Awas Yojna (PMGAY) schemes. The target number of houses to be built under the PMGAY scheme increased by 33% to 40 million units. Growth in the infrastructure and construction sectors will also result in increased demand for cement. To reduce logistical constraints, the nation's transportation infrastructure i.e. rail, roads

Budgetary support

- An 80% increase in budgetary allocation towards the infrastructure sector from ₹2.21 lac crore in the earlier Budget, to ₹3.96 lac crore for FY18
- Allocation to the roads and highways sector increased to ₹64,900 crore
- An 8% increase in allocation (₹1,31,000 crore) for laying 3,500 kilometres of railway lines in FY18
- Tax incentives and infrastructure status accorded to affordable housing
- Central Government's projected spending on 'Housing for All' over 2018-24 stands at US$85 bn

and ports, are receiving a facelift. Projects such as dedicated freight corridors, new airports and ports will drive cement demand.

Supply

The pan-India cement capacity increased to 457 million tonnes by end FY17, from ~440 million tonnes in FY16. India's cement production capacity is expected to touch 510 million tonnes by FY20. This growth is driven largely by the Central Government's renewed focus on infrastructural development and capital investments made towards boosting economic growth. As the economy revives, the country's cement industry is expected to perform better due to improved demand and enhanced capacity utilisation. *(Source: IBEF, CSLA, Statistia, Edelweiss)*

Our regions

Southern India: Currently, South India accounts for 25% of domestic cement demand. The demand in Southern India rose by 6% Y-o-Y on the back of demand growth in Telangana and Andhra Pradesh by more than 20% Y-o-Y in FY17. The main reasons that have boosted growth are improved sentiment, development activities undertaken at the new identified state capital of Amravati, resumption of irrigation projects, innovative land pooling for construction activities and a greater reliance on more formal sources of funding.

Decisive initiatives in the realm of infrastructural development by the State Governments of Andhra Pradesh and Telangana have raised hopes of a sharp and sustained demand recovery over the next couple of years.

North-Eastern India: The Government is placing a special attention on infrastructure development projects like road, rail, communication and telecom in this region. North-Eastern India is more leveraged to government spending trends than any other region in India. With increased investment in infrastructure by the government and various projects already in the pipeline, the North East India should emerge as the highest growth area in the country.

Eastern India: Eastern India accounts for ~17% of the overall domestic cement output. It is estimated that there is a shortage of 60 million housing units (of which 20 million are in urban areas). Of this, more than 51% of the shortage is in the Eastern and Central regions. Hence, the Eastern region is expected to see the highest capacity addition, going ahead. The Central Government's demonetisation drive in November 2016 resulted in subdued cement prices and volumes for the rest of

Ongoing projects

- Construction of mass rapid transit systems such as metro rails in the Eastern and Central Indian states
- The Indian Railway's marquee dedicated freight corridor project involves construction of two corridors, one each on the Western and Eastern routes, spanning a total length of 3,300 kilometres at a cost of ₹810 billion

FY17. Currently, we are witnessing strong demand growth in Eastern India driven by housing and rejuvenated infrastructure development.

(Source: Indian Express, Business Standard, Motilal Oswal)

Company overview

Dalmia Bharat Limited (DBL) along with its subsidiaries (collectively referred to as 'Dalmia Bharat' or 'the Company' or 'the Group') is a leading player in the Indian domestic cement manufacturing space. With a 11.2% market share in our operating geographies and 25 million tonnes of installed capacity, Dalmia Bharat is a dynamic proxy for the Indian cement industry.

The Company has a manufacturing presence spread across 11 locations in eight Indian states. The Company enjoys steady offtake in Southern and North-Eastern India through its robust portfolio of brands like Dalmia DSP, Dalmia, Dalmia Ultra, Vajram, Dalmia Superroof, Konark, and Dalmia SRPC.

Operational performance

Dalmia Bharat's relentless pursuit for excellence has allowed it to augment operational efficiency and grow sustainably year-after-year. These are the results:

- Among the lowest power consumers (70 units per tonne of cement) in the cement sector
- Lowest carbon footprint in the cement sector
- One of the lowest variable costs per tonne in the industry (₹1320 per tonne)
- One of the highest blended cement ratios in the industry ~80%

The Company's EBITDA per tonne improved from ₹861 in FY15 to ₹1258 in FY17. The Company optimised its product mix, used environment-friendly raw materials and adopted best-in-class practices. The result: overall manufacturing costs (ex-interest, depreciation and tax) as a proportion of revenues declined from 83% in FY15 to 74% in FY17.

Power and fuel costs

Dalmia Bharat has made a concerted effort over the past decade to increase the consumption of economic fuels, which include pet coke, carbon black, wood, charcoal, municipal waste and saw dust. The Group invested in reducing its carbon footprint and strengthening eco-friendliness. Currently, around 80% of its total fuel consumption is being met by these fuels. By prudently changing the raw material mix, the Group increased the consumption of alternative additives (replacing clinker proportionately), many of which are derived from industrial waste. This helped in a reduction of power & fuel cost. Dalmia Bharat was able to moderate power and fuel costs per tonne from ₹649 in FY16 to ₹608 in FY17.

Consolidated financial performance

Gross revenues

Total gross revenues stood at ₹8,348 crore in FY17, increasing by 15% compared to ₹7,262 crore in FY16.

Operating profit

Operating profit or EBITDA increased by 19.5% during FY17 to ₹1,902 crore from ₹1,592 crore in FY16, largely as a result of a growing topline due to higher realisations earned and by reducing operating expenses by the increased use of alternative raw material and alternative economical fuels.

Depreciation

Depreciation for the year under review stood at ₹603 crore compared to ₹581 crore in the previous year, up by 3.7% on a Y-o-Y basis mainly because of the commissioning of the Belgaum and Umrangshu units.

Finance costs

Finance costs for the year under review increased by nearly 21% from ₹730 crore to ₹890 crore mainly because of the commissioning of the Belgaum and Umrangshu units.

Total tax expenses

Total tax expenses for the year stood at ₹276 crore, which included Current Tax payouts worth ₹266 crore and Deferred Tax charges worth ₹24 crore.

Net profit

Consolidated net profit for the year under review stood at ₹345 crore, a 81% increase over the previous year.

Balance sheet analysis

Net worth

The net worth of the Company stood at ₹5,578 crore as on 31st March, 2017, increasing by 9% compared to ₹5,115 crore as on 31st March, 2016.

Loan profile

The total loan funds of the Company stood at ₹8,049 crore while long-term borrowings stood at ₹6,820 crore. Net debt as on 31st March, 2017 stood at ₹5,240 crore.

Inventories

Inventories decreased by 7% to ₹649 crore during the year under review from ₹698 crore in the previous year.

Sundry debtors

Sundry debtors of the Company stood at ₹593 crore in FY17, an increase of 16% over the previous year.

Cash and cash equivalents

The Company had on its books cash and cash equivalents worth ₹2,816 crore as on 31st March, 2017 as compared to ₹2,788 crore in FY16.

Current liabilities

Current liabilities stood at ₹4,237 crore comprising mainly trade payables of ₹954 crore and borrowings of ₹1,220 crore.

Safety

Employee safety is a large focus area for the Company. We actively seek to eliminate work hazards and provide one of the safest work environments to employees. Most of our integrated plants and grinding units were IMS-certified (9901, 14401, & 18001). Key initiatives over the year comprised:

- A single permit system was implemented

for different activities helping monitor, track, reduce person-hours and ensure work was completed in a safe manner.

- Heat proximity suits were procured for workers in high temperature zones.
- Ergonomically designed platforms were erected for safety of tarpaulin and in the fabrication section for opening the lid of the cement and AFR bulkers. These platforms eliminated the use of safety harnesses, making it safer, user-friendly and cost-effective.
- The truck parking yard design has been designed as per international standards. This design helps ergonomics for the driver by reducing the turning radius and avoiding all instances of reversing, collision, run-over instances and bottlenecks in case of a break down. A systematic way of parking ensures designated bays for various sizes of trucks.
- The design parking yard design was developed keeping 15 years of foresight, accounting for quicker turn-around times, compatibility with technology upgrades such as RFID and technology upgrades for commercial vehicles.

Going ahead, the Group is in the process of establishing an enterprise-wide safety function to implement strategies, improve performance and work towards realising its vision of an accident-free workplace.

Research and development

R&D plays a pivotal role in improving product quality and bringing down production costs. Dalmia Bharat has strengthened its R&D competitiveness in terms of operational and manufacturing efficiency. This is how it has made this happen:

- Increasing the use of alternative and economical fuels
- Improving quality through the use of high performance chemicals
- Reorienting the raw design mix
- Increasing fly ash and slag absorption in the manufacture of PPC and PSC varieties respectively

Dalmia Bharat's R&D team constantly strives to moderate clinker composition and make the products more eco-friendly. By leveraging international technologies and collaborations, it has been successful in improving product design, development and applications. The Company's routine investment in its world-class R&D department (a total of ₹6.5 crore during FY16-17) was instrumental in improving sales and profitability.

Information technology

In order to enhance organisational responsiveness, deliver sustainable and cost-effective solutions and reduce time-to-market, Dalmia Bharat invested in a best-in-class information management platform. During the year, the Company focused on improving mobility and designed apps, which helped improve real-time engagement with customers for online transactions such as placing orders, requesting credit, invoicing and complaints resolution.

The Company successfully migrated more than 95% of its workload from on-premise servers to a state-of-the-art cloud platform. This enabled the cost-efficient rollout of applications, reducing operational overheads.

Additionally, the deployment of an

integrated GRC (Governance, Risk and Compliance) platform spanning functions provides the management with real-time information to make well-informed decisions and manage risk. The IT systems are secured with some of the best breed of security technologies to prevent unauthorised access or data theft.

The Group intends to create innovative operational efficiencies that extend beyond ERP through plant automation, business analytics, real-time information availability and supply chain management, which will ease access and engagement for customers and other stakeholders.

Risk management

At Dalmia Bharat, we are aware of the challenges that a business faces. Our ability to enhance value is dependent on addressing key risks. The Company's robust risk management programme focuses on ensuring that risks identified and addressed prudently. Our goal is to maximise realisations and minimise losses.

Economic risk: Fluctuations in macroeconomic factors can have an adverse impact on the Company's operations. Dalmia monitors all macroeconomic factors proactively and formulates strategies to minimise business impact.

Cost risk: An increase in raw material, power and fuel costs could impact profitability. The Company acknowledges that variable costs comprising raw materials, power and fuel constitute more than 40% of total costs. Green initiatives like a higher production of blended cement with increased use of additives (industrial waste) like fly ash and slag plus optimisation of fuel mix through higher usage of economic fuel resulted in the moderation of power and fuel costs from ₹649 per tonne in FY16 to ₹608 per tonne in FY17.

Logistics risk: Rising logistic costs could impact realisations. The Group established its plants at strategic locations with proximity to all key serving markets and raw material sources. The Company's enhanced focus on digitisation could help lower the logistics cost and lead time.

Competition risk: The cement industry in India is witnessing rising competition from national players, which could affect margins. At Dalmia Bharat, we possess a diverse product mix catering to every segment and need. Adept marketing initiatives enhanced brand recall and salience. Focus on quality, cost and customer service mitigated competition risk for the Group.

Credit risk: Dalmia Bharat successfully refinanced debt stemming from recently-acquired assets. Cash and cash equivalents stood at a comfortable ₹2,816 crore as on March 31, 2017. The Group's fiscal prudence was reflected in its low weighted average debt cost.

Internal control systems

The Company has a robust internal control system for Risk Management, business operations, financial reporting & compliance with applicable laws and regulations. The roles and responsibilities of all employees and functions have been clearly laid out through a number of detailed standard operating procedure & delegation of power document. SAP–ERP system has been implemented to ensure best in class accounting & financial control. The internal auditor of the Company conducts regular internal audits as per Board approved plan and the Audit Committee conducts periodic reviews to adjudge the adequacy and effectiveness of internal control systems and undertakes corrective measures whenever required.

Outlook

We expect cement demand to be strong due to concerted efforts by the Central and State Governments on Infrastructure development and affordable housing.

Dalmia Bharat has invested in building capabilities and is expected to further sweat the assets and improve utilisation, creating value for all our stakeholders.

Awards and recognitions

- Won the first prize at the Zonal Mines Safety Competition, Kadapa
- Recognised by CII with the 'Environment Health & Safety (EHS) Award – 4 Star Rating' for its Dalmiapuram and Ariyalur units
- Won second prize for 'Best Safety Practices' at an event organised by CII and the Directorate of Factories, Dalmiapuram
- Dalmiapuram Unit received National Level 3rd Position in the competition for the Award for Outstanding Industrial Relations.
- Won the 'CSR implementing agency of the year' at India International CSR Conclave 2017
- Won the Best CSR Award 2017, by World CSR Congress
- Was awarded 3rd Position in the Competition for the Award for Outstanding Industrial Relations FY16, by All India Organisation of Employers (AIOE)

Directors' Report

Dear Members,

Your Directors have pleasure in submitting their twelfth report alongwith the financial statements of the Company and the highlights of the performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company for the financial year ended March 31, 2017.

Financial Highlights

(₹ Crore)

Particulars	Standalone		Consolidated	
	FY–2016-17	FY–2015-16	FY – 2016-17	FY–2015-16
Gross Revenue	**222.51**	**204.31**	**8348.10**	**7262.15**
Less: Excise Duty	-	-	916.44	889.55
Net Revenue	**222.51**	**204.31**	**7431.66**	**6372.60**
Profit before interest, depreciation and tax	121.06	87.41	2200.66	1821.10
Less: Interest and Financial Charges	21.47	2.02	889.99	730.19
Profit before depreciation and tax	**99.59**	**85.39**	**1310.67**	**1090.91**
Less: Depreciation	5.36	4.36	602.71	580.87
Profit before tax	94.23	81.03	707.96	510.04
Provision for current tax	29.67	20.54	265.70	132.33
Provision for deferred tax	1.19	(2.73)	23.51	113.29
Prior year tax charge	-	0.74	(13.06)	(0.12)
Profit / (loss) after tax before share of profit in associates	63.37	62.48	431.81	264.54
Less: Share of minority interest	-	-	87.01	74.53
Profit / (loss) after tax	63.37	62.48	344.80	190.01
Other Comprehensive Income	(2.46)	0.49	23.22	14.65
Total Comprehensive Income	**60.91**	**62.97**	**368.02**	**204.66**
Add: Surplus brought forward	192.79	161.09	942.36	825.79
Add: Amount transferred from debenture redemption reserve	-	-	25.00	95.83
Add: Provision for dividend Distribution tax written back	-	1.64	-	1.64
Profit available for appropriation	**253.70**	**225.70**	**1335.38**	**1127.92**
Surplus carried forward after appropriations	**253.70**	**192.79**	**1153.25**	**942.36**

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

Operations and Business Performance

The net revenue of the Company for the financial year 2016-17 has increased by 8.90% which is ₹222.51 crore as compared to ₹204.31 crore in financial year 2015-16 and the profit before tax for financial year 2016-17 has increased by 16.29% which is ₹94.23 crore as compared to ₹81.03 Crore in financial year 2015-16.

The performance of the Company alongwith its subsidiaries, associates and joint venture companies (collectively "the Group") during financial year 2016-17 is a showcase of how cement companies that have invested in the right strategy can grow across industry cycles. The Group has focused on improving all the efficiencies parameter which in turn has helped to improve the margins. The result is that we have been successful in increasing gross revenue of the Group for the financial year 2016-17 by 14.95% which is ₹8348.10 crore as compared to ₹7262.15 crore in financial year 2015-16 and the profit before tax for financial year 2016-17 has increased by 38.80% which is ₹707.96 crore as compared to ₹510.04 crore in financial year 2015-16.

Please refer to the chapter on Management Discussion and Analysis for a detailed analysis of the performance of the Company during the financial year 2016-2017.

The Company continues to be engaged in the same line of business during the financial year 2016-17. There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

Transfer to reserves

The Company proposes to retain the entire earnings in the profit and loss account and not to transfer any amount to the General Reserve.

Dividend

Your Directors have recommended a dividend of ₹2.20/- (110%) per equity share of face value of ₹2/- each for the current financial year ended on March 31, 2017 as against dividend of ₹2/- (100)% per equity share paid in the immediately preceding year. The proposed dividend is based on the financial and non-financial factors prevailing during the year in terms of the Dividend Distribution Policy of the Company.

Credit rating

During the financial year 2016-17, CARE has reaffirmed the rating for long term and the short term facilities at AA- and A1+ respectively, signifying the sound financial management and the ability to meet its financial obligations.

Board of Directors, its Committees and their Meetings

During the financial year 2016-17, five Board meetings were held. Reference is invited to the Corporate Governance Report which forms part of this Report, for the details of Board of Directors, its Committees and their meetings.

Directors and Key Managerial Personnel

Mr. Jayesh Doshi, Whole-time Director and Chief Financial Officer, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr. Jayesh Doshi has given declaration to the effect that he is qualified to be reappointed as a Director of the Company.

The Key Managerial Personnel, namely, Mr. Jai Hari Dalmia, Managing Director, Mr. Y.H. Dalmia, Managing Director, Mr. Jayesh Doshi, Chief Financial Officer and Whole-time Director and Ms. Nidhi Bisaria, Company Secretary continue to hold their respective offices during the current financial year.

The Independent Directors, namely, Mr. N. Gopalaswamy, Mr. V.S. Jain and Mr. P.K. Khaitan have given their respective declaration of independence and have also held a separate meeting wherein they inter alia reviewed the performance of the Non-Independent Directors, Chairman and Board as a whole.

The details of familiarisation programmes imparted to the Independent Directors of the Company during the financial year 2016-17 can be accessed at https://www.dalmiabl.com/upload/Familarisation-Programme-for-ID-2016-17.pdf.

The Nomination and Remuneration Policy of the Company on Director's appointment and remuneration is attached as Annexure – 1 and forms part of this Report.

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

Directors' Responsibility Statement

Your Directors state that:

(a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the same;

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

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

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

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

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

Particulars of Remuneration of Directors', Key Managerial Personnel and Employees'

The particulars of remuneration to Directors and Key Managerial Personnel and other required particulars are attached as Annexure – 2 and forms part of this Report.

Further a statement showing the names and other particulars of the employees drawing remuneration in excess of the prescribed limits is attached as Annexure – 2A and forms part of this Report.

Employees' Stock Option Scheme

The Nomination and Remuneration Committee of the Company has granted 10,67,000 stock options, net of lapsed options, to eligible employees of your Company.

During the year, 1,72,500 stock options have vested to eligible employees and the Nomination and Remuneration Committee allotted 1,66,500 equity shares of ₹2/- each of your Company upon exercise of stock options by the employees.

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

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

Subsidiaries, Associates and Joint Venture Companies

A detailed report on the highlights of performance of each of the Company's Subsidiaries and joint ventures companies for the financial year ended March 31, 2017 in Form AOC 1 is attached and marked as Annexure - 3 to this report. The contribution of the Company's Subsidiaries and joint ventures companies to the overall performance of the Company during the period under report is given under the financial highlights above.

The Company has 39 subsidiaries including step down subsidiaries, namely, Dalmia Cement (Bharat) Limited, Dalmia Power Limited, DCB Power Ventures Limited, Kanika Investment Limited, Adwetha Cement Holdings Limited, and the Subsidiaries of Dalmia Cement (Bharat) Limited, viz., Ishita Properties Limited, Shri Rangam Properties Limited, Geetee Estates Limited, D. I. Properties Limited, Hemshila Properties Limited, Arjuna Brokers & Minerals Limited, Shri Radha Krishna Brokers & Holdings Limited, Dalmia Minerals & Properties Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Shanmugha Mines & Minerals Limited, Sri Dhandauthapani Mines and Minerals Limited, Sri Trivikrama Mines and Properties Limited, Sri Madhusudana Mines and Properties Limited, Cosmos Cements Limited, Sutnga Mines Private Limited, Rajputana Properties Private Limited, Golden Hills Resort Private Limited, Calcom Cement India Limited, Vinay Cement Limited, SCL Cements Limited, RCL Cements Limited, Adhunik Cement Limited, Adhunik MSP Cement (Assam) Limited, Alsthom Industries Limited, Dalmia Bharat Cements Holdings Limited, Shri Rangam Securities & Holdings Limited, JayeVijay Agro Farms Private Limited, Dalmia Cement East Limited, Bangaru Kamakshiamman Agro Farms Private Limited, OCL India Limited, OCL Global Limited, OCL China Limited and Odisha Cement Limited.

During the year under review, Alsthom Industries Limited was incorporated as a step-down subsidiary of the Company w.e.f. December 20, 2016

During the said financial year no company ceased to be a subsidiary of the Company or its Subsidiary.

During the financial year 2016-17, Dalmia Renewables Energy Limited became an associate of Company's subsidiary, Dalmia Cement (Bharat) Limited w.e.f. February, 2017. Apart from this, the Company's subsidiary, Dalmia Cement (Bharat) Limited has one joint venture company, Khappa Coal Company Private Limited, and OCL India Limited, the step down subsidiary, has one joint venture company, Radhikapur (West) Coal Mining Private Limited.

Any Member desirous to inspect the detailed Annual Reports of any of the aforementioned subsidiaries may inspect the same at the Registered Office of the Company during business hours.

The policy for determining material subsidiaries may be accessed at the Company's website at http://www.dalmiabl.com/upload/policies/DBL-Material-Subsidiary-Policy.pdf

Schemes of Arrangement and Amalgamation

The following Schemes of Arrangement and Amalgamation, involving the subsidiaries / step down subsidiaries of the Company, their respective shareholders and creditors, as approved by the respective board of directors of said companies, had been filed with jurisdictional High Courts and later transferred to jurisdictional NCLTs:

a) Scheme of Arrangement and Amalgamation involving Company's step down subsidiaries i.e., OCL India Limited ("OCL"), Odisha Cement Limited, Dalmia Cement East Limited, Shri Rangam Securities & Holdings Limited and Dalmia Bharat Cement Holdings Limited ("Scheme 1").

b) Scheme of Arrangement and Amalgamation involving Company's subsidiary Dalmia Cement (Bharat) Limited ("DCBL") and its related parties, DCB Power Ventures Limited, Dalmia Power Limited and Adwetha Cement Holdings Limited ("Scheme 2").

c) Scheme of Arrangement involving DCBL and its subsidiaries i.e., Adhunik Cement Limited and Adhunik MSP Cement (Assam) Limited ("Scheme 3").

All the aforesaid schemes have not come into effect since final sanction of the jurisdictional NCLTs in respect of some of the companies are pending.

Further, the Board of Directors of the Company at their meeting held on November 5, 2016 had approved the scheme of arrangement and amalgamation amongst Odisha Cement Limited, the Company and Dalmia Cement (Bharat) Limited ("Scheme 4"), which is inter alia conditional upon the effectiveness of Schemes 1 and 2. Scheme 4 has been approved by the Stock Exchanges. The said Scheme is expected to be filed before the NCLT, Chennai, having jurisdiction over the Registered Office of the aforesaid companies shortly.

Consolidated Financial Statements

This Annual Report also includes Consolidated Financial Statements for the financial year 2016-17 which have been prepared based on audited Financial Statements of all the subsidiaries including step down subsidiaries of the Company. In this regard attention is invited to note no. 33(B) of the notes to accounts to the Consolidated Financial Statements of the Company for the year ended March 31, 2017 which fully explains the matter and replies to the Auditors observation under "Emphasis of Matter".

Corporate Governance Report

Your Directors believe that corporate governance is an ethically driven business process that is committed to values aimed at enhancing the growth for the Company Your Company's corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making. The Company's corporate governance practices have been detailed in the Corporate Governance Report and same is attached together with the Auditors' certificate thereon and forms part of this Report.

Business Responsibility Report

A separate section on Business Responsibility forms part of this Annual Report.

Extract of Annual Return

The extract of the annual return is attached in Form MGT-9 giving inter-alia details of shareholding pattern, indebtedness, managerial remuneration and forms part of this report as Annexure – 4.

Corporate Social Responsibility (CSR)

Your Directors have constituted a Corporate Social Responsibility Committee responsible to identify, monitor and review corporate social responsibility activities of the Company and provide strategic direction for implementation of the corporate social responsibility policy of the Company which can be accessed on the website of the Company at http://www.dalmiabl.com/upload/policies/DBL-CSR-Policy.pdf.

The Committee decided to expend an amount of ₹0.81 crore on CSR activities covering eradication of extreme hunger and poverty, promotion of education including special education, ensuring environmental sustainability and ecological balance, etc. health, sanitation, education and environment sustainability. Pursuant to the said policy, the Company has made expenses aggregating to ₹0.81 crore towards Corporate Social Responsibility activities during the financial year 2016-17, which is equal to 2% of average net profits of the Company made during three immediately preceding financial years. The Annual Report on CSR activities is attached as Annexure - 5 and forms part of this Report.

The Group as a whole has spent ₹10.16 crore towards Corporate Social Responsibility activities during the said financial year.

Related Party Policy and Transactions

The policy on related party transactions may be accessed at the Company's website at http://www.dalmiabl.com/upload/policies/DBL-Related-Party-Policy.pdf

The particulars of material contracts or arrangements with the related parties is attached in Form AOC 2 and forms part of this Report as Annexure - 6.

Risk Management Policy

Your Company has constituted a Risk Management Committee to review the risk management plan / process of your Company and that the Company has adequate risk management procedures, which are based upon business environment, operational controls and compliance procedures. The major risks are assessed through a systemic procedure of risk identification and classification. Risks are prioritised according to significance and likelihood. The risk assessment is not limited to threat analysis, but also identifies potential opportunities. The Risk Management Committee oversees the risk management process.

Whistle Blower Policy and Vigil Mechanism

The Company has in place the Whistle Blower Policy and Vigil Mechanism with a view to provide for adequate safeguards against victimisation of persons 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 http://www.dalmiabl.com/ upload/ policies/ DBL-Whistle-Blower-Policy-Vigil-Mechanism.pdf.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

No such complaints have been received by the said Committee during the financial year 2016-17.

Loans, Guarantees, Security and Investments

The particulars of investments made and securities/guarantees given by the Company are provided at Note Nos. 5, 8 and 29 read with 30(F) of the notes to accounts to the Standalone Financial Statements of the Company. The details of loans given by the Company are provided at Note Nos. 37 and 38 of the notes to accounts to the Standalone Financial Statements of the Company.

Adequacy of Internal Financial Controls

Your Company has in place adequate internal control systems commensurate with the size of its operations. The Company has requisite policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

The internal control systems are subjected to regular reviews, self-assessments and audits and based on such reviews, we believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

Energy Conservation, Technology Absorption and Foreign Exchange Transactions

The particulars of energy conservation, technology absorption are not applicable to the Company as it is not engaged in any manufacturing activity. The details of foreign exchange earnings and outgo is an under:

(a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services, and export plans:

The Company has not undertaken any exports during the year under review.

(b) Total foreign exchange used and earned during the year:

(i) Used: ₹1.63 crore (ii) Earned: ₹nil.

Statutory Auditors

M/s. S.S. Kothari Mehta & Co., were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 30th September 2015 for a period of five years subject to ratification by members of the Company every year. The Board recommends the ratification of their appointment, till the conclusion of the next following Annual General Meeting of the Company.

The Company has obtained from them a certificate to the effect that they are eligible to continue as the Statutory Auditors of the Company and that they comply with the prescribed requirements.

Secretarial Auditor and Their Report

The Board of Directors of the Company appointed Mr. R. Venkatasubramanian, Practising Company Secretary, as the Secretarial Auditor to conduct the Secretarial Audit. The Report of Secretarial Audit is attached in Form MR 3 and forms part of this Report as Annexure - 7.

Comments on Auditors' Observations

The Report submitted by the Statutory Auditors on the Standalone Financial Statements of the Company and the Report by the Secretarial Auditor does not contain any qualification, reservation or adverse remark or disclaimer. The Notes on Financial Statements referred to in the Statutory Auditors' Report are self-explanatory and do not call for any comments and explanation.

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

Public Deposits

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

Orders passed by Regulators

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

Acknowledgement

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

For and on behalf of the Board

P. K. Khaitan
Chairman
DIN-0004821

Place: New Delhi
Dated: May 10, 2017

Annexure - 1

NOMINATION AND REMUNERATION POLICY

1) **Objective**

The Policy is laid down to comply with the provisions of section 178 of the Companies Act, 2013 read along with the Rules made thereunder, and the Clause 49(IV) of the Listing Agreement.

2) **Definitions:**

a. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

b. "Board" means the Board of Directors of the Company.

c. "Directors" means the Directors of the Company as may be appointed from time to time.

d. "Independent Director" means a Director who has been appointed as such and who satisfies the criteria and conditions laid down in the Companies Act, 2013

e. "Key Managerial Personnel" (KMP) in relation to the Company means (i) Chief Executive Officer or the Managing Director; (ii) Company Secretary; (iii) Whole-time Director; (iv) Chief Financial Officer; and (iv) such other officer as may be prescribed.

f. "Senior Management Persons" (SMP) means personnel of the Company who are members of its core management team, excluding Board of Directors, comprising all members of management, one level below the executive directors including the functional heads.

3) **Constitution of the Committee and matters relating there to:**

(a) **Constitution:**

(i) The Committee shall consist of three or more non-executive directors, out of which not less than one half shall be independent directors.

(ii) Minimum two members shall constitute a quorum for the meeting.

(iii) The Chairman of the Committee shall be an Independent Director.

(iv) The Chairman of the Company may be nominated as a member of the Committee but shall not be its Chairman.

(v) The Chairman of the Nomination and Remuneration Committee is required to be present at the Annual General Meeting or he may nominate some other member to answer the shareholders' queries.

(b) **Frequency of Meetings:**

The meeting of the Committee shall be held at such regular intervals as may be required.

(c) **Secretary:**

The Company Secretary of the Company shall act as the Secretary of the Committee.

4) **Role of the Committee:**

(a) 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.

(b) The Committee shall carry out evaluation of performance of every Director other than the Independent Directors.

(c) 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.

(d) The Committee shall lay down the criteria for appointment of persons as SMPs.

(e) The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director.

(f) The Committee shall recommend to the Board, a Policy relating to Remuneration for Directors, KMPs, and other SMPs. While formulating the remuneration policy the following shall be ensured:-

(i) Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required,

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

(iii) Remuneration to Directors, KMPs, and SMPs, involves a balance between fixed and incentive pay, reflecting short and long term performance objectives, appropriate for the Company.

(g) The Remuneration Policy and also the criteria for evaluation shall be disclosed in the Annual Report of the Company

(h) The Committee shall lay the criteria for evaluation of Independent Directors. The performance evaluation of Independent Directors shall be done by the entire Board excluding the Directors being evaluated. On the basis of report of performance evaluation it shall be decided whether to extend or continue the term of his appointment.

(i) The Committee shall devise the criteria and policy on Board Diversity.

5) **Procedure to be followed in meetings of the Committee:**

(i) The Company Secretary shall put up the agenda items which are required to be considered by the Committee in line with the requirements of the Act and this policy.

(ii) All matters shall be decided by a majority of votes cast by the members present in the meeting. In case of equality of votes, the Chairman shall have the casting vote

(iii) Head HR or a representative nominated by him shall be present at all meetings of the Committee to provide clarifications, if any, sought by the Committee.

(iv) The Committee is also entitled to engage professionals to assist it in the performance of its duties and such costs shall be borne by the Company.

(v) Minutes of the proceedings shall be maintained in accordance with the Act.

6) **Criteria for identification of Directors/KMPs/SMPs:**

(a) For the post of a Director minimum graduate qualification is envisaged and the person shall be able to contribute positively to the deliberations at the Board Meetings. For the post of KMPs and SMPs, the HR department will lay down the minimum qualification and desired experience criteria for each post. Such criteria shall also meet with the requirements where ever laid down under various Acts.

(b) The minimum age of appointment shall be at least 21 years for KMPs and SMPs and maximum age at the time of appointment would be 70 years. In exceptional cases persons beyond the age of 70 years can be hired. For Directors the minimum age would normally be 35 years and the maximum age shall not exceed 80 years. However in exceptional circumstances a person of the age of 21 years and above can be inducted as a Director if agreed to by the Board.

(c) The criteria for determining independence of an Independent Director and disqualification of a Director would be in line with the provisions of in the Act.

(d) The persons to be employed as KMPs/SMPs shall clear the Dalmia BEI (Behavioural Evaluation Interview)

(e) The HR department would also keep in view the age profile of existing personnel and also the succession plan while identifying the suitable persons.

(f) The Board would comprise of persons having diverse qualifications, experience and exposure in any area including but not limited to finance, human relations, marketing, , engineering, management, etc..

(g) The Board shall comprise of one-third of its strength being independent Directors, where the Chairman of the Board/ Company is a Non-Executive Chairman. However, where the Chairman is an Executive Chairman, atleast one half strength of the Board shall comprise of independent Directors. Vacancies in the Board caused due to death, resignation or otherwise shall be filled in within a period of six months. It shall be necessary to have one woman Director on the Board.

7) **Criteria for Evaluation of performance of Directors/KMPs/ SMPs:**

A. **For Directors:**

For evaluation of performance of Directors and Independent Directors following criteria shall be taken into account:

(a) his attendance at Board Meetings and committee meetings.

(b) Preparedness and level of participation in Board Meetings

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

(d) His participative discussions with management team when desired.

For Executive Directors, namely, Managing Directors (MDs) and Whole-tome Directors (WTDs) - In addition to above the executive directors shall also be evaluated on:

- business performance as against laid out targets and business policies / plans.
- Strategic contribution towards business sustenance and growth

The Committee shall carry out evaluation of performance of every Director preferably at regular yearly intervals. For this purpose, the Board may engage the services of a professional for advising it on the process of evaluation, etc, and the cost of such professional shall be borne by the Company.

B. **For KMPs/SMPs:**

Their performance will be evaluated on the basis of laid down key performance areas which are finalized by HR department in association with the concerned official. The evaluation shall be done on annual basis. However, in exceptional cases the HR department may evaluate the performance at shorter intervals. For this the Company may engage the services of a professional for advising it on the process of evaluation.

8) Policy on Remuneration:

(a) Directors (including MDs and WTDs):

The remuneration to the Executive Directors, being MDs and WTDs (other than independent Directors) shall be based on their qualification and experience. If it exceeds the limits prescribed under the Act, it shall be with due approval of the prescribed authorities.

The variable component of the CTC would in the range of 30%-50%

The Independent Directors and Non-Executive Directors would be entitled to share the commission of 1% of the net profits of the Company calculated in accordance with section 198 of the Act, as may be decided by the Board, from time-to-time. Besides above they will be entitled to sitting fees for attending to Board meetings and Committee meetings as may be decided by the Board.

(b) KMPs (excluding MDs and WTDs) and SMPs:

It would be based on Total Cost to Company (TCTC) concept. This will be a factor of the following:

- Annual Compensation Surveys, followed by industry benchmarks, position benchmarks, performance benchmarks, comparative, and percentile position analysis.
- In case of Annual increments it will based on his/her annual performance results and his/ her potential to grow into the next role.
- His/her variable component shall be in the range of 20%-40%.
- For factors beyond individual's control, mid-term corrections in the parameters can be made.

(c) The KMPs, SMPs and Directors (excluding the Independent Directors) shall be entitled to grant of ESOPs as per the Schemes, framed from time to time.

9) General:

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the Listing Agreement on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/or the Board of Directors. However, any such amendment shall be annexed to this Policy and put on the website of the Company for ready reference of all concerned persons and placed before the Nomination and Remuneration Committee.

Annexure - 2

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

1. Details of the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17 are as under:

Name of the Director/KMP and Designation	Remuneration of Director/ KMP for the F.Y. 2016-17 ₹ crore	Ratio of remuneration of each Director to median remuneration* of employees of the Company	% increase in the remuneration in the F.Y. 2016-17
Mr. P.K. Khaitan Chairman Non-Executive Independent	0.22	1.62	57.14
Mr. Jai H. Dalmia Managing Director	1.95	14.32	3.72
Mr. Y.H. Dalmia Managing Director	2.31	16.97	(4.15)
Mr. N. Gopalaswamy Non-Executive Independent	0.20	1.47	33.33
Mr. Gautam Dalmia Non-Executive	0.03	0.22	--
Mr. Puneet Yadu Dalmia Non-Executive	0.03	0.22	--
Mr. V.S. Jain Non-Executive Independent	0.22	1.62	29.41
Mrs. Sudha Pillai Non-Executive	0.14	1.03	7.69
Mr. Jayesh Doshi Whole-time Director & Chief Financial Officer	5.94	43.63	151.69
Ms. Nidhi Bisaria Company Secretary	0.17	Not Applicable	13.33

Note:. * The median remuneration of employees of the Company during the financial year 2016-17 was ₹13,61,562/-.

2. The percentage increase in the median remuneration of employees in the financial year was 5.03%.

3. The number of permanent employees on the rolls of the Company at the end of the financial year was 307.

4. The average percentage increase in the salaries of employees other than the managerial personnel was 14.75% during the financial year 2016-17 whereas the percentage increase in the remuneration of managerial personnel during the said financial year was 34.80%. The higher increase in the remuneration of managerial personnel was due to payment of variable pay and perquisite value of stock options.

5. It is hereby affirmed that the remuneration paid to Directors, Key Managerial Personnel and senior management personnel is as per the Nomination & Remuneration Policy of the Company.

Annexure - 2A

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 2016-17.

Sl. no.	Name	Age	Designation	Qualifications	Experience (years)	Date of Commencement of Employment	Last Employment held	Remuneration received (₹ in Crore)	Whether related to a Director
A.	**Employed throughout the year**								
1	Mr. Ajit Menon	52	Senior Executive Director	B.S.C, B.B.A	20	31/08/2012	DDB Mudra Private Limited	3.35	No
2	Mr. Amit Chaudhery	50	Deputy Executive Director - Corporate Communication	M.A. , B.S (HONS), AISSCEMCIPR	18	11/04/2011	Nil	1.10	No
3	Mr. B B Mehta	63	Chief Executive Officer - Sugar Business	B.COM (HONS.), A.C.A	40	01/05/2011	Dalmia Bharat Sugar & Industries Limited	4.35	No
4	Mr. B K Singh	55	Senior Executive Director	B.SC- ENG& TECH, PGDM (INTL. MKTG)	29	01/10/2011	Dalmia Cement Bharat Limited	3.26	No
5	Mr. C N Maheshwari	60	Chief Executive Officer - Refractory	CA, CS, COST ACCOUNTANT, B.COM	37	05/05/2006	EIH Ltd	1.50	No
6	Mr. Chander Prakash Arora	52	Assistant Executive Director - Technical Services	M.TECH., B.E.	28	29/10/2012	Lanco Infra Tech Ltd.	1.02	No
7	Mr. Dharmender Tuteja	50	Executive Director	B.COM(HONS) , I.C.W.A., I.C.S.I	29	01/12/2011	Humboldt Wedag India Private Limited	1.49	No
8	Mr. Harish Chander Sehgal	59	Group General Councel	B.COM (H), LLB	36	10/08/2009	Dalmia Bharat Sugar & Industries Limited	4.51	No
9	Mr. J H Dalmia	71	Managing Director	B.E. (ELEC.), M.S. IN ELECTRICAL ENGINEERING, USA	47	01/04/2007	Orissa Cement Limited	1.95 **	Yes*
10	Mr. Jayesh Nagindas Doshi	52	Whole-Time Director & CFO	B.COM, B.L.L, A.C.A.	25	01/02/2013	Panchshil Realty	5.94	No
11	Mr. Mayank Gupta	41	Assistant Executive Director	PGDM - IIM-B, B.SC. (NAUTICAL SCIENCE)	18	10/11/2014	Accenture Management Consulting	1.07	No
12	Mr. Pankaj Rastogi	53	Chief Operating Officer	B.TECH, PGDM	30	06/12/1999	Dalmia Bharat Sugar & Industries Limited	1.71	No
13	Mr. Prabir Chakravarty	65	CEO - Mines	MEP - IIM-A, B.E. (ELECTRICAL), B.SC.	42	06/11/2014	Global Metal & Energy Pvt. Ltd	1.15	No
14	Mr. R A Somani	63	Senior Executive Director	B.E. (MECHANICAL)	41	21/11/2012	Abhijeet Cement Limited	2.76	No
15	Mr. Sameer Nagpal	47	Chief Executive Officer - Refractory	BE MECHANICAL, PGDBM	27	03/08/2015	Shalimar Paints	1.45	No
16	Mr. Surath Kr. Mukherjee	48	Deputy Executive Director - Internal Audit	A.C.A , A.I.C.W.A	22	29/08/2008	Dalmia Bharat Sugar & Industries Limited	1.18	No
17	Mr. T Venkatesan	64	Deputy Managing Director	B.A., A.C.A.	38	10/02/2011	Dalmia Cement Bharat Limited	5.24	No
18	Mr. Uppalapati Ramachandra Raju	64	Executive Director	B.SC, M.SC (TECH.)	27	12/04/2012	Reliance Cement Company Private Limited	1.65	No
19	Mr. Y H Dalmia	69	Managing Director	B.COM (HONS), F.C.A.	46	01/04/2011	None	2.31**	Yes*
B.	**Emloyed For Part Of The Year**								
1	Mr. Abhra Banerjee	47	Executive Director - Sales & Marketing (NE)	BSC. (ECON) , M.A (ECON), MBA	22	01/04/2013	Century Plyboards (I) Limited	0.49	No
2	Mr. Amit Garg	49	Executive Director	PGDM - MARKETING AND FINANCE	23	21/11/2016	Hindustan Times	0.55	No
3	Mr. Anand Kumar Kanodia	47	Executive Director	B.COM, ACA, ACS	25	08/04/2016	Acme Technologies	1.47	No
4	Mr. Ram Kumar Yadav	54	Deputy Executive Director - Power	B.SC, MECHANICAL ENGINEERING , MBA, CEA, PG-GSM	33	29/09/2008	Dalmia Bharat Sugar & Industries Limited	0.56	No
5	Mr. Reena Verma Bhasin	43	Executive Director - Corporate Finanace	CFA - AIMR LONDON	21	01/12/2016	Arpwood	0.49	No
6	Mr. Sanjiv Kumar	50	Assistant Executive Director - Project (NE)	B.TECH, MTECH. (CIVIL)	26	01/11/2012	Lanco Infra Tech Ltd.	0.55	No

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

** excludes commission on net profits of the financial year 2015-16 (₹ 0.51 crore - Mr. J.H. Dalmia and ₹.0.38 crore - Mr. Y.H. Dalmia) paid during this year.

Notes

1. None of the above employees held 2% or above of the equity shares of the Company as on March 31, 2017 either himself and/or alongwith his spouse and dependent children.
2. Mr. J.H. Dalmia and Mr. Y.H. Dalmia are employed as Managerial Personnel on fixed term basis.
3. Remuneration shown includes, inter-alia, value of perquisites, allowances and all retiral benefits (excluding gratuity).

Annexure - 3

(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

PART - A : Subsidiaries

(₹ in Crore)

Sl. no.	Name of the subsidiary	Reporting Currency	Share capital	Reserves & Surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
	Subsidiary												
1	Dalmia Cement (Bharat) Limited	INR	252.92	3,101.33	10,588.18	7,233.93	2,923.77	3,200.67	170.14	34.82	135.32	-	100.00%
2	Kanika Investment Limited	INR	0.42	4.93	43.88	38.53	0.09	-	(3.02)	(1.12)	(1.90)	-	100.00%
3	Dalmia Power Limited	INR	0.50	(8.70)	34.73	42.93	-	-	(8.17)	(2.09)	(6.08)	-	100.00%
4	Adwetha Cement Holdings Limited	INR	0.05	(58.17)	603.23	661.35	600.00	-	(55.23)	0.03	(55.26)	-	100.00%
	Step down Subsidiaries												
5	D.I. Properties Limited	INR	0.25	0.13	2.47	2.09	-	-	(0.17)	-	(0.17)	-	100.00%
6	Shri Rangam Properties Limited	INR	0.25	1.78	10.51	8.48	-	-	(0.08)	-	(0.08)	-	100.00%
7	Arjuna Brokers & Minerals Limited	INR	0.05	0.01	0.06	0.00	-	-	-	-	-	-	100.00%
8	Dalmia Minerals & Properties Limited	INR	0.05	0.56	52.04	51.43	12.50	-	(0.04)	-	(0.04)	-	100.00%
9	Shri Radha Krishna Brokers & Holdings Limited	INR	0.05	0.03	0.08	0.00	0.05	-	-	-	-	-	100.00%
10	Sri Shanamugha Mines & Minerals Limited	INR	0.05	0.58	8.95	8.32	-	-	-	-	-	-	100.00%
11	Sri Subramanya Mines & Minerals Limited	INR	0.05	0.76	6.06	5.25	-	-	-	-	-	-	100.00%
12	Ishita Properties Limited	INR	0.05	(2.52)	1.12	3.59	0.50	-	0.39	0.09	0.30	-	100.00%
13	Hemshila Properties Limited	INR	0.25	0.87	6.85	5.73	0.02	-	(0.01)	-	(0.01)	-	100.00%
14	Geetee Estates Limited	INR	0.05	1.19	7.30	6.06	-	-	(0.01)	-	(0.01)	-	100.00%
15	Sri Swaminatha Mines & Minerals Limited	INR	0.05	0.28	3.53	3.20	-	-	(0.05)	-	(0.05)	-	100.00%
16	Sri Trivikrama Mines & Properties Limited	INR	0.05	0.30	6.75	6.40	-	-	(0.04)	-	(0.04)	-	100.00%
17	Sri Madhusudana Mines & Properties Limited	INR	0.05	0.66	6.76	6.05	-	-	(0.01)	-	(0.01)	-	100.00%
18	Sri Dhandauthapani Mines & Minerals Limited	INR	0.05	0.09	0.15	0.01	0.14	-	-	-	-	-	100.00%
19	Golden Hills Resort Private Limited	INR	0.94	(0.05)	1.65	0.76	-	-	(0.00)	-	(0.00)	-	100.00%
20	Rajputna Properties Private Limited	INR	0.01	(0.00)	2.01	2.00	-	-	-	-	-	-	100.00%
21	DCB Power Ventures Limited	INR	0.50	463.68	1,146.41	682.23	559.62	79.42	32.17	9.85	22.32	-	100.00%
22	Sutnga Mines Private Limited	INR	1.91	0.48	2.55	0.16	2.01	-	0.14	0.04	0.10	-	100.00%
23	Cosmos Cements Limited	INR	13.39	(0.65)	49.73	36.99	-	-	(0.11)	-	(0.11)	-	100.00%
24	Adhunik Cement Limited	INR	32.95	(96.51)	1,003.57	1,067.14	2.00	409.88	(88.38)	-	(88.38)	-	100.00%
25	Adhunik MSP Cement (Assam) Limited	INR	0.25	1.53	3.06	1.28	1.00	-	(0.07)	-	(0.07)	-	100.00%
26	Alsthom Industries Limited	INR	5.00	(0.29)	74.05	69.34	-	0.01	(0.29)		(0.29)		80.00%
27	Calcom Cement India Limited	INR	408.79	(260.01)	1,481.34	1,332.56	72.76	672.74	(13.84)	-	(13.84)	-	76.00%
28	RCL Cements Limited	INR	3.63	11.33	39.93	24.97	31.07	0.51	(3.25)	-	(3.25)	-	100.00%
29	SCL Cement Limited	INR	2.97	(29.68)	10.15	36.86	-	0.60	(5.65)	-	(5.65)	-	100.00%
30	Vinay Cement Limited	INR	18.90	(121.32)	115.28	217.70	53.12	11.04	(16.89)	(1.98)	(14.91)	-	97.21%
31	Bangaru Kamakshi Amman Agro Farms Private Limited	INR	0.01	(0.32)	4.32	4.63	-	-	(0.36)	-	(0.36)	-	100.00%
32	Dalmia Bharat Cement Holdings Limited	INR	83.16	51.43	913.82	779.23	908.05	-	(80.07)	0.16	(80.22)	-	100.00%
33	Jayevijay Agro Farms Private Limited	INR	0.01	(0.57)	3.54	4.10	-	-	(0.32)	-	(0.32)	-	100.00%
34	Shri Rangam Securities & Holdings Limited	INR	90.85	815.52	984.38	78.01	984.34	-	(0.71)	-	(0.71)	-	100.00%
35	Dalmia Cement East Limited	INR	133.65	328.84	1,008.77	546.28	157.74	894.86	161.43	59.00	102.43	-	100.00%
36	OCL India Limited	INR	11.39	2,344.01	4,754.34	2,398.94	1,657.37	3,267.42	530.39	146.52	383.87	-	74.66%
37	OCL Global Limited	USD	13.48	48.03	63.73	2.22	28.32	75.26	0.38	-	0.38	-	100.00%
38	OCL China Limited	RMB	24.41	18.05	71.34	28.88	-	67.40	(5.17)	0.07	(5.24)	-	90.00%
39	Odisha Cement Limited	INR	0.05	(0.02)	0.03	0.00	-	0.00	(0.01)	-	(0.01)	-	100.00%

Names of subsidiaries which are yet to commence operation

Nil

Names of subsidiaries which have been liquidated or sold during the year

Nil

PART - B : Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to associate companies and joint ventures

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

(₹ in Crore)

Sl. no.	Name of the Associate / Joint Ventures	Latest audited Balance Sheet Date	No. of shares	Amount of Investment in Associates/ Joint Venture	Extend of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year considered in consolidation	Profit / Loss for the year not considered in consolidation	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
	Joint Venture									
1	Khappa Coal Company Private Limited	31-Mar-17	18,36,500	1.84	36.73%	1.46	0.01	-	-	-
2	Radhikapur (West) Coal Mining Private Limited	31-Mar-17	38,35,000	3.84	7.03%	3.58	(0.02)	-	-	-
	Associate									
1	Dalmia Renewables Energy Limited	31-Mar-17	48,995	0.05	49.00%	0.05	(0.01)	-	-	-

(Y. H. Dalmia)
Managing Director
DIN - 00009800

(Jayesh Doshi)
Whole time Director & Chief Financial Offier
DIN - 00017963

Place : New Delhi
Date: May 10, 2017

(Nidhi Bisaria)
Company Secretary
Membership No. F5634

Annexure - 4

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

on the financial year ended on 31-3-2017

[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	L40109TN2006PLC058818
ii)	Registration Date	February 10, 2006
iii)	Name of the Company	DALMIA BHARAT LIMITED
iv)	Category/ Sub- Category of the Company	PUBLIC LIMITED COMPANY
v)	Address of the Registered office and Contact Details	DALMIAPURAM-621651, DIST. TIRUCHIRAPALLI, TAMIL NADU Phone No. 04329-235132 Fax No. 04329-235111
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	KARVY COMPUTERSHARE PRIVATE LIMITED Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Phone No: 040 6716 1500

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No	Name and Description of main products/services	NIC Code of the Product/ Service	% of total turnover of the Company
1	Management Services	70	90.46%

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 Power Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U40109TN2005PLC057326	Subsidiary	100%	2(87)
2	DCB Power Ventures Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U40109TN2006PLC058819	Step down Subsidiary	NIL	2(87)
3	Adwetha Cement Holdings Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U74900TN2016PLC103518	Subsidiary	100%	2(87)
4	Kanika Investment Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U65993TN1979PLC050181	Subsidiary	100%	2(87)

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
5	Dalmia Cement (Bharat) Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U65191TN1996PLC035963	Subsidiary	92.62%	2(87)
6	Ishita Properties Limited 11th floor, Hansalaya, 15 Barakhamba Road, New Delhi - 110001	U45203DL1994PLC116832	Step down Subsidiary	NIL	2(87)
7	D. I. Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U65993TN1996PLC035964	Step down Subsidiary	NIL	2(87)
8	Geetee Estates Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U65993TN1996PLC035965	Step down Subsidiary	NIL	2(87)
9	Hemshila Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U65191TN1996PLC035962	Step down Subsidiary	NIL	2(87)
10	Shri Rangam Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U65993TN1997PLC037308	Step down Subsidiary	NIL	2(87)
11	Shri Radha Krishna Brokers & Holdings Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U67200TN2005PLC057330	Step down Subsidiary	NIL	2(87)
12	Sri Shanmugha Mines & Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14107TN2006PLC058817	Step down Subsidiary	NIL	2(87)
13	Sri Swaminatha Mines & Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14107TN2006PLC058820	Step down Subsidiary	NIL	2(87)
14	Sri Subramanya Mines & Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14107TN2006PLC058816	Step down Subsidiary	NIL	2(87)
15	Sri Dhandauthapani Mines and Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14107TN2006PLC061254	Step down Subsidiary	NIL	2(87)
16	Sri Trivikrama Mines and Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14102TN2006PLC061212	Step down Subsidiary	NIL	2(87)
17	Sri Madhusudana Mines and Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U14105TN2006PLC061260	Step down Subsidiary	NIL	2(87)
18	Arjuna Brokers & Minerals Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U67200TN2005PLC057329	Step down Subsidiary	NIL	2(87)
19	Dalmia Minerals & Properties Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U14107TN2005PLC057327	Step down Subsidiary	NIL	2(87)

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
20	Sutnga Mines Private Limited Block (iii), Ferndale Complex, Keating Road, Shillong, Meghalaya - 793001	U13209ML2007PTC008281	Subsidiary of Step-down subsidiary	NIL	2(87)
21	Cosmos Cements Limited Block (iii), Ferndale Complex, Keating Road, Shillong, Meghalaya - 793001	U26959ML2007PLC008279	Subsidiary of Step-down subsidiary	NIL	2(87)
22	Rajputana Properties Private Limited House No. C-20, Behind Hotel Mahavir, Kamla Nagar, Tehsil Nimbahera, Chittorgarh, Rajasthan - 312601	U26100RJ2008PTC025767	Step down Subsidiary	NIL	2(87)
23	Golden Hills Resort Private Limited House No. C-20, Behind Hotel Mahavir, Kamla Nagar, Tehsil Nimbahera, Chittorgarh, Rajasthan - 312601	U55101RJ2003PTC018766	Step down Subsidiary	NIL	2(87)
24	Calcom Cement India Limited 3rd and 4th floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Assam - 781005	U26942AS2004PLC007538	Step down Subsidiary	NIL	2(87)
25	Vinay Cement Limited Jamuna Nagar, Umrangshu, Dist. North Cachar Hills - 788931	U26942AS1986PLC002553	Subsidiary of Step-down subsidiary	NIL	2(87)
26	SCL Cements Limited 3rd and 4th floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Assam - 781005	U26959AS1999PLC008422	Subsidiary of Step-down subsidiary	NIL	2(87)
27	RCL Cements Limited 3rd and 4th floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Assam - 781005	U26941AS1997PLC005279	Subsidiary of Step-down subsidiary	NIL	2(87)
28	Adhunik Cement Limited Vill Thangskai, Lumshnong, Khelriahat, Meghalaya, 793200	U26942ML2003PLC007090	Step down Subsidiary	NIL	2(87)
29	Adhunik MSP Cement (Assam) Limited 3rd and 4th floor, Anil Plaza-II, ABC, G.S. Road, Guwahati, Assam – 781005	U26959AS2008PLC008717	Subsidiary of Step-down subsidiary	NIL	2(87)
30	Dalmia Bharat Cements Holdings Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu – 621651	U26911TN2014PLC095681	Step down Subsidiary	NIL	2(87)
31	Shri Rangam Securities & Holdings Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu - 621651	U26950TN2014PLC095685	Subsidiary of Step-down subsidiary	NIL	2(87)
32	JayeVijay Agro Farms Private Limited Old No. 2-61, New no. 2-59 Vinayagar kovil street, Thuraiyur, Tamil Nadu - 621008	U01400TN2013PTC094135	Step down Subsidiary	NIL	2(87)
33	Dalmia Cement East Limited Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu-621651	U45209TN2008PLC110322	Subsidiary of Step-down subsidiary	NIL	2(87)
34	Alsthom Industries Limited 4th Floor, Anil Plaza II ABC, G.S. Road Guwahati , Kamrup, Assam- 781005	U26999AS2016PLC017688	Step down Subsidiary	NIL	2(87)

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
35	OCL India Limited AT/PO/PS-Rajgangpur, Dist. Sundargarh,Odisha-770017	L26942OR1949PLC000185	Step down Subsidiary	NIL	2(87)
36	OCL Global Limited 44, St George Street, Port-Louis, Mauritius.	-	Subsidiary of Step-down subsidiary	NIL	2(87)
37	OCL China Limited Nanlou Economic Development Zone, Chenjia Village, Dashiqiao - 115103, Liaoning, China	-	Subsidiary of Step-down subsidiary	NIL	2(87)
38	Odisha Cement Limited Dalmiapuram, Lalgudi, Dist. Tiruchirapalli, Tamil Nadu-621651	U14200TN2013PLC112346	Subsidiary of Step-down subsidiary	NIL	2(87)
39	Dalmia Renewables Energy Limited 11th floor, Hansalaya, 15 Barakhamba Road, New Delhi – 110001	U40300DL2017PLC311590	Associate of Subsidiary Company	NIL	2(6)
40	Khappa Coal Company Private Limited 33, Mount Road, Sadar, Nagpur – 440001	U10100MH2009PTC191907	Joint Venture of Subsidiary	NIL	2(6)
41	Radhikapur (West) Coal Mining Private Limited Registered Officer at Plot No.52, Saheed Nagar, Bhubaneswar, Orissa, Pin-751 007	U10100OR2010PTC011795	Joint Venture of Step-down Subsidiary	NIL	2(6)
42	Bangaru Kamakshiamman Agro Farms Private Limited Old No. 2-61, New No. 2-59, Vinayagar Kovil Street, Thuraiyur, Tamil Nadu-621008	U01400TN2013PTC090653	Step down Subsidiary	NIL	2(87)

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

i) Category-wise Share Holding

Category of shareholder		No. of shares held at the beginning of the year April 1, 2016				No. of shares held at the end of the year March 31, 2017				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	PROMOTERS									
(1)	Indian									
(a)	Individual /HUF	3726778	0	3726778	4.20	2833078	0	2833078	3.18	(1.02)
(b)	Central Govt./State Govt.	0	0	0	0.00	0	0	0	0	0
(c)	Bodies Corporate	47168898	0	47168898	53.12	48470405	0	48470405	54.48	1.36
(d)	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0	0
(e)	Others (Trust)	86665	0	86665	0.10	86665	0	86665	0.10	0
	Sub-Total A(1) :	**50982341**	**0**	**50982341**	**57.42**	**51390148**	**0**	**51390148**	**57.76**	**0.34**
(2)	Foreign									
(a)	NRI Individuals	0	0	0	0	0	0	0	0	0.00
(b)	Other Individuals	0	0	0	0	0	0	0	0	0.00
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0.00

Category of shareholder		No. of shares held at the beginning of the year April 1, 2016				No. of shares held at the end of the year March 31, 2017				% change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(d)	Banks/ FI	0	0	0	0	0	0	0	0	0.00
(e)	Any Others	0	0	0	0	0	0	0	0	0.00
	Sub-Total A(2) :	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
	Total A=A(1)+A(2)	**50982341**	**0**	**50982341**	**57.42**	**51390148**	**0**	**51390148**	**57.76**	**0.34**
B.	**PUBLIC SHAREHOLDING**									**0**
1.	**Institutions**									**0**
(a)	Mutual Funds	3136339	0	3136339	3.53	3685643	0	3685643	4.14	0.61
(b)	Banks/FI	669397	25256	694653	0.78	628349	25256	653605	0.73	(0.05)
(c)	Central Govt. / State Govt.	59200	68955	128155	0.14	59200	68955	128155	0.14	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	197330	0	197330	0.22	329769	0	329769	0.37	0.15
(f)	Foreign Institutional Investors	6908286	0	6908286	7.78	7155039	0	7155039	8.04	0.26
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0		0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0		0.00
(i)	Others (specify)	0	0	0	0.00	0	0	0		0.00
	Sub-Total B(1) :	**10970552**	**94211**	**11064763**	**12.46**	**11858000**	**94211**	**11952211**	**13.43**	**0.97**
2.	**Non-Institutions**									
(a)	Bodies Corporate	3563114	28029	3591143	4.04	3831543	21364	3852907	4.33	0.29
(b)	Individuals									0.00
(i)	Individuals holding nominal share capital upto ₹2 lakh	5946898	2555160	8502058	9.58	5671703	2425735	8097438	9.10	(0.47)
(II)	Individuals holding nominal share capital in excess of ₹2 lakh	3195430	0	3195430	3.60	2410866	0	2410866	2.71	(0.89)
(c)	Others (specify)									0.00
(i)	Clearing Members	34798	0	34798	0.04	36055	0	36055	0.04	0.00
(ii)	Directors And Their Relatives	6075	0	6075	0.01	8075	0	8075	0.01	0.00
(iii)	Alternate Investment Fund	0	0	0	0.00	1790	0	1790	0.00	0.00
(iv)	Enemy Individuals	0	188303	188303	0.21	0	0	0	0.00	(0.21)
(v)	Foreign Nationals	0	17325	17325	0.02	0	17325	17325	0.02	0.00
(vi)	Non Resident Indians - Repartiable	470838	58376	529214	0.60	273077	58096	331173	0.37	(0.22)
(vii)	Non Resident Indians – Non Repartiable	0	0	0	0.00	144872	0	144872	0.16	0.16
(viii)	Trusts	3181853	0	3181853	3.58	3222943	0	3222943	3.62	0.04
(ix)	Foreign Body Corporate	7500000	0	7500000	8.45	7500000	0	7500000	8.43	(0.02)
	Sub-Total B(2) :	**23899006**	**2847193**	**26746199**	**30.12**	**23100924**	**2522520**	**25623444**	**28.80**	**(1.32)**
	Total B=B(1)+B(2) :	**34869558**	**2941404**	**37810962**	**42.58**	**34958924**	**2616731**	**37575655**	**42.24**	**(0.35)**
C.	**Shares held by custodians for GDRs & ADRs**									**0.00**
	GRAND TOTAL (A+B+C) :	**85851899**	**2941404**	**88793303**	**100**	**86349072**	**2616731**	**88965803**	**100**	**0.00**

• The total share capital of the Company has increased by 1,72,500 shares issued pursuant to the ESOP made by the Company during F.Y. 2016-17.

ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the Beginning of the Year April 1, 2016			Shareholding at the end of the year March 31, 2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Shri Jai Hari Dalmia C/o J. H. Dalmia (HUF)	315175	0.35	-	286675	0.32	-	(0.03)
2	Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)	241005	0.27	-	207005	0.23	-	(0.04)
3	Shri Jai Hari Dalmia	1635010	1.84	-	1635010	1.84	-	0.00
4	Smt. Kavita Dalmia	376670	0.42	-	376670	0.42	-	0.00
5	Shri Gautam Dalmia	1073308	1.21	-	242108	0.27	-	(0.94)
6	Smt. Anupama Dalmia	11250	0.01	-	11250	0.01	-	0.00
7	Ku. Sukeshi Dalmia	37180	0.04	-	37180	0.04	-	0.00
8	Ku. Vaidehi Dalmia	37180	0.04	-	37180	0.04	-	0.00
9	Alirox Abrasives Limited	120360	0.14	-	120360	0.14	-	0.00
10	Dalmia Bharat Sugar and Industries Limited	942567	1.06	-	942567	1.06	-	0.00
11	Himgiri Commercial Limited	738265	0.83	-	5	0.00	-	(0.83)
12	Kavita Trading & Investment Co. Pvt. Ltd.	300570	0.34	-	300570	0.34	-	0.00
13	Mayuka Investment Limited	17887537	20.15	-	19416527	21.82	-	1.67
14	Puneet Trading and Investment Co. Pvt. Ltd.	2361615	2.66	-	2354495	2.65	-	(0.01)
15	Rama Investment Company Private Limited	2644985	2.98	-	2174250	2.44	-	(0.54)
16	Sita Investment Company Limited	5876800	6.62	-	6643560	7.47	-	0.85
17	Dalmia Refractories Limited	349476	0.39	-	349476	0.39	-	0.00
18	Valley Agro Industries Limited	3500	0.00	-	5	0.00	-	0.00
19	Ankita Pratisthan Limited	5829070	6.56	-	6406270	7.20	-	0.64
20	Keshav Power Limited	2360263	2.66	-	1593503	1.79	-	(0.87)
21	Shree Nirman Limited	7753890	8.73	-	7761010	8.72	-	(0.01)
22	Himshikhar Investment Limited	0	0	-	407807	0.46	-	0.46
23	Ku. Shrutipriya Dalmia C/o Shrutipriya Dalmia Trust	86665	0.10	-	86665	0.10	-	0.00
	Total	**50982341**	**57.42**	-	**51390148**	**57.76**	-	**0.34**

• The total share capital of the Company has increased by 1,72,500 shares issued pursuant to the ESOP made by the Company during F.Y. 2016-17.

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

DATEWISE CHANGES IN PROMOTERS' SHAREHOLDING

S. No	Name of the Shareholder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Jai Hari Dalmia C/o J. H. Dalmia (HUF)	Opening Balance	1/04/2016	315175	0.35	315175	0.35
		Market Sale Inter se Transfer	15/03/2017	28500	0.03	286675	0.32
		Closing Balance	31/03/2017			286675	0.32
2	Shri Yadu Hari Dalmia C/o Y. H. Dalmia (HUF)	Opening Balance	1/04/2016	241005	0.27	241005	0.27
		Market Sale Inter se Transfer	15/03/2017	34000	0.04	207005	0.23
		Closing Balance	31/03/2017			207005	0.23
3	Gautam Dalmia	Opening Balance	1/04/2016	1073308	1.21	1073308	1.21
		Inter se Transfer	3/03/2017	831200	0.93	242108	0.27
		Closing Balance	31/03/2017			242108	0.27

S. No	Name of the Shareholder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Himgiri Commercial Limited	Opening Balance	1/04/2016	738265	0.83	738265	0.83
		Inter se Transfer	3/03/2017	401760	0.45	336505	0.38
		Market Purchase Inter se Transfer	15/03/2017	28500	0.03	365005	0.41
		Inter se Transfer	23/03/2017	365000	0.41	5	0.00
		Closing Balance	31/03/2017			5	0.00
5	Mayuka Investment Limited	Opening Balance	1/04/2016	17887537	20.15	17887537	20.15
		Inter se Transfer	15/03/2017	1528990	1.72	19416527	21.82
		Closing Balance	31/03/2017			19416527	21.82
6	Puneet Trading and Investment Co. Pvt. Ltd.	Opening Balance	1/04/2016	2361615	2.66	2361615	2.66
		Inter se Transfer	15/03/2017	7120	0.01	2354495	2.65
		Closing Balance	31/03/2017			2354495	2.65
7	Rama Investment Company Private Limited	Opening Balance	1/04/2016	2644985	2.98	2644985	2.98
		Inter se Transfer	3/03/2017	1232960	1.38	3877945	4.36
		Inter se Transfer	15/03/2017	2106190	2.37	1771755	1.99
		Inter se Transfer	23/03/2017	402495	0.45	2174250	2.44
		Closing Balance	31/03/2017			2174250	2.44
8	Sita Investment Company Limited	Opening Balance	1/04/2016	5876800	6.62	5876800	6.62
		Inter se Transfer	3/03/2017	738260	0.83	6615060	7.44
		Inter se Transfer	23/03/2017	28500	0.03	6643560	7.47
		Closing Balance	31/03/2017			6643560	7.47
9	Valley Agro Industries Limited	Opening Balance	1/04/2016	3500	0.00	3500	0.00
		Inter se Transfer	15/03/2017	34000	0.04	37500	0.04
		Inter se Transfer	23/03/2017	37495	0.04	5	0.00
		Closing Balance	31/03/2017			5	0.00
10	Ankita Pratisthan Limited	Opening Balance	1/04/2016	5829070	6.56	5829070	6.56
		Inter se Transfer	15/03/2017	577200	0.65	6406270	7.20
		Closing Balance	31/03/2017			6406270	7.20
11	Keshav Power Limited	Opening Balance	1/04/2016	2360263	2.66	2360263	2.66
		Inter se Transfer	3/03/2017	738260	0.83	1622003	1.82
		Inter se Transfer	23/03/2017	28500	0.03	1593503	1.79
		Closing Balance	31/03/2017			1593503	1.79
12	Shree Nirman Limited	Opening Balance	1/04/2016	7753890	8.73	7753890	8.73
		Inter se Transfer	15/03/2017	7120	0.01	7761010	8.72
		Closing Balance	31/03/2017			7761010	8.72
13	Himshikhar Investment Limited	Opening Balance	1/04/2016	0	0	0	0
		Purchase	13/01/2017	7930	0.01	7930	0.01
		Purchase	16/01/2017	11000	0.01	18930	0.02
		Purchase	17/01/2017	5000	0.01	23930	0.03
		Purchase	19/01/2017	5000	0.01	28930	0.03
		Purchase	20/01/2017	44000	0.05	72930	0.08
		Sale	24/01/2017	15000	0.02	57930	0.07
		Sale	25/01/2017	21943	0.02	35987	0.04
		Purchase	08/02/2017	34404	0.04	70391	0.08
		Purchase	08/02/2017	244659	0.28	315050	0.35
		Purchase	09/02/2017	10000	0.01	325050	0.36
		Purchase	13/02/2017	18013	0.02	343063	0.39
		Purchase	15/02/2017	9956	0.01	353019	0.40
		Purchase	16/02/2017	1633	0.00	354652	0.40
		Purchase	22/02/2017	3935	0.00	358587	0.40

S. No	Name of the Shareholder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		Purchase	23/02/2017	4237	0.00	362824	0.41
		Purchase	27/02/2017	3400	0.00	366224	0.41
		Purchase	01/03/2017	12329	0.01	378553	0.43
		Purchase	06/03/2017	1350	0.00	379903	0.43
		Purchase	08/03/2017	550	0.00	380453	0.43
		Purchase	15/03/2017	250	0.00	380703	0.43
		Purchase	16/03/2017	1000	0.00	381703	0.43
		Purchase	17/03/2017	750	0.00	382453	0.43
		Purchase	21/03/2017	1534	0.00	383987	0.43
		Purchase	22/03/2017	4101	0.00	388088	0.44
		Purchase	24/03/2017	19719	0.02	407807	0.46
		Closing Balance	31/03/2017			407807	0.46

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	% of total shares of the company	No. of shares	% of total shares of the company
1	KKR MAURITIUS CEMENT INVESTMENTS LIMITED	Opening Balance	1/04/2016	75,00,000	8.45	75,00,000	8.45
		Closing Balance	31/03/2017			75,00,000	8.43
2	MORGAN STANLEY MAURITIUS COMPANY LIMITED	Opening Balance	1/04/2016	0	0	0	0
		Purchase	05/08/2016	26713	0.03	26713	0.03
		Purchase	12/08/2016	12227	0.01	38940	0.04
		Purchase	19/08/2016	6975	0.01	45915	0.05
		Purchase	09/09/2016	3892	0.01	49807	0.06
		Purchase	23/09/2016	2538	0.00	52345	0.06
		Purchase	30/09/2016	402881	0.45	455226	0.51
		Purchase	07/10/2016	71210	0.08	526436	0.59
		Purchase	14/10/2016	317	0.00	526753	0.59
		Purchase	21/10/2016	673	0.00	527426	0.59
		Purchase	04/11/2016	413	0.00	527839	0.59
		Purchase	18/11/2016	23011	0.03	550850	0.62
		Purchase	25/11/2016	30214	0.03	581064	0.65
		Purchase	10/02/2017	266	0.00	581330	0.65
		Purchase	17/02/2017	187	0.00	581517	0.65
		Purchase	24/02/2017	461	0.00	581978	0.65
		Purchase	17/03/2017	5896	0.01	587874	0.66
		Purchase	24/03/2017	9587	0.01	597461	0.67
		Purchase	31/03/2017	12124	0.02	609585	0.69
		Closing Balance	31/03/2017			609585	0.69
3	SANJEEV KAPOOR	Opening Balance	1/04/2016	1641588	1.85	1641588	1.85
		Closing Balance	31/03/2017			1641588	1.85
4	DCBL EMPLOYEES WELFARE TRUST	Opening Balance	1/4/2016	1507198	1.70	1507198	1.70
		Closing Balance	31/03/2017			1507198	1.70
5	GOLDMAN SACHS INDIA FUND LIMITED	Opening Balance	1/4/2016	1114828	1.26	1114828	1.26
		Sale	29/07/2016	120000	0.14	994828	1.12
		Sale	09/09/2016	22923	0.03	971905	1.09
		Sale	16/09/2016	278645	0.31	693260	0.78
		Closing Balance	31/03/2017			693260	0.78

S. No	Name of the Shareholder	Reason	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	VIRAL AMAL PARIKH	Opening Balance	1/04/2016	1084728	1.22	1084728	1.22
		Sale	17/06/2016	300000	0.34	784728	0.88
		Sale	30/06/2016	20000	0.02	764728	0.86
		Sale	08/07/2016	3205	0.00	761523	0.86
		Sale	22/07/2016	28463	0.03	733060	0.83
		Sale	29/07/2016	10060	0.01	723000	0.82
		Sale	05/08/2016	50109	0.06	672891	0.76
		Purchase	26/08/2016	300000	0.34	972891	1.10
		Sale	07/10/2016	222891	0.26	750000	0.84
		Closing Balance	31/03/2017			750000	0.84
7	VALIANT MAURITIUS PARTNERS OFFSHORE LIMITED	Opening Balance	1/04/2016	998164	1.12	998164	1.12
		Sale	06/01/2017	19028	0.02	979136	1.10
		Purchase	03/02/2017	30106	0.04	1009242	1.14
		Sale	10/03/2017	22230	0.03	987012	1.11
		Sale	17/03/2017	20000	0.02	967012	1.09
		Closing Balance	31/03/2017			967012	1.09
8	VALIANT MAURITIUS PARTNERS LIMITED	Opening Balance	1/04/2016	816680	0.92	816680	0.92
		Sale	06/01/2017	24972	0.03	791708	0.89
		Sale	03/02/2017	30106	0.03	761602	0.86
		Sale	10/03/2017	16770	0.02	744832	0.84
		Sale	17/03/2017	15084	0.02	729748	0.82
		Closing Balance	31/03/2017			729748	0.82
9	GAGANDEEP CREDIT CAPITAL PVT LTD	Opening Balance	1/04/2016	742500	0.84	742500	0.84
		Closing Balance	31/03/2017			742500	0.84
10	CAISSE DE DEPOT ET PLACEMENT DU QUEBEC-ENAM ASSET	Opening Balance	1/04/2016	0	0	0	0
		Purchase	30/09/2016	41276	0.05	41276	0.05
		Purchase	07/10/2016	8724	0.01	50000	0.06
		Purchase	14/10/2016	400000	0.45	450000	0.51
		Closing Balance	31/03/2017			450000	0.51

v) Shareholdings of Directors and Key Managerial Personnel:

S. No	Name of the Shareholder	Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Jai Hari Dalmia	Opening Balance	1/04/2016	1635010	1.84	1635010	1.84
		Closing Balance	31/03/2017			1635010	1.84
2	Gautam Dalmia	Opening Balance	1/04/2016	1073308	1.21	1073308	1.21
		Inter se Transfer	3/03/2017	831200	0.93	242108	0.27
		Closing Balance	31/03/2017			242108	0.27
3	Jayesh Doshi	Opening Balance	1/04/2016	0	0.00	0	0
		Allotment pursuant to ESOP Scheme	3/02/2017	6000	0.00	6000	0.00
		Sale	20/02/2017	250	0.00	5750	0.00
		Sale	21/02/2017	1000	0.00	4750	0.00
		Sale	28/02/2017	750	0.00	4000	0.00
		Closing Balance	31/03/2017			4000	0.00

• The total share capital of the Company has increased by 1,72,500 shares issued pursuant to the ESOP made by the Company during F.Y. 2016-17.

V. INDEBTEDNESS

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

(Amt. in ₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i. Principal amount	76.01	147.85	-	223.86
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.02	-	-	0.02
Total (i+ii+iii)	**76.03**	**147.85**	**-**	**223.88**
Change in Indebtedness during the Financial Year				
• Addition	-	827.65	-	827.65
• Reduction	74.18	777.85	-	852.03
Net Change	**(74.18)**	**49.80**	**-**	**(24.38)**
Indebtedness at the end of the Financial Year				
i. Principal amount	1.85	197.65	-	199.50
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**1.85**	**197.65**	**-**	**199.50**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amt. in ₹ crore)

S. No.	Particulars of Remuneration	Name of the Managing Directors/ Whole time Director			Total Amount
		Mr. Jai H. Dalmia (MD)	Mr. Y. H. Dalmia (MD & CEO)	Mr. Jayesh Doshi (WTD & Chief Financial Officer)	
1.	Gross Salary				
(a)	Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	1.63*	1.78*	4.72	8.13
(b)	Value Of Perquisites u/s 17(2) Income Tax Act, 1961	0.11	0.30	-	0.41
(c)	Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	1.00	1.00
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - As % of profit	-	-	-	-
5.	Others , please specify	-	-	-	-
	Total (A)	**1.74**	**2.08**	**5.72****	**9.54**
	Ceiling as per the Act	₹8.81 crore			

*excludes commission on net profit for the financial year 2015-16 paid during this year.

**subject to requisite approvals under section 197 of the Companies Act, 2013

B. Remuneration to other Directors:

1. Independent Directors:

(Amt. in ₹ crore)

Particulars of Remuneration	Name of the Directors			Total Amount
	Mr. P.K. Khaitan	Mr. V.S. Jain	Mr. N. Gopalaswamy	
Fee for attending Board / Committee Meeting	0.07	0.10	0.10	0.27
Commission	0.15	0.12	0.10	0.37
Others, please specify	-	-	-	-
Total (1)	**0.22**	**0.22**	**0.20**	**0.64**

2. Other Non-Executive Directors

(Amt. in ₹ crore)

Particulars of Remuneration	Name of the Directors			Total Amount
	Mr. Gautam Dalmia	Mr. Puneet Yadu Dalmia	Mrs. Sudha Pillai	
Fee for attending Board / Committee Meeting	0.03	0.03	0.04	0.10
Commission	-	-	0.10	0.10
Others, please specify	-	-	-	-
Total (2)	**0.03**	**0.03**	**0.14**	**0.20**
Total (B) = (1) + (2)				**0.84**
Total Managerial Remuneration (excluding sitting fees)				**10.01**
Overall Ceiling as per the Act	₹9.69 crore			

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

(Amt. in ₹crore)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Nidhi Bisaria Company Secretary	CFO*	Total
1.	Gross Salary			
(a)	Salary as per the Provisions contained in section 17(1) of the Income Tax Act, 1961	0.17	-	0.17
(b)	Value Of Perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
(c)	Profits in Lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of profit - As % of profit	-	-	-
5.	Others , please specify	-	-	-
	Total (A)	**0.17**	-	**0.17**

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: None

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

Annexure - 5

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

In the recent years company has realigned its CSR to focus on issues material to the company and its stakeholders. The approach is to make significant and sustainable difference through our programmes in the lives of beneficiaries by working in partnership with our stakeholders. Stakeholder engagements and baseline studies highlighted the issues of water scarcity, erratic power supply, unemployment amongst rural youths and basic rural infrastructure needs in our neighbouring community. The company realized that these issues were more material to their Group's businesses as well as to the communities around their facilities. Dalmia Bharat Group thus planned their CSR programmes in sectors of Soil & water conservation; Energy conservation and climate change mitigation; Skill development & livelihood Training and Social Development.

Our CSR Policy can be accessed on http://dalmiabl.com/company-policies.html

Presently, Dalmia Bharat Limited is working in 5 states viz. Tamil Nadu, Andhra Pradesh, Karnataka, Assam, Meghalaya and Rajasthan in 246 villages and 8 districts.

Our Key CSR focus areas as per Schedule VII of Section 135

Our Key Focus Areas

1. Soil & Water Conservation: Water conservation and management
(Schedule VII / Item No IV).

Depleting water table is a problem being faced across India. In our neighbouring communities, the water table is lower than 500 feet creating scarcity of water for agriculture and household use. We are thus working with the communities to develop water harvesting structures like check dams, village and farm ponds, ring wells, watershed activities to increase the water level in the area and also help in soil conservation. We have also promoted improved agriculture techniques like drip irrigation to help farmers grow two crops with 60 percent less water consumption and increased income.

Activities Undertaken:

- 62 acres of area covered under Integrated Watershed Management Project and 45 people received livelihood loans
- 242 farm ponds and 3 village pond developed
- 1 Check dam constructed
- 179 acres of land brought under drip irrigation
- 7 Ringwells constructed
- 12 Water harvesting structures
- 8 Sprinklers installed
- 6.29 Lac m3 Water Harvesting Capacity added

2. Renewable Energy: Promoting energy conservation
(Schedule VII / Item No IV).

Energy is another major concern in Indian Villages, with majority of the populations dependent on depleting fuel wood and erratic electricity supply. We are thus trying to promote more energy efficient and sustainable solutions in our community. We promote fuel-efficient chulhas, bio gas plants, Solar lighting systems like lanterns, street lights, study lamps and home lighting systems. These solutions also help in reduction of CO2 emissions.

Activities Undertaken:

- 396 fuel efficient cook stoves distributed
- 26 Biogas plants installed
- 2512 Solar lanterns and study lamps distributed
- 90 Solar street lights installed
- 10 Solar powered E-shalas
- 1951 tons of CO2 reduction

3. Livelihood Skill Training: Capacity building through vocational training
(Schedule VII / Item No II)

Unemployment amongst the youth in the neighbouring communities is high. Aiming at long term benefits for the youths and their family, the company has started many Skill Development programmes and provided training in areas like Food processing, Weaving, Computer Course, and many others. For women, the company has enabled formation of many SHGs and helped them get loans and also provided them trainings on many livelihood alternatives. We have also set up DIKSHA (Dalmia Institute of Knowledge and Skill Harnessing) Centres in partnership with NSDC.

Activities Undertaken:

- 357 Milch animal loans facilitated; leveraged loan of ₹2.25 Cr
- 51 new SHGs formed
- 10 SHG Federations formed with 1200 members
- 6 Farmer Producer organizations formed with 1740 members; Licenses obtained for business and market linkages established
- 4 Skill Development trainings
- 70 students underwent Computer Training in 2 batches
- 22 beneficiaries trained for Weaver's training
- DIKSHA (Dalmia Institute of Knowledge and Skill Harnessing) Centre running at Belgaum and Trichy with 163 students enrolled in 4 trades: Beauty & Wellness, Sewing Machine Operator, Home Health Aid and Retail. 25 trainees placed with monthly salary of ₹6000 – 8000/-.

4. Social Development: Addressing health & sanitation, education, rural infrastructure development and social campaigns
(Schedule VII / Item No I & X)

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

Activities Undertaken:

- 7 villages made Open Defecation Free with construction of 189 toilets
- 52 special medical camps conducted; 8500 beneficiaries
- 18 school repair works, BALA Art done under Dalmia Happy School project; 7650 Beneficiaries
- 14 Veterinary camps organised
- 50 Functional Literacy programs organized
- 2 Anganwadi / schools were supported with TLM; benefitting 300 students
- Village infrastructure activities like community hall, drinking water pipelines, playground, RO Plants, generator set, etc. undertaken
- Series of social campaigns like World Water Day, World Health Day, HIV / AIDS day, International; 50 events with 6200 participants.

2. The Composition of the CSR Committee.

Composition of the CSR Committee of Dalmia Bharat Limited is:

1. Mr. V. S. Jain, Chairman, Independent Director
2. Mr. Y. H. Dalmia, Executive Director, Member
3. Mr. Gautam Dalmia, Non-Executive Director, Member

3. Average net profit of the company for last three financial years – ₹40.43 crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹0.81 crore

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: ₹0.81 Cr

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below.

As per annexure 5A

6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The implementation and monitoring of Dalmia Bharat Limited CSR programmes is in compliance with the CSR objectives and policy of the company.

Date: May 10, 2017

Y.H. Dalmia
Managing Director & CEO
(DIN 00009800)

V.S. Jain
Chairman of CSR Committee
(DIN 00253196)

Annexure - 5A

S. No	CSR project or activity identified.	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or program wise ₹ crore	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads (₹ crore)	Cumulative expenditure upto the reporting period (₹ crore)	Amount spent: Direct or through implementing agency
1	Soil and Water Conservation (Check Dams, Drip Irrigation, Village Ponds, Farm Ponds, Ring Wells, Watershed, Irrigation Channels)	Schedule VII / item No IV Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Andhra Pradesh, District Kadapa; Karnataka, District Belgaum; Assam, District Dimahasao and Nagaon; Meghalaya, District Jaintia Hills, District Jhunjhunu; Rajasthan	0.30	0.30	0.30	Implementing agency - Dalmia Bharat Foundation
2	Energy Conservation (Bio Gas Plants, Fuel Efficient Cookstoves, Solar products)	Schedule VII / item No IV Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Andhra Pradesh, District Kadapa; Karnataka, District Belgaum; Assam, District Dimahasao and Nagaon; Meghalaya, District Jaintia Hills				
3	Education and Livelihood (Education in schools, DIKSHa Skill Development Centres, Computer Training, Weavers Training, Milch Animal Loans, Livestock Development, etc.)	Schedule VII / item No II Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled & livelihood enhancement project	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Andhra Pradesh, District Kadapa; Karnataka, District Belgaum; Assam, District Dimahasao and Nagaon; Meghalaya, District Jaintia Hills	0.10	0.10	0.10	
4	Women Empowerment (SHG formation and Training)	Schedule VII / item No III promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, Districy Ariyalur and Tiruchirapalli; Karnataka, District Belgaum; Andhra Pradesh, District Kadapa; Meghalaya, District Jaintia Hills; Assam, District Dimahasao and Nagaon				
5	Health and Sanitation (Health Camps, Low Cost Toilets, School toilet units, Awareness Programs on health issues)	Schedule VII / item No I Eradicating extreme hunger and poverty and malnutrition, promoting health care including preventive health care promoting preventive health care and sanitation and making available drinking water	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, District Tiruchirapalli; Karnataka, District Belgaum; Andhra Pradesh, District Kadapa; Meghalaya, District Jaintia Hills; Assam, District Nagaon and Dimahasao	0.41	0.41	0.41	
6	Rural development (Infrastructure, Sports Events, Awareness programs on Social issues)	Schedule VII / item No X Rural development projects	1. The project was implemented in local area 2. Area of programme: Tamil Nadu, District Ariyalur and Tiruchirapalli; Karnataka, District Belgaum; Andhra Pradesh, District Kadapa; Meghalaya, District Jaintia Hills; Assam, District Nagaon and Dimahasao				
	Total			0.81	0.81	0.81	

Annexure - 6

Form No. AOC-2

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

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

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

   None

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

		1	2	3	4
(a)	Name(s) of the related party and nature of relationship	Dalmia Cement (Bharat) Limited Subsidiary Company	Dalmia Cement (Bharat) Limited Subsidiary Company	OCL India Limited Step down Subsidiary	OCL India Limited Step down Subsidiary
(b)	Nature of contracts/ arrangements/ transactions	Receipt of Brand fees	Receipt of corporate Service charges	Receipt of corporate Service charges	Receipt of Brand fees
(c)	Duration of the contracts / arrangements/ transactions	10 years effective 1-4-2010	10 years effective 1-4-2010	As per agreement in place valid upto 31st March 2018.	3 years effective 1-4-2015
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Fees in respect of "Dalmia" Brand licensed to the subsidiary for use in its cement products at ₹1/- per bag subject to a maximum of ₹1000 lakhs in first year as increased by 5% for each subsequent year. Value: ₹13.40 crore for the financial year.	Allocation of all expenses for availing corporate office services with mark up of 15% on basis of value added. Direct expenses on project supervision costs on time spent besides direct costs at actuals. Value: ₹73.91 crore for the financial year.	Allocation of all expenses for availing corporate office services with mark up of 15% on basis of value added. Direct expenses on project supervision costs on time spent besides direct costs at actuals. Value: ₹83.98 crore for the financial year.	Fees in respect of "Dalmia" Brand licensed to the subsidiary for use in its cement products at ₹1/- per bag subject to a maximum of ₹1000 lakhs in first year as increased by 5% for each subsequent year. Value: ₹2.18 crore for the financial year.
(e)	Date(s) of approval by the Board, if any:	15-11-2010 and 3-2-2016	15-11-2010 and 3-2-2016	29-1-2015, 3-2-2016, 17-8-2016 and 3-2-2017	17-8-2016
(f)	Amount paid as advances, if any:	NIL	NIL	NIL	

Place: New Delhi
Dated: May 10, 2017

Jai H. Dalmia
Managing Director
DIN- 00009717

Yadu Hari Dalmia
Managing Director
DIN-00009800

Annexure - 7

FORM NO MR 3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2017

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

To
The Members,
Dalmia Bharat Limited.

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

Based on my verification of the Dalmia Bharat Limited's 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 31.03.2017 complied with the statutory provisions listed here under and also that the Company has proper Board – processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Dalmia Bharat Limited ("The Company") for the financial year ended 31.03.2017 according to the provisions of:

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

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

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

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

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

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

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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 the Companies Act 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 (Buy Back of Securities) Regulations, 1998;

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

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

(1) Secretarial Standards issued by the Institute of Company Secretaries of India.

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

During the period under review the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above; however two of the statutory forms were filed after 30 days but before 300 days with additional fees which can be taken as deemed compliance.

I further report that:

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

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

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

I further report that during the audit period the company has:

1. Conducted a Postal Ballot and passed the following three resolutions with requisite majority.

    a) Seeking approval of shareholders pursuant to Section 41, 42, 62 and 71 and other applicable provisions of the Companies Act,2013 for issuance and allotment of further securities convertible into equity shares to the extent of ₹3,000 crore which upon conversion, if any, of all securities would give rise to the issue of equity capital of an aggregate face value of ₹2.24 crore.

    b) Seeking approval of shareholders under Section 180(1)(a) of the Companies Act,2013 to authorize the Board of Directors to provide security by way of mortgage and/or charge all or any of the assets of the Company to the extent of ₹1000 crore or to the extent authority conferred on the Board to borrow monies in excess of the paid up capital and free reserves of the Company, whichever is higher.

    c) Seeking approval of shareholders under Section 42, Section 71 read with Section 179(3)(C)/179(3)(d) and other applicable provisions of the Companies Act,2013 to authorize the Board of Directors to issue and allot, on a private placement basis, Non-convertible Debentures of value not exceeding ₹1000 crore on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

2. Issued 6,000, 1,06,500 and 60,000 shares during the year under the Company's ESOP Scheme, 2011.

3. Obtained ratification of shareholders in the Annual General Meeting for re-appointment of Shri. J.H. Dalmia and Shri. Y.H. Dalmia as Managing Directors for a further peiod of three years subject to approval by Central Government and for payment of remuneration to them.

4. Obtained approval of the Board for the proposed Scheme of Restructuring and Amalgamation amongst Odisha Cement Limited, Dalmia Cement (Bharat) Limited and the Company.

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

Place: New Delhi
Date: May 10, 2017

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

ANNEXURE – A

To
The Members,
Dalmia Bharat Limited.

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

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

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

Place: New Delhi
Date: May 10, 2017

Report on Corporate Governance

Company's Philosophy on Corporate Governance

The Company firmly believes in and continues to practice good corporate governance. Corporate governance seeks to raise the standards of corporate management, strengthens the Board systems, significantly increase its effectiveness and ultimately serve the objective of maximising the shareholders' value. The philosophy of the Company is in consonance with the accepted principles of good governance.

The spirit of corporate governance has always remained imbibed in the Company's business philosophy. This philosophy is shaped by the values of transparency, professionalism and accountability. The Company's corporate governance practices are driven by strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in decision-making.

In India, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations) lists out the requirements relating to Corporate Governance vide Schedule V thereof.

This chapter along with the chapter on Management Discussion and Analysis reports on the Company's compliance with SEBI (LODR) Regulations.

Board of Directors

Composition of the Board

As on March 31, 2017 the Company's Board comprised of nine members — three Executive Directors, six Non-Executive Directors of which three are Independent and a Woman Director. Mr. P.K. Khaitan, a Non-Executive Independent Director is the Chairman of the Board of Directors of the Company. The composition of the Board is in conformity with the SEBI (LODR) Regulations.

Board Meetings, Directors' Attendance Record and Directorships Held

The Board meetings are generally held at the corporate office of the Company. The Board meets atleast once a quarter and additional meetings are held, when necessary. Committees of the Board usually meet the day before the formal Board meeting or whenever the need arises for transacting business. The recommendations of the Committee are placed before the Board for necessary approval.

The Board of Directors met five times during the financial year 2016-17 i.e, on May 18 2016, August 17 2016, October 26 2016, November 5 2016 and February 3 2017. The maximum gap between any two meetings was less than 120 days.

None of the Directors are members of more than ten Board level Committees nor are they Chairman of more than five Committees in which they are members. Table 1 gives the details of the composition of the Board, attendance and details of Committee memberships and Committee chairmanships.

Table 1: Composition of the Board of Directors

Name of the Directors	Category	Attendance Particulars			No. of other Directorships and Committee Memberships/Chairmanships		
		Number of Board Meetings		Last AGM	Other Directorships@	Committee Member-ships #	Committee Chairman-ships #
		Held	Attended				
Mr. P.K. Khaitan, Chairman	Independent Non-Executive	5	4	No	9	5	2
Mr. Jai H. Dalmia Managing Director	Promoter-Executive	5	2	No	5	1	-
Mr. Y.H. Dalmia Managing Director	Promoter-Executive	5	4	No	2	1	1
Mr. N. Gopalaswamy	Independent Non-Executive	5	5	Yes	7	8	3
Mr. Gautam Dalmia	Non-Executive Non-Independent	5	3	No	4	1	-
Mr. Puneet Yadu Dalmia	Non-Executive Non-Independent	5	4	No	4	1	-
Mr. V.S. Jain	Independent Non-Executive	5	5	No	1	-	-
Mr. Jayesh Doshi Whole-time Director & Chief Financial Officer	Executive	5	5	No	5	1	-
Mrs. Sudha Pillai	Non-Executive Non-Independent	5	5	No	6	6	1

@ Other directorships include only the directorship in public limited companies.

As required under Regulation 26 of the SEBI (LODR) Regulations, the disclosure includes membership/chairmanship of audit committee and stakeholders' relationship committee of Indian public companies (listed and unlisted).

Mr. Jai H. Dalmia and Mr. Y.H. Dalmia are brothers; Mr. Gautam Dalmia is the son of Mr. Jai H. Dalmia and Mr. Puneet Yadu Dalmia is the son of Mr. Y.H. Dalmia.

The Company is regularly imparting familiarisation programmes for its Independent Directors. The details of such familiarisation programme for the year have been disclosed at https://www.dalmiabl.com/upload/Familarisation-Programme-for-ID-2016-17.pdf.

As mandated by the Regulation 16(1)(b) of the SEBI (LODR) Regulations, the independent Directors on the Company's Board are not less than 21 years in age and:

- In the opinion of the Board, are persons of integrity and possesses relevant expertise and experience;
- are or were not promoters of the company or its holding, subsidiary or associate company;
- are not related to promoters or directors in the company, its holding, subsidiary or associate company;
- apart from receiving director's remuneration, have or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of their relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- neither himself nor any of his relatives —
  - i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - A. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - B. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
  - iii) holds together with his relatives two per cent or more of the total voting power of the company; or
  - iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
  - v) is a material supplier, service provider or customer or a lessor or lessee of the company.

Information Supplied to the Board

The Board has complete access to all information with the Company. The agenda and papers for consideration of the Board are circulated at least seven days prior to the date of the Board meeting. Adequate information is circulated as part of the agenda papers and also placed at the meeting to enable the Board to take an informed decision. Inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting.

- Annual operating plans & budgets and any update thereof.
- Capital budgets and any updates thereof.
- Quarterly results of the Company and operating divisions and business segments.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources / industrial

relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.

- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

Remuneration of Directors

The remuneration payable to the Executive Directors and Non-Executive Directors is decided by the Nomination and Remuneration Committee constituted by the Board of Directors. The details of remuneration paid, during the year, to the Executive Directors and Non-Executive Directors is presented in Table 2.

Table 2: Details of remuneration paid to the Directors for 2016-17

(₹ crore)

Name of the Director	Category	Sitting Fees	Salary and Perquisites	Retirement Benefits	Commission@	Total
Mr. P.K. Khaitan	Independent Non-Executive	0.07	--	--	0.15	0.22
Mr. Jai H. Dalmia	Executive	—	1.77	0.18	__	1.95
Mr. Y.H. Dalmia	Executive	—	2.11	0.20	__	2.31
Mr. N. Gopalaswamy	Independent Non-Executive	0.10	---	---	0.10	0.20
Mr. Gautam Dalmia	Non-Executive	0.03	---	---	-	0.03
Mr. Puneet Yadu Dalmia	Non-Executive	0.03	---	---	-	0.03
Mr. V.S. Jain	Independent Non-Executive	0.10	---	---	0.12	0.22
Mrs. Sudha Pillai	Non-Executive	0.04	---	---	0.10	0.14
Mr. Jayesh Doshi	Executive	---	5.83*	0.11	---	5.94

@ Commission paid on net profit only.
*includes one time ex-gratia payment of ₹2.30 crore and perquisite value of ESOP amounting to ₹1.00 crore.

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

The appointments of Mr. Jai H. Dalmia and Mr. Yadu Hari Dalmia as Managing Directors and Mr. Jayesh Doshi as Whole-time Director are for a period of 3 years effective April 1, 2016, February 11, 2016 and March 30, 2015 respectively. As per the terms of the appointment of Managing Directors, the appointment may be terminated by either party by giving three month's notice and by giving six monthsnotice in the case of Whole-time Director. If the appointment is terminated by the Company, no severance fee is payable to any of them.

Except, Mr Jayesh Doshi, Whole-time Director and Chief Financial Officer of the Company, who has been granted 75,000 stock options as per the details given hereunder, no other Director of the Company has been granted any stock options:

1. 60,000 options granted on January 29, 2015 at a price of ₹217.23/- per share representing discount of 50% on the price determined on the basis of 30 days volume weighted average price prior to the date of grant accruing over a period of five years and exercisable in the following manner:

Year of Vest	2017	2018	2019	2020	2021
% of Vest	10	15	20	25	30

Out of the above stock options, Mr. Jayesh Doshi exercised 6,000 stock options during the financial year 2016-17.

2. 15,000 options granted on February 3, 2016 at a price of ₹383.53/- per share representing discount of 50% on the price determined on the basis of 30 days volume weighted average price prior to the date of grant accruing over a period of five years and exercisable in the following manner:

Year of Vest	2018	2019	2020	2021	2022
% of Vest	10	15	20	25	30

Shares and Convertible Instruments held by Non-Executive Directors

Table 3 gives details of the shares and convertible instruments held by the Non-Executive Directors as on March 31, 2017

Table 3: Details of the shares and convertible instruments held by the Non-Executive Directors as on March 31, 2017

Name of the Director	Category	Number of shares held	Number of convertible instruments held
Mr. P. K. Khaitan	Independent Non-Executive	Nil	Nil
Mr. N. Gopalaswamy	Independent Non-Executive	Nil	Nil
Mr. Gautam Dalmia	Non-Executive	2,42,108	Nil
Mr. Puneet Yadu Dalmia	Non-Executive	Nil	Nil
Mr. V.S. Jain	Independent Non-Executive	Nil	Nil
Mrs. Sudha Pillai	Non-Executive	Nil	Nil

Code of Conduct

The Company's Board has laid down a code of conduct for all Board members and designated senior management of the Company. The code of conduct is available on the website of the Company www.dalmiabharat.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

Committees of the Board

The Company has eight Board-level Committees for Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility, Risk Management, Investment, Finance and Business Responsibility.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members is taken by the Board of Directors. 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 March 31, 2017, the Audit Committee comprised of three members, Mr. N. Gopalaswamy, Mr. V.S. Jain and Mr. P.K. Khaitan, all being independent Directors. Mr. N. Gopalaswamy is the Chairman of the Audit Committee. The Audit Committee met five times during the year on May 18, 2016, August 17, 2016, October 25, 2016, November 5, 2016 and February 2, 2017. The particulars of attendance of the members in the Meetings of this Committee are given in Table 4 hereunder:

Table 4: Attendance record of the Company's Audit Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. N. Gopalaswamy	Independent	Chairman	5	5
Mr. V.S. Jain	Independent	Member	5	5
Mr. P.K. Khaitan	Independent	Member	5	4

The Board has accepted all recommendations made by the Audit Committee.

The officer responsible for the finance function, the head of internal audit and the representative of the Statutory Auditors and Internal Auditors are regularly invited by the Audit Committee to its meetings. Ms. Nidhi Bisaria, Company Secretary, is the Secretary to the Committee.

All members of the Audit Committee have requisite accounting and financial management expertise. The Chairman of the Audit Committee attended the Annual General Meeting of the Company held on September 27, 2016.

The functions of the Audit Committee of the Company include the following:

- The 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;
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements

relating to financial statements

- Disclosure of any related party transactions
- Qualifications in the draft audit report

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 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;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- The following information is reviewed by the Audit Committee
    - 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 shall be subject to review by the Audit Committee.

b) Nomination and Remuneration Committee

As on March 31, 2017, the Nomination and Remuneration Committee comprised of Mr. N. Gopalaswamy, as its Chairman, Mr. P.K. Khaitan and Mr. V.S. Jain, Directors as its members. The Committee met thrice during the year on May 18, 2016, October 26, 2016 and February 2, 2017 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 5 hereunder:

Table 5: Attendance record of the Company's Nomination and Remuneration Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. N. Gopalaswamy	Independent	Chairman	3	3
Mr. P. K. Khaitan	Independent	Member	3	3
Mr. V. S. Jain	Independent	Member	3	3

The Chairman of the Nomination and Remuneration Committee attended the Annual General Meeting of the Company held on September 27, 2016.

The Committee is entrusted with the following functions:

i) identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and/or removal;

ii) carry out evaluation of every director's performance;

iii) formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the aforesaid policy the Committee shall ensure that—

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

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The performance appraisal of independent directors is being regularly done on the basis of attendance, preparedness and participation in items of business being discussed at the meetings of the Board and Committees and contribution in improving business performance besides pro-active availability for company's business purposes besides time given by them in Board meetings.

c) Stakeholders' Relationship Committee

As on March 31 2017, the Stakeholders' Relationship Committee comprised of Mr. V.S. Jain a Non-Executive Independent Director as its Chairman, Mr. N. Gopalaswamy, Mr. Y. H. Dalmia and Mr. Gautam Dalmia, as its members. The terms of reference to this Committee is to look into and redress the unresolved complaints received from investors, in coordination with the Company's Registrars and Share Transfer Agent. The Committee met four times during the year on May 18, 2016, August 17, 2016, October 26, 2016 and February 1, 2017 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 6 hereunder:

Table 6: Attendance record of the Company's Stakeholders' Relationship Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. V.S. Jain	Independent	Chairman	4	4
Mr. N. Gopalaswamy	Independent	Member	4	4
Mr. Y.H. Dalmia	Executive	Member	4	4
Mr. Gautam Dalmia	Non- executive	Member	4	2

The Chairman of the Stakeholders' Relationship Committee authorised Mr. N. Gopalaswamy, a member of this Committee, to attend the Annual General Meeting of the Company held on September 27, 2016 to answer the queries of shareholders of the Company.

During the year, 94 complaints were received from investors and all of them were resolved during the year including the one pending at the end of the previous year. At the close of the year there were no cases pending in respect of share transfers. Table 7 gives the details:

Table 7: Nature of complaints received and attended to during 2016-17:

Nature of Complaint	Pending as on April 1, 2016	Received during the year	Answered during the year	Pending as on March 31, 2017
1. Transfer / Transmission / Duplicate	Nil	13	13	Nil
2. Non-receipt of Dividend/Interest/Redemption Warrants	Nil	52	52	Nil
3. Non-receipt of securities/electronic credits	Nil	Nil	Nil	Nil
4. Non-receipt of Annual Report	Nil	14	14	Nil
5. Complaints received from:				
- Securities and Exchange Board of India	1	7	8	Nil
- Stock Exchanges	Nil	6	6	Nil
- Registrar of Companies/ Department of Company Affairs	Nil	1	1	Nil
6. Others	Nil	1	1	Nil
Total	1	94	95	Nil

The name and designation of the Compliance Officer is as follows: -

• Ms. Nidhi Bisaria, Company Secretary

The Board of Directors has delegated the powers of approving the transfer of shares/debentures to the Company Secretary of the Company.

d) Corporate Social Responsibility Committee

As on 31st March 2017, the Corporate Social Responsibility Committee comprised of Mr. V.S. Jain as its Chairman, Mr. Y. H. Dalmia and Mr. Gautam Dalmia, as its members. This Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy, indicating the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013. The Committee met twice during the year on May 18, 2016 and February 1, 2017 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 8 hereunder:

Table 8: Attendance record of the Company's Corporate Social Responsibility Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. V.S. Jain	Independent	Chairman	2	2
Mr. Y. H. Dalmia	Executive	Member	2	2
Mr. Gautam Dalmia	Non- executive	Member	2	1

e) Risk Management Committee

As on March 31, 2017, the Risk Management Committee comprised of Mr. V.S. Jain as its Chairman, Mr. N. Gopalaswamy and Mr. Gautam Dalmia, as its members. The terms of reference to this Committee is to develop and implement a Risk Management Policy for the Company, including identification of elements of risks, if any, which may threaten the existence of the Company. The Committee met three times during the year on May 18, 2016, October 25, 2016 and February 1, 2017 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 9 hereunder:

Table 9: Attendance record of the Company's Risk Management Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. V.S. Jain	Independent	Chairman	3	3
Mr. N. Gopalaswamy	Independent	Member	3	3
Mr. Gautam Dalmia	Non- executive	Member	3	1

f) Investment Committee

This Committee was formed by the Board in its meeting held on November 7, 2011 and comprises of Mr. Jai H. Dalmia, Mr. Y. H. Dalmia, Mr. Gautam Dalmia, and Mr. Puneet Yadu Dalmia, as its members. The Committee was vested with the powers of making investments in securities quoted on the stock exchanges upto a total limit of ₹10 crore. The Committee did not meet during the year since no such fresh investment was made during the financial year.

g) Business Responsibility Committee

As on March 31, 2017, the Business Responsibility Committee comprised of Mrs. Sudha Pillai as its Chairperson, Mr. V.S. Jain, Mr. N. Gopalaswamy and Mr. Jayesh Doshi, as its members. This Committee has formulated and recommended to the Board, a Business Responsibility Policy, and was entrusted to address stakeholders grievances related to such policy The Committee met once during the year on August 17, 2016 and the particulars of attendance of the members in the Meeting of this Committee is set out in Table 10 hereunder:

Table 10: Attendance record of the Company's Business Responsibility Committee during 2016-17

Name of Members	Category	Status	No. of Meetings	
			Held	Attended
Mrs. Sudha Pillai	Non- executive	Chairman	1	1
Mr. V.S. Jain	Independent	Member	1	1
Mr. N. Gopalaswamy	Independent	Member	1	1
Mr. Jayesh Doshi	Executive	Member	1	1

h) Finance Committee

This Committee was formed by the Board in its meeting held on May 18, 2016 and comprises of Mr. Y. H. Dalmia, Mr. Gautam Dalmia, and Mr. Jayesh Doshi, as its members. The Committee was delegated with the powers to avail of and secure borrowings made/ proposed to be made within the overall powers sanctioned by the shareholders. The Committee did not meet during the year.

Subsidiary Companies

Regulation 16 of the SEBI (LODR) Regulations, defines a "material subsidiary" as a subsidiary, whose income or net worth exceeds 20% 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 the SEBI (LODR) Regulations, the Company has framed a Policy on Material Subsidiaries and has displayed it on http://www.dalmiabl.com/upload/policies/DBL-Material-Subsidiary-Policy.pdf

As on March 31, 2017, under this definition, the Company has a 'material unlisted subsidiary', namely, Dalmia Cement (Bharat) Limited. Mr. N. Gopalaswamy, an Independent Non-executive Director is also a member on the Board of Directors of this subsidiary. The Company also has a 'material listed Indian subsidiary', namely, OCL India Limited. Mr. P.K. Khaitan, an Independent Director is also a member on the Board of Directors of this subsidiary.

Management

Disclosures

(a) Related party transactions in the ordinary course of business have been disclosed in Note No. 30 of the attached Standalone Financial Statements. No materially significant related party transactions have been entered into during the year ended March 31, 2017 that had the possibility of injuring the Company's interests. The web-link for the Company's policy on Related Party Transactions is https://www.dalmiabl.com/upload/policies/DBL-Related-Party-Policy.pdf.

(b) The Company complied with the regulatory requirements on capital markets. No penalties/strictures have been imposed against it by the Stock Exchanges, SEBI or any other authority on any matter related to capital markets during last three years.

(c) The Company has framed a Whistle Blower policy and Vigil Mechanism, and the details of the same are hosted on the website of the Company at https://www.dalmiabl.com/upload/policies/DBL-Whistle-Blower-Policy-Vigil-Mechanism.pdf. The Company also affirms that all persons have been permitted to access the Audit Committee.

(d) The Company is fully compliant with the applicable mandatory requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations.

(e) The discretionary/non-mandatory requirements, as stipulated in Regulation 27(1) read with Part E of Schedule II of the SEBI (LODR) Regulations, other than the half-yearly declaration of financial performance to shareholders have been adopted by the Company.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of 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.

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.

CEO/ CFO certification

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

Shareholders

Means of Communication

The Board of Directors of the Company approves and takes on record the unaudited financial results in the format prescribed by the Stock Exchanges within 45 days of the close of every quarter and such results are published in financial newspapers, viz., Business Standard / Financial Express /Economic Times and one Regional Newspaper, Dinamani, within the stipulated time. The Company also publishes its annual audited results in these newspapers within the stipulated period.

As required under the SEBI (LODR) Regulations all the data related to quarterly and annual financial results, shareholding pattern, etc., is provided to the website of the Stock Exchanges and the Company within the time frame prescribed in this regard. All the details required to be forwarded to the Stock Exchanges are being sent by the Company from time to time. Investors presentations have been displayed at the Company's web-site www.dalmiabl.com.

General Body Meetings

Table 11 gives the details of the last three Annual General Meetings (AGMs).

Table 11: Details of last three AGMs

Financial year	Date	Time	Location
2015-16	September 27, 2016	10.00 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651
2014-15	September 30, 2015	11.00 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651
2013-14	August 30, 2014	10.30 a.m.	Community Centre, Dalmiapuram, Dist. Tiruchirapalli, Tamil Nadu, 621651

The details of Special Resolutions in respect of the last three Annual General Meetings are given in Table 12.

Table 12: Details of Special Resolutions passed in last three Annual General Meetings

Date of Meeting	Type of Meeting	Particulars
September 27, 2016	AGM	► Resolution pursuant to the provisions of Sections 197 and Schedule V of the Companies Act, 2013, to approve payment of commission of upto 3% of the net profits of the Company to Mr. Jai H. Dalmia, Managing Director, for the financial year 2015-16 as against the commission of 1.5% set out in the agreement entered into between the Company and Mr. Jai H. Dalmia, which was approved by the shareholders in their meeting held on 30-8-2014. ► Resolution pursuant to the provisions of Sections 197 and Schedule V of the Companies Act, 2013, to approve payment of commission of upto 3% of the net profits of the Company to Mr. Y. H. Dalmia, Managing Director, for the financial year 2015-16 as against the commission of 1.5% set out in the agreement entered into between the Company and Mr. Y. H. Dalmia, which was approved by the shareholders in their meeting held on 30-8-2014. ► Resolution pursuant to the provisions of Sections 197 and Schedule V of the Companies Act, 2013, to ratify and approve the appointment of Mr. Jai H. Dalmia as Managing Director of the Company, for a period of 3 years with effect from 1-4-2016, on the salary, perquisites etc. set out in the agreement entered into between the Company and Mr. Y. H. Dalmia and as increased by the increments granted for the financial year starting on 1-4-2017. ► Resolution pursuant to the provisions of Sections 197 and Schedule V of the Companies Act, 2013, to ratify and approve the appointment of Mr. Y. H. Dalmia as Managing Director of the Company, for a period of 3 years with effect from 11-2-2016, on the salary, perquisites etc. set out in the agreement entered into between the Company and Mr. Y. H. Dalmia and as increased by the increments granted for the financial year starting on 1-4-2017.

Date of Meeting	Type of Meeting	Particulars
		▸ Resolution pursuant to section 180(1)(c) and other applicable provisions of the Companies Act, 2013 to authorise the Board of Directors to borrow monies which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers for the purposes of meeting the working capital requirements of the Company in the ordinary course of its business) may exceed the aggregate of the paid up capital and free reserves, upto a limit of ₹1,000 crore.
September 30, 2015		▸ Resolution pursuant to the provisions of Sections 196 and Schedule V of the Companies Act, 2013, and subject to the approval of the Central Government, to approve the appointment of Mr. Jayesh Nagindas Doshi as a Whole-time Director and Group Chief Financial Officer of the Company, whose office is liable to determination by retirement by rotation, for a period of three years with effect from 30-3-2015 and payment of salary, perquisites etc. set out in the agreement entered into between the Company and Mr. Jayesh Nagindas Doshi. ▸ Resolution to approve modification in the Special Resolution passed by the shareholders in the Annual General Meeting of the Company held on 26-8-2011, under section 81(1A) of the Companies Act, 1956 read with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 so as to extend the benefits of the said Scheme to the "employees of the Subsidiaries" and exclude the "Independent Directors".
August 30, 2014	AGM	▸ Resolution pursuant to the provisions of sections 188, sections 197 of the Companies Act, 2013, and subject to the approval of the Central Government, to approve the payment of minimum remuneration of ₹1,57,49,457/- p.a. to Mr. Jai H. Dalmia for the financial year ending on 31-3-2015 and as increased by the increments granted for the financial year starting on 1-4-2015. ▸ Resolution pursuant to the provisions of sections 188, sections 197 of the Companies Act, 2013, and subject to the approval of the Central Government, to approve the payment of minimum remuneration of ₹1,57,49,457/- p.a. to Mr. Y.H. Dalmia for the financial year ending on 31-3-2015 and as increased by the increments granted for the financial year starting on 1-4-2015.

Postal Ballot

During the year ended March 31, 2017, the Board decided to approach the Shareholders to seek their consent by way of Postal Ballot, on one occasion. The Board approved the Notice for the Postal Ballot sought and appointed a Scrutinizer, namely, Mr. R. Venkatasubramanian, Practising Company Secretary, who conducted this exercise in accordance with law for the same. The particulars of such resolution passed and the details of the voting pattern are as under:

(i) Special Resolution seeking approval of shareholders to raise finances by way of issue of securities pursuant to section 62(1)(c) of the Companies Act, 2013 whether with or without further right to conversion to the total aggregate extent of ₹3000 crore which upon conversion of all securities would give rise to the issue of equity capital of 1,12,0000 equity shares of an aggregate face value of ₹2.24 crores.

(ii) Special Resolution seeking approval of shareholders to mortgage and/or to charge all or any of the immovable properties of the Company wheresoever situate, present and future, and whole of undertaking of the Company to or in favour of the Financial Institution(s)/Bank(s)/ Lenders to secure an amount not exceeding an amount of ₹1,000 crore or the authority conferred on the Board to borrow monies in excess of the paid up capital and free reserves of the Company, whichever is higher, together with costs, charges, expenses and all other moneys payable, in respect of such Borrowings; and

(iii) Special Resolution seeking approval of shareholders to issue and allot, on a private placement basis or under a Letter of Offer/Information Memorandum, in the course of an Indian Offering of Non-Convertible Debentures of value not exceeding ₹1000 crore, such issue and allotment to be made at such time or times, in such tranche or tranches, at such price in accordance with the prevailing guidelines issued by the Securities and Exchange Board of India, in such manner as the Board may, in its discretion think fit, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

Promoter /Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	
						For	Against
Resolution No. 1							
Promoter and Promoter Group	50982341	49287651	96.68	49287651	0	100.00	0.00
Public – Institutional holders	11323111	2416185	21.34	2416185	0	100.00	0.00
Public-Others	26493851	49191*	0.19	49184	7	100.00	0.00
Total	88799303	51753027	58.28	51753020	7	100.00	0.00
* Does not include 12 votes less voted by one shareholder in electronic mode							
Resolution No. 2							
Promoter and Promoter Group	50982341	49287651	96.68	49287651	0	100.00	0.00
Public – Institutional holders**	11323111	4148791	36.64	4120976	27815	99.33	0.67
Public-Others	26493851	49195*	0.06	49160	35	99.93	0.07
Total	88799303	53485637	67.79	53457787	27850	99.95	0.05
* Does not include 8 votes less voted by one shareholder in electronic mode							
Resolution No. 3							
Promoter and Promoter Group	50982341	49287651	96.68	49287651	0	100.00	0.00
Public – Institutional holders**	11323111	4148791	36.64	4120976	27815	99.33	0.67
Public-Others	26493851	49191*	0.19	49134	57	99.88	0.12
Total	88799303	53485633	60.23	53457761	27872	99.95	0.05
* Does not include 12 votes less voted by one shareholder in electronic mode							

The responses were obtained through e-voting besides physical ballot forms. All the Resolutions were passed with requisite majority. Necessary intimations relating to the voting by Postal Ballot has been sent to all the Stock Exchanges where the Company's shares are listed.

Special Resolutions proposed to be passed through Postal Ballot

At the ensuing Annual General Meeting it is proposed to obtain the Shareholder's consent through Postal Ballot in respect of two Special Resolutions authorising the Board of Directors (i) to raise finances by way of issue of securities pursuant to section 62(1)(c) of the Companies Act, 2013 whether with or without further right to conversion to the total aggregate extent of ₹3000 crore which upon conversion of all securities would give rise to the issue of equity capital of 1,10,0000 equity shares of an aggregate face value of ₹2.20 crores; and (ii) to issue and allot, on a private placement basis or under a Letter of Offer/Information Memorandum, in the course of an Indian Offering of Non-Convertible Debentures of value not exceeding ₹1000 crore, at such price in accordance with the guidelines issued by the Securities and Exchange Board of India, in such manner as the Board may, in its discretion think fit, on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment.

E Voting

In compliance with section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Shareholders of the Company were permitted to use the e-voting facility provided by the Company through Karvy Computershare Private Limited for casting their votes at the Annual General Meeting as well through Postal Ballot.

Additional Shareholder Information

Annual General Meeting

Date : September 20, 2017
Time : 10.00 a.m.
Venue : Community Centre Premises,
Dalmiapuram -621651, Dist. Tiruchirapalli, Tamil Nadu

Financial Calendar

Financial year: April 1, 2017 to March 31, 2018

For the year ended March 31, 2018, results will be announced on:

- First quarter: By mid-August, 2017
- Second quarter: By mid-November, 2017
- Third quarter: By mid-February, 2018
- Fourth quarter: By end May, 2018

Book Closure

The dates of book closure are from September 14, 2017 to September 20, 2017 inclusive of both days.

Dividend Payment

The Directors have recommended payment of final dividend calculated at ₹2.20 per equity share of ₹2/- each. Such dividend shall be paid to those shareholders, whose names appear on the Company's Register of Members as on September 13, 2017. The Dividend pay-out will be effected on September 22, 2017.

The Company has declared dividend for the first time only in 2011. As such, the question of complying with the requirements of Section 125 of the Companies Act, 2013 by remitting all amounts due to be credited to the Investor Education & Protection Fund does not arise at this point of time.

Listing

The Equity Shares are listed on the following Stock Exchanges:

a) Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400001.

b) The National Stock Exchange of India Limited,
Exchange Plaza,
5th Floor, Plot No. C/1, G - Block,
Bandra Kurla Complex,
Bandra (East),
MUMBAI - 400051

The company has not issued any debentures. The equity shares of the Company have never been suspended from trading.

Listing fees for the year 2017-18 has been paid to all the Stock Exchanges. The bills for the annual custodial fees for the financial year 2017-18 have also been paid.

Stock Codes:

Bombay Stock Exchange : DALMIABHA (533309)
National Stock Exchange : DALMIABHA
ISIN (for Dematerialised Shares): INE439L01019

Unclaimed Suspense Account

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

Stock Market Data

Table 13, Table 14, Chart A and Chart B gives details

Table 13: High, lows of Company's shares for 2016-17 at BSE and NSE

Month	BSE			NSE		
	High	Low	Close	High	Low	Close
April, 2016	880.70	786.05	847.40	890.00	783.00	850.15
May, 2016	959.00	794.00	902.40	959.00	790.05	904.05
June, 2016	1205.00	896.85	1197.45	1207.25	896.00	1196.75
July, 2016	1497.20	1180.50	1438.65	1500.00	1180.45	1441.90
August, 2016	1680.00	1386.45	1664.25	1680.00	1380.55	1664.85
September, 2016	1899.00	1635.00	1866.40	1899.00	1625.00	1871.00
October, 2016	2069.50	1860.00	2047.70	2070.00	1860.60	2055.55
November, 2016	2090.00	1430.05	1616.15	2085.00	1422.80	1622.45
December, 2016	1658.00	1186.40	1355.85	1649.40	1220.50	1351.25
January, 2017	1904.00	1370.00	1831.85	1910.00	1365.95	1839.00
February, 2017	2030.00	1816.50	1903.45	2047.00	1815.10	1905.95
March, 2017	2019.05	1842.40	1967.20	2020.00	1841.00	1965.70

Table 14: Stock Performance over past 5 years

Month	% of Change in					
	Company's Share		Sensex	Nifty	Company in comparison with	
	BSE	NSE			Sensex	Nifty
FY 2016-17	147	144	17	19	130	127
2 years	365	363	6	8	359	355
3 years	674	679	32	37	642	642
5 years	1268	1275	70	73	1198	1201

Chart A: The Company's Share Performance versus BSE Sensex

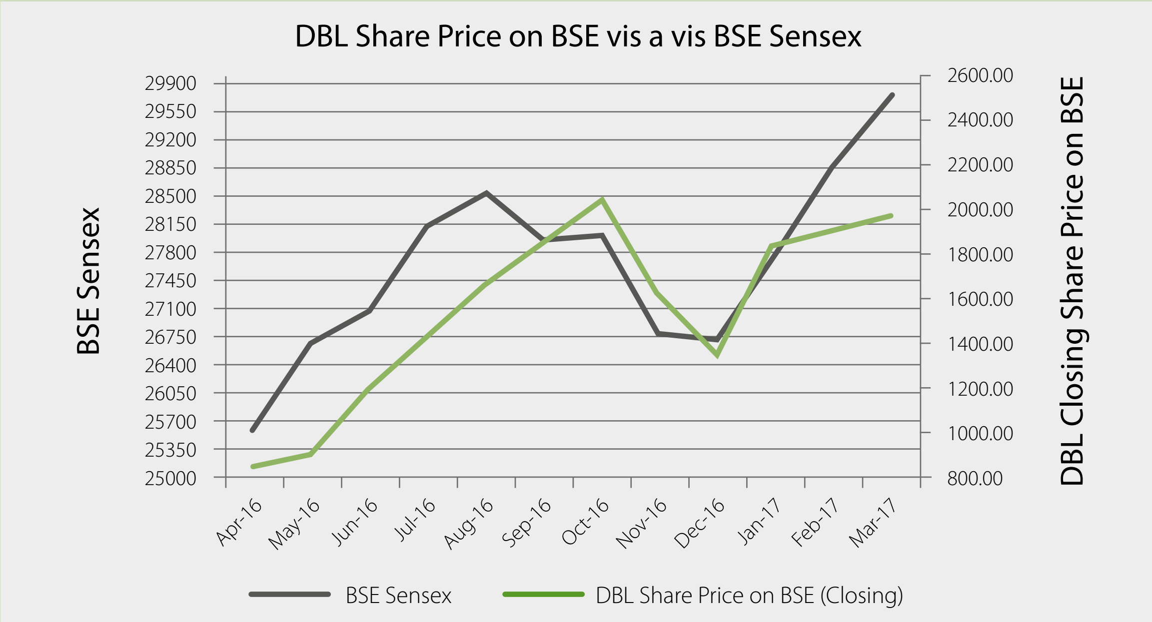
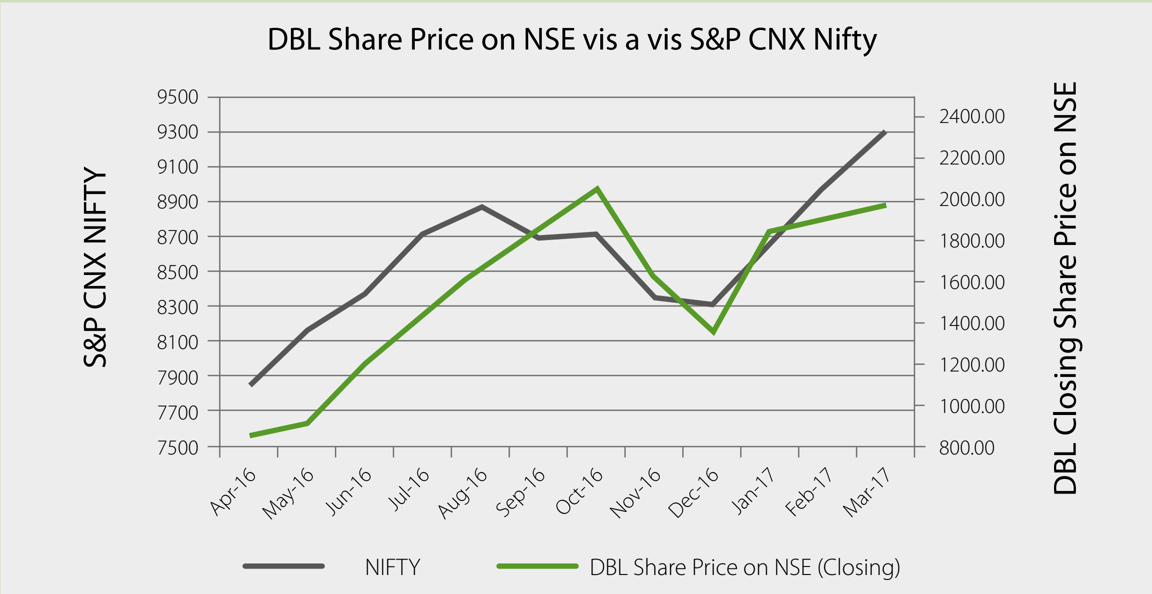


Chart B: The Company's Share Performance versus NIFTY



Distribution of Shareholding

Table 15 and 16 lists the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2017.

Table 15: Shareholding pattern by size

Sl. no.	No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1	1 - 500	13826	80.03	1375968	1.55
2	501 - 1000	1303	7.54	979244	1.10
3	1001 - 2000	996	5.76	1487142	1.67
4	2001 - 3000	358	2.07	901175	1.01
5	3001 - 4000	195	1.13	698575	0.79
6	4001 - 5000	99	0.57	450404	0.51
7	5001 - 10000	214	1.24	1487175	1.67
8	10001 and above	286	1.66	81586120	91.71
	TOTAL:	**17277**	**100.00**	**88965803**	**100.00**

Table 16: Shareholding Pattern by ownership

Particulars	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters	10	0.06	2919743	3.28
Promoters Bodies Corporate	27	0.16	48470405	54.48
Central/State Governments	4	0.02	128155	0.14
Financial Institutions	2	0.01	573259	0.64
Mutual Funds	48	0.28	3685643	4.14
Foreign Institutional Investors	122	0.71	7155039	8.04
Insurance Companies	6	0.03	329769	0.37
Bodies Corporates	578	3.35	3843772	4.32
NRI/Foreign Nationals	422	2.44	493370	0.55
Foreign Bodies Corporates	1	0.01	7500000	8.43
Individuals/Others	16057	92.94	13866648	15.60
Total	**17277**	**100.00**	**88965803**	**100.00**

Note: @The promoters have not pledged the shares of the Company against any loan drawn by them. This disclosure may be treated as a disclosure as required under Regulation 31 of the SEBI (LODR) Regulations and under Regulation 31 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011.

Dematerialisation of Shares

As on March 31, 2017, 97.06% shares of the Company were held in the dematerialised form. The promoters of the Company hold their entire shareholding in dematerialised form.

Commodity Price Risk or Foreign Exchange Risk and hedging activities

No hedging activity was undertaken during the year under review.

Outstanding GDRs/ADRs/Warrants/Options

Nil

Details of Public Funding Obtained in the last three years

Nil

Registrar and Transfer Agent

For Equity Shares:
Karvy Computershare Private Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda, Hyderabad – 500 032.

Share Transfer System

The share transfers in the physical form are presently processed by the Registrars and Transfer Agents and returned within a period of 15 days of receipt of complete documents. The Company's Equity Shares are tradable in dematerialised form since the date of listing. Under the dematerialised system, the Shareholder can approach a Depository Participant (DP) for getting his shares converted from physical form to dematerialised form. The DP will generate a request for the dematerialisation, which will be sent by him to the Company's Registrars and Share Transfer Agents. On receipt of the same the shares will be dematerialised.

Registered Office Address:

Dalmia Bharat Limited
Dalmiapuram -621651,
Dist. Tiruchirapalli,
Tamil Nadu
Phone: 04329 – 235132
Fax: 04329 235111

Address for Correspondence

Dalmia Bharat Limited
Shares Department
Dalmiapuram – 621651
Dist. Tiruchirapalli
Tamil Nadu
Phone: 04329 - 235132
Fax: 04329 235111

CFO-CEO Certification

To
The Board of Directors,
Dalmia Bharat Limited
Registered Office: Dalmiapuram – 621651
District Tiruchirapalli
Tamil Nadu

Dear Sirs,

I do hereby certify that the all the Members of the Board of Directors of the Company and the Senior Management Personnel have affirmed their compliance with the Code of Conduct laid down by the Board of Directors of the Company in their Meeting held on 5-11-2015.

This certificate is being given in compliance with the requirements of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Dated: May 10, 2017
Place: New Delhi

Y. H. DALMIA
Managing Director & Chief Executive Officer

To
The Board of Directors,
Dalmia Bharat Limited
Registered Office: Dalmiapuram – 621651
District Tiruchirapalli
Tamil Nadu

Dear Sir(s),

In accordance with Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2017 and that to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2017 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 internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the auditors and the Audit Committee:-
   a. that there are no significant changes in internal control over financial reporting during the financial year ended March 31, 2017;
   b. that there are no significant changes in accounting policies during the financial year ended March 31, 2017; and
   c. that there are no instances of significant fraud of which we have become aware.

Dated: May 10, 2017
Place: New Delhi

JAYESH DOSHI
Whole-time Director &
Chief Financial Officer

Y. H. DALMIA
Managing Director &
Chief Executive Officer

Auditors ' Certificate on Corporate Governance

To The Members of
Dalmia Bharat Limited

We have examined the compliance of conditions of Corporate Governance by Dalmia Bharat Limited ("the Company") for the year ended 31st March, 2017, as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for Compliance with the Conditions of Listing Regulations

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Auditors' Responsibility

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **S. S. KOTHARI MEHTA & Co.**
Chartered Accountants
FRN - 000756N

Sunil Wahal
Partner
Membership No. 087294

Place: New Delhi
Date: May 10, 2017

Business Responsibility Report

Dalmia Bharat Limited ('the Company') along with its subsidiaries (collectively 'Dalmia Bharat Group' or 'the Group') is the fourth-largest cement manufacturing group in India. It holds the leadership position in the production of Portland slag and Speciality cements. The Group has a presence in Southern, Eastern and North Eastern regions of India. We are pleased to share our first Business Responsibility Report which reiterates, reflects and reports a core philosophy and belief we have abided by since the Group's inception.

The Dalmia Bharat Group's commitment 'to unleash the potential everyone we touch' reiterates, reflects and reports, a core philosophy and belief, the Group has abided by since 1939. The Group has always respected the environment, operated with a sense of responsibility towards our several stakeholders and enhanced the intrinsic value of the business, of our people and the country.

The Group has grown by over 20x from a 1.2 million tonne-capacity to 25 million tonnes over the past decade via greenfield expansions and strategic acquisitions. Being one of the oldest business houses in India, the Group recognises the responsibility of upholding sustainable practices in all areas of business. The Group's endeavour is to substitute conventional fuels and raw materials with alternative solutions to minimise carbon dioxide emissions and reduce the environmental burden on the planet. Subsequently, the Group has partnered with Carbon Pod India Limited to undertake eco-friendly activities and reduce fuel consumption. The Group's corporate social responsibility initiatives have positively impacted the lives of around 6,00,000 people as well as the communities living around our plants.

With a mission to add value to the society and in the hands of all our stakeholders, we have made concerted efforts to increase the happiness quotient of our employees. We work hard to make a significant socio-economic contribution to society. We employ local people and focus on local communities with a view to add enduring value to their lives through skill development, economic assistance, and healthcare, among others. As we grew in scale, we grew in our green quotient as well. This is reflected in the increase in our overall renewable energy consumption, blended cement manufacture ratio and investment in technology to minimise environmental impact.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

<table>
<tr><td>1.</td><td>Corporate Identity Number (CIN) of the Company</td><td colspan="4">L40109TN2006PLC058818</td></tr>
<tr><td>2.</td><td>Name of the Company</td><td colspan="4">Dalmia Bharat Limited</td></tr>
<tr><td>3.</td><td>Registered address</td><td colspan="4">Dalmiapuram-621651,
Dist. Triuchirapalli,
Tamil Nadu</td></tr>
<tr><td>4.</td><td>Website</td><td colspan="4">www.dalmiabharat.com</td></tr>
<tr><td>5.</td><td>E-mail id</td><td colspan="4">invhelp1@dalmiabharat.com</td></tr>
<tr><td>6.</td><td>Financial Year reported</td><td colspan="4">April 1, 2016 to March 31, 2017</td></tr>
<tr><td rowspan="4">7.</td><td rowspan="4">Sector(s) that the Company is engaged in (industrial activity code-wise)</td><td>Group</td><td>Class</td><td>Sub- class</td><td>Description</td></tr>
<tr><td>239</td><td>2394</td><td>23941 and 23942</td><td>Manufacture of clinker and cement</td></tr>
<tr><td>239</td><td>2391</td><td>23911 and 23912</td><td>Manufacture of refractory</td></tr>
<tr><td>702</td><td>7020</td><td>70200</td><td>Management consultancy services</td></tr>
<tr><td>8.</td><td>List three key products/services that the Company manufactures/ provides (as in balance sheet)</td><td colspan="4">i. Cement
• Portland Slag Cement (PSC)
• Portland Pozzolana Cement (PPC)
ii. Refractory
iii. Management Services</td></tr>
<tr><td>9.</td><td>Total number of locations where business activity is undertaken by the Company</td><td colspan="4">(a) <u>Number of international locations (Provide details of major 5)</u>
One refractory plant in China of OCL China Limited, a step-down subsidiary of the Company.
(b) <u>Number of national locations</u>
Manufacturing plants at eleven locations in Southern, North Eastern and Eastern regions of India besides corporate office at New Delhi and three regional offices at Chennai, Guwahati and Kolkata.</td></tr>
<tr><td>10.</td><td>Markets served by the Company – local/state/national/international</td><td colspan="4">Currently, the Group serves markets in 21 states in India and various countries including China, Bangladesh, Nepal, Sri Lanka, Myanmar and Bhutan, Italy, Spain, UK, Germany, Turkey and Russia, among others.</td></tr>
</table>

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(₹ crore)

1.	Paid up Capital (INR)	17.79
2.	Total Turnover (INR)	222.51 (standalone) 8,348.10 (consolidated)
3.	Total profit after taxes (INR)	63.37 (standalone) 344.80 (consolidated)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) (INR)	0.81 (standalone) 10.16 (consolidated) (2% of the average net profits of last 3 years)
5.	List of activities in which expenditure in 4 above has been incurred	The Group spends on varied activities pertaining to CSR in accordance with the Rules of CA 2013. The annual report on CSR detailing the various activities like soil and water conservation, energy conservation, women's empowerment, among others undertaken during the financial year under review is attached as Annexure 5 of the Directors' Report.

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	The Company has 39 subsidiaries including step-down subsidiaries as on March 31, 2017.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	Yes, various Business Responsibility (BR) initiatives are undertaken throughout the year and the Company encourages all its subsidiary companies to participate in its Group-wide BR initiatives.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes, we engage with our various stakeholders including suppliers and distributors, among others on various BR initiatives inter alia climate protection, road safety, contractor safety, among others. Such engagement cannot be measured in percentage terms.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

No.	Particulars	Details
1.	DIN	00017963
2.	Name	Jayesh Doshi
3.	Designation	Whole Time Director and Chief Financial Officer

(b) Details of the BR head

No.	Particulars	Details
1	DIN (if applicable)	Not applicable
2	Name	Dharmender Tuteja
3	Designation	Head, Cement Accounts & Commercial
4	Telephone number	011-23465133
5	E-mail id	tuteja.dharmender@dalmiabharat.com

2. Principle-wise (as per NVGs) BR Policy/policies

The 9 principles are:

P1	Businesses should conduct and govern themselves with ethics, transparency and accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are based on prescribed principles, conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, UNGC guidelines, GRI – G4 guidelines and ILO principles, wherever applicable.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The policies have been uploaded on the website of the Company (www.dalmiabharat.com) in accordance with the provisions contained in the Companies Act, 2013 and Listing Regulations.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been appropriately communicated to all relevant stakeholders directly or indirectly through various engagements, campaigns, training awareness programmes, as applicable.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The working of the BR Policy is reviewed/evaluated on a regular basis with a view to strengthen the policy framework. Further evaluation/audit is done through external agencies, wherever applicable; for example, third party assurance/audit is done on sustainability in accordance with GRI guidelines.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please

Explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	Not applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year	The BR performance of the companies under the Group is assessed on a regular basis by the respective CEOs and Whole-time Director responsible for the BR. Further the performance is assessed at least once in a year by the Board/the Committee of the Board.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Sustainability Report of the Dalmia Bharat Group is published generally once in every two years. The first Sustainability Report 2013-15, prepared in accordance with Global Reporting Initiatives (GRI) G4 guidelines can be viewed at the Company's website www.dalmiabharat.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   The Code of Conduct for Directors and Senior Management, Whistle Blower Policy and Vigil Mechanism, Related Party Transactions Policy, Code of Conduct for Insider Trading and Dalmia Way of Life, among others, serve as a roadmap for all employees of the Group and other stakeholders, wherever applicable. The Group has adequate control measures in place to address the issues relating to ethics, bribery and corruption. The Group has an Ethics & Whistle Blower Policy and its helpline is managed by a reputed outsourced agency (KPMG). This mechanism includes the Board-level committee, senior executives committee(s) and internal auditors. The Code of Conduct and No Gift Policy provides clarity on the Group's stand against bribery & corruption. The policy lists tenets on ethical business conduct and the framework for reporting concerns. The Group has set correct tone at the top and ensure that anti-corruption is on the agenda of senior executives. The ethics helpline service encourages our employees to report any illegal or unethical issues that they might come across.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the financial year 2016-17, the Company has received 94 investor complaints which were resolved satisfactorily. Besides, 18 complaints were received from various stakeholders of the Group on ethical issues which were promptly investigated and resolved.

Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   (i) Portland Slag Cement (PSC)

   (ii) Portland Pozzolana Cement (PPC)

   The Dalmia Bharat Group ensures manufacturing of cement through adoption of low carbon technology and resource efficiency procedures. Waste from other industries form a significant portion of our raw materials and thus helps in reducing the burden on natural resources such as limestone, gypsum and other naturally occurring mineral compounds in up-stream activities in cement production.

   Around 80% of our product portfolio constitutes blended cement. Blended cements use waste materials from other industries such as fly ash of thermal power plants in PPC and Granulated Blast Furnace Slag (GBFS), a waste product generated by the iron and steel industry, in PSC. This not only helps in reducing environmental concerns of cement businesses but also addresses the waste disposal issues of steel and power industries at large. In this regard, our PPC brand, Dalmia Vajaram, received the 'Green Product' recognition from the Confederation of Indian Industries (CII).

   All our plants are either ISO 14001-certified or in the process of getting this certificate. The environmental aspects and impacts of operations are regularly evaluated and mitigation plans are developed according to the local needs. The overall system is certified by a third party on regular intervals. The Environmental Management System (EMS) has adequate provisions to cover aspects of foreseeable emergency situations, including those that can have an environmental impact. The operational procedure in the system has emergency preparedness and response under operational controls which go to the extent of periodic testing of planned emergency responses. Similar is the case with Occupational Health and Safety Management System that addresses health and safety-related emergency situations. Further, most of our integrated plants and grinding units are certified with Energy Management System (EnMS 50,001). This is an internationally-recognised management system which allows baseline development, selection of energy performance indicators, management review and continual improvement at the systemic level.

Additionally, we have voluntarily subscribed to the Cement Sustainability Initiative Charter which involves specific actions and disclosures in areas of CO2 emission and climate protection; alternative fuel and raw material use, maintaining health and safety, emission reductions; local impacts on land and communities and water; reporting and communications including third party assurance of the non-financial information.

The Group is also a member company of United Nations Global Compact (UNGC) and subscribes to ten principles of global compact on human rights, labour, environment and anti-corruption.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   The Group continues to strengthen its processes to achieve optimization of resources and reduction of resource use. During financial year 2016-17 there has been marginal decrease in fuel consumption in kilns and captive power plants as well as reduction in water consumption.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Group is committed to the objective of environmental sustainability and the initiatives undertaken by the Group resulted into the following-

   - Achieved water neutrality in three of our plants during financial year 2016-17 compared to one plant during financial year 2015-16.
   - Maintained our positioning of being one of the lowest carbon footprint in the Global cement world (at this commercial scale).
   - Replaced the CFL lights with LED lights, wherever possible, in order to reduce energy consumption.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The companies under the Group are members of Cement Sustainability Initiative (CSI) where supply chain is one of the key topics of discussion. CSI has developed a 'Sustainable Supply Chain Management Guide' for procurement leaders to ensure the components of materials and sourcing relationships are understood and that risks in the supply chain have been identified through collaboratively working with suppliers and stakeholders on sustainable sourcing practices.

   The Group consumes >30% alternative raw materials (waste from other industries such as flyash and slag). Similarly, the Group consumes more than 70% industrial waste origin fuels (pet coke plus alternative fuels). The Group manufactures about 80% of blended cement which uses less quantity of energy-intensive intermediate product (clinker) in cement and helps in waste disposal of other key industries such as thermal power and steel plants thereby mitigating the environmental impacts and the greenhouse gas (GHG) emissions.

   We have also implemented the following sustainable practices:

   i. Installation of screening plant to remove contamination and increase the recovery rate of limestone.

   ii. Plantation and afforestation in and around our mining and factory areas.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The cement business inherently supports local sourcing of raw materials and engagement of local service providers. The Group focuses and encourages involvement of local communities in varied manner in the plant operations. Such an 'inclusive' approach helps improvement the capacities and capabilities of local communities living around the plants.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide

details thereof, in about 50 words or so.

Co-processing of waste is being done in an environment-friendly manner. This helps us in sustaining our green initiatives and thereby decreasing Green House Gas emissions. We have covered a part of this section in point 3 above. Few other initiatives that have been undertaken are:

- Fly ash generated from the captive power plant is used within the plant for production of PPC.
- Our plant situated at Ariylaur, Tamil Nadu, is the first plant in India to do trail burn study for co-processing tannery ETP sludge in presence CPCB officials.
- Waste paper, old newspapers, magazines, cardboard, among others are collected by an authorised recycling agency and points are awarded in lieu of the waste collected. The points are in turn redeemable against recycled stationery products like pens, calendars and writing pads, among others. This drive was initiated in 2014 and is now an ongoing activity to support the Swachh Bharat programme.
- The Company has recycled around 8,877 kilograms of paper till date, thus, preventing a loss of approximately 166 mature trees.

DELHI/NCR	2014-15	2015-16	2016-17	Total Kg
Total waste paper collected (in kilograms)	381	3517	4979	8877
Mature trees saved (approximately)	7	66	93	166

- Electronic waste or E-waste refers to the discarded electrical or electronic devices. Informal processing of e-waste can lead to adverse human health effects and environmental pollution. The Company follows proper e-waste disposal processes, which have been adopted to support sustainability.
- We encourage recycling of the wastes generated at our premises and strive to become a zero water discharge facility. The treated water from our effluent treatment plants and sewage treatment plants is used in dust suppression and process use.

Principle 3 – Businesses should promote the wellbeing of all employees.

We believe in fostering happiness and forging enduring engagements with our employees by providing a safe, nurturing and progressive workplace. We encourage our employees to grow professionally and personally to their highest capabilities regardless of their race, colour, cast, gender, age, religion or nationality.

1. Please indicate the total number of employees.

   The Group is a strong value-driven, people-oriented and accountable organisation which offers the best working environment to all of its employees.

   The total number of employees working for the Company stood at 307 while the total number of employees working for of the Group stood at 5,832 as on March 31, 2017.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

   We hire employees through contractors on contractual/casual basis from time to time for various types of activities, e.g, project based activities, cleaning, unskilled manual work, etc. The number of such employees keeps changing based on their requirement for the specific activities from time to time and as on March 31, 2017 the total number of employees of the Company in this category was 46.

3. Please indicate the Number of permanent women employees.

   As on March 31, 2017, the total number of permanent women employees on the Company's payrolls stood at 54 while the total number women of employees working for the Group stood at 212.

4. Please indicate the Number of permanent employees with disabilities.

   As on March 31, 2017, there were two permanent employees with disabilities working for the Company and seven for the Group.

5. Do you have an employee association that is recognized by management?

   Yes, we have recognised trade unions, constituted as per the Trade Union Act, at the manufacturing plants of the companies under the Group.

6. What percentage of your permanent employees is members of this recognized employee association?

   Around 17% of the permanent employees of the Group are members of these recognised trade unions.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No complaint has been received by the Company and those received at the Group level are as under:

No.	Category	No. of complaints filed during the financial year 2016-17	No. of complaints pending as on March 31, 2017
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	2	Nil
3	Discriminatory employment	3	Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

Under the supervision of Group level Human Resource Department, there is a Learning & Development department having a team comprising corporate and regional facilitators. The function is responsible for identifying training needs and planning the curriculum for employees with an objective to ensure career progression and developing functional expertise.

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

The Company ensures no harm is inflicted anywhere to any one as part of its commitment towards health and safety of all the people involved in our operations. The Company believes in investing in the safety and skill development of employees across levels through various routine training programmes.

Subsequently, safety and skill upgradation training has been imparted by the Company to around 30% of the permanent employees and around 60% of the casual/temporary/contractual employees. Furthermore, around 13% of the permanent women employees and 100% of the employees with disabilities have been trained under the safety and skill upgradation programme of the Company.

Principle 4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

We believe that our growth and that of the society are mutually dependent. Therefore, corporate social responsibility must be about creating shared value for both. For details, please refer our Report on Corporate Social Responsibility.

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, Dalmia Bharat Group has mapped its internal and external stakeholders which include customers, employees, suppliers, local communities, investors, government and regulatory authorities, among others. We have identified stakeholders who are impacted by our business based on peer review, internal expertise, past experiences, surveys and influence on organisation. We have adopted various communication channels for each stakeholder group. The key categories and their communication channels are as under:

Stakeholders	Concerns	Communication channels
Customers	Timely delivery	Customer feedback
	Quality	Customer satisfaction survey
	Pricing	Phone calls, e-mails and meetings
	Post-sale support	Signed contracts
	Product related certifications	Exhibitions, events Websites and social media
Employees	Work-life balance	E-mails
	Training and skill development	Intranet portals
	Career growth	Employee satisfaction surveys
	Occupational health and safety	Training programmes
	Job security	Performance appraisal reviews
	Transparent communication	Grievance redressal mechanism
		Publications and newsletters
Suppliers	Timely payment	E-mails and meetings
	Continuity of orders	Vendor assessments and reviews
	Transparency	Signed contracts

Stakeholders	Concerns	Communication channels
Communities	Local employment	Training programmes and workshops
	Environmental pollution control	Regular meetings
	Infrastructure development	Need-based assessments and reviews
	Training and livelihood programmes	Surveys
	Participation in social services	CSR reports
Investors	Sustainable growth and returns	Board meetings
	Risk management	Annual reports
	Corporate governance	Websites
	Market share	Green portfolio programmes
	Operational performance	
Government and regulatory bodies	Tax and royalties	Annual reports
	Compliance to laws and regulations	Communication with regulatory bodies
	Employment	Formal dialogues
	Pollution prevention	
	Local economy growth	

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.

   The Group has identified disadvantaged, vulnerable and marginalised stakeholders through the CSR team which engages with various stakeholders and like-minded NGOs, educational institutions, research institutions, hospitals and trusts, among others. We work for the social and economic development of the disadvantaged, vulnerable and marginalised stakeholders in our neighboring communities and around the manufacturing units of companies under the Group. Some programmes are specifically designed to help women, children, the youth and the elderly members of the society.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

   The Group endeavours to promote inclusive growth which is channelised through Dalmia Bharat Foundation. Skill training centres (ITI & DIKSHa) are run for developing skills and enhancing the employability of the local youth. Career counseling and mobilisation of local youth is also undertaken. Women SHGs are promoted wherein they are given skills development trainings such as stitching, weaving, among others, in order to create additional avenues of income generation. Also maternal, neonatal and adolescent health camps are run periodically. For the elderly, health camps are organised in their villages. For children, many school intervention programmes have been implemented and remedial education centres have been established.

Principle 5 – Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The Group respects and promotes human rights of all relevant stakeholders and groups within and beyond the workplace, including those of the communities, consumers as well as the vulnerable and marginalised sections of the society. The Company avoids complicity with human rights abuse by third parties as well. The Group is committed to ensuring that people are treated with dignity and respect.

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

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

   Dalmia Bharat Group does not tolerate disrespectful or inappropriate behaviour. The stakeholders can blow the whistle in case of malpractices and events which have taken place/suspected to take place as per the guidelines laid down under the Whistle Blower policy of the Company. Also, complaints can be reported to the internal complaints committee(s) formed by the Company as per its Charter against Sexual Harassment of Women at Workplace.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No other complaint was received during the financial year 2016-17 other than the complaints already reported under

Principle nos. 1 and 3.

Principle 6 – Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.

   At Dalmia Bharat Group sustainability is not just a buzzword; it's a way of life and we have sustainability rooted in our corporate vision itself. We acknowledge the responsibility of upholding sustainable practices.

   Our commitment to sustainability led us to join the Cement Sustainability Initiative (CSI), a groundbreaking initiative undertaken by the World Business Council for Sustainable Development. As a Group, we produce cement with carbon intensity lower than the global and Indian averages. In our efforts to reduce environmental impact, we are focusing heavily on clinker ratio improvement in blended cements. We are undertaking projects that aim to improve our performance in areas such as carbon footprint reduction, alternative fuel use, water conservation and occupational health and safety.

   We are signatories of such decisive charters like the United Nations Global Compact (UNGC), Caring for Climate Initiative, India Business and Biodiversity Initiative (IBBI), Carbon Pricing Leadership Coalition, RE 100 and EP 100, among others.

   The Group has taken various initiatives towards sustainability and a brief summary of the initiatives are as follows:

   a. We have made substantial progress towards utilisation of the industrial waste as an alternative raw materials and fuels. As a key contributor to the circular economy drive near our manufacturing locations, our group level alternative raw material consumption (waste from other industries as raw material) is more than 30%.

   b. Similarly, we have rapidly changed our fuel mix to include industrial waste origin fuels. As a result, the percentage of the industrial waste origin fuels (pet coke + alternative fuels) reached about 73% in the reporting year.

   c. About 80% of the cement produced in the group is blended cement. Blended cements use less quantity of highly energy intensive intermediate product 'clinker' in cement and help in waste disposal of other key industries such as thermal power plants and steel industry thereby mitigating environmental impacts and reducing the Green House Gas emissions.

   d. Dalmia Bharat Foundation is engaged in corporate social responsibility activities of the Group across all 11 manufacturing locations and helps propagate these initiatives beyond our plant premises and into the surrounding areas. For example, Dalmia Cement (Bharat) Limited, our Subsidiary Company is a member of WBCSD's WASH Pledge that strives to provide safe drinking water, sanitation and hygiene at the workplace. We have taken a further step to indertake these initiatives in nearby villages and schools to ensure safe drinking water, sanitation and hygiene.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

   Yes, we have strategies/initiatives to address the global environmental issues, more particularly, climate change. Our deep faith in 'Clean and Green is Profitable' encourages us to take actions which benefit the environment while improving our profitability. We recognise the use of alternative fuels and raw materials as one of the environment-friendly methods to reduce our input costs, decrease the burden on waste generators and produce low carbon intensity cement.

   At the production-level, we produce one of the lowest carbon intensity blended cements. Our Group-level carbon footprint is one of the lowest in the cement world. Our cement plants are certified with ISO 14001 (Environment Management System) and ISO 50,001 (Energy Management System). We are a member of Caring for Climate Initiative of United Nations and amongst the 453 global organisations who have endorsed the Caring for Climate Initiative of United Nations http://caringforclimate.org/about/list-of-signatories/. Additionally, we provide voluntary disclosure on strategies and initiatives under CDP's annual disclosure cycle. We have medium-term and long-term voluntary targets to reduce carbon intensity in the range of 40-45% by 2050 compared to the 2010 baseline.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes, the manufacturing locations of our material cement manufacturing subsidiaries are certified with ISO 14001 Environment Management System (EMS). The certifiable standard is based on aspect /impact-based assessment of the activities being carried out in the plants. In addition, the climate change related potential environmental risks are assessed and reported in our annual CDP responses.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   Yes, we have initiated Clean Development Mechanism ('CDM') projects on blended cement under the approved CDM methodology ACM 0005. Further details of the same can be found at: http://cdm.unfccc.int/Projects/DB/DNV-CUK1156766994.32/view and https://cdm.unfccc.int/Projects/DB/SGS-UKL1161119962.23/view. The compliance reports, as per the provisions of the central and state authorities/boards, are submitted on regular intervals

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

   Dalmia Cement (Bharat) Limited, our subsidiary company, has become the first cement company to join RE 100 initiative with a voluntary target of fourfold increase in our renewable electricity consumption. Further details are available on http://media.virbcdn.com/files/a9/55845b630b54f906-RE100AnnualReport2017.pdf.

   Similarly, Dalmia Cement (Bharat) Limited is the first cement company to join EP 100 (Energy Productivity 100) campaign to increase our energy productivity. In our ambition to increase the share of green electricity, we have commissioned 8-megawatt captive solar PV project and a 9.2 megawatt waste heat recovery project is underway.

   In addition, we have replaced existing kiln burners by new generation burners (with less primary and conveying air requirements) leading to savings in fuel consumption in our plants. We have an internal benchmarking system and dashboard to provide plant specific/aggregated Group-level energy consumption, alternative fuel consumption and cement carbon footprint metrics and on the basis of that undertake new initiatives.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes, the emissions/waste generated by the Company and its subsidiaries is within the permissible limits given by CPCB/SPCB for the financial year 2016-17.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   Neither the Company nor its material subsidiaries have received any show cause/ legal notices from CPCB/SPCB.

Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Our Group is a member of Federation of Indian Chambers of Commerce and Industry (FICCI), PHD Chamber of Commerce, Associated Chambers of Commerce, Industry of India, Confederation of Indian Industry, Cement Manufacturing Association, FIMI, International Chamber of Commerce.

   In our efforts to minimise our environmental footprint and adopt the industry best practices followed globally, we have partnered with industry associations and forums. We are a member of Cement Sustainability Initiative (CSI), a cement sector project of the World Business Council for Sustainable Development (WBCSD). We have partnered with International Finance Corporation (IFC) to promote sustainable business by adopting low carbon technologies. We are also an active member of TERI Council for Business Sustainability (CBS) and are represented in the Thematic Advisory Groups (TAG) on Energy, Water, Sustainability Reporting and Corporate Social Responsibility. We have joined Carbon Pricing Leadership Coalition (CPLC), an initiative by the World Bank, to support carbon pricing through market based mechanisms. We are also members of Confederation of Indian Industry (CII) Sustainability Council, United Nations Global Compact (UNGC), India Business and Biodiversity Initiative (IBBI), C4C (Caring for Climate) and WBCSD's WASH Pledge.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes, we have been advocating the improvement in public policies and procedures to achieve the objectives of the government like Make in India, Skill Development, and Digital India and so on. Some key policy advocacies are as follows:

   Governance & Administration

   Easing the Compensatory Afforestation Rules – We have been advocating for easing the procedure of Compensatory Afforestation Rules which are time-consuming and complex. We have advocated for allowing the proponents to implement the project post-completion of statutory and financial obligations instead of holding the project till the compensatory land to be mutated in favour of the State Department. Our recommendations have found mention in the report published by Sh. Ajay Shankar on 'Ease of doing Business in India'.

   Public Procurement Policy

   We have been advocating the use of 'Make in India' products for all public procurements.

   Economic Reforms

   Transfer of mining lease within Group companies: We are advocating that no charges should be levied pertaining to mining leases of Group companies.

   Inclusive Development Policy/Energy Security

   Auction not to be the only method of alienation of natural resources: We have been advocating that no economy can be based on one method of alienation of natural resources. Though auction process is welcome wherein the reserves are known to certainty, there are resources which are not explored and sizeable for detailed exploration. These needs to be alienated on the first in first out method else the national resources would be stranded without any economic benefit to the nation at large.

Principle 8 – Businesses should support inclusive growth and equitable development.

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

   The Group undertakes CSR activities in accordance with the CSR policy.

   The Company has a CSR Policy approved by its Board of Directors, which is publicly available at the website https://www.dalmiabl.com/company-policies.html. The policy highlights the purpose and vision of our CSR activities. The policy also talks about alignment of our CSR Policy with Schedule VII, Section 135 of the Companies Act 2013. It clearly sets the broad purview under which the Company shall perform its CSR activities and identifies focus areas and guidelines for planning, implementation, monitoring, feedback and review of the projects.

   We are undertaking various projects across our plant locations in Dalmiapuram and Ariyalur in Tamil Nadu, Kadapa in Andhra Pradesh, Belgaum in Karnataka, Umrangshu and Lanka in Assam and Lumshnong in Meghalaya towards improving quality of life of people living around them, connecting people to opportunities and creating resources, within the framework of development priorities across India. In order to actively contribute to the social and economic development of the communities grappling with 'quality of life' challenges, the following projects/programmes are being implemented:

   Soil & water conservation: Though cement manufacturing isn't water-intensive, we still create water footprints. These footprints attain significance when it comes to our geographies which are water-scarce (some have the water table as low as 500 feet below the ground level). Water harvesting and conservation, thus, becomes a natural choice as a project under our CSR programme. We aim at achieving water balance in these areas over the five years beginning with financial year 2014-15.

   Energy conservation & climate change mitigation: Cement, though essential for socioeconomic growth of mankind, unfortunately has an ecological footprint. While we have incorporated one of the best environmental standards, we feel it is our responsibility to go beyond mere compliance to law and mitigate the climate change process. In the light of the environmental challenge, the society faces a different one in the form of energy crisis for lighting and cooking. The society continues to burn biofuel that is a potential threat to the environment as well as to their health. To address these dual problems we found an opportunity whereby we provide renewable and other energy solutions to the communities to help them reduce their environmental footprints.

   Livelihood Skill Training: When an industry is set up in a locality, two phenomenon are common, firstly the nearby community expects direct employment and the second that existing employment patterns are altered. But the fact remains that the number of people who could be directly employed is limited and thus, there is a need for enabling people to acquire skills for gaining a livelihood. As a result, skilling people to helpo earn a livelihood is our social responsibility and a major focus area of our CSR programme.

   Social Development: The stakeholder engagement highlighted the issue of poor basic infrastructure and facilities which hinders the daily life as well as development of these villages.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?

   The programmes are being executed by the Group's 'Dalmia Bharat Foundation' with the help of a group of dedicated in-house professionals.

3. Have you done any impact assessment of your initiative?

   Yes, we do undertake impact assessment of our initiatives and also take regular community feedback for our projects. We recently conducted third party impact assessment and SRoI (Social Return on Investment) studies for our CSR projects.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   During the financial year 2016-17, Company spent ₹0.81 crore on its CSR activities while the Group spent ₹10.16 crore on similar activities. The details of projects and related expenditure by the Company are provided in the CSR activities section of the Directors' Report of the annual report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   All the initiatives are planned and implemented in partnership with the communities. The communities and all other stakeholder groups are involved from conceptualisation to implementation and monitoring of the projects. After the projects are completed, they are passed to the communities who then take care of the structures and continue with the projects. This approach has ensured that the initiatives are successfully adopted by the communities and are sustainable.

Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Customers are always encouraged to give a feedback on the product quality or service to our Sales and Technical services team. We also conduct our customer satisfaction surveys wherein the areas of improvement are identified and actions are taken around the feedback by each department. In order to develop a strong relationship with our stakeholders and to create a win-win situation for every stakeholder we work with, we have adopted specific communication channels for each stakeholder group. customer feedback, customer satisfaction survey, phone calls, e-mails and meeting, exhibitions, events, websites and social media are some of the communication channels adopted for customers concerns with respect to timely delivery, quality, pricing, post- sale support, production related certifications, etc.

We have a dedicated toll-free helpline number for our customers to address their concerns and it is ensured that the call logs are well-documented and appropriate actions are taken at the earliest.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   There are no customer complaints or consumer cases pending as on March 31, 2017.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information)

   The companies under the Group are engaged in the business of manufacturing of cement and hence the product information is displayed as per the standards prescribed by the Bureau of Indian Standards. It has been ensured that the products sold by us meet the necessary compliance norms.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

   No cases were filed towards unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   The companies under the Group regularly engage with the stakeholders in finding out what matters most to them. We have identified stakeholders who are impacted by our business based on peer review, internal expertise, past experiences, surveys and influence on organisation. In order to develop a strong relationship with our stakeholders and to create a win-win situation for every stakeholder we work with, we have adopted various communication channels for each stakeholder group.

   During the financial year 2016-17, a consumer survey was conducted by an independent organisation namely, IMRB International with respect to brand recommendation. As per the survey, about 47% of the population in Southern India and 61% in Eastern India preferred our brand. As per an internal study, 93% of the population preferred our brand in North Eastern India.

   The Group organises annual dealer and sub-dealer meets in clusters wherein our senior management directly interacts with the dealers and discusses on their feedbacks concerns and future plans.

Prelude to Integrated Reporting, FY 2016-17

The Integrated Reporting approach constitutes tomorrow's information sharing format. As a future-facing company, Dalmia Bharat has provided the next generation of information reporting in this annual report, a year ahead of this becoming mandatory.

Towards Integrated Reporting

At Dalmia Bharat, we believe that information transparency represents the bedrock of our governance.

As an extension of this commitment, we reported extensively on our operations in the annual report; the report comprised the statement of our vision, commitment and achievements.

As these documents addressed diverse information needs, there emerged a growing need to produce an integrated document.

This is an initiative whose time has come; in 2017, Securities Exchange Board of India (SEBI) directed 500 largest listed companies to voluntarily graduate to integrated reporting based on the International Integrated Reporting Council (IIRC) framework with effect from 2017-18.

As a forward-looking company, Dalmia Bharat developed a framework for Integrated Reporting. This shift from a discreet financial and sustainability report reflects our commitment to enhance an understanding of how the Company enhances comprehensive value in a sustainable way.

Benefits of Integrated Reporting

The Integrated Report provides a holistic picture of the combination, inter-relatedness and dependencies between the factors that affect our ability to create shared value for stakeholders. We believe that moving towards integrated reporting will have a significantly positive impact on our business as it ensures that performance and value creation are understood better by the providers of financial capital and key stakeholders leading to informed decision-making

Performance against Integrated Reporting Capitals

Integrated Reporting combines the best of Annual and Sustainability reporting, building integrated thinking into the business model and reporting structure.

Through this reporting framework, the business footprint has been categorized into six capitals - financial, manufactured, intellectual, human, social cum relationship and natural.

There is a growing need to comprehend the relationship between the capitals and trade-offs, making it imperative to not gain value in one capital at the cost of the other. Besides, a superior understanding of the capitals facilitates the building of strong business models.

At Dalmia Bharat, this report is helping blur the differences between financial and non-financial parameters and providing information that stakeholders need to build trust and long-term associations. A more detailed information on our performance against IIRC reporting framework shall soon be released in the form of a detailed Integrated Report.

Financial Capital

Financial Capital indicates how a company generates financial capital to grow day-to-day operations through various financing options (debt, equity or grants, or through operations and investments).

At Dalmia Bharat, one of the largest cement players in India, we see extensive opportunities in the area of rural and urban infrastructure development. Our enhanced cement production across 11 sites enables us to serve in 21 states. Our strategic proximity to markets and raw materials facilitates low-cost manufacture and distribution addressing the low-cost housing needs of the country.

Intellectual Capital

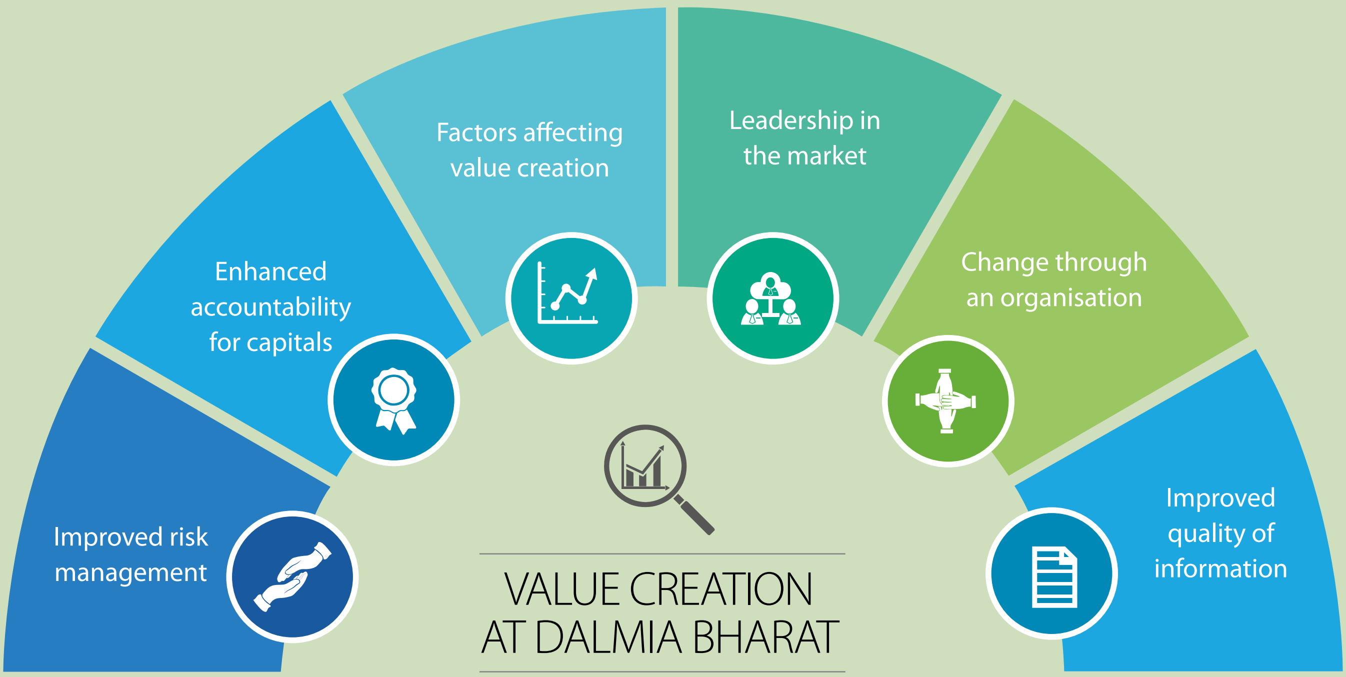
Intellectual Capital not only comprises intellectual property (patents, licenses, copyrights and rights) but also systems, products, processes and protocols.

At Dalmia Bharat, innovation represents the heart of our strategy. The Dalmia Research Centre is instrumental in our pursuit of innovation. We respond to evolving market changes through innovation. Our bouquet of specialized cements for airstrip, oil well and railway sleepers makes it possible to address sector-specific needs. Our product development breakthrough facilitates the use of low grade limestone, enhancing raw material utilization. Our use of business intelligence and digitization through applications directed at customers, sales force and logistics have enhanced stakeholder value.

Manufactured Capital

Manufactured Capital comprises tangible assets at an organization's disposal for the production of goods or provision of services (plant/office spaces, equipment and infrastructure such as roads, ports, bridges, terminals and waste and water treatment plants).

At Dalmia Bharat, we have attempted to grow through organic and inorganic expansions. Our 11 manufacturing centres across eight States enable us to serve clients in Southern, Eastern and North Eastern India. We help strengthen infrastructure through the delivery of cement for the building of roads, bridges, water tanks, bore wells, community hall, ring well sheds and diesel generators, helping build communities and social well-being.



Human Capital

Human Capital represents the competence of employees and their alignment with the organization's governance, risk management and ethical values.

Dalmia Bharat aspires to promote employee safety and wellbeing through trainings and awareness programs. We have digitized our HR system for better human resource analysis; our initiatives (Anandam, Saksham and Prerna) enhanced employee satisfaction.

Social and Relationship Capital

Social and Relationship Capital corresponds to the capital of shared norms, values, beliefs and behaviours nurtured through stakeholder engagements.

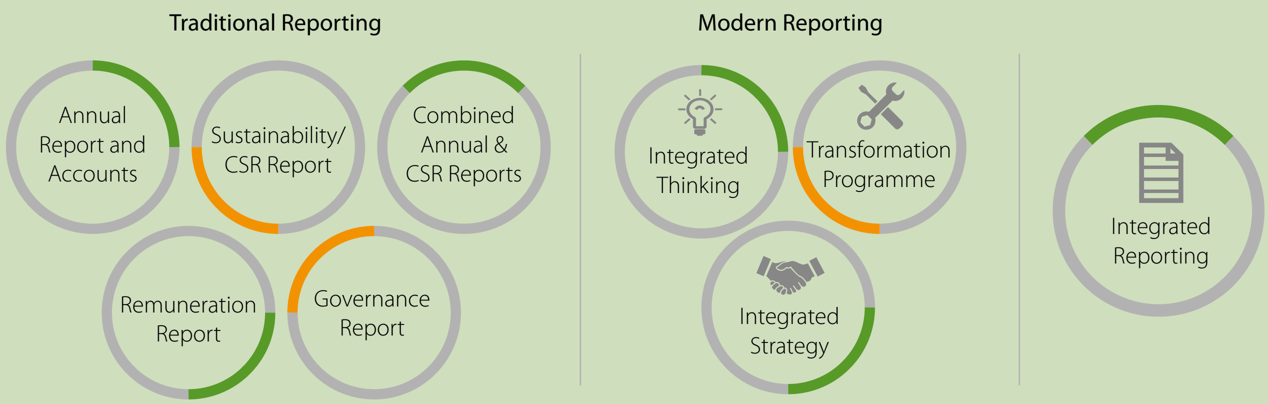
Dalmia Bharat aspires to unleash the potential of everyone it touches, giving it the 'Social License to operate'. Stakeholder review forms an important part of the materiality determination process. The Company's CSR engagement is aligned with local community needs.

Natural Capital

Natural Capital comprises renewable and non-renewable environmental resources that sustain the organization's production system. With India assuming a responsible role at the Paris Climate Change meeting, India's focus has shifted to producing products and services with a low ecological footprint.

At Dalmia Bharat, signatory to the Cement Sustainability initiative, UNGC, EP100 and RE100, we aspire to evolve processes to reduce our ecosystem impact. Our Eastern India operations achieved one of the lowest carbon footprints/tonne of cement in the industry. Our focus on alternative fuels and raw materials helped reduce input costs, moderate burden on waste managers and produce low carbon-intensity cement. We have also enabled energy conservation, integrated watershed development, tree plantation and address the climate change programme

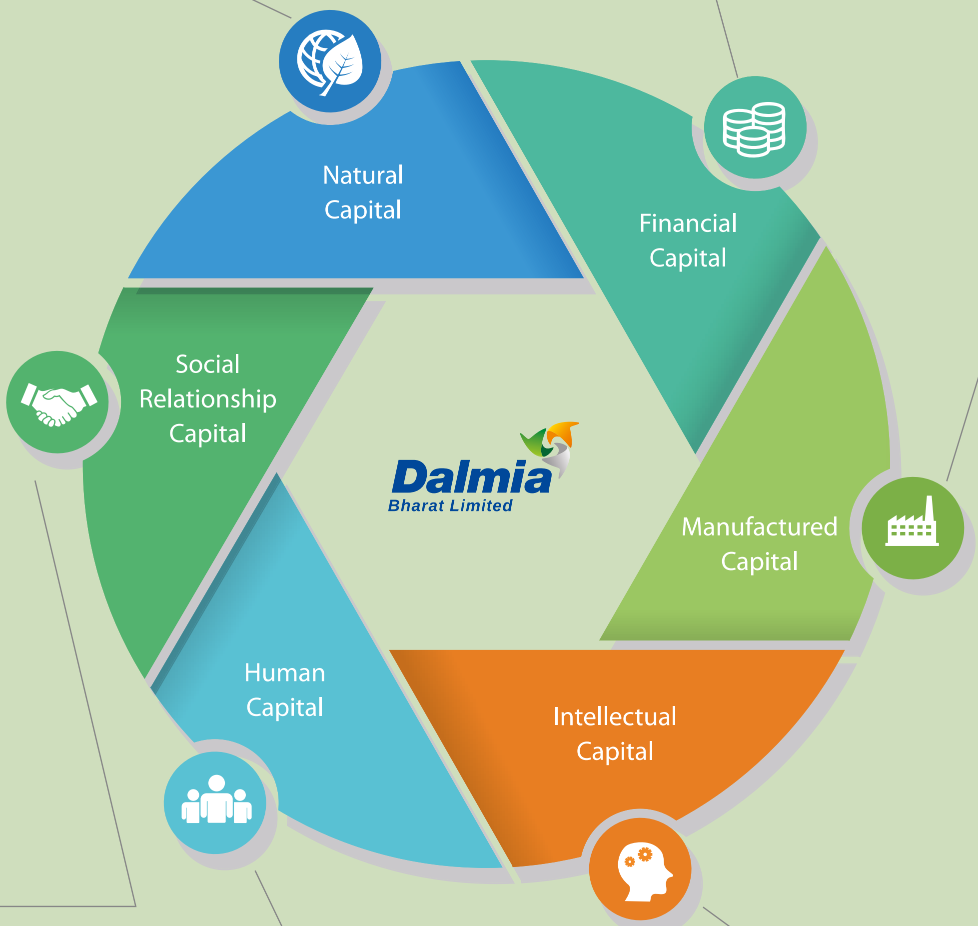
The journey from traditional reporting to integrated reporting:



- Signatories to CII Sustainability Council, UNGC, IBBI, EP100 etc.
- Reducing carbon - green power, alternative fuels & raw materials, energy conservation program and climate change mitigation program
- Minimising air emissions - reverse air bag house (RABH), electrostatic precipitators (ESPs) etc.
- Water conservation - air-cooled condensers in captive power plants and rainwater harvesting.

- Enhanced cement production leading to added revenues from markets in 21 states in India
- Higher growth than industry peers
- Strategic proximity to serving markets and raw material facilitiate low cost manufacturing and distribution
- increased profit through a focus on specialty cement and reduction in cost for logistics and power

- Fourth largest cement group in India with11 manufacturing locations
- Specialty cement production
- Construction to improve or add to infrastructure including roads and bridges, water tanks, borewells, community hall, ring well sheds, diesel generators set for remote villages and hospital beds for health centres
- Balanced organic and inorganic expansion



- Stakeholder engagement for materiality determination
- Community development through programs like livelihood skill training, health and sanitation programs, installation of reverse osmosis plants and training in micro-irrigation facilities

- Capacity building through professional training
- Minimising lost-time injury and turnover
- Anandam, Sakssham and Prerna programs
- 'Health watch' newsletter
- Interactive sessions and workshops
- HRIS for better analysis of HR-related information

- Stronger R&D through Dalmia Research Centre and Dalmia Tecmobile
- Sustainable product development, utilising low-grade limestone
- Specialised cement products for use in specific industries
- Process digitisation through apps for customer, sales force and logistics
- Use of BI for process optimisation

Independent Auditors' Report

To
The Members of
Dalmia Bharat Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of DALMIA BHARAT LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2017, the statement of profit and loss including the statement of other comprehensive income, the statement of cash flow and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control 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 thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 the Ind AS standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control 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 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 the 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 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, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, 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 purpose of our audit of the

aforesaid standalone Ind AS financial statements;

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, statement of profit and loss including statement of other comprehensive income, the cash flow statement and 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended;

e. On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 Auditors) Rules, 2014, in our opinion and to the best of our information and explanations given to us:

   i. The Company does not have any pending litigations as at March 31, 2017 which would impact its financial position in its standalone Ind AS financial statements;

   ii. The Company did not have any 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 during the year ended March 31, 2017; and

   iv. The Company has provided requisite disclosures in Note 42 to these standalone Ind AS financial statements as to the holding as well as dealing in Specified Bank Notes on November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For S. S. KOTHARI MEHTA & CO
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No: 087294

Place: New Delhi
Date: May 10, 2017

Annexure A to the Independent Auditor's Report to the members of Dalmia Bharat Limited on its standalone Ind AS financial statements dated May 10, 2017

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

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

(b) The Company has a program of physical verification of fixed assets that covers every item of fixed assets over a period of three years. In our opinion, this periodicity and manner of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification undertaken during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company except for an immovable property having a gross block after fair valuation of Rs. 46.79 crore and net block of Rs. 42.91 crore not registered in the name of the Company as at the balance sheet date. As explained by the management, the title deeds of the property shall be executed in favour of the Company in accordance with the order of the Ld. Additional District Judge, Delhi.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore the provisions of clause 3(ii) of the said Order are not applicable to the Company.

iii. (a) The Company has granted loans to three companies covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans not prejudicial to the Company's interest.

(b) The Company has granted tenure based as well as loans re-payable on demand to parties covered in the register maintained under section 189 of the Act. The repayment of loans is as per tenure only. In respect of loans which are granted as re-payable on demand, we are informed that the Company has not demanded repayment of any such loans during the year and thus there has been no default on the part of the parties to whom the money has been advanced. The payment of interest has been regular.

(c) Since there is no overdue amount as on the date, the relevant reporting is not applicable.

iv. As per the information and explanation given to us and on the basis of our examination of the records, the company has complied with provision of section 185 and 186 of the Act, with respect to the loans and investments made.

v. As the Company has not accepted deposits, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are not applicable.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for the business activities carried on by the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable, with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year concerned 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 or sales-tax or service tax or duty of customs or duty of excise and value added tax which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and as per the books and records examined by us, the company has not defaulted in repayment of loans or borrowings to banks. The company has not taken any loans from financial institutions, debenture holders and Government.

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and term loans hence, reporting under clause (ix) is 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, we have neither come across any instance of fraud on or by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have we been informed of such case by the management.

xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act,.

xii. The company is not a Nidhi company, hence the related reporting requirement of the Order are not applicable.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

xv. In our opinion, and 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.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S. S. KOTHARI MEHTA & CO
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No: 087294

Place: New Delhi
Date: May 10, 2017

Annexure B to the Independent Auditor's Report to the members of Dalmia Bharat Limited dated May 10, 2017 on its Ind AS standalone financial statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **Dalmia Bharat Limited** ("the Company") as of March 31, 2017 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 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 standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS 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 31st March, 2017, 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 **S. S. KOTHARI MEHTA & CO**
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No: 087294

Place: New Delhi
Date: May 10, 2017

Balance Sheet as at March 31, 2017

(₹ Crore)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	2	80.80	82.38	77.43
Other intangible assets	3	1.39	0.62	0.73
Intangible assets under development	4	0.13	0.69	–
Investments	5	874.25	868.49	247.91
Financial assets	6			
(i) Investments		5.06	9.24	12.39
(ii) Loans		27.55	27.89	29.92
(iii) Other financial assets		2.00	4.06	0.61
Other non-current assets	7	16.76	34.14	32.89
		1,007.94	**1,027.51**	**401.88**
Current Assets				
Financial assets	8			
(i) Investments		82.27	64.81	208.22
(ii) Trade receivables		13.06	36.57	28.35
(iii) Cash & cash equivalents		2.59	1.96	7.49
(iv) Bank balance other than (iii) above		1.78	3.66	1.17
(v) Loans		503.24	480.47	75.13
(vi) Other financial assets		39.85	6.24	2.48
Other current assets	9	9.51	3.35	1.83
		652.30	**597.06**	**324.67**
Total Assets		**1,660.24**	**1,624.57**	**726.55**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	10	17.79	17.76	16.24
Other Equity	11	1,374.17	1,304.08	650.98
		1,391.96	**1,321.84**	**667.22**
LIABILITIES				
Non- Current Liabilities				
Financial liabilities	12			
(i) Borrowings		1.85	69.01	–
Provisions	13	3.85	16.07	10.30
Deferred tax liabilities (net)	14	23.64	23.75	26.22
		29.34	**108.83**	**36.52**
Current Liabilities				
Financial liabilities	15			
(i) Borrowings		197.65	147.85	–
(ii) Trade payables		20.87	20.07	11.51
(iii) Other financial liabilities		2.40	11.29	1.46
Other current liabilities	16	7.20	6.64	2.55
Provisions	17	10.82	8.05	7.29
		238.94	**193.90**	**22.81**
Total Equity and Liabilities		**1,660.24**	**1,624.57**	**726.55**
Significant accounting policies	1			

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date: May 10, 2017

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Y. H. Dalmia
Managing Director
DIN: 00009800

J. H. Dalmia
Managing Director
DIN: 00009717

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Nidhi Bisaria
Company Secretary
Membership No. F5634

Statement of Profit and Loss for the year ended March 31, 2017

(₹ Crore)

	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from operations	18	222.51	204.31
Other income	19	64.93	52.82
Total		**287.44**	**257.13**
Expenses			
Employee benefits expenses	20	110.46	110.16
Finance Cost	21	21.47	2.02
Depreciation and amortization expenses	2 & 3	5.36	4.36
Other Expenses	22	55.92	59.56
Total		**193.21**	**176.10**
Profit before tax		**94.23**	**81.03**
Tax expenses			
Current tax		29.67	20.54
Deferred Tax charge / (Credit)		1.19	(2.73)
Prior year tax charge		–	0.74
Total Tax Expenses		**30.86**	**18.55**
Profit after Tax - (A)		**63.37**	**62.48**
Other Comprehensive income			
A. Items that will not to be reclassified to profit or loss			
- Re-measurement gains/ (losses) on defined benefit plans		(3.76)	0.75
- Income tax relating to items that will not be reclassified to profit or loss		1.30	(0.26)
Other Comprehensive income/(loss) - (B)		**(2.46)**	**0.49**
Total Comprehensive income for the year - (A+B)		**60.91**	**62.97**
Earning per Share	23		
Basic earnings Per Share (In ₹)		7.13	7.65
[Nominal Value of Share ₹2 (₹2) each]			
Diluted earnings Per Share (In ₹)		7.07	7.60
[Nominal Value of Share ₹2 (₹2) each]			
Significant accounting policies	1		

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date: May 10, 2017

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Y. H. Dalmia
Managing Director
DIN: 00009800

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Managing Director
DIN: 00009717

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Nidhi Bisaria
Company Secretary
Membership No. F5634

Statement of Changes in Equity for the year ended March 31, 2017

a. Equity Share Capital:

Equity shares of ₹ 2 each issued, subscribed and fully paid	No. of Shares	₹ Crore
As at April 01, 2015	**81,189,303**	**16.24**
Issue of share capital	7,604,000	1.52
As at March 31, 2016	**88,793,303**	**17.76**
Issue of share capital	172,500	0.03
As at March 31, 2017	**88,965,803**	**17.79**

b. Other Equity:

(₹ Crore)

Particulars	Reserve and Surplus					Total Other equity
	Securities Premium Reserve	Business Restructuring Reserve	General Reserve	Retained earnings	Employee stock option outstanding	
As at April 01, 2015	**–**	**469.69**	**17.31**	**161.09**	**2.89**	**650.98**
Profit/ (Loss) for the year	–	–	–	62.48	–	62.48
Other comprehensive income	–	–	–	0.49	–	0.49
Total comprehensive income for the year	–	–	–	62.97	–	62.97
Add: Addition during the year	618.81	–	–	–	2.59	621.40
Add: Provision for dividend distribution tax written back	–	–	–	1.64	–	1.64
Less: Appropriations						–
Dividend paid	–	–	–	(12.18)	–	(12.18)
Interim Dividend	–	–	–	(17.76)	–	(17.76)
Dividend distribution tax	–	–	–	(2.97)	–	(2.97)
As at March 31, 2016	**618.81**	**469.69**	**17.31**	**192.79**	**5.48**	**1,304.08**
Profit/ (Loss) for the year	–	–	–	63.37	–	63.37
Other comprehensive income	–	–	–	(2.46)	–	(2.46)
Total comprehensive income for the year	**–**	**–**	**–**	**60.91**	**–**	**60.91**
Add: Addition during the year	3.66	–	–	–	5.52	9.18
As at March 31, 2017	**622.47**	**469.69**	**17.31**	**253.70**	**11.00**	**1,374.17**

As per our report of even date

For S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date: May 10, 2017

For and on behalf of the Board of Directors of Dalmia Bharat Limited

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Whole time Director & CFO
DIN: 00017963

Nidhi Bisaria
Company Secretary
Membership No. F5634

Cash Flow Statement for the year ended March 31, 2017

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Cash flow from operating activities		
Net profit before tax	**94.23**	**81.03**
Adjustments for		
Depreciation/Amortisation	2.14	2.94
Re-measurement (losses)/ gains on defined benefit plans	(3.76)	0.75
Dividend income	(0.01)	-
Finance cost	20.22	1.70
Share based payment expense	1.36	1.29
Interest income	(49.25)	(11.57)
(Profit) on sale of Investments	(12.35)	(18.61)
Operating profit before working capital changes	**52.58**	**57.53**
Adjustments for working capital changes :		
Trade payables, financial liabilities, other liabilities and provisions	(17.11)	26.54
Trade Receivables, financial assets and other assets	21.72	(21.98)
Cash generated from operations	**57.19**	**62.09**
Direct taxes paid	(10.50)	(20.02)
Net cash from operating activities	**46.69**	**42.07**
B. Cash flow from/ (used in) investing activities		
Purchase of fixed assets	(0.77)	(8.47)
Proceeds from sale of fixed assets	0.02	-
(Purchase)/ sale of current investments (net)	(6.94)	159.62
Sale of non current investments (net)	6.01	5.50
Loan given to related parties	(50.84)	(439.19)
Loan received back from related parties	18.24	34.00
Interest received	15.66	7.81
Dividend received from current investments	0.01	-
Net cash (used in) investing activities	**(18.61)**	**(240.73)**
C. Cash flow from/ (used in) financing activities		
(Repayment)/ Proceeds from Long term borrowings (net)	(59.32)	75.00
Proceeds from short term borrowings (net)	50.00	150.00
Proceeds from issue of shares	2.09	1.10
Finance cost	(20.22)	(1.70)
Dividend paid (including dividend distribution tax)	-	(31.27)
Net cash (used in)/ from financing activities	**(27.45)**	**193.13**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**0.63**	**(5.53)**
Cash and cash equivalents (opening Balance)	1.96	7.49
Cash and cash equivalents (closing Balance)	2.59	1.96
Change in Cash & Cash Equivalents	**0.63**	**(5.53)**

Note:
1) Cash & cash equivalents components are as per Note 8 (iii) of the Financial Statements

As per our report of even date
For S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date: May 10, 2017

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Y. H. Dalmia
Managing Director
DIN: 00009800

J. H. Dalmia
Managing Director
DIN: 00009717

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Nidhi Bisaria
Company Secretary
Membership No. F5634

Notes to the financial statements for the year ended March 31, 2017

Note 1 - Significant Accounting Policies

A. Corporate Information

Dalmia Bharat Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company is engaged in providing management services. Its equity shares are listed on NSE and BSE stock exchanges in India. The registered office of the Company is located at Dalmiapuram Distt Tiruchirappalli Tamil Nadu- 621651.

The financial statements of the Company for the year ended March 31, 2017 were authorized for issue in accordance with a resolution of the Board of Directors on May 10, 2017.

B. Basis of preparation

Statement of compliance

These financial statements are prepared in accordance with the Indian Accounting standards (Ind AS) as notified notified by Ministry of corporate affairs under section 133 of the companies act, 2013 ("Act") read with companies (Indian Accounting standard) Rules, 2015 as amended by companies (Indian Accounting standard) (Amendment) Rules, 2016, the relevant provisions of the Act, Securities and Exchange Board of India (SEBI), as applicable.

These financial statements for the year ended March 31, 2017 are the company's first Ind AS financial statements. For all periods up to and including the year ended March 31, 2016, the Company prepared its 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). An explanation of how the transition to Ind AS has effected the previously reported financial position, financial performance of the company is provided in note no.44.

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Investment in mutual funds and venture capital fund measured at fair value [refer accounting policy 1(R) regarding financial instruments],
- Certain financial assets and liabilities measured at fair value
- Share based payments
- Defined benefit plans as per actuarial valuation

C. Classification of Assets and Liabilities into Current/Non-current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

D. Investment in associates, joint ventures and subsidiaries.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company's investments in its associates and joint ventures are accounted at cost. Investment in subsidiaries are measured at cost in accordance with Ind AS 27.

As per Ind AS 101, on date of transition, the Company elects to measure its investment in subsidiaries at deemed cost which is equivalent to previous GAAP carrying amount at the date of transition. [Refer Note 44(b)]

Any impairment loss required to be recognised in statement of profit and loss is in accordance with Ind AS 109 as stated in note 1(R).

E. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

F. Foreign currencies

The Company's financial statements are presented in Indian Rupees which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in statement of profit or loss are also recognised in statement of profit or loss).

In accordance with Ind-AS 101 'First time adoption', the Company has continued the policy of capitalisation of exchange differences on foreign currency loans taken before the transition date. Accordingly, exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment before transition date are capitalized and depreciated over the remaining useful life of the asset.

G. **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value. External valuers are involved for valuation of significant assets and liabilities. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Property, plant and equipment (note 2)
- Disclosures for valuation methods, significant estimates and assumptions (note 24)
- Financial instruments (including those carried at amortised cost) (note 31)
- Comparison of carrying value and fair value of financial instruments (note 31)
- Quantitative disclosures of fair value measurement hierarchy (note 32)

Notes to the financial statements for the year ended March 31, 2017

H. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, cash discounts and volume rebates.

Revenue from services

Revenues from management services are recognized as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

Insurance Claim

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

I. Taxes

Current income tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the Income Tax Act, 1961, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance note on accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as deferred tax asset in the statement of financial position when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

J. Property, plant and equipment

The Company has measured property, plant and equipment except vehicle, furniture and fixture and office equipments at fair value as on transition date i.e. April 1, 2015 which has become its deemed cost. In respect of vehicle, furniture and fixture and office equipments, the Company has applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at April 1, 2015.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost net of impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates based on estimated useful life of an asset which coincide with Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

K. Intangible Assets

The Company has measured intangible assets at carrying value as recognised in the financial statements as on transition date i.e. April 1, 2015 which has become its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of amortization policies applied to the Company's intangible assets is as below:

	Useful live
Computer software	3 to 5 years

L. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

M. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined there are no arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Where the Company is lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs [See note 1(l)]. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payment to lessor is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Operating lease payments are recognised as an income in the statement of profit and loss on a straight-line basis over the lease term, unless the receipt from lessee is structured to increase in line with expected general inflation and compensate for the lessor's expected inflation cost increase.

N. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

O. Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

P. Retirement and other employee benefits

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund, pension fund, superannuation fund and Employees state insurance (ESI) are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Re-measurements, comprising of re-measurement gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

Past service costs are recognised in statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, 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 the actuarial valuation using the projected unit credit method at the year-end. Re measurement gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Q. **Share-based payments**

Certain senior executives of the Company receive remuneration in the form of share-based payments whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The Company has chosen first time adoption exemption and has not applied Ind AS 102 to equity instruments that vested before date of transition to Ind AS. Refer note 44.

Cost is recognised, together with a corresponding increase in Employee stock option outstanding in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions of Company are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit or loss.

R. **Earnings per Share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

S. Financial Instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

- Debt instruments at amortised cost
- Debt instruments and derivatives at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to note 8.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investment in mutual funds and derivative instruments as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables')

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk of customer has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 13.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified subsidiary fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

T. Segment reporting

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

U. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

V. Cash dividend distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

Notes to the financial statements for the year ended March 31, 2017

2. Property, plant and equipment

(₹ Crore)

	Land	Land (Leasehold)	Building	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total
Cost								
As at April 01, 2015	14.42	0.34	58.62	0.67	0.55	1.14	1.69	77.43
Additions during the year	3.30	–	–	–	1.75	0.92	3.43	9.40
Disposals during the year	–	0.33	–	–	–	0.35	0.41	1.09
As at March 31, 2016	**17.72**	**0.01**	**58.62**	**0.67**	**2.30**	**1.71**	**4.71**	**85.74**
Additions during the year	–	–		0.31	0.10	0.85	2.12	3.38
Disposals during the year	–	–		0.07	0.32	0.36	1.17	1.92
As at March 31,2017	**17.72**	**–**	**58.62**	**0.91**	**2.08**	**2.20**	**5.66**	**87.20**
Depreciation								
As at April 01, 2015	–	–	–	–	–	–	–	–
Charge for the year	–	0.01	2.29	0.16	0.40	0.23	0.87	3.96
On Disposals	–	–	–	–	–	0.21	0.39	0.60
As at March 31, 2016	**–**	0.01	**2.29**	**0.16**	**0.40**	**0.02**	**0.48**	**3.36**
Charge for the year	–	–	2.29	0.18	0.62	0.35	1.39	4.83
On Disposals	–	–	–	0.06	0.23	0.34	1.16	1.79
As at March 31,2017	**–**	**0.01**	**4.58**	**0.28**	**0.79**	**0.03**	**0.71**	**6.40**
Net Block								
As at March 31,2017	**17.72**	**-**	**54.04**	**0.63**	**1.29**	**2.17**	**4.95**	**80.80**
As at March 31, 2016	**17.72**	**-**	**56.33**	**0.51**	**1.90**	**1.69**	**4.23**	**82.38**
As at April 01, 2015	**14.42**	**0.34**	**58.62**	**0.67**	**0.55**	**1.14**	**1.69**	**77.43**

3. Intangible Assets

(₹ Crore)

	Computer Software
Cost	
As at April 01, 2015	**0.73**
Additions during the year	0.29
Disposals during the year	–
As at March 31, 2016	**1.02**
Additions during the year	1.30
Disposals during the year	–
As at March 31,2017	**2.32**
Amortisation	
As at April 01, 2015	
Charge for the year	0.40
On Disposals	–
As at March 31, 2016	**0.40**
Charge for the year	0.53
On Disposals	–
As at March 31,2017	**0.93**
Net Block	
As at March 31, 2017	**1.39**
As at March 31,2016	**0.62**
As at April 01, 2015	**0.73**

4. Intangible assets under development

(₹ Crore)

	Intangible assets under development
Cost	
As at April 01, 2015	**–**
Additions during the year	0.69
Disposals during the year	–
As at March 31, 2016	**0.69**
Additions during the year	0.31
Disposals during the year	0.87
As at March 31,2017	**0.13**

Notes to the financial statements for the year ended March 31, 2017

5. Investments

(₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Cost						
Unquoted equity shares (Investment in subsidiaries)						
234,251,187 (March 31, 2016: 234,251,187, April 01, 2015: 215,000,000) Shares of ₹ 10/- each fully paid up in Dalmia Cement (Bharat) Limited	842.44		836.68		216.15	
420,000 (March 31, 2016: 420,000, April 01, 2015: 420,000) Shares of ₹ 10/- each fully paid up in Kanika Investment Limited	2.32		2.32		2.32	
500,000 (March 31, 2016: 500,000, April 01, 2015: 500,000) Shares of ₹ 10/- each fully paid up in Dalmia Power Limited	0.50		0.50		0.50	
50,000 (March 31, 2016: 50,000, April 01, 2015: 50,000) Shares of ₹ 10/- each fully paid up in Adwetha Cement Holdings Limited	0.05	845.31	0.05	839.55	–	218.97
Quoted Equity Shares						
14,829,764 (March 31, 2016: 14,829,764, April 01, 2015: 14,829,764) Equity Shares of ₹ 2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		28.94		28.94		28.94
Unquoted Equity Shares (Others)						
20 (March 31, 2016: 20, April 01, 2015: 20) Shares of ₹ 10/- each fully paid up in Asian Refractories Limited (under liquidation)	((200))		((200))		((200))	
25 (March 31, 2016: 25, April 01, 2015: 25) Shares of ₹10/- each fully paid up in Assam Bengal Cement Company Limited (under liquidation)	((144))		((144))		((144))	
Nil (March31, 2016: Nil, April 01, 2015: 49,290) Shares of ₹ 10/- each fully paid up in Dalmia Electrodyne Technologies (P) Limited.	–		–		1.75	
250 (March 31, 2016: 250, April 01, 2015: 250) Shares of ₹ 10/- each fully paid up in Haryana Financial Corporation	((2500))		((2500))		((2500))	
	–		–		1.75	
Less: Provision for diminution in value of Investments	–	–	–	–	1.75	–
		874.25		**868.49**		**247.91**
Aggregate book value of quoted investments		28.94		28.94		28.94
Aggregate market value of quoted investments		257.30		147.63		25.80
Aggregate book value of unquoted investments		845.31		839.55		218.97
Aggregate amount of impairment in value of investments		–		–		–

Notes to the financial statements for the year ended March 31, 2017

6. Financial assets

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(i) Investments			
Fair Value through Profit and Loss			
A. Venture Capital Fund (Unquoted)			
1,188 (March 31, 2016: 1,188, April 01, 2015: 1,188) Units of ₹ 60,430/- (Mar 31, 2016: ₹79,930/-, April 01, 2015: 86,750) each fully paid up in Urban Infrastructure Opportunities Fund	4.81	8.99	12.14
At amortised cost			
B. Tax free Bonds (quoted)			
8.30% NHAI tax free bonds	0.25	0.25	0.25
Total	**5.06**	**9.24**	**12.39**
Aggregate book value of quoted investments	0.25	0.25	0.25
Aggregate market value of quoted investments	0.29	0.29	0.28
Aggregate book value of unquoted investments	4.81	8.99	12.14
(ii) Loans			
(Considered good and unsecured unless otherwise stated)			
Loans and advances to:			
Employees*	0.79	0.81	0.78
Others	26.76	27.08	29.14
	27.55	**27.89**	**29.92**
* Due from officers ₹ 0.79 Crore (31 March 2016: ₹ 0.81 Crore, April 01, 2015: 0.78 Crore)			
(iii) Other financial assets			
(Considered good and unsecured unless otherwise stated)			
Security deposit made	2.00	2.07	0.61
Deposit with original maturity of more than 12 months (pledged with bank)	–	1.99	–
	2.00	**4.06**	**0.61**

Break up of financial assets carried at amortised cost

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investments	0.25	0.25	0.25
Employee loans	0.79	0.81	0.78
Other loans	26.76	27.08	29.14
Security Deposits	2.00	2.07	0.61
Deposit with original maturity of more than 12 months	–	1.99	–
Total financial assets carried at amortised cost	29.80	32.20	30.78

7. Other non-current assets

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(Considered good and unsecured unless otherwise stated)			
Advances other than capital advance			
Advances to related parties	7.32	7.38	7.32
Prepayments	2.17	0.43	0.45
Other advances			
Advance Income Tax (net of provision for tax March 31, 2017; Rs.50.32, March 31, 2016; Rs. 32.53, April 01, 2015 ; Rs.11.93)	7.27	26.33	25.12
	16.76	**34.14**	**32.89**

Notes to the financial statements for the year ended March 31, 2017

8. Financial assets

(i) Investments (₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
At fair value through profit and loss						
Units of Mutual Funds (Quoted)						
Debt based schemes		44.24		41.91		190.65
Quoted Equity Shares						
5,20,400 (March 31, 2016: 5,20,400, April 01, 2015: 5,20,400) Shares of ₹ 1/- each fully paid up in The Ramco Cements Limited	35.00		20.81		15.88	
50,000 (March 31, 2016: 50,000, April 01, 2015: 50,000) Shares of ₹ 10/- each fully paid up in Poddar Pigments Limited.	1.33		0.74		0.62	
12,900 (March 31, 2016: 12,900, April 01, 2015: 12,900) Shares of ₹ 10/- each fully paid up in Reliance Industries Limited	1.70		1.35		1.07	
		38.03		22.90		17.57
Total		**82.27**		**64.81**		**208.22**
Aggregate book value of quoted investments		82.27		64.81		208.22
Aggregate market value of quoted investments		82.27		64.81		208.22
Aggregate book value of unquoted investments		–		–		–

(ii) Trade Receivables (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade receivables	0.25	0.63	1.12
Receivables from other related parties (Note 30)	12.81	35.94	27.23
Total Trade receivables	**13.06**	**36.57**	**28.35**
Break-up for security details :			
Trade receivables			
Unsecured, considered good	13.06	36.57	28.35
Doubtful	0.08	0.06	–
	13.14	**36.63**	**28.35**
Impairment Allowance (allowance for bad and doubtful debts)			
Doubtful	0.08	0.06	–
	0.08	**0.06**	**–**
Total Trade receivables	**13.06**	**36.57**	**28.35**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

(iii) Cash and cash equivalents (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with Banks :			
- On current accounts	2.44	1.33	4.41
Cash on hand	0.04	0.04	0.07
Cheques on hand	0.11	0.59	3.01
	2.59	**1.96**	**7.49**

(iv) Bank balance other than (iii) above (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with Banks :			
- Un paid dividend account	1.78	3.66	1.17
	1.78	**3.66**	**1.17**

At 31 March 2017, the Company had available ₹ 15.00 Crore (31 March 2016: ₹ 15.00 Crore, 1 April 2015: ₹ Nil) of undrawn committed borrowing facilities.

8. Financial assets *(contd...)*

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following: (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with banks:			
– On current accounts	2.44	1.33	4.41
Cash on hand	0.04	0.04	0.07
Cheques on hand	0.11	0.59	3.01
	2.59	**1.96**	**7.49**

(v) Loans (Considered good and unsecured unless otherwise stated) (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans			
Employees*	1.49	1.28	1.13
Related parties (Note 30)	471.85	439.19	34.00
Others	29.90	40.00	40.00
	503.24	**480.47**	**75.13**

* Due from officers ₹ 1.49 Crore (31 March 2016: ₹ 1.28 Crore, April 01, 2015: 1.13 Crore)

(vi) Other financial assets (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(Considered good and unsecured unless otherwise stated)			
Security deposit made	0.02	–	–
Interest Receivable	39.83	6.24	2.48
	39.85	**6.24**	**2.48**

Break up of financial assets carried at amortised cost (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Loans to employees	1.49	1.28	1.13
Loans to related parties	471.85	439.19	34.00
Loans to others	29.90	40.00	40.00
Trade receivable	13.06	36.57	28.35
Cash and cash equivalents	4.37	5.62	8.66
Security deposit made	0.02	–	–
Interest Receivable	39.83	6.24	2.48
	560.52	**528.90**	**114.62**

Break up of financial assets carried at fair value through profit or loss (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment - Mutual Funds	44.24	41.91	190.65
Investment - Quoted equity shares	38.03	22.90	17.57
	82.27	**64.81**	**208.22**

9. Other current assets (Considered good and unsecured unless otherwise stated)

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advances other than capital advance			
Advances			
Related parties	–	–	0.07
Others	7.34	1.56	1.21
Prepayments	1.04	0.66	0.40
Deposits and Balances with Government Departments and other authorities	1.13	1.13	0.15
	9.51	**3.35**	**1.83**

Notes to the financial statements for the year ended March 31, 2017

10. Equity Share Capital

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised :			
100,000,000 (March 31, 2016: 1,00,000,000, April 01, 2015: 1,00,000,000) Equity shares of ₹ 2/- each	20.00	20.00	20.00
	20.00	**20.00**	**20.00**
Issued, Subscribed and Fully Paid Up :			
8,89,65,803 (March 31, 2016: 8,87,93,303, April 01, 2015: 8,11,89,303) Equity Shares of ₹ 2/- each	17.79	17.76	16.24
	17.79	**17.76**	**16.24**

a. **Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting year**

	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the year	88,793,303	17.76	81,189,303	16.24	81,189,303	16.24
Add : Issued during the year	172,500	0.03	7,604,000	1.52	–	–
At the end of the year	88,965,803	17.79	88,793,303	17.76	81,189,303	16.24

b. **Terms/ rights attached to Equity shares**

The Company has only one class of equity shares having a face value of ₹2 per share. Each equity shareholder is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of winding-up of the Company, the equity shareholders shall be entitled to be repaid remaining assets of the company after distribution of all preferential amounts in the ratio of the amount of capital paid up on such equity shares.

Out of total equity share capital 75,00,000 equity shares of Rs 2 each allotted on preferential basis in accordance with the SEBI ICDR Regulations and other applicable provisions of the companies Act, 2013 were subject to lock in period of 1 year from the date of receipt of trading approval. The lock in period expires on 06th April 2017.

c. **Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the Balance Sheet date**

	During a period of 5 years up to 31 March 17	During a period of 5 years up to 31 Mar 16	During a period of 5 years up to 01 Apr 15
	No. of Shares	No. of Shares	No. of Shares
Shares issued pursuant to Scheme of Arrangement between the Company and Dalmia Cement (Bharat) Limited (formerly Avnija Properties Limited), DCB Power Ventures Limited, Dalmia Bharat Sugar and Industries Limited (formerly Dalmia Cement (Bharat) Limited) without payments being received in cash.	–	–	80,939,303
Shares issued as consideration for purchase of shares of Dalmia Cement (Bharat) Limited without payment being received in cash	7,500,000	7,500,000	–

d. **Details of shareholders holding more than 5% shares in the Company**

	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Mayuka Investment Limited	19,416,527	21.82%	17,887,537	20.15%	17,887,537	22.03%
Shree Nirman Limited	7,761,010	8.72%	7,753,890	8.73%	7,753,890	9.55%
KKR Mauritius Cements Investments Limited	7,500,000	8.43%	7,500,000	8.45%	–	–
Sita Investment Company Limited	6,643,560	7.47%	5,876,800	6.62%	5,876,800	7.24%
Ankita Pratisthan Limited	6,406,270	7.20%	5,829,070	6.56%	5,829,070	7.18%

11. Other equity

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Employee stock option outstanding			
Opening Balance as per last financial statements	5.48	2.89	-
Add: Addition during the year	5.52	2.59	2.89
Closing Balance	**11.00**	**5.48**	**2.89**
Business Restructuring Reserve			
Opening Balance as per last financial statements	469.69	469.69	469.69
Closing Balance	**469.69**	**469.69**	**469.69**
Securities Premium Reserve			
Opening Balance as per last financial statements	618.81	-	-
Add: Addition during the year	3.66	618.81	-
Closing Balance	**622.47**	**618.81**	**-**
General Reserve			
Opening Balance as per last financial statements	17.31	17.31	14.80
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-	2.51
Closing Balance	**17.31**	**17.31**	**17.31**
Retained earnings			
Balance as per last financial statements	192.79	161.09	
Add: Profit for the year	63.37	62.48	
	256.16	223.57	
Add: Provision for dividend distribution tax written back	-	1.64	
Less: Appropriations			
Dividend paid	-	12.18	
Interim Dividend	-	17.76	
Dividend distribution tax	-	2.97	
Total Appropriations	-	32.91	
Net Surplus in the statement of Profit and Loss	**256.16**	**192.30**	
Items of other comprehensive income recognised directly in retained earnings			
Remesurement of post employment benefit obligation, net of tax	(2.46)	0.49	
	253.70	**192.79**	
Total Other Equity	**1,374.17**	**1,304.08**	
Distribution made and proposed			
Cash dividends on equity shares paid :			
Final dividend for the year ended on March 31, 2017 : Nil Per share (March 31, 2016: Rs. 2.00 Per share, April 01, 2015: Rs. Nil Per share)	-	12.18	-
Interim dividend for the year ended on March 31, 2017 : Nil Per share (March 31, 2016: Rs. 2.00 Per share, April 01, 2015: Rs. Nil Per share)	-	17.76	-
	-	**29.94**	**-**
Proposed dividends on equity shares:			
Proposed dividend for the year ended on March 31, 2017: Rs. 2.20 per share (March 31, 2016 : Rs. Nil per share, April 1, 2015 : Rs. 1.50 per share)	19.57	-	12.18
	19.57	**-**	**12.18**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31st March 2017.

Notes to the financial statements for the year ended March 31, 2017

12. Financial liabilities

(₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
(i) Borrowings						
Secured						
Rupee term loan from bank	–		74.09		–	
Less: Shown in current maturities of long term borrowings	–	–	7.00	67.09	–	–
Obligations under finance lease (Note 27)		1.85		1.92		–
		1.85		**69.01**		**–**

Nil (March 31, 2016: ₹74.09 Cr, April 01, 2015: Nil) are secured by a first Pari Passu charge on all movable fixed assets, equitable mortgage on all immovable fixed assets of the Company and exclusive charge by way of hypothecation on receivables under management contracts with group companies at base rate (Presently 10.65%) (Effective interest rate- 11.15%). It is prepaid in October 2016.

Financial liabilities carried at amortised cost						
Borrowings		1.85		69.01		–
		1.85		**69.01**		**–**

13. Provisions

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for leave encashment	3.85	3.19	3.08
Provision for employee benefits	–	12.88	7.22
	3.85	**16.07**	**10.30**

14. Income tax

(i) **The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:**

(₹ Crore)

	March 31, 2017	March 31, 2016
Statement of profit and loss:		
Current income tax charge	29.67	20.54
Deferred Tax charge / (Credit)	1.19	(2.73)
Prior year tax charge	–	0.74
Income tax expense reported in the statement of profit or loss	**30.86**	**18.55**
OCI Section		
Re-measurement (gains)/ losses on defined benefit plans		
Income tax related to items recognized in OCI during the year	1.30	(0.26)
	1.30	**(0.26)**

(ii) **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2016:**

(₹ Crore)

	March 31, 2017	March 31, 2016
Accounting Profit before tax	94.23	81.03
Applicable tax rate	34.608%	34.608%
Computed Tax Expense	**32.61**	**28.04**
Adjustments in respect of current income tax of previous years	–	0.74
Expense considered for tax purpose	–	(0.37)
Dividend income/capital gains exempt from tax	(3.65)	(10.90)
Non-deductible expenses for tax purposes	1.90	1.04
Disallowance under rule 14A	–	–
Income tax reported in Statement of Profit and Loss	**30.86**	**18.55**

14. Income tax *(contd...)*

(iii) Deferred tax:

Deferred tax relates to the following:

	Balance Sheet			As per Profit & Loss	
	As on March 31, 2017	As on March 31, 2016	As on April 01, 2015	March 31, 2017	March 31, 2016
Property Plant and equipment	22.09	22.98	23.19	(0.89)	(0.21)
Others	2.53	1.38	3.30	1.15	(1.92)
Less:					
Expenses allowable for tax purpose when paid	0.95	0.61	0.27	(0.34)	(0.34)
Provision for doubtful debts and advances	0.03			(0.03)	–
Deferred tax expense/(income)				**(0.11)**	**(2.47)**
Net deferred tax assets/(liabilities)	**23.64**	**23.75**	**26.22**		

(₹ Crore)

	As on March 31, 2017	As on March 31, 2016
Reconciliation of deferred tax (assets)/ liabilities (net):		
Opening balance as of 1 April	23.75	26.22
Tax income/(expense) during the period recognised in profit or loss	(0.90)	(1.57)
Tax income/(expense) during the period recognised in OCI	0.79	(0.90)
Closing balance as at 31 March	**23.64**	**23.75**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

15. Financial liabilities

(i) Borrowings

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured			
Commercial Paper	197.65	147.85	–
	197.65	**147.85**	**–**

Commercial papers referred above are payable in next three months and carry interest rate in the range of 6.80% to 7.10% per annum.

(ii) Trade payables

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Total outstanding dues of micro and small enterprises	–	–	–
Total outstanding dues of creditors other than micro and small enterprises *	20.87	20.07	11.51
	20.87	**20.07**	**11.51**

* Trade Payables includes due to related parties ₹ Nil (31 March, 2016: ₹ Nil, 1 April, 2015 : ₹ Nil)

(iii) Other financial liabilities

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of long term borrowings	–	7.00	–
Interest accrued but not due on borrowings	–	0.02	–
Security deposit received	–	–	0.08
Directors' Commission payable	0.47	0.40	0.21
Unclaimed Dividend	1.78	3.66	1.17
Capital crediotrs	0.15	0.21	–
	2.40	**11.29**	**1.46**

Notes to the financial statements for the year ended March 31, 2017

15. Financial liabilities *(contd...)*

Financial liabilities carried at amortised cost

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payables	20.87	20.07	11.51
Borrowings	197.65	147.85	–
Current maturities of long term borrowings	–	7.00	–
Interest accrued but not due on borrowings	–	0.02	–
Security deposit received	–	–	0.08
Directors' Commission payable	0.47	0.40	0.21
Unclaimed Dividend*	1.78	3.66	1.17
Capital crediotrs	0.15	0.21	–
	220.92	**179.21**	**12.97**

* Not due for deposit in Investor Education & Protection Fund.

16. Other current liabilities

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advances from customers	0.30	–	–
Other liabilities			
- Statutory dues	6.90	4.66	2.55
- Others	–	1.98	–
	7.20	**6.64**	**2.55**

17. Provisions

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for leave encashment	2.18	2.02	1.50
Provision for employee benefits	8.64	6.03	5.79
	10.82	**8.05**	**7.29**

18. Revenue from Operations

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Management services	201.29	186.04
Brand Fee	20.84	18.07
Other Operating revenue	0.38	0.20
	222.51	**204.31**

19. Other Income

(₹ Crore)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Dividend income				
from non-current Investments from Subsidiary company		–		23.43
from non-current Investments (other than Subsidiary)		–		0.89
from current Investments		0.01		0.29
Interest Income		49.25		11.91
Profit on sale/ fair value gain/ (loss) of Investments	15.56		14.59	
Less: Loss on sale of current Investments	0.12	15.44	0.02	14.57
Miscellaneous Receipts		0.23		1.73
		64.93		**52.82**

20. Employee benefits expense

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, Wages and Bonus	100.81	98.09
Contribution to Provident and Other Funds	1.10	4.61
Expenses on Employees Stock Options Scheme (net)	1.36	1.29
Workmen and Staff Welfare expenses	7.19	6.17
	110.46	**110.16**

21. Finance Costs

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest		
- On term loans	4.05	0.22
- On short term borrowings	14.49	1.19
- Others	0.18	–
Other borrowing cost	2.75	0.61
	21.47	**2.02**

22. Other Expenses

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Repairs and Maintenance- Others	2.52	1.13
Rent	5.31	4.29
Professional Charges	8.67	15.76
Rates and Taxes	0.24	1.66
Travelling Expenses	6.75	6.18
Computer Expenses	10.48	6.02
Advertisement and Publicity	8.21	8.41
Charity and Donation	0.51	-
Corporate social responsibility expenses	0.81	0.88
Miscellaneous Expenses	12.42	15.23
	55.92	**59.56**

23. Earning Per Share

	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic EPS		
Net Profit for calculation of Basic EPS (₹ Crore)	63.37	62.48
Total number of equity shares outstanding at the end of the year	88,965,803	88,793,303
Weighted average number of equity shares in calculating Basic EPS	88,853,874	81,693,079
Basic EPS (₹)	7.13	7.65
Diluted EPS		
Net Profit for calculation of Diluted EPS (₹ Crore)	63.37	62.48
Weighted average number of equity shares	88,853,874	81,693,079
Add: Weighted average number of potential equity shares	688,419	493,660
Weighted average number of equity shares for calculation of diluted EPS	89,542,293	82,186,739
Diluted EPS (₹)	7.07	7.60

Notes to the financial statements for the year ended March 31, 2017

24. Disclosure of significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions

The judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant judgements, estimates and assumptions are as specified below:-

Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using black-Scholes model to determine the fair value of the liability incurred. Estimating fair value for equity-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, risk free rate, expected dividend yield, market price and exercise price and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be disclosed at the carrying amount at end of each reporting period up to the date of settlement. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 26. Change in assumptions for estimating fair value of share-based payment transactions is expected to have insignificant impact on income statement.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company is having brought forward losses and unabsorbed depreciation that may be used to offset taxable income. The Company has tax planning opportunities available that could support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax losses carried forward.

The Company has created deferred tax asset on other deductible temporary differences, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. Further details on taxes are disclosed in note 14.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2006-08. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 25.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 31 and 32 for further disclosures.

Property, plant and equipment

The Company measures certain property, plant and equipment at fair values as deemed cost with changes in fair value being recognised in retained earnings as on transition date and use it as its deemed cost as at the date of transition. The Company engaged an independent valuation specialist to assess fair value at April 1, 2015 for revalued property, plant and equipment. Property, plant and equipment were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

If the fair value of the property, plant and equipment had been 10% higher or lower than management's estimate, the profit before tax would have been decreased/ increased respectively by ₹ 0.22 (March 31, 2016: ₹ 0.22) due to increase/ decrease in depreciation.

Impairment of property, plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived based on remaining useful life of the respective assets. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

There are no impairment losses recognized for the years ended March 31, 2017 and March 31, 2016.

Impairment of financial assets

The impairment provisions for financial assets disclosed in note 8 are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

25. Gratuity and Other Post Employment Benefit Plans

Gratuity

The Company has a defined benefit gratuity plan. The gratuity is governed by the Payment of Gratuity Act, 1972. Under the Act employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded through Gratuity Fund Trust with an insurance company in the form of a qualifying insurance policy. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Company makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

Provident Fund ('PF')

The Company contributes provident fund liability to Dalmia Cement Provident Fund Trust. As per the Guidance Note on implementing notified AS 15, Employee Benefits issued by the Ministry of Corporate Affairs (MCA), provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The following tables summarize the components of net employee benefit expenses recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the above mentioned plan.

Statement of Profit and Loss

Net employee benefit expenses (recognised in Employee Benefits Expenses) (₹)

Particulars	Gratuity (Funded)		PF (Funded)	
	2016-17	2015-16	2016-17	2015-16
Current Service Cost	1.33	0.99	3.04	2.80
Interest cost on benefit obligation	0.24	0.19	1.33	0.42
Net Benefit Expense	**1.57**	**1.18**	**4.37**	**3.22**

Notes to the financial statements for the year ended March 31, 2017

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2017 (₹ Crore)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2016 (1)	8.81	5.66	3.15	25.39	24.93	0.46
Service cost (2)	1.33	-	1.33	3.04	-	3.04
Net interest expense/ (income) (3)	0.66	0.42	0.24	3.30	1.97	1.33
Sub-total included in profit or loss (note 26) (2+3)=4	**1.99**	**0.42**	**1.57**	**6.34**	**1.97**	**4.37**
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	–	0.09	(0.09)	–	1.33	(1.33)
(Gain)/loss from changes in demographic assumptions (6)	0.01	–	0.01	–	–	–
(Gain)/loss from changes in financial assumptions (7)	–	–	–	–	–	–
Experience (gains)/losses (8)	3.84	–	3.84	0.45	–	0.45
Sub-total included in OCI (5+6+7+8)= (9)	**3.85**	**0.09**	**3.76**	**0.45**	**1.33**	**(0.88)**
Contributions by employer (10)	-	0.03	(0.03)	-	3.04	(3.04)
Contribution by plan participation/ employees (11)	–	–	–	5.22	5.22	–
Settlements/ (Transfer in) (12)	–	–	–	13.54	13.54	–
Benefits paid (13)	(0.42)	(0.42)	–	(1.74)	(1.74)	–
Sub-total included in OCI (10+11+12+13)= (14)	**(0.42)**	**(0.39)**	**(0.03)**	**17.02**	**20.06**	**(3.04)**
March 31, 2017 (1+4+9+14)	**14.23**	**5.78**	**8.45**	**49.20**	**48.29**	**0.91**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2016 (₹ Crore)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B	Net obligation (A-B)
April 1, 2016 (1)	8.59	5.82	2.77	17.10	16.77	0.33
Service cost (2)	0.99	–	0.99	2.80	–	2.80
Net interest expense/ (income) (3)	0.64	0.45	0.19	1.75	1.32	0.43
Sub-total included in profit or loss (note 26) (2+3)=4	**1.63**	**(0.45)**	**1.18**	**4.55**	**(1.32)**	**3.23**
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	–	0.01	(0.01)	–	0.42	(0.42)
(Gain)/loss from changes in demographic assumptions (6)	–	–	–	–	–	–
(Gain)/loss from changes in financial assumptions (7)	0.11	–	0.11	–	–	–
Experience (gains)/losses (8)	(0.85)	–	(0.85)	0.13	–	0.13
Sub-total included in OCI (5+6+7+8)= (9)	**(0.74)**	**0.01**	**(0.75)**	**0.13**	**0.42**	**(0.29)**
Contributions by employer (10)	–	0.09	(0.09)	–	2.80	(2.80)
Contribution by plan participation/ employees (11)	–	–	–	4.17	4.18	(0.01)
Settlements/ (Transfer in) (12)	–	(0.04)	0.04	(0.03)	(0.03)	–
Benefits paid (13)	(0.67)	(0.67)	-	(0.53)	(0.53)	–
Sub-total included in OCI (10+11+12+13)= (14)	**(0.67)**	**(0.62)**	**(0.05)**	**3.61**	**(6.42)**	**(2.81)**
March 31, 2017 (1+4+9+14)	**8.81**	**5.66**	**3.15**	**25.39**	**24.93**	**0.46**

The Company expects to contribute ₹ 9.59 Crore (March 31, 2016: ₹ 6.11 Crore) to gratuity in 2017-18. The Company expects to contribute ₹ 3.19 Crore (March 31, 2016: ₹ 3.08 Crore) to PF in 2017-18.

The major categories of plan assets of the fair value of the total plan assets of Gratuity and PF are as follows:- (₹ Crore)

	Gratuity (Funded)			PF (Funded)		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Unquoted investments:						
Insurance Company Products	5.78	5.66	5.79	–	–	–
Bank Balance	–	–	0.03	–	–	–
Government securities as defined under PF rules	–	–	–	48.29	24.93	16.77
Total	**5.78**	**5.66**	**5.82**	**48.29**	**24.93**	**16.77**

The principal assumptions used in determining gratuity and PF for the Company are shown below:

	Gratuity (Funded)			PF (Funded)		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
	%	%	%	%	%	%
Discount rate	7.50	7.50	7.75	6.89	7.89	7.90
Future salary increases	7.00	7.00	7.00	–	–	–
	Years	Years	Years			
Life expectation for	39.87	40.36	39.75	–	–	–
Mortality Table	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 and March 31, 2016 is as shown below:

Gratuity Plan: (%)

Assumption	Discount rate				Future salary increases			
Sensitivity Level	1% Decrease		1% Increase		1% Decrease		1% Increase	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Impact on defined benefit obligation	0.70	0.38	(0.61)	(0.33)	(0.62)	(0.32)	0.70	(0.35)
Impact on defined benefit obligation (Change in %)	4.90%	4.30%	(4.30%)	(3.70%)	(4.40%)	(3.60%)	4.90%	4.00%

PF: (₹ Crore)

Assumption	Discount rate				Future salary increases			
Sensitivity Level	1% Decrease		1% Increase		1% Decrease		1% Increase	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Impact on defined benefit obligation	1.60	0.82	(0.62)	(0.35)	(0.61)	(0.32)	2.86	1.43
Impact on defined benefit obligation (Change in %)	3.30%	3.20%	(1.30%)	(1.40%)	(1.20%)	(1.20%)	5.80%	5.60%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years: (₹ Crore)

	Gratuity (Funded)		PF (Funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Within the next 12 months (next annual reporting period)	8.03	3.83	7.21	6.01
Between 2 and 5 years	2.53	1.67	24.46	12.78
Between 5 and 10 years	3.52	2.07	18.06	9.55
Beyond 10 years	8.69	6.18	62.31	32.91
Total expected payments	**22.77**	**13.75**	**112.04**	**61.25**

The average duration of the defined benefit plan obligation for gratuity at the end of the reporting period is 4 years (March 31, 2016: 4 years) and for PF at the end of the reporting period is 4 years (March 31, 2016: 4 years).

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:-

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. The plan asset investments is in insurance company products and in government securities. The investments are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

Asset liability matching risk

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

Liquidity Risk

The Company actively monitors how the duration and the expected yield of investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods.

26. Share – based payments

Under the senior executive plan, share options of the Company are granted to senior executives of the Company with more than 12 months of service. In all the cases, the exercise price of the share options is lower than the market price of the underlying shares on the date of grant. The share options vest if and when the Company achieve targeted share price and on achievement of individual performance by employees which will be vested over a period of 5 years.

The fair value of the share options is estimated at the grant date using the Black- Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

Options have been granted with vesting period of 5 years on the basis of graded vesting and are exercisable for a period of 3 years once vested. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

The expense recognised for employee services received during the year is shown in the following table: (₹ Crore)

	March 31, 2017	March 31, 2016
Expense arising from equity-settled share-based payment transactions	1.36	1.29
Total expense arising from share-based payment transactions	**1.36**	**1.29**

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	March 31, 2017 Number	March 31, 2017 WAEP	March 31, 2016 Number	March 31, 2016 WAEP
Outstanding at the beginning of the year	5,12,000	158.84	5,96,000	128.00
Granted during the year	–	–	86,000	267.15
Exercised during the year	(1,47,000)[1]	114.62	(86,000)[2]	105.50
Expired/ Lapsed during the year	(66,000)	105.50	(84,000)	105.50
Outstanding at the end of the year	2,99,000	192.35	5,12,000	158.84
Exercisable at the end of the year	–	–	–	–

[1] The weighted average share price at the date of exercise of these options is ₹ 1,935.77

[2] The weighted average share price at the date of exercise of these options is ₹ 713.28

The weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 4.57 years (March 31, 2016: 4.59 years, April 1, 2015: 4.88 years).

The weighted average fair value of options granted during the year was ₹ Nil (March 31, 2016: ₹ 479.29).

The range of exercise prices for options outstanding at the end of the year is ₹ 105.50 to ₹ 383.53 (March 31, 2016: ₹ 105.50 to ₹ 383.53, April 1, 2015: ₹ 105.50 to ₹ 217.23).

The following table list the inputs to the models used for the plan for the year ended March 31, 2017 and March 31, 2016:-

	Grant 1	Grant 2	Grant 3
Dividend yield (%)	1.42	0.40	0.21
Volatility (%)	42.76	48.58	46.92
Risk–free interest rate (%)	8.16	7.71	7.54
Average expected life of options (years)	4.50	4.53	4.51
Weighted average share price (₹)	105.95	502.05	713.80
Date of grant	May 18, 2012	January 29, 2015	February 03, 2016
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model

The following table list the inputs to the models used for the plan for the year ended April 1, 2015:-

	Grant 1	Grant 2
Dividend yield (%)	1.42	0.40
Volatility (%)	42.76	48.58
Risk–free interest rate (%)	8.16	7.71
Average expected life of options (years)	4.50	4.53
Weighted average share price (₹)	105.95	502.05
Date of grant	May 18, 2012	January 29, 2015
Model used	Black Scholes Model	Black Scholes Model

27. Finance Lease

The Company has finance leases contracts for various items of office equipment's. Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the net minimum lease payments are, as follows:

(₹ Crore)

	March 31, 2017		March 31, 2016		April 01, 2015	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
within one year	1.34	1.12	1.34	1.24	–	–
After one year but not more than five years	3.91	2.70	5.25	3.82	–	–
more than five years	–	–	–	–	–	–
Total minimum lease payments	5.25	3.82	6.59	5.06	-	-
Less: amounts representing finance charges	(1.43)	–	(1.53)	–	–	–
Present value of minimum lease payments	3.82	3.82	5.06	5.06	–	–

28. Capital and Other commitments

(₹ Crore)

	March 31, 2017	March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.50	0.38

29. Contingent liabilities (Not provided for) in respect of:

(₹ Crore)

S. No.	Particulars	March 31, 2017	March 31, 2016	April 01, 2015
a)	Claims against the Company not acknowledged as debts	–	–	–
b)	Guarantee/ Counter Guarantees given to banks on account of loan given by the banks to Bodies Corporate (Subsidiary Company)	75.00	275.00	–

Notes to the financial statements for the year ended March 31, 2017

30. Related Party transactions

A) List of related parties along with nature and volume of transactions is given below:

Related Parties where control exists:-

(i) Subsidiaries of the Company

Dalmia Cement (Bharat) Limited, Dalmia Power Limited, Kanika Investment Limited, Adwetha Cement Holdings Limited (w.e.f. 05-01-2016).

(ii) Step down Subsidiaries of Company

Adhunik MSP Cement (Assam) Limited, Adhunik Cement Limited, Arjuna Brokers & Minerals Limited, Calcom Cement India Limited, D.I. Properties Limited, Dalmia Cement Bharat Holdings Limited, Dalmia Minerals & Properties Limited, Geetee Estates Limited, Golden Hills Resort Private Limited, Hemshila Properties Limited, Ishita Properties Limited, Jayevijay Agro farms Pvt Ltd, OCL India Limited, Rajputana Properties Private Limited, Shri Radha Krishna Brokers & Holdings Limited, Shri Rangam Properties Limited, Sri Dhandauthapani Mines & Minerals Limited, Sri Madhusudana Mines & Properties Limited, Sri Shanmugha Mines & Minerals Limited, Sri Subramanya Mines & Minerals Limited, Sri Swaminatha Mines & Minerals Limited, Sri Trivikrama Mines & Properties Limited, Bangaru Kamakshi Amman Agro Farms Private Limited (w.e.f. 29-04-15), Alsthom Industries Limited (w.e.f. March 31, 2017), Cosmos Cements Limited, Sutnga Mines Private Limited, Vinay Cements Limited, RCL Cements Limited, SCL Cements Limited, DCB Power Ventures Limited, Shri Rangam Securities & Holdings Limited, Dalmia Cement East Limited (formerly known as Bokaro Jaypee Cement Ltd), Odisha Cement Limited, OCL China Ltd., OCL Global Ltd,

Related parties transactions have taken place during the year:

(i) Associate of the Subsidiaries

Dalmia Renewables Energy Limited (w.e.f. February 06, 2017)

(ii) Joint Ventures of the Subsidiairy and step down Subsidiary Company

Khappa Coal Company Private Limited, Radhikapur (West) Coal Mining Private Limited

(iii) Key Management Personnel of the Company

Shri Jai Hari Dalmia – Managing Director, Shri Yadu Hari Dalmia-Managing Director, Shri Gautam Dalmia- Director, Shri Puneet Yadu Dalmia – Director, Shri Jayesh Doshi- Whole time Director and Nidhi Bisaria- Company Secretary

(iv) Enterprises controlled by the Key Management Personnel of the Company

Dalmia Refractories Limited, Dalmia Bharat Sugar and Industries Limited, Glow Home Technologies (P) Limited.

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

(₹ Crore)

Name of the Related Party	Nature of related party	Purchase of goods and services	Reimbursement of expense payable	Reimbursement of expense receivable	Sale of goods and services	Dividend received	Interest Income	Dividend paid	Shares purchased	Guarantee given	Director's Sitting Fees	Managerial Remuneration	Loans and advances given
Dalmia Cement (Bharat)	Subsidiary	-	0.93	0.67	87.31	-	-	-	-	-	-	-	-
Limited		-	(2.67)	(0.38)	(98.76)	(23.43)	-	-	-	-	-	-	-
Dalmia Cement East Limited	Step- down	-	-	0.05	6.80	-	-	-	-	-	-	-	-
	Subsidiary	-	(0.17)	-	(5.02)	-	-	-	-	-	-	-	-
Dalmia refractories limited	KMP Controlled	-	-	0.01	2.42	-	-	-	-	-	-	-	-
		-	-	-	(1.48)	-	-	-	-	-	-	-	-
Dalmia Bharat Sugar and	KMP Controlled	1.68	0.14	0.25	14.85	-	-	-	-	-	-	-	-
Industries Limited		(2.33)	(0.14)	(0.17)	(10.54)	(0.89)	(3.14)	(0.33)	-	-	-	-	-
OCL India Limited	Step- down	-	0.03	0.03	86.16	-	-	-	-	-	-	-	-
	Subsidiary	-	-	-	(59.24)	-	-	-	-	-	-	-	-
Adhunik Cement Limited	Step- down	-	0.10	0.13	7.20	-	0.36	-	-	-	-	-	-
	Subsidiary	-	-	-	(9.22)	-	(0.54)	-	-	-	-	-	-
Calcom Cement India Limited	Step- down	-	0.01	0.05	7.79	-	0.49	-	-	-	-	-	-
	Subsidiary	-	(0.02)	-	(17.46)	-	(1.02)	-	-	-	-	-	-
Adwetha Cement Holdings	Subsidiary	-	-	-	-	-	38.62	-	-	-	-	-	231.82
Limited		-	-	-	-	-	(2.60)	-	-	-	-	-	(467.51)
Dalmia Power Limited	Subsidiary	-	-	-	-	-	2.72	-	-	-	-	-	65.56
		-	-	-	-	-	-	-	(0.05)	(275.00)	-	-	(0.06)
DCB Power Ventures Limited	Step- down	-	-	-	-	-	0.01	-	-	-	-	-	18.00
	Subsidiary	-	-	-	(1.86)	-	-	-	-	-	-	-	-
Glow Home Technologies (P)	KMP Controlled	0.04	-	-	-	-	-	-	-	-	-	-	-
Limited		-	-	-	-	-	-	-	-	-	-	-	-
Shri Gautam Dalmia	Key Management	-	-	-	-	-	-	-	-	-	0.03	-	-
	Personnel	-	-	-	-	-	-	-	-	-	(0.03)	-	-
Shri J.H.Dalmia	Key Management	-	-	-	-	-	-	-	-	-	-	2.91	-
	Personnel	-	-	-	-	-	-	-	-	-	-	(2.71)	-
Shri Puneet Dalmia	Key Management	-	-	-	-	-	-	-	-	-	0.03	-	-
	Personnel	-	-	-	-	-	-	-	-	-	(0.03)	-	-
Shri Y.H.Dalmia	Key Management	-	-	-	-	-	-	-	-	-	-	2.81	-
	Personnel	-	-	-	-	-	-	-	-	-	-	(3.84)	-
Shri Jayesh Doshi	Key Management	-	-	-	-	-	-	-	-	-	-	5.61	-
	Personnel	-	-	-	-	-	-	-	-	-	-	(2.89)	-
Smt Nidhi Bisaria	Key Management	-	-	-	-	-	-	-	-	-	-	0.18	-
	Personnel	-	-	-	-	-	-	-	-	-	-	(0.13)	-
Total		**1.72**	**1.21**	**1.19**	**212.53**	**-**	**42.20**	**-**	**-**	**-**	**0.06**	**11.51**	**315.38**
		(2.33)	**(3.00)**	**(0.55)**	**(203.58)**	**(24.32)**	**(7.30)**	**(0.33)**	**(0.05)**	**(275.00)**	**(0.06)**	**(9.57)**	**(467.57)**

All figures in ( ) represent amount for the year ended March 31, 2016

Notes to the financial statements for the year ended March 31, 2017

C) Balance outstanding at year end:

(₹ Crore)

Name of Related Party	Nature of related party	Amounts payable	Loans receivable	Interest receivable	Trade receivable	Guarantee given
Adwetha Cement Holdings Limited	Subsidiary	-	421.01	37.09	-	75.00
		-	(439.19)	(2.34)	-	-
		-	-	-	-	-
Adhunik Cement Limited	Step down Subsidiary	-	-	-	0.07	-
		-	-	(0.84)	(2.81)	-
		-	-	((0.35))	((4.06))	-
Calcom Cement India Limited	Step down Subsidiary	0.49	-	-	-	-
		-	-	(0.98)	(4.46)	-
		-	-	((0.05))	((4.54))	-
Dalmia Bharat Cements Holdings Limited	Step down Subsidiary	-	-	-	4.48	-
		-	-	-	(4.48)	-
		-	-	-	((4.48))	-
Dalmia Bharat Sugar and Industries Limited	KMP Controlled	-	-	-	0.72	-
		-	-	-	(1.70)	-
		((0.02))	((34.00))	-	((0.49))	-
Dalmia Cement (Bharat) Limted	Subsidiary	-	-	-	0.19	-
		-	-	-	(13.12)	-
		-	-	-	((2.34))	-
Dalmia Cement East Limited	Step down Subsidiary	-	-	-	0.37	-
		-	-	-	(0.37)	-
		-	-	-	((0.19))	-
Dalmia Power Limited	Subsidiary	-	40.16	2.45	-	-
		-	(7.38)	-	-	(275.00)
		-	((7.32))	-	-	-
Dalmia Refractories Limited	KMP Controlled	-	-	0.27	0.19	-
		-	-	(0.27)	(0.18)	-
		-	-	((0.27))	((0.41))	-
DCB Power Ventures Limited	Step down Subsidiary	-	18.00	0.01	-	-
		-	-	-	-	-
		-	-	-	((0.39))	-
DI Properties Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Geetee Estaes Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Himshikhar Investment Limited	KMP Controlled	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Himshila Properties Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-

C) Balance outstanding at year end:

(₹ Crore)

Name of Related Party	Nature of related party	Amounts payable	Loans receivable	Interest receivable	Trade receivable	Guarantee given
OCL India Limited	Step down Subsidiary	-	-	-	6.79	-
		-	-	-	(8.81)	-
		-	-	-	((10.25))	-
Sri Dhandauthapani Mines & Minerals Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	(0.01)	-
		-	-	-	((0.01))	-
Sri Madhusudana Mines & Properties Ltd	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Sri Rangam Properties Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Sri Swaminatha Mines & Minerals Limited	Step down Subsidiary	-	-	-	-	-
		-	-	-	-	-
		-	-	-	((0.01))	-
Grand Total		0.49	479.17	39.82	12.81	75.00
		-	(446.57)	(4.43)	(35.94)	(275.00)
		((0.02))	((41.32))	((0.67))	((27.23))	-

All figures in ( ) represent balance outstanding as at March 31, 2016 and (( )) as at April 1, 2015

Investment with related parties are disclosed in note 5. Outstanding guarantee given on behalf of subsidiary is disclosed in note 30 (F).

Notes to the financial statements for the year ended March 31, 2017

D) **Transactions with key management personnel**

Compensation of key management personnel of the Company:- (₹ Crore)

Particulars	March 31, 2017	March 31, 2016
Short-term employee benefits	8.82	7.35
Termination benefits	0.49	0.29
Post- employment gratuity	1.54	1.42
Share-based payment transactions	0.72	0.57
Total compensation paid to key management personnel	**11.57**	**9.63**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel including sitting fee.

E) **Directors' interests in the Senior Executive Plan**

Share options held by executive members of the Board of Directors under the senior executive plan to purchase equity shares have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price (₹)	March 31, 2017 Number outstanding	March 31, 2016 Number outstanding	April 1, 2015 Number outstanding
January 29, 2015	January 29, 2021	217.23	54,000	60,000	60,000
February 03, 2016	February 03, 2022	383.53	15,000	15,000	–
Total			**69,000**	**75,000**	**60,000**

F) **Financial guarantees**

Guarantee have been given by the Company as at year end against the loan outstanding amounting to ₹ 75.00 Crore (March 31, 2016: Nil, April 1, 2015: Nil) and Nil (March 31, 2016: ₹ 275.00 Crore, April 1, 2015: Nil) in the books of subsidiary Adwetha Cement Holdings Limited and Dalmia Power Limited respectively.

31. Fair Values

See out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ Crore)

Particulars	Carrying Value			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial Assets						
Financial assets carried at amortised cost						
Investment in tax free bonds	0.25	0.25	0.25	0.29	0.29	0.28
Loans and advances to employees	2.28	2.09	1.91	2.28	2.06	1.90
Security deposit	2.02	2.07	0.61	2.01	2.08	0.61
Deposit with original maturity of more than 12 months	–	1.99	–	–	1.99	–
Financial assets carried at fair value through profit or loss						
Investment in venture capital fund	4.81	8.99	12.14	4.81	8.99	12.14
Investment in other equity shares	38.03	22.90	17.57	38.03	22.90	17.57
Investment in mutual funds	44.24	41.91	190.65	44.24	41.91	190.65
Financial Liabilities						
Financial liabilities carried at amortised cost						
Borrowings (including current maturity of long term borrowings)	199.50	223.86	–	199.50	223.55	

The Company assessed that investment in tax free bonds, trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, interest accrued but not due on borrowings, director's commission payable, capital creditors, are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2017 was assessed to be insignificant.

Notes to the financial statements for the year ended March 31, 2017

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Loan to employees	DCF method	Discount for counter party credit risk	**March 31, 2017:** 10.65% **March 31, 2016:** 10.65% **April 1, 2015:** 10%	**March 31, 2017:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ 0.03 Crore and decrease in discount rate would result in increase in fair value by ₹ 0.03 Crore **March 31, 2016:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ 0.03 Crore and decrease in discount rate would result in increase in fair value by ₹ 0.03 Crore **April 1, 2015:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ 0.02 Crore and decrease in discount rate would result in increase in fair value by ₹ 0.02 Crore
Security deposit given	DCF method	Discount for counter party credit risk	**March 31, 2017:** 10.65% **March 31, 2016:** 10.65% **April 1, 2015:** 10%	**March 31, 2017:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ 0.01 Crore and decrease in discount rate would result in increase in fair value by ₹ 0.01 Crore **March 31, 2016:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ Nil and decrease in discount rate would result in increase in fair value by ₹ Nil **April 1, 2015:** Change in discount rate by 1%: Increase in the discount rate would result in decrease in fair value by ₹ 0.01 Crore and decrease in discount rate would result in increase in fair value by ₹ 0.01 Crore
Borrowings	DCF method	Incremental rate on borrowings	**March 31, 2017:** Nil **March 31, 2016:** 10.65% **April 1, 2015:** Nil	**March 31, 2017:** Nil **March 31, 2016:** Change in discount rate by 0.50%: Increase in the WACC would result in decrease in fair value by ₹ 0.24 Crore and decrease in WACC would result in increase in fair value by ₹ 0.24 Crore **April 01, 2015:** Nil

32. Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017: (₹ Crore)

Particulars	Carrying Value March 31, 2017	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	2.28	–	–	
Security deposit	2.02	–	–	
Investment in tax free bonds	0.25	0.29	–	–
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	199.50	–	–	199.50
Measurement				
Financial assets carried at fair value through profit or loss				
Investment in venture capital fund	4.81	–	4.81	–
Investment in other equity shares	38.03	38.03	–	–
Investment in mutual funds	44.24	44.24	–	–

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2017.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016: (₹ Crore)

Particulars	Carrying Value March 31, 2016	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	2.09	–	–	
Security deposit	2.07	–	–	
Investment in tax free bonds	0.25	0.29	–	–
Deposit with original maturity of more than 12 months	1.99	–	–	1.99
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	223.86	–	–	223.55
Measurement				
Financial assets carried at fair value through profit or loss				
Investment in venture capital fund	8.99	–	8.99	–
Investment in other equity shares	22.90	22.90	–	–
Investment in mutual funds	41.91	41.91	–	–

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2016.

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2015: (₹ Crore)

Particulars	Carrying Value April 01, 2015	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	1.91	–	–	1.91
Security deposit	0.61	–	–	0.61
Investment in tax free bonds	0.25	0.28	–	–
Measurement				
Financial assets carried at fair value through profit or loss				
Investment in venture capital fund	12.14	–	12.14	–
Investment in other equity shares	17.57	17.57	–	–
Investment in mutual funds	190.65	190.65	–	–

There have been no transfers between Level 1 and Level 2 during the year ended April 1, 2015.

33. Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, investments, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include investments and deposits, trade receivables, trade payables, loans and borrowings and derivative financial instruments.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities of foreign operations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ Crore)

Particulars	Increase/ decrease in basis points	Effect on profit before taxes
March 31, 2017		
INR	+ 50 BPS	(0.22)
INR	- 50 BPS	0.17
March 31, 2016		
INR	+ 50 BPS	(0.01)
INR	- 50 BPS	0.01

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There is no outstanding forward contract and unhedged foreign currency exposure at year end.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 9 (ii). The Company evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

(₹ Crore)

Ageing	Upto 15 days	From 16 to 30 days	From 31 to 60 days	From 61 to 90 days	From 91 to 180 days	More than 180 days	Total
As at March 31, 2017							
Gross carrying amount (A)	8.35	-	-	-	0.06	4.73	13.14
Expected Credit Losses (B)	-	-	-	-	-	.08	0.08
Net Carrying Amount (A-B)	**8.35**	**-**	**-**	**-**	**0.06**	**4.65**	**13.06**
As at March 31, 2016							
Gross carrying amount (A)	26.84	-	2.13	1.48	0.37	5.81	36.63
Expected Credit Losses (B)	-	-	-	-	-	-	0.06
Net Carrying Amount (A-B)	**26.84**	**-**	**2.13**	**1.48**	**0.37**	**5.81**	**36.57**
As at April 1, 2015							
Gross carrying amount (A)	19.51	-	7.35	0.23	0.11	1.15	28.35
Expected Credit Losses (B)	-	-	-	-	-	-	-
Net Carrying Amount (A-B)	**19.51**	**-**	**7.35**	**0.23**	**0.11**	**1.15**	**28.35**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April

1, 2015 is the carrying amounts as illustrated in note 31. The Company's maximum exposure relating to financial instruments is noted in note 31 and the liquidity table below.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, debentures and cash credit facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

(₹ Crore)

	Less than 1 Year	1 to 3 Years	3 to 5 years	More than 5 years	Total
As at March 31, 2017					
Borrowings	200.14	1.71	–	–	201.85
Trade payables	20.87	–	–	–	20.87
Other financial liabilities	2.40	–	–	–	2.40
As at March 31, 2016					
Borrowings	157.08	44.95	0.90	24.00	226.93
Trade payables	20.07	–	–	–	20.07
Other payables	4.29	–	–	–	4.29
As at April 1, 2015					
Trade payables	11.51	–	–	–	11.51
Other payables	1.46	–	–	–	1.46

34. 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.

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016	April 01, 2015
Long term borrowing	1.85	69.01	–
Short term borrowing	197.65	147.85	–
Current maturities of long term borrowings	–	7.00	–
Less : Cash and Cash Equivalents	2.59	1.96	7.49
Less : Current Investments	82.27	64.81	208.22
Net Debt	**114.64**	**157.09**	**(215.71)**
Equity	1,391.96	1,321.84	667.22
Capital and net debt	**1,506.60**	**1,478.93**	**451.51**
Gearing ratio	8%	11%	-48%

To maintain or adjust the capital structure, the Company review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017, March 31, 2016 and April 1, 2015.

35. Remuneration paid to auditors (included in Miscellaneous Expenses):

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016
A. Statutory Auditors		
As an auditor		
i) Audit Fee	0.06	0.06
ii) Tax Audit Fees	0.01	0.01
iii) Other services	0.01	0.02
B. In other capacity		
i) Certification Fee	0.01	0.01
Reimbursement of expenses	0.01	–

36. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	–	–
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprises (Development) Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	–	–
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	–	–
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	–	–
Total	–	–

37. Details of loans and advances in nature of loans to subsidiaries, parties in which Directors are interested and Investments by the Loanee in the shares of the Company as required by clause 34 (3) of SEBI (listing obligations and disclosure requirements) Regulation 2015:-

(₹ Crore)

Particulars	March 31, 2017		March 31, 2016		April 01, 2015	
	Outstanding amount as at end of financial year	Maximum amount outstanding during financial year	Outstanding amount as at end of financial year	Maximum amount outstanding during financial year	Outstanding amount as at end of financial year	Maximum amount outstanding during financial year
Loans and Advances to subsidiaries						
Dalmia Power Limited	40.16	65.62	7.38	7.38	7.32	7.32
Adwetha Cement Holdings Limited	421.01	452.68	439.19	439.19	–	–
DCB Power Ventures Limited	18.00	18.00	–	–	–	–

Note: Investment in subsidiaries and associates are disclosed in note 5.

There were following additions to investments in subsidiaries during the year.

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016
Dalmia Cement (Bharat) Limited	5.76	620.53
Adwetha Cement Holdings Limited	–	0.05

Notes to the financial statements for the year ended March 31, 2017

38. The Company has given loans and capital advances to various companies. Loans/ advances outstanding as at year end is given in below mentioned table along with purpose of the loan/ advances.

(₹ Crore)

Name of company	Amount outstanding		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Short Term Loan given for general corporate purpose			
Rewas Ports Limited (10% p.a.)	29.90	40.00	40.00
Dalmia Bharat Sugar and Industries Limited (10% p.a.)	–	–	34.00
Adwetha Cement Holdings Limited (9% p.a.)	421.01	439.19	–
DCB Power Venture Limited (9% p.a.)	18.00	–	–
Dalmia Power Limited (9% p.a.)	32.84	–	–
Long term Loan given for general corporate purpose			
Dalmia Power Limited (9% p.a.)	7.32	7.38	7.32
Long term Loan given for employee welfare			
DBL Employee Welfare Trust (Interest free)	26.76	27.08	27.32

39. Pursuant to the purchase of 15% equity shareholding of Dalmia Cement (Bharat) Limited (DCBL) by the company and its subsidiary from KKR Mauritius Cement Investments Limited (KKR), the Company could place the shares held by KKR in the Company on the terms and conditions specified in the Placement Letter Agreement (PLA) and receive certain proceeds thereof. This was approved by the Board of the company on 15th Jan, 2016 and by its shareholders in their EGM held on 11th Feb, 2016

The Board of the Company vide its meeting held on 20th Apr, 2017 approved the placement of shares. Accordingly, KKR placed its shares with third party investors on 21st Apr, 2017 in terms of the PLA. As a result of such placement, an aggregate amount of ₹ 588 Crore has been received by the Company and its subsidiary, from KKR on 28th Apr, 2017. The purchase price of equity shareholding of DCBL in the books of Company and its subsidiary would get reduced by such amounts received from KKR. Appropriate accounting treatment for the same shall be accorded in FY 2017-18 as required under the applicable accounting standards

40. Board of directors of the Company at their meeting held on 5 November 2016 had approved Scheme of Arrangement and Amalgamation amongst Odisha Cement Limited, Dalmia Bharat Limited and Dalmia Cement (Bharat) Limited ("Scheme 4"), which is inter alia conditional upon the effectiveness of Schemes 1 and 2, subject to approval of shareholders, creditors and other applicable regulatory authorities. Scheme 4 has been approved by the stock exchanges on 5 May 2017.

41. The Company has spent amount on corporate social responsibility expenses as below:

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016
Gross amount required to be spent during the year	0.81	0.70
Amount spent during the year		
- Construction/acquisition of any asset	–	–
- On purposes other than above	0.81	0.88

42. Specified bank note transactions

Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

(₹ Crore)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.09	0.02	0.00
(+) Permitted receipts	–	0.08	0.08
(-) Permitted payments	–	–	–
(-) Amount deposited in Banks	(0.09)	(0.06)	(0.15)
Closing cash in hand as on 30.12.2016	–	0.04	0.04

43. Segment Information

Management service charge is the only identifiable operating segment of the Company, Further, the entire sales of the Company are affected in the domestic market hence there is only one reportable geographical segment i.e. India. Hence no other disclosures are required in terms of Ind AS-108 ('Operating Segments')

44. First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

I) Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Deemed Cost

Ind AS 101 permits a first time adopter to elect to fair value on its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be used for intangible assets covered by Ind-AS 38.

The Company has elected to consider fair value of its property, plant and equipment other than vehicles, furniture and fixtures, computers and office equipment's as its deemed cost on the date of transition to Ind AS. The Company has done a retrospective valuation for these assets. The Company has elected to measure all its intangible assets at their previous GAAP carrying value.

b) Investments in subsidiaries, associates and joint ventures

Ind AS 101 permits the first time adopter to measure investment in subsidiaries, joint ventures and associates in accordance with Ind AS 27 at one of the following:

a) cost determined in accordance with Ind AS 27 or

b) Deemed cost:

(i) fair value at date of transition

(ii) previous GAAP carrying amount at that date.

The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries, Joint ventures and associates on the date of transition to Ind AS its deemed cost for the purpose of determining cost in accordance with principles of IND AS 27- "Separate financial statements".

c) Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 1, 2015. Ind AS 101 provides the option that the Indian GAAP carrying amounts of assets and liabilities that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

Business combinations occurring prior to the transition date have not been restated.

d) Estimates

An entity 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 at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

(i) Share based payments

Notes to the financial statements for the year ended March 31, 2017

II) Reconciliation of equity as previously reported under IGAAP to IND AS as at April 01, 2015 (₹ Crore)

Particulars	Foot Note	Opening Balance Sheet as at April 01, 2015		
		IGAAP	Effect of transition to Ind AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	a & b	6.35	71.08	77.43
Other intangible assets		0.73	–	0.73
Investments	k	247.40	0.51	247.91
Financial assets				
(i) Investments	g	10.64	1.75	12.39
(ii) Loans	j	30.13	(0.21)	29.92
(iii) Other financial assets	c	0.70	(0.09)	0.61
Other non-current assets	c & j	32.44	0.45	32.89
		328.39	**73.49**	**401.88**
Current Assets				
Financial assets				
(i) Investments	e & f	185.20	23.02	208.22
(ii) Trade receivables		28.35	–	28.35
(iii) Cash & cash equivalents		7.49	–	7.49
(iv) Bank balance other than (iii) above		1.17	–	1.17
(v) Loans		75.13	–	75.13
(vi) Others		2.48	–	2.48
Other current assets		1.83	–	1.83
		301.65	**23.02**	**324.67**
Total Assets		**630.04**	**96.51**	**726.55**
EQUITY & LIABILITIES				
Equity				
Equity Share Capital		16.24	–	16.24
Other Equity		566.09	84.89	650.98
		582.33	**84.89**	**667.22**
Non- Current Liabilities				
Financial liabilities				
(i) Borrowings		–	–	–
Provisions		10.30	–	10.30
Deferred tax liabilities (net)	h	(0.13)	26.35	26.22
		10.17	**26.35**	**36.52**
Current Liabilities				
Financial liabilities				
(i) Borrowings		–	–	–
(ii) Trade payables		11.51	–	11.51
(iii) Other financial liabilities		1.46	–	1.46
Other current liabilities		2.55	–	2.55
Provisions	i	22.02	(14.73)	7.29
		37.54	**(14.73)**	**22.81**
Total		**630.04**	**96.51**	**726.55**

Reconciliation of equity as previously reported under IGAAP to IND AS as at March 31, 2016 (₹ Crore)

Particulars	Foot Note	Balance Sheet as at March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	a & b	10.78	71.60	82.38
Other intangible assets		0.62	–	0.62
Intangible assets under development		0.69	–	0.69
Investments	k	866.20	2.29	868.49
Financial assets				
(i) Investments	g	9.89	(0.65)	9.24
(ii) Loans	j	28.24	(0.35)	27.89
(iii) Other financial assets	c	4.01	0.05	4.06
Other non-current assets	c & j	34.52	(0.38)	34.14
		954.95	**72.56**	**1,027.51**
Current Assets				
Financial assets				
(i) Investments	e & f	43.44	21.37	64.81
(ii) Trade receivables		36.57	–	36.57
(iii) Cash & cash equivalents		1.96	–	1.96
(iv) Bank balance other than (iii) above		3.66	–	3.66
(v) Loans		480.47	–	480.47
(vi) Other financial assets		6.24	–	6.24
Other current assets	d	5.60	(2.25)	3.35
		577.94	**19.12**	**597.06**
Total Assets		**1,532.89**	**91.68**	**1,624.57**
EQUITY & LIABILITIES				
Equity				
Equity Share Capital		17.76	–	17.76
Other Equity		1,235.76	68.32	1,304.08
		1,253.52	**68.32**	**1,321.84**
Non- Current Liabilities				
Financial liabilities				
(i) Borrowings	d	68.00	1.01	69.01
Provisions		16.07	–	16.07
Deferred tax liabilities (net)	h	(0.76)	24.51	23.75
		83.31	**25.52**	**108.83**
Current Liabilities				
Financial liabilities				
(i) Borrowings	d	150.00	(2.15)	147.85
(ii) Trade payables		20.07	–	20.07
(iii) Other financial liabilities		11.29	–	11.29
Other current liabilities		6.64	–	6.64
Provisions		8.05	–	8.05
		196.05	**(2.15)**	**193.90**
Total		**1,532.88**	**91.69**	**1,624.57**

Notes to the financial statements for the year ended March 31, 2017

Reconciliation of profit and loss as previously reported under IGAAP to IND AS for the year ended March 31, 2016 (₹ Crore)

Particulars	Foot Note	Year ended March 31, 2016		
		IGAAP	Effect of transition to Ind AS	Ind AS
Income				
Revenue from operations		204.31	–	204.31
Other income	c, e, f, g & j	56.52	(3.70)	52.82
Total Income		260.83	(3.70)	257.13
Expenses				
Employee benefits expenses	J, k & l	110.23	(0.07)	110.16
Other Expenses	a & c	59.76	(0.20)	59.56
Finance Cost	d & m	1.70	0.32	2.02
Depreciation and amortization expenses	b	2.94	1.42	4.36
Total Expense		174.63	1.47	176.10
Profit before tax		86.20	(5.17)	81.03
Tax expenses				
Current tax		20.54	–	20.54
Deferred Tax charge / (Credit)	h	(0.63)	(2.10)	(2.73)
Prior year tax charge		0.74	–	0.74
Total Tax Expenses		20.65	(2.10)	18.55
Profit after Tax		65.55	(3.07)	62.48
Other Comprehensive income				
A. Items that will not to be reclassified to profit or loss				
- Re-measurement gains/ (losses) on defined benefit plans	l	–	0.75	0.75
- Income tax relating to items that will not be reclassified to profit or loss	h	–	(0.26)	(0.26)
		–	0.49	0.49
Total Comprehensive income for the year		65.55	(2.58)	62.97

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit and loss for the year ended March 31, 2016-

a) Property, plant and equipment

i) The Company has elected to measure certain items of property, plant and equipment i.e. land and building at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, an increase of ₹ 71.08 crore was recognised in property, plant and equipment. This amount has been recognised against retained earnings.

ii) The Company has capitalised printers taken on finance lease during the financial year 2015-16 of ₹ 1.94 crore, accumulated depreciation recognised on such printers of ₹ 0.16 crore.

b) Depreciation of property, plant and equipment

i) The depreciation charged in the statement of profit and loss pursuant to adjustment of fair value of property, plant and equipment as per Ind AS is ₹ 2.24 crore for the year ended March 31, 2016.

ii) The depreciation charged in the statement of profit and loss on capitalisation of printers under finance lease is ₹ 0.16 crore for the year ended March 31, 2016

iii) Due to change in method of depreciation from WDV to SLM, there is saving in depreciation of ₹ 0.98 crore for the financial year ended March 31, 2016.

c) Security deposit paid

Under Indian GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by ₹ 0.15 crore as at April 1, 2015. The prepaid rent increased by ₹ 0.15 crore as at April 1, 2015. Total equity decreased by ₹ 0.01 crore as on April 1, 2015. During the year ended March 31, 2016 the Company has recognised amortisation of the prepaid rent of ₹ 0.14 crore which is off-set by the notional interest income of ₹ 0.14 crore recognised on security deposits.

d) Borrowings

i) Under Indian GAAP, transaction costs incurred in connection with borrowings are disclosed as prepaid expenses and amortised to profit or loss over the tenure of loan. Under Ind AS, transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition and charged to profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. The borrowings as at March 31, 2016 have been reduced by ₹ 3.06 crore with a corresponding adjustment to prepaid expenses. The profit for the year ended March 31, 2016 decreased by ₹ 0.01 crores as a result of the additional interest expense.

ii) Due to capitalisation of printer under finance lease obligation, borrowing is increased by ₹ 1.92 crore as on March 31, 2016. The profit for the year ended March 31, 2016 decreased by ₹ 0.32 crores as a result of the additional interest expense.

e) Investment in mutual funds

Under Indian GAAP, investment in mutual funds were valued at cost of net realisable value whichever is lower. As per Ind AS, it is valued at fair value through profit and loss. As a result, investment in mutual funds has been increased as on March 31, 2016: ₹ 10.38 crore (April 1, 2015: ₹ 17.36 crore) with a corresponding increase in profit for the year ended March 31, 2016 and retained earnings as on April 1, 2015.

f) Investment in quoted equity shares

Under Indian GAAP, investment in quoted equity shares were valued at cost of net realisable value whichever is lower. As per Ind AS, it is valued at fair value through profit and loss. As a result, investment in quoted equity share has been increased as on March 31, 2016: ₹ 10.99 crore (April 1, 2015: ₹ 5.66 crore) with a corresponding increase in profit for the year ended March 31, 2016 and retained earnings as on April 1, 2015.

g) Investment in venture capital fund

Under Indian GAAP, investment in venture capital fund was recognised at cost. As per Ind AS, it is recognized at fair value through profit and loss. As a result, investment in venture capital fund has been decreased as on March 31, 2016: ₹ 2.40 crore (increased as on April 1, 2015: ₹ 1.75 crore) with a corresponding increase/decrease in profit for the year ended March 31, 2016 and retained earnings as on April 1, 2015.

h) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. 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 various transitional adjustments which lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings. On the date of transition, the net impact on deferred tax liabilities is of ₹ 26.35 Crore (March 31, 2016: ₹ 24.51 Crore).

Notes to the financial statements for the year ended March 31, 2017

i) Short term provisions

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. The Company has declared dividend after period end as on April 1, 2015, therefore, the liability of ₹ 12.18 Crore recorded for dividend and ₹ 2.55 crore for DDT have been derecognised against retained earnings on April 1, 2015 and recognised in the year ended March 31, 2016.

j) Employee loan

Under Indian GAAP, employee loan are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these employee loan under Ind AS. Difference between the fair value and transaction value of the employee loan has been recognised as prepaid salary. Consequent to this change, the amount of employee loan decreased by ₹ 0.76 crore as at April 1, 2015 and by ₹ 0.34 crore as at March 31, 2016. The corresponding impact booked under prepaid salary. During the year ended March 31, 2016 the Company has recognised amortisation of the prepaid salary of ₹ 0.22 crore which is off-set by the interest income of ₹ 0.20 crore recognised on employee loan.

k) Share-based payments

Under Indian GAAP, the Company was recognising share based payment expense as per intrinsic value method for its employees including employees of its subsidiary. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period and expense relating to subsidiary is transferred to respective company. Therefore ₹ 1.12 Crore considered as an adjustment to the retained earnings as on April 1, 2015. Reversal of expense of ₹ 1.04 Crore has been recognised in profit or loss for the year ended March 31, 2016.

l) Defined benefit liabilities

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, re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. During the year ended March 31, 2016 the employee benefit cost is decreased by ₹ 0.75 crore and re-measurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax at ₹ 0.49 crore.

m) Capitalisation of printers under finance lease

The Company has capitalised printers taken on finance lease during the financial year 2015-16 of ₹ 1.94 crore, accumulated depreciation recognised on such printers of ₹ 0.16 crore. Consequently printing and stationary expense booked in IGAAP is reversed of ₹ 0.34 crore and finance expense booked of ₹ 0.32 crore during the year ended March 31, 2016.

45. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flows

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after April 1, 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

Amendments to Ind AS 102, Share-based Payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after April 1, 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments from their applicability date.

46. Figures less than ₹ fifty thousand which are required to be shown separately have been shown at actual in double brackets.

47. Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our report of even date

For S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date: May 10, 2017

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Y. H. Dalmia
Managing Director
DIN: 00009800

J. H. Dalmia
Managing Director
DIN: 00009717

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Nidhi Bisaria
Company Secretary
Membership No. F5634

Independent Auditors' Report

To
The Members of
Dalmia Bharat Limited

Report on the Consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of Dalmia Bharat Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), jointly controlled entities and associate company, comprising of the consolidated balance sheet as at March 31, 2017, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows of the Group including its subsidiaries/ step down subsidiaries, jointly controlled entities and associate company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended. The respective Board of Directors of the companies included in the Group including its subsidiaries/ step down subsidiaries jointly controlled entities and associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group jointly controlled entities and associate company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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, 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as 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 the consolidated Ind AS financial statements are free from material misstatement.

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 auditor's judgment, 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.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 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, jointly controlled entities and associate company as at March 31, 2017, its consolidated profit including other comprehensive income, its consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Emphasis of matter

We invite attention to note 33(B) of the consolidated financial statements regarding the dispute with minority shareholders of one of the step down subsidiary which is explained in more details in the said note. The National Company Law Tribunal has referred the matter for arbitration. Pending final resolution of the matter, impact of which, if any, on these results is not ascertainable at this stage.

Our audit report is not qualified in respect of above matter.

Other Matters

(a) We did not audit the Ind AS financial statements/financial information of three subsidiaries and thirty two step down subsidiaries whose financial statements/financial information reflect total assets of Rs. 9,879.88 crores as at March 31, 2017, total revenue of Rs. 5,408.18 crores and net cash outflows amounting to Rs. 832.35 crores for the year ended on that date, associate company whose Group's share of loss of Rs. 0.004 crores and joint venture whose Group's share of profit of Rs. 0.01 crores for the year ended 31st March, 2017 has been included in the consolidated Ind AS financial statements. These Ind AS financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/step down subsidiaries and associate company and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries/step down subsidiaries, associate company and joint venture is based solely on the reports of the other auditors.

(b) The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 0.02 crore (not considered material to the Group) for the year ended 31st March, 2017 as considered in the consolidated Ind AS financial statements, in respect of one joint venture based on unaudited financial statements and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on such unaudited financial statements.

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 above matters with respect to the our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

a) We have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

c) The consolidated balance sheet, the consolidated statement of profit and loss including the statement of other comprehensive income, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary/step down subsidiary companies, associate company and jointly controlled entities incorporated in India, none of the directors of the Group companies its associate company and jointly controlled entities incorporated in India is disqualified as on 31st March, 2017 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 Group, associate company and jointly controlled entities and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

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 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 statement disclose the impact of pending litigations on the consolidated financial position of the Group, its associate company and jointly controlled entities-Refer Note 33 & 44 to the consolidated Ind AS financial statements;

ii. The Group, its associate company and jointly controlled entities 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, its subsidiaries/step down subsidiaries, its associate company and jointly controlled entities incorporated in India; and

iv. The Holding Company, its subsidiaries/step down subsidiaries, its associate company and jointly controlled entities incorporated in India, has provided requisite disclosures in Note 51 to the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on our audit procedures and reports of the other auditors and relying on the management representation regarding the holding and nature of cash transactions, including specified bank notes, we report that these disclosures are in accordance with the books of accounts maintained by the Holding Company, its subsidiaries/step down subsidiaries, its associate company and jointly controlled entities as produced to us by the management.

For **S. S. KOTHARI MEHTA & CO**
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No: 087294

Place: New Delhi
Date: May 10, 2017

Annexure A to the Independent Auditor's Report

to the members of Dalmia Bharat Limited dated May 10, 2017 on its Consolidated Ind AS Financial Statement.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

Our reporting on the internal financial controls over financial reporting is not applicable in respect of two step down audited subsidiaries incorporated outside India

In conjunction with our audit of the consolidated Ind AS financial statement of Dalmia Bharat Limited as of and for the year ended March 31, 2017. We have audited the Internal Financial Controls over Financial Reporting of **Dalmia Bharat Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), associate company and jointly controlled entities, all incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries/step down subsidiaries, associate company and Jointly controlled entities which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiaries/ step down subsidiaries, associate company and Jointly controlled entities 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 the 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 (the Act).

Auditors' Responsibility

Our responsibility is to express an opinion on the Group, associate company and jointly controlled entities internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, and, both issued by the Institute of 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 consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, associate company and Jointly controlled entities 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, 2017, based on the internal control over financial reporting criteria established by the holding company including its subsidiary/step down subsidiaries companies, associate company and jointly controlled entities incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

a. Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one jointly controlled entity, one associate company, three subsidiaries & thirty step down subsidiaries which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

b. Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one jointly controlled entity, which is company, incorporated in India for which no corresponding report of the auditors of such company is available as the accounts are management certified.

Our report is not qualified in respect of above matters.

For **S. S. KOTHARI MEHTA & CO**
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No: 087294

Place: New Delhi
Date: May 10, 2017

Consolidated Balance Sheet as at March 31, 2017

(₹ Crore)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	2	9,457.98	9,704.96	8,027.71
Capital work-in-progress		132.51	235.52	1,878.66
Investment Property	3(a)	0.33	0.33	0.34
Goodwill		2,694.74	2,694.74	1,940.84
Other intangible assets	3(b)	22.98	17.19	18.49
Biological Assets other than bearer plants	3(c)	0.10	0.10	0.10
Investments	4	92.61	88.76	88.78
Financial assets	5			
(i) Investments		9.37	23.09	24.15
(ii) Loans		74.91	17.57	34.36
(iii) Other financial assets		422.01	384.75	231.30
Other non-current assets	6	230.54	360.21	322.44
		13,138.08	**13,527.22**	**12,567.17**
Current Assets				
Inventories	7	648.84	697.59	711.46
Financial assets	8			
(i) Investments		2,641.38	2,554.69	1,610.25
(ii) Trade receivables		593.32	510.03	525.98
(iii) Cash and cash equivalents		137.22	150.18	458.64
(iv) Bank balance other than (iii) above		37.78	83.39	67.74
(v) Loans		43.54	50.65	109.21
(vi) Other financial assets		429.64	117.84	156.02
Other current assets	9	308.04	277.99	298.88
		4,839.76	**4,442.36**	**3,938.18**
Total Assets		**17,977.84**	**17,969.58**	**16,505.35**
EQUITY & LIABILITIES				
Equity				
Equity Share Capital	10	17.79	17.76	16.24
Other Equity	11	4,947.08	4,571.52	3798.58
		4,964.87	**4,589.28**	**3814.82**
Non Controlling Interest		612.93	525.92	913.86
Non-current Liabilities				
Financial liabilities	12			
(i) Borrowings		6,248.87	7,518.60	7,158.60
(ii) Other financial liabilities		5.82	6.12	6.28
Provisions	13	153.79	172.11	133.80
Deferred tax liabilities (net)	14	1,576.39	1,674.59	1,553.63
Government grants	15	145.34	143.90	84.23
Other long-term liabilities	16	32.48	43.21	38.03
		8,162.69	**9,558.53**	**8,974.57**
Current Liabilities				
Financial liabilities	17			
(i) Borrowings		1,219.95	851.19	680.37
(ii) Trade payables		954.11	856.58	697.95
(iii) Other financial liabilities		1,228.88	1,024.88	1,098.32
Other current liabilities	18	432.82	341.15	255.78
Provisions	19	401.59	222.05	69.68
		4,237.35	**3,295.85**	**2,802.10**
Total Equity and Liabilities		**17,977.84**	**17,969.58**	**16,505.35**
Significant accounting policies	1			

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date: May 10, 2017

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Y. H. Dalmia
Managing Director
DIN: 00009800

J. H. Dalmia
Managing Director
DIN: 00009717

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Nidhi Bisaria
Company Secretary
Membership No. F5634

Statement of Consolidated Profit and Loss for the year ended March 31, 2017

(₹ Crore)

	Notes	For the year ended March 31, 2017		For the year ended March 31, 2016	
INCOME					
Revenue from operations (gross)	20		8,348.10		7,262.15
Other income	21		298.78		229.49
Total Revenue (I)			**8,646.88**		**7,491.64**
Expenses					
Cost of materials consumed	22		1,168.61		1,085.60
Freight on clinker transfer			114.54		104.09
Purchase of stock in trade			33.98		26.05
Change in inventories of finished goods, work in progress and stock in trade	23		88.99		(20.35)
Excise duty on sale of goods			943.74		850.90
Employee benefits expenses	24		609.18		505.31
Finance cost	25		889.99		730.19
Depreciation and amortization expenses	2 & 3		602.71		580.87
Other expenses	26		3,487.18		3,118.94
Total expenses (II)			**7,938.92**		**6,981.60**
Profit before tax			**707.96**		**510.04**
Exceptional Items			–		–
Profit before tax			**707.96**		**510.04**
Tax expense					
Current tax		278.42		220.37	
MAT (credit entitlement) / charge		(12.72)		(88.04)	
			265.70		132.33
Deferred tax			23.51		113.29
Prior year tax charge / (written back)			(13.06)		(0.12)
Total tax expense			**276.15**		**245.50**
Profit/ (loss) after tax before share of profit in associates			431.81		264.54
Less: Share of minority interest			87.01		74.53
Profit after tax (A)			**344.80**		**190.01**
Other Comprehensive income					
A (i) Items that will not be reclassified to profit or loss					
- Re-measurement gains on defined benefit plans			(1.69)		(2.80)
- Fair value gain on investments			37.27		25.12
(ii) Income tax relating to items that will not be reclassified to profit or loss			(12.36)		(7.67)
Other comprehensive income for the year, net of tax (B)			**23.22**		**14.65**
Total Comprehensive income for the year (A+B)			**368.02**		**204.66**
Earning per share	27				
Basic Earnings Per Share (In ₹)			38.81		23.26
[Nominal Value of Share ₹2 (₹2) each]					
Diluted Earnings Per Share (In ₹)			38.51		23.12
[Nominal Value of Share ₹2 (₹2) each]					
Significant accounting policies	1				

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date: May 10, 2017

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Y. H. Dalmia
Managing Director
DIN: 00009800

J. H. Dalmia
Managing Director
DIN: 00009717

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Nidhi Bisaria
Company Secretary
Membership No. F5634

Consolidated Cash Flow Statement for the year ended March 31, 2017

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
A. Cash flow from operating activities		
Net Profit before tax	**707.96**	**510.04**
Adjustments		
Depreciation/Amortisation	602.71	580.87
Provision for doubtful debts/advances	6.67	-
Bad debts written off	2.33	-
Dividend Income	(16.05)	(7.41)
Finance costs	889.99	730.19
Interest Income	(24.70)	(37.32)
Fair value gain on investments	(73.67)	(30.88)
(Profit)/Loss on sale of Investments (net)	(110.59)	(105.55)
Assets written off/Loss on sale of assets	4.85	-
Operating Profit before working Capital Changes	**1,989.50**	**1,639.94**
Adjustments for working Capital changes :		
Inventories	48.75	13.87
Trade Payables, Liabilities and Provisions	215.30	321.41
Trade Receivables, Loans and Advances and Other Current Assets	(480.39)	(29.88)
Cash Generated from Operations	**1,773.16**	**1,945.34**
Direct Taxes Paid	(55.52)	(30.43)
Net Cash from Operating activities	**1,717.64**	**1,914.91**
B. Cash Flow from / (used in) Investing Activities		
Purchase of fixed Assets including CWIP	(355.57)	(421.77)
Proceeds from sale of Fixed Assets	18.97	7.63
(Purchase)/ Sale of Current Investments (net)	97.57	(808.01)
(Purchase)/ Sale of Non Current Investments (net)	11.38	1.31
Acquisition of subsidiaries	-	(600.01)
Loans (given) / received back (net)	-	50.00
Interest Received	29.40	40.22
Dividend received from non current investments	-	0.90
Dividend Received from Current Investments	16.05	6.51
Net Cash used in Investing Activities	**(182.20)**	**(1,723.22)**
C. Cash flow from/ (used in) financing activities		
Proceeds / (Repayment) from Short term Borrowings (net)	368.76	186.50
Proceeds / (Repayment) from Long term Borrowings (net)	(1,051.39)	226.35
Proceeds from issue of shares	2.09	1.10
Finance cost	(872.71)	(860.66)
Dividend paid (Including dividend distribution tax)	-	(53.44)
Net Cash from / (used in) Financing Activities	**(1,553.25)**	**(500.15)**
Net increase in cash and cash equivalents (A+B+C)	**(17.81)**	**(308.46)**
Cash and cash equivalents (Opening Balance)	150.18	458.64
Cash and cash equivalents (Closing Balance)	**137.22**	**150.18**

Note:

1) Cash & cash equivalents components are as per Note 8 (iii) of the Financial Statements

2) Previous year figures have been regrouped/restated where ever considered necessary

As per our report of even date
For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date: May 10, 2017

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Y. H. Dalmia
Managing Director
DIN: 00009800

J. H. Dalmia
Managing Director
DIN: 00009717

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Nidhi Bisaria
Company Secretary
Membership No. F5634

Consolidated Statement of Changes in Equity for the year ended March 31, 2017

a. Equity Share Capital:

Equity shares of ₹ 2 each issued, subscribed and fully paid	No. of Shares	₹ Crore
As at April 01, 2015	**81,189,303**	**16.24**
Issue of share capital	7,604,000	1.52
As at March 31, 2016	**88,793,303**	**17.76**
Issue of share capital	172,500	0.03
As at March 31, 2017	**88,965,803**	**17.79**

b. Other Equity:

(₹ Crore)

Particulars	Reserve and Surplus											
	Securities Premium Reserve	Capital Reserve	Business Restructuring Reserve	General Reserve	Reserve Fund as per RBI	Debenture Redemption Reserve	Foreign Currency Translation Reserve	Retained earnings	Employee stock option outstanding	Other comprehensive income	Non controlling interest	Total Other equity
As at April 01, 2015	**458.70**	**11.18**	**2,581.81**	**113.14**	**0.03**	**171.46**	**–**	**825.79**	**2.89**	**–**	**(366.42)**	**3,798.58**
Profit/ (Loss) for the year	–		–	–				190.01	–	–	–	190.01
Other comprehensive income	–		–	–				–	–	14.65	–	14.65
Total comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**190.01**	**–**	**14.65**	**–**	204.66
Add: Addition during the year	618.82		–	–	0.28	130.20	0.80		4.88	–	(2.72)	752.26
Less: released during the year	–	(0.06)	–			(95.83)			–	–	–	(95.89)
Add: Amount transferred from debenture redemption reserve	–	–	–	–	–	–	–	95.83	–	–	–	95.83
Add: Dividend distribution tax written back	–	–	–	–	–	–	–	1.64	–	–	–	1.64
Less: Appropriations	–	–	–	–	–	–	–		–	–	–	–
Transfer to debenture redemption reserve	–	–	–	–	–	–	–	(130.20)	–	–	–	(130.20)
Transfer to Reserve fund as per RBI	–	–	–	–	–	–	–	(0.28)	–	–	–	(0.28)
Dividend paid	–	–	–	–	–	–	–	(19.32)	–	–	–	(19.32)
Interim dividend on equity shares	–	–	–	–	–	–	–	(23.53)	–	–	–	(23.53)
Distribution tax on dividend	–	–	–	–	–	–	–	(12.23)	–	–	–	(12.23)
As at March 31, 2016	**1,077.52**	**11.12**	**2,581.81**	**113.14**	**0.31**	**205.83**	**0.80**	**927.71**	**7.77**	**14.65**	**(369.14)**	**4,571.52**
Profit/ (Loss) for the year	–	–	–	–	–	–	–	344.80	–	–	–	344.80
Other comprehensive income	–	–	–	–	–	–	–	–	–	23.22	–	23.22
Total comprehensive income	–	–	–	–	–	–	–	344.80	–	23.22	–	368.02
Add: Addition during the year	3.67	–	–	–	–	182.13	0.24	–	7.19	–	(0.10)	193.13
Less: released during the year	–	–	–	–	–	(25.00)	(3.46)	–	–	–	–	(28.46)
Add: Amount transferred from debenture redemption reserve	–	–	–	–	–	–	–	25.00	–	–	–	25.00
Amount transfer to debenture redemption reserve	–	–	–	–	–	–	–	(182.13)	–	–	–	(182.13)
As at March 31, 2017	**1,081.19**	**11.12**	**2,581.81**	**113.14**	**0.31**	**362.96**	**(2.42)**	**1,115.38**	**14.96**	**37.87**	**(369.24)**	**4,947.08**

As per our report of even date
For S.S. Kothari Mehta & Co.
Firm Registration No. 000756N
Chartered Accountants

Sunil Wahal
Partner
Membership No.: 087294

Place : New Delhi
Date: May 10, 2017

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Y. H. Dalmia
Managing Director
DIN: 00009800

J. H. Dalmia
Managing Director
DIN: 00009717

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Nidhi Bisaria
Company Secretary
Membership No. F5634

Notes to consolidated financial statements for the year ended March 31, 2017

1. Significant Accounting Policies

A. Corporate Information

Dalmia Bharat Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act. The Company is engaged in the manufacturing and selling of cement. Its equity shares are listed on NSE and BSE stock exchanges in India. The registered office of the Company is located at Dalmiapuram Distt Tiruchirappalli Tamil Nadu- 621651.

The Consolidated financial statement relate to Dalmia Bharat Limited (hereinafter referred as the "Company/ Parent") and its Subsidiaries/ step down subsidiaries, Associate and Joint Venture (hereinafter collectively referred as the "Group").

The Consolidated financial statements were authorized for issue by the Board of Directors of the Company at their meeting held on May 10, 2017.

B. Basis of preparation of financial statements

Statement of compliance

The Consolidated financial statements (CFS) of the Group have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended, the relevant provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The financial statements for the year ended March 31, 2017 are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Accordingly, the Company has prepared an Opening Ind AS Balance Sheet as on April 1, 2015 and comparative figures for the year ended March 31, 2016 are also in compliance with Ind AS. Refer to note 53 for information on how the Company adopted Ind AS.

The Consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Investment in mutual funds measured at fair value regarding financial instruments
- Share based payments
- Certain financial assets and liabilities measured at fair value and
- Defined benefit plans as per actuarial valuation

The financial statements are presented in Indian Rupees (Rs. crores), except number of shares, face value of share, earning/ (loss) per share or wherever otherwise indicated.

C. Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, Investments in Associates and Joint Ventures as at March 31, 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31.When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated Ind AS financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Associates are all entities over which the company has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary

- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

D. Goodwill on consolidation

Goodwill represents the difference between the Group's share in the net worth of the investee companies and the cost of acquisition at the date of investment. For this purpose, the Groups' share of equity in the investee companies is determined on the basis of the latest financial statements of the respective companies available as on the date of acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of acquisition.

E. Classification of Assets and Liabilities in current / non-current

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

F. Foreign currency translation

Foreign currency transactions and balances

The Group's consolidated financial statements are presented in Indian Rupees, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Consolidated Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in profit or loss are also recognised in profit or loss).

In accordance with Ind AS 101, exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of such asset Exchange rate differences arising on other long term foreign currency monetary items are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the remaining life of concerned monetary item.

Foreign Operations

The assets and liabilities, including goodwill and any fair value adjustments arising on the acquisition of a foreign operation whose functional currency is not the Indian Rupee, are translated by using the closing rate.

The exchange differences arising on the translation are recorded in other comprehensive income under "Foreign currency translation". On the partial or total disposal of a foreign entity with a loss of control, the related share in the cumulative translation differences recorded in equity is recognized in the statement of income.

In accordance with Ind AS 101, cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, viz 1st April, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only differences arising after the transition date.

G. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated Ind AS financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as property, plant and equipment, financial guarantee received from the holding Company. The management selects external valuer on various criteria such as market knowledge, reputation, independence and whether professional standards are maintained by valuer. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management and the Group's external valuers present the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortised cost)
- Financial instruments (including those carried at fair value and carrying value)
- Property, plant and equipment carried at fair value

H. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Export sales and respective export incentives are accounted for on the basis of date of bill of lading.

Revenue from services

Revenues from management services are recognized as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Interest

Interest income is recognized using effective interest rate method. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Group's right to receive dividend is established, which is generally when shareholders approve the dividend.

Insurance Claim

Claims lodged with the insurance companies are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

Notes to consolidated financial statements for the year ended March 31, 2017

I. Government grants and subsidies

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant related to income are deferred and it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate. The Group has chosen to present grants related to income to be deducted in reporting the related expense.

Government grant relating to the purchase of property, plant and equipment are included in non-current liabilities as Government grant and are credited to the statement of profit and loss on a straight-line basis over the useful lives of the related assets and presented within other income.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the respective entity with no future related costs are recognised in the statement of profit and loss of the period in which it becomes receivable. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Other government grants are recognised initially as deferred revenue when there is reasonable assurance that they will be received and the respective entity will comply with the conditions associated with the grant; they are then recognised in statement of profit and loss as other operating revenue on a systematic basis.

J. Taxes

Income Tax expenses comprise current tax and deferred tax charge or credit.

Current Income Tax

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred Tax

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or Other comprehensive income (OCI) is recognised in equity or OCI and not in the Statement of Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that 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.

K. Property, plant and equipment

The Group has measured property, plant and equipment except vehicle, furniture and fixture and office equipments at fair value as on transition date i.e. April 1, 2015 which has become its deemed cost. In respect of vehicle, furniture and fixture and office equipments, the Group has applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at April 1, 2015. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Capital work in progress are stated at cost net of impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The Group capitalise machinery spares if such spares are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period.

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates based on estimated useful life of an asset which coincide with Schedule II to the Companies Act, 2013 except in case of certain diesel generator sets and workshop appliances and lab equipment.

Asset	Useful Life
Certain Factory buildings	25 years
Certain other buildings	10 years
Certain DG sets and workshop appliances	5 years
Lab Equipment	15 years
Power plants in southern India	25 years
Assets of its step down subsidiary OCL China Limited	
House and Building	20 years
Plant and Equipment	10 years
Means of Transportation	4 years
Electronic Equipment	3 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates these items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Land bearing mineral reserves are amortized over their estimated commercial life based on the unit of production method. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

L. **Intangible assets**

The Group has measured intangible assets at carrying value as recognised in the financial statements as on transition date i.e. April 1, 2015 which has become its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

A summary of amortization policies applied to the group's intangible assets is as below:

	Useful life
Computer software	3 to 6 years (Except in case of its step down subsidiary OCL China Limited, in which useful life is estimated as 10 years)

Notes to consolidated financial statements for the year ended March 31, 2017

Research and Development Expenditure

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

M. Investment Properties

Investment properties comprises freehold land that are held for capital appreciation and recognised at cost less impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

N. Non-current assets held for sale

The non-current asset classified as held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

O. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

P. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Group is lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Lease management fees, legal charges and other initial direct costs of lease are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

Embedded leases

All take-or-pay long term contracts are reviewed at inception to determine whether they contain any embedded leases. If there are any embedded leases, they are assessed as either finance or operating leases and accounted for accordingly.

Q. Inventories

Raw materials (including packing material), stores and spares are valued at lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials (including packing material) and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost of finished goods includes excise duty. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

R. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or countries in which the entity operates, or for the market in which the asset is used.

Subsidiary companies bases their impairment calculation on fair value less cost to sell. The fair value less cost to sell is computed using the composite rate method based on the demand, location, structural conditions, state of repairs and present condition of the assets reduced by depreciation.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

S. Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Mine reclamation liability

The Company records a provision for mine reclamation cost until the closure of mine. Mine reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as cost of goods sold in statement of profit and loss. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the mine reclamation liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of mine reclamation are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of goods sold.

T. Retirement and other employee benefits

Retirement benefit in the form of provident fund contribution to Statutory Provident Fund, pension fund, superannuation fund and ESI are defined contribution schemes. The contributions are charged to the statement of profit and loss whenever services are rendered. The group has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The group operates two defined benefit plans for its employees, viz., gratuity and provident fund contribution to Dalmia Cement Provident Fund Trust. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Performance linked deferred payment is the long term employee benefit for the purpose of measurement and are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

U. Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is amortised over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee stock option outstanding in equity.

V. Financial Instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below mentioned categories:

(i) Debt instruments at amortised cost

(ii) Debt instruments and derivatives at fair value through profit or loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to note 9.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investment in mutual funds and derivative instruments as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as 'contractual revenue receivables')

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk of customer has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 13.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified subsidiary fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

W. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognized in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

X. Segment reporting

Identification of segments

Operating Segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segments and to assess their performance in accordance with Ind AS 108, Operating Segments.

Inter-segment transfers

The group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the group as a whole.

Y. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

Z. Contingent liabilities and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

AA. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management

Notes to consolidated financial statements for the year ended March 31, 2017

2. Property, plant and equipment

(₹ Crore)

	Own Assets								
	Land (free hold)	Land (Leasehold)	Building	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Mines development	Total
Cost									
As at 1st April,2015	949.04	70.69	740.33	5,859.00	11.93	21.71	19.47	46.10	7,718.27
Addition during the year	65.08	-	284.53	1,780.33	7.19	9.16	11.57	-	2,157.86
Less: Disposals/ Adjustments during the year	46.44	0.33	1.88	11.59	(0.08)	3.38	0.60	-	64.14
Other adjustments - Exch diff	-	(0.06)	(0.09)	7.15	-	-	-	-	7.00
As at 31st March,2016	**967.68**	**70.30**	**1,022.89**	**7,634.89**	**19.20**	**27.49**	**30.44**	**46.10**	**9,818.99**
Additions during the year	10.83	5.71	113.50	241.18	3.97	3.30	9.69	-	388.18
Less: Disposals/ Adjustments during the year	-	-	2.49	22.76	0.35	0.50	1.73	-	27.83
Other adjustments - Exch diff	-	(0.93)	(1.43)	(5.76)	-	(0.05)	(0.06)	-	(8.23)
As at 31st March, 2017	**978.51**	**75.08**	**1,132.47**	**7,847.55**	**22.82**	**30.24**	**38.34**	**46.10**	**10,171.11**
Depreciation/ Amortization									
As at 1st April,2015	-	-	-	7.60	-	-	-	-	7.60
Charge for the year	3.60	2.76	64.42	470.68	2.19	6.08	8.11	6.92	564.76
Less: on disposals	-	0.01	0.06	1.32	0.03	1.10	0.43	-	2.95
As at 31st March,2016	**3.60**	**2.75**	**64.36**	**476.96**	**2.16**	**4.98**	**7.68**	**6.92**	**569.41**
Charge for the year	4.89	2.74	57.34	489.62	2.95	4.98	8.47	9.88	580.87
Less: on disposals	-	0.13	0.87	5.19	0.23	0.47	1.49	-	8.38
As at 31st March, 2017	**8.49**	**5.36**	**120.83**	**961.39**	**4.88**	**9.49**	**14.66**	**16.80**	**1,141.90**
Net Block									
As at 31st March, 2017	**970.02**	**69.72**	**1,011.64**	**6,886.16**	**17.94**	**20.75**	**23.68**	**29.30**	**9,029.21**
As at 31st March,2016	**964.08**	**67.55**	**958.53**	**7,157.93**	**17.04**	**22.51**	**22.76**	**39.18**	**9,249.58**
As at 01st April,2015	**949.04**	**70.69**	**740.33**	**5,851.40**	**11.93**	**21.71**	**19.47**	**46.10**	**7,710.67**

Notes to consolidated financial statements for the year ended March 31, 2017

2. Property, plant and equipment *(contd...)*

(₹ Crore)

	Owned Assets Leased out						
	Land	Buildings	Plant and equipment	Furniture and fixtures	Other assets	Total	Grand Total
Cost							
As at 1st April,2015	2.30	18.78	295.87	0.08	0.04	317.07	8,035.34
Additions during the year	-	21.35	136.95	-	0.72	159.02	2,316.88
Less: Disposals during the year	-	-	-	-	-	-	64.14
Other adjustments - Exch diff	-	-	-	-	-	-	7.00
As at 31st March,2016	**2.30**	**40.13**	**432.82**	**0.08**	**0.76**	**476.09**	**10,295.08**
Additions during the year	-	-	2.57	-	0.11	2.68	390.86
Less: Disposals during the year	-	0.56	3.80	-	0.02	4.38	32.21
Other adjustments - Exch diff	-	-	-	0.03	-	0.03	(8.20)
As at 31st March, 2017	**2.30**	**39.57**	**431.59**	**0.11**	**0.85**	**474.42**	**10,645.53**
Depreciation/ Amortization							
As at 1st April,2015	-	-	-	0.03	-	0.03	24.51
Charge for the year	-	1.66	18.95	0.01	0.06	20.68	585.44
Less: on disposals	-	-	-	-	-	-	4.36
As at 31st March,2016	**-**	**1.66**	**18.95**	**0.04**	**0.06**	**20.71**	**605.59**
Charge for the year	-	2.54	22.26	0.01	0.14	24.95	605.82
Less: on disposals	-	-	0.01	-	-	0.01	8.39
As at 31st March, 2017	**-**	**4.20**	**41.20**	**0.05**	**0.20**	**45.65**	**1,203.02**
Net Block							
As at 31st March, 2017	**2.30**	**35.37**	**390.39**	**0.06**	**0.65**	**428.77**	**9,457.98**
As at 31st March, 2016	**2.30**	**38.47**	**413.87**	**0.04**	**0.70**	**455.38**	**9,704.96**
As at 01st April, 2015	**2.30**	**18.78**	**295.87**	**0.05**	**0.04**	**317.04**	**8,027.71**

1. The Group has elected to consider fair value of its property, plant and equipment except vehicle, furniture and fixture and office equipments as its deemed cost on the date of transition to Ind AS in accordance with Ind AS 101. In respect of vehicle, furniture and fixture and office equipment, the Company has applied applicable Ind AS from a retrospective basis and arrived at the carrying value as per Ind AS as at April 1, 2015

2. The Group has pledged certain assets against borrowings which has been disclosed in note 12.

3. Registration of land amounting to Rs. 39.77 Crore (March 31, 2016: Rs. 46.01 Crore, April 1, 2015: Rs. 54.15 Crore) is pending in the name of the Group.

3. (a) Investment property (b) Other intangible assets (c) Biological Assets other than bearer plants

(₹ Crore)

	3 (a) Investment Property	3 (b) Other intangible assets			3 (c) Biological Assets other than bearer plants
		Computer software	Mining Rights	Total	
Cost					
As at 1st April,2015	0.34	7.57	10.92	18.49	0.10
Addition during the year	-	3.51	-	3.51	-
Less: Disposals during the year	0.01	-	-	-	-
As at 31st March,2016	**0.33**	**11.08**	**10.92**	**22.00**	**0.10**
Additions during the year	-	2.02	8.51	10.53	-
Less: Disposals during the year	-	0.01	-	0.01	-
As at 31st March, 2017	**0.33**	**13.09**	**19.43**	**32.52**	**0.10**
Depreciation/ Amortization					
As at 1st April,2015	-	-	-	-	-
Charge for the year	-	3.85	0.96	4.81	-
Less: on disposals	-	-	-	-	-
As at 31st March,2016	**-**	**3.85**	**0.96**	**4.81**	**-**
Charge for the year	-	3.38	1.35	4.73	-
Less: on disposals	-	-	-	-	-
As at 31st March, 2017	**-**	**7.23**	**2.31**	**9.54**	**-**
Net Block					
As at 31st March, 2017	**0.33**	**5.86**	**17.12**	**22.98**	**0.10**
As at 31st March,2016	**0.33**	**7.23**	**9.96**	**17.19**	**0.10**
As at 01st April,2015	**0.34**	**7.57**	**10.92**	**18.49**	**0.10**

Notes to consolidated financial statements for the year ended March 31, 2017

4. Investments

(₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Cost						
Equity Shares						
In Joint Venture (Unquoted)						
38,35,000 (March 31, 2016: 38,35,000, April 01, 2015: 38,35,000) Shares of ₹10/- each fully paid up in Radhikapur (West) Coal Mining Pvt Ltd	7.40		3.83		3.83	
Less: Provision for diminution in value of investments	3.51	3.89	3.51	0.32	3.51	0.32
Others (Quoted)						
14,829,764 (March 31, 2016: 14,829,764, April 01, 2015: 14,829,764) Equity Shares of ₹ 2/- each fully paid up in Dalmia Bharat Sugar and Industries Limited		28.94		28.94		28.94
Others (Unquoted)						
36,000 (March 31, 2016: 36,000, April 01, 2015: 36,000) Equity Shares of ₹10/- each fully paid up in G.S.Homes & Hotels Private Limited		0.50		0.50		0.50
Nil (March31, 2016: Nil, April 01, 2015: 73,450) Equity Shares of ₹10/- each fully paid up in Orissa Industries Limited		-		-		0.02
374 (March 31, 2016: Nil, April 01, 2015: Nil) Equity Shares of ₹10/- each fully paid up in SmarterHealth TechServe (P) Limited		0.07		-		-
374 (March 31, 2016: Nil, April 01, 2015: Nil) Equity Shares of ₹10/- each fully paid up in Pumpcharge Internet (P) Limited		0.07		-		-
374 (March 31, 2016: Nil, April 01, 2015: Nil) Equity Shares of ₹10/- each fully paid up in Exchange4Solar (P) Limited		0.07		-		-
145 (March 31, 2016: Nil, April 01, 2015: Nil) Equity Shares of ₹10/- each fully paid up in Khetify Solutions (P) Limited		0.07		-		-
Optionally redeemable convertible debentures						
5,900 (March 31, 2016: 5,900, April 01, 2015: 5,900) zero coupon optionally redeemable convertible debentures of ₹ 1,00,000/- each in Saroj Sunrise Pvt. Ltd.		59.00		59.00		59.00
		92.61		**88.76**		**88.78**
Aggregate book value of quoted investments		28.94		28.94		28.94
Aggregate market value of quoted investments		257.30		147.63		25.80
Aggregate book value of unquoted investments		63.67		59.82		59.84
Aggregate amount diminution in value of unquoted investments		3.51		3.51		3.51

Note: The investment in zero coupon optionally redeemable convertible debentures of Saroj Sunrise are in the nature of equity investment.

Notes to consolidated financial statements for the year ended March 31, 2017

5. Financial assets

(i) Investments (₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Equity Shares						
Others (Quoted)		0.02		0.02		0.02
Nil (March31, 2016: Nil, April 01, 2015: 49,290) Equity Shares of ₹10/- each fully paid up in Dalmia Electrodyne Technilogies (P) Limited (Unquoted)	-	-	-		1.75	-
Others (Unquoted)	-		-		0.01	-
	-		-		1.76	-
Less: Provision for diminution in value of investments	-	-	-	-	1.76	-
Units of Mutual Funds (Quoted)						
At fair value through profit and loss						
Debt based schemes		4.04		13.52		11.43
Equity based schemes		-		0.06		0.06
Tax Free Bonds (Quoted)						
At amortised cost						
8.30% NHAI tax free bonds		0.50		0.50		0.50
Units of Urban Infrastructure Opportunities Fund (Unquoted)						
At fair value through profit and loss						
1,188 (March 31, 2016:1,188, April 01, 2015: 1,188) Units of ₹ 60,430/- (March 31, 2016: ₹79,930/-, April 01, 2015: 86,750) each fully paid up in Urban Infrastructure Opportunities Fund		4.81		8.99		12.14
Total		**9.37**		**23.09**		**24.15**
Aggregate book value of quoted investments		4.56		14.10		12.01
Aggregate market value of quoted investments		4.56		14.10		12.01
Aggregate book value of unquoted investments		4.81		8.99		12.14
Aggregate amount of diminution in value of investments		-		-		1.76

(ii) Loans (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(Considered good and unsecured unless otherwise stated)			
Loans and advances to:			
Employees@	5.66	1.60	1.11
Others	69.25	15.97	33.25
	74.91	**17.57**	**34.36**
@includes			
Due form officers of the Company	5.66	1.60	1.11

Notes to consolidated financial statements for the year ended March 31, 2017

5. Financial assets *(contd...)*

(iii) Other financial assets (₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Security deposit made		45.48		56.92		44.11
Incentives receivable		75.34		18.21		11.31
Subsidy receivable	299.52		305.01		162.25	
Less: Provision for doubtful recovery	0.10	299.42	0.27	304.74	0.51	161.74
Other financial assets		1.77		4.88		14.14
		422.01		384.75		231.30

Break up of financial assets carried at amortised cost (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Security Deposits	45.48	56.92	44.11
Employee loans	5.66	1.60	1.11
Other loans	69.25	15.97	33.25
Incentives receivable	75.34	18.21	11.31
Subsidy receivable	299.42	304.74	161.74
Other financial assets	1.77	4.88	14.14
Total financial assets carried at amortised cost	**496.92**	**402.32**	**265.66**

6. Other non-current assets

(₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
(Considered good and unsecured unless otherwise stated)						
Capital advances		119.10		108.00		116.01
Advances other than capital advances						
Other advances						-
Considered good		18.12		10.94		5.72
Considered doubtful	61.48		61.40		64.21	
Less: Provision for doubtful advances	61.48	-	61.40	-	64.21	-
MAT credit entitlement		37.41		172.57		70.74
Advance income tax		36.24		41.52		90.14
Deposit and balances with Government departments and other authorities		19.67		27.18		39.83
		230.54		360.21		322.44

7. Inventories

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Raw Materials			
On hand	106.79	133.12	126.20
In transit	10.61	4.70	4.01
Work in progress	52.89	69.91	80.94
Finished goods			
On hand	119.21	177.29	155.06
In transit	10.51	24.58	9.53
Stores, spares etc			
On hand	316.58	250.52	275.14
In transit	32.25	37.47	60.58
Total Inventories at the lower of cost and net realisabe value	**648.84**	**697.59**	**711.46**

Inventories are hypothecated with the banks against rupee loan and foreign currency loan on pari passu on inter se basis. Refer note 17 (i)

8. Financial assets

(i) Investments

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Equity shares (Quoted)			
5,20,400 (March 31, 2016: 5,20,400, April 01, 2015: 5,20,400) Shares of ₹ 1/- each fully paid up in The Ramco Cements Limited	35.00	20.81	15.88
50,000 (March 31, 2016: 50,000, April 01, 2015: 50,000) Shares of ₹ 10/- each fully paid up in Poddar Pigments Limited.	1.33	0.74	0.62
12,900 (March 31, 2016: 12,900, April 01, 2015: 12,900) Shares of ₹ 10/- each fully paid up in Reliance Industries Limited	1.70	1.35	1.07
699,720 (March 31, 2016: 699,720, April 01, 2015: 699,720) Shares of ₹ 5/- each fully paid up in Reliance Communications Limited	2.72	3.50	4.15
Investment in Limited Liability Partnership			
Investment in TVS Shriram Growth Fund 1B LLP (50% contribution March 31, 2016: Nil, April 01, 2015: Nil)	132.50	-	-
Equity shares (Unquoted)			
45,49,294 (Mar 31, 2016: 31,09,863, April 01, 2015: Nil) shares of ₹ 10/- each fully paid up in Indian Energy exchange	397.50	221.20	-
Units of Mutual Funds (Quoted)			
Debt based schemes	2070.63	1,907.09	1,189.48
Commercial Paper (Unquoted)			
Axis Finance Ltd.	-	400.00	399.05
Total	**2,641.38**	**2,554.69**	**1,610.25**
Aggregate book value of quoted investments	2,111.38	1,933.49	1,211.20
Aggregate market value of quoted investments	2,111.38	1,933.49	1,211.20
Aggregate book value of unquoted investments	530.00	621.20	399.05
Aggregate amount of diminution in value of investments	-	-	-

Notes to consolidated financial statements for the year ended March 31, 2017

8. Financial assets *(contd...)*

(ii) Trade Receivables (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade receivables	592.40	508.15	525.08
Receivables from other related parties	0.92	1.88	0.90
Total Trade receivables	**593.32**	**510.03**	**525.98**
Break-up for security details :			
Trade receivables			
Secured, Considered good	229.83	165.38	191.76
Unsecured, Considered good	419.15	401.11	391.22
Considered doubtful	55.53	56.67	54.81
	704.51	**623.16**	**637.79**
Less: Provision for impairment allowance	55.78	58.11	56.04
Less: Provision for rebate / discount	55.41	55.02	55.77
	111.19	**113.13**	**111.81**
	593.32	**510.03**	**525.98**

(iii) Cash and cash equivalents (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Cash on hand	1.77	2.35	4.39
Cheques in hand	16.03	13.09	21.58
Balances with scheduled banks :			
- On current accounts	90.90	130.70	320.16
- On deposit accounts	28.52	4.04	112.51
	137.22	**150.18**	**458.64**

(iv) Bank balance other than (iii) above (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with scheduled banks :			
- Unpaid dividend accounts	2.97	5.77	2.24
Other bank balances:			
- Deposit accounts	3.05	44.28	51.55
- Margin money (pledged with bank / Govt. authorities)	31.76	33.34	13.95
	37.78	**83.39**	**67.74**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

At 31 March 2017, the Group had available ₹ 455.09 Cr. (31 March 2016: ₹ 331.03 Cr., 1 April 2015: ₹ 328.83 Cr.) of undrawn committed borrowing facilities.

The Group has pledged a part of its short-term deposits to fulfil collateral requirements.

8. Financial assets *(contd...)*

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following: (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Cash on hand	1.77	2.35	4.39
Cheques in hand	16.03	13.09	21.58
Balances with scheduled banks :			
- On current accounts	90.90	130.70	320.16
- On deposit accounts	28.52	4.04	112.51
	137.22	**150.18**	**458.64**

(v) Loans (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured			
Loan to Employees@	0.02	0.03	0.13
Unsecured Considered good			
Loan to			
- Employees@	6.30	4.21	4.05
- Related parties	2.30	3.80	45.89
- Others	34.92	42.61	59.14
	43.54	**50.65**	**109.21**
@includes			
Due form officers of the Company	6.32	4.24	4.18

(vi) Other financial assets (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured Considered good			
Subsidy/Incentive receivable	404.23	101.65	137.72
Interest receivable	2.24	6.94	9.84
Security Deposit	5.16	1.74	1.75
Derivative instruments	18.01	7.51	6.71
	429.64	**117.84**	**156.02**

Break up of financial assets carried at amortised cost (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment - commercial paper	-	400.00	399.05
Trade receivables	593.32	510.03	525.98
Cash and cash equivalents (including margin money)	175.00	233.57	526.38
Loans to employees	6.32	4.24	4.18
Loans to related parties	2.30	3.80	45.89
Loans and advances to others	34.92	42.61	59.14
Subsidy/Incentive receivable	404.23	101.65	137.72
Interest receivable	2.24	6.94	9.84
Security deposit	5.16	1.74	1.75
	1,223.49	**1,304.58**	**1,709.93**

Notes to consolidated financial statements for the year ended March 31, 2017

8. Financial assets *(contd...)*

Break up of financial assets carried at fair value through profit or loss (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment in equity shares	14.80	26.40	21.72
Investment in mutual funds	2096.58	1,907.09	1,189.48
Derivative instruments	18.01	7.51	6.71
	2,129.39	**1,941.00**	**1,217.91**

Break up of financial assets carried at fair value through other comprehensive income (₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment in Limited Liability Partnership	132.50	-	-
Investment - Equity shares (unquoted)	397.50	221.20	-
	530.00	**221.20**	**-**

9. Other current assets

(₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Unsecured Considered good						
Advances						
Related parties		-		-		0.07
Others		164.47		112.27		69.49
Considered doubtful	1.80		5.16		5.16	
Less: Provision for doubtful advances	1.80	-	5.16	-	5.16	-
Prepayments		2.43		3.88		12.30
Deposit and balances with Government departments and other authorities		133.78		155.62		208.56
Other current assets		7.36		6.22		8.46
		308.04		**277.99**		**298.88**

10. Equity Share Capital

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised :			
100,000,000 (March 31, 2016: 1,00,000,000, April 01, 2015: 1,00,000,000) Equity shares of ₹ 2/- each	20.00	20.00	20.00
	20.00	**20.00**	**20.00**
Issued, Subscribed and Fully Paid Up :			
8,89,65,803 (March 31, 2016: 8,87,93,303, April 01, 2015: 8,11,89,303) Equity Shares of ₹ 2/- each	17.79	17.76	16.24
	17.79	**17.76**	**16.24**

a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period

	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of Shares	₹ Crore	No. of Shares	₹ Crore	No. of Shares	₹ Crore
At the beginning of the year	88,793,303	17.76	81,189,303	16.24	81,189,303	16.24
Add : Issued during the period	172,500	0.03	7,604,000	1.52	-	-
At the end of the year	88,965,803	17.79	88,793,303	17.76	81,189,303	16.24

Notes to consolidated financial statements for the year ended March 31, 2017

10. Equity Share Capital *(contd...)*

b. Terms/ rights attached to Equity shares

The Company has only one class of equity shares having a face value of ₹2 per share. Each equity shareholder is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of winding-up of the Company, the equity shareholders shall be entitled to be repaid remaining assets of the company after distribution of all preferential amounts in the ratio of the amount of capital paid up on such equity shares.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the Balance Sheet date

	During a period of 5 years up to 31 March 17	During a period of 5 years up to 31 Mar 16	During a period of 5 years up to 01 Apr 15
	No. of Shares	No. of Shares	No. of Shares
Shares issued pursuant to Scheme of Arrangement between the Company and Dalmia Cement (Bharat) Limited (formerly Avnija Properties Limited), DCB Power Ventures Limited, Dalmia Bharat Sugar and Industries Limited (formerly Dalmia Cement (Bharat) Limited) without payments being received in cash.	-	-	80,939,303
Shares issued as consideration for purchase of shares of Dalmia Cement (Bharat) Limited without payment being received in cash	7,500,000	7,500,000	-

d. Details of shareholders holding more than 5% shares in the Company

	March 31, 2017		March 31, 2016		April 01, 2015	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Mayuka Investment Limited	19,416,527	21.82%	17,887,537	20.15%	17,887,537	22.03%
Shree Nirman Limited	7,761,010	8.72%	7,753,890	8.73%	7,753,890	9.55%
KKR Mauritius Cements Investments Limited	7,500,000	8.43%	7,500,000	8.45%	-	-
Sita Investment Company Limited	6,643,560	7.47%	5,876,800	6.62%	5,876,800	7.24%
Ankita Pratisthan Limited	6,406,270	7.20%	5,829,070	6.56%	5,829,070	7.18%

11. Other equity

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Employee stock option outstanding			
Opening Balance as per last financial statements	7.77	2.89	1.26
Add: Addition during the period	7.19	4.88	1.63
Closing Balance	**14.96**	**7.77**	**2.89**
Capital Reserve			
Opening balance as per last financial statements	11.12	11.18	11.19
Less: Capital subsidy	-	(0.06)	(0.01)
Closing balance	**11.12**	**11.12**	**11.18**
Business Restructuring Reserve			
Opening balance as per last financial statements	2,581.81	2,581.81	2,578.66
Add: Additions during the year	-	-	3.15
Closing balance	**2,581.81**	**2,581.81**	**2,581.81**

Notes to consolidated financial statements for the year ended March 31, 2017

11. Other equity *(contd...)*

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Securities Premium Reserve			
Opening balance as per last financial statements	1,077.52	458.70	458.70
Add: Additions during the year	3.67	618.82	-
Closing balance	**1,081.19**	**1,077.52**	**458.70**
General Reserve			
Opening balance as per last financial statements	113.14	113.14	14.80
Add: Transfer from surplus balance in statement of profit and loss	-	-	98.34
Closing balance	**113.14**	**113.14**	**113.14**
Reserve Fund as per RBI			
Opening balance as per last financial statements	0.31	0.03	0.03
Add: Created during the year	-	0.28	-
Closing balance	**0.31**	**0.31**	**0.03**
Debenture Redemption Reserve			
Opening balance as per last financial statements	205.83	171.46	90.00
Add: Created during the year	182.13	130.20	113.96
Less: released during the year	25.00	95.83	32.50
Closing balance	**362.96**	**205.83**	**171.46**
Foreign Currency Translation Reserve			
Opening balance as per last financial statements	0.80	-	-
Add: Arised during the year	0.24	0.80	-
Less: released during the year	3.46	-	-
Closing balance	**(2.42)**	**0.80**	**-**
Retained earnings			
Balance as per last financial statements	942.36	825.79	
Add: Amount transferred from debenture redemption reserve	25.00	95.83	
Profit/ (loss) for the period	344.80	190.01	
Less: Written down value of fixed assets whose life have expired as at April 1, 2014 adjusted as per Companies Act, 2013 (net of tax)	-	-	
Add: Dividend Distribution Tax written back	-	1.64	
Less: Appropriations	-	-	
Transfer to Debenture Redemption Reserve	182.13	130.20	
Transfer to Reserve fund as per RBI	-	0.28	
Dividend paid	-	19.32	
Interim dividend on equity shares	-	23.53	
Dividend Distribution Tax	-	12.23	
Total appropriations	**182.13**	**185.56**	
Net surplus in the statement of profit and loss	**1,130.03**	**927.71**	

11. Other equity *(contd...)*

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Items of other comprehensive income recognised directly in retained earnings			
Re-measurement of post employment benefit obligation, net of tax	(1.15)	(1.78)	
Fair valuation gain on investments, net of tax	24.37	16.43	
	1,153.25	**942.36**	
Total other equity	**5,316.32**	**4,940.66**	
Less: Non controlling interest	369.24	369.14	
	4,947.08	**4,571.52**	
Distribution made and proposed			
Cash dividends on equity shares paid :			
Final dividend for the year ended on March 31, 2017 : Nil Per share (March 31, 2016: ₹ 0.36 Per share, April 01, 2015: ₹)	-	19.32	-
Interim dividend for the year ended on March 31, 2017 : Nil Per share (March 31, 2016: ₹ 0.36 Per share, April 01, 2015: ₹)	-	23.53	-
	-	**42.85**	**-**
Proposed dividends on equity shares:			
Proposed dividend for the year ended on March 31, 2017: ₹ 0.84 per share (March 31, 2016 : ₹ Nil per share, April 1, 2015 : ₹ 0.36 per share)	26.79	-	19.32
	-	**-**	**19.32**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at 31st March 2017.

12. Financial liabilities

(₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
(i) Borrowings						
Secured						
A. Redeemable non-convertible debentures	2,673.55		2,319.01		2,326.95	
Less: Shown in current maturities of long term borrowings	236.00	2,437.55	70.67	2,248.34	86.21	2,240.74
B. Term loans:						
i. From Banks	3134.36		4,515.74		4,279.33	
Less: Shown in current maturities of long term borrowings	148.35	2986.01	200.27	4,315.47	391.77	3,887.56
ii. From others	612.55		1,057.57		1,073.81	
Less: Shown in current maturities of long term borrowings	40.79	571.76	105.37	952.20	64.64	1,009.17
C. Finance lease obligation	2.53		2.59		-	
Less: Shown in current maturities of long term borrowings	-	2.53	-	2.59	-	-
Total secured long term borrowings		**5997.85**		**7,518.60**		**7,137.47**

Notes to consolidated financial statements for the year ended March 31, 2017

12. Financial liabilities *(contd...)*

(₹ Crore)

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
Unsecured						
D. Deferred payment liabilities	-		21.13		53.32	
Less: Shown in current maturities of long term borrowings	-	-	21.13	-	32.19	21.13
E. From others	397.22		-		-	
Less: Shown in current maturities of long term borrowings	146.20	251.02	-	-	-	-
Total unsecured long term borrowings		**251.02**		**-**		**21.13**
Total long term borrowings		**6,248.87**		**7,518.60**		**7,158.60**

1) **Debentures referred to in A above to the extent of:**

i) 8.70% ₹149.07 Crore (March 31, 2016: Nil, April 1, 2015: Nil) were secured by first pari passu charge over specified movable and immovable property, plant and equipment of the Dalmiapuram, Kadappa and Ariyalur unit and redeemable in October 2021.

ii) 9.91% Series C ₹ 328.26 Crore (March 31, 2016: ₹ 327.63 Crore, April 1, 2015: Nil) are secured by pledge of investments and redeemable in January 2021.

iii) 9.91% Series B ₹ 328.26 Crore (March31, 2016: ₹ 327.63 Crore, April 1, 2015: Nil) are secured by pledge of investments and redeemable in January 2020.

iv) 8.65% ₹ 248.51 Crore (March 31, 2016: Nil, April 1, 2015: Nil) were secured by first pari passu charge over specified movable and immovable property, plant and equipment of the Dalmiapuram, Kadappa and Ariyalur unit and redeemable in October 2019 and October 2020.

v) 8.80% ₹ 99.38 Crore (March 31, 2016: Nil, April 1, 2015: Nil) were secured by first pari passu charge over specified movable and immovable property, plant and equipment of the Dalmiapuram, Kadappa and Ariyalur unit and redeemable in October 2019 and October 2022.

vi) 9.91% Series A ₹ 338.20 Crore (March 31, 2016: ₹ 337.55 Crore, April 1, 2015: Nil) are secured by pledge of investments and redeemable in January 2019.

vii) 9.90% ₹ 98.92 Crore (March 31, 2016: Nil, April 1, 2015: Nil) were Secured by pledge over 100% of total issued, subscribed and paid-up share of the Dalmia Bharat Cement Holdings Limited (DBCHL) and charge / assignment over Inter Corporate Deposit's to DBCHL ₹ 200 Crore and redeemble in March 2018.

viii) 10.75% Series 1A ₹99.94 Crore (March 31, 2016: ₹99.92 Crore, April 1, 2015: ₹ 99.91) are secured by a first pari-passu charge on land, building, assets, plant and machineries of Dalmiapuram unit and plot at Gujarat and redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018. For ₹18.75 Crore (₹18.75 Crore), interest rate swap has been taken @9.20% payable on USD 3,033,490 (USD 30,33,490).

ix) 11.00% Series 1B ₹99.94 Crore (March 31, 2016: ₹ 99.92 Crore, April 1, 2015: ₹ 99.91 Crore) are secured by a first pari-passu charge on land, building, assets, plant and machineries of Dalmiapuram unit and plot at Gujarat and redeemable in three yearly instalments in the ratio of 33:33:34 commencing from January 2018 with a put/ call option at end of 5 years at par in January 2018 for full amount.

x) 10.75% Series IIIA, B,C and IVP,Q,R ₹209.61 Crore (March 31, 2016: ₹ 209.36 Crore, April 1, 2015: ₹ 209.07 Crore) are secured by a first pari-passu charge on movable and immovable property, plant and equipments of Dalmiapuram unit and movable and immovable property, plant and equipments (excluding plant and machinery charged on exclusive basis to specific lenders) of Kadappa and Ariyalur unit and redeemable in three yearly instalments commencing from August 2017.

xi) 10.35% Series XIII Nil (March 31, 2016: ₹ 33.33 Crore, April 1, 2015: ₹ 66.67 Crore) are secured by a first pari-passu charge on the Immovable properties of Cement unit at Dalmiapuram unit and redeemable in May 2015 & May 2016.

12. Financial liabilities *(contd...)*

xii) 10.50% Series II P Nil (March 31, 2016: Nil, April 1, 2015: ₹ 988.16 Crore) were secured by pledge of investments and redeemed in January 2016.

xiii) 8.87% Series XI Nil (March 31, 2016: Nil, April 1, 2015: ₹ 20 Crore) were secured by a first pari-passu charge on all the movable and immovable properties of Cement unit at Dalmiapuram (except inventories and trade receivables) and redeemed in May 2015.

xiv) 9.90% ₹ 598.51 Crore (March 31,2016 ₹ 598.22 Crore ; April 1,2015 ₹ 597.95 Crore) are secured by first pari passu charge over all the movable and immovable fixed assets (present & future) of cement division of OCL India Limited repayable in 3 equal yearly installments commencing from March 2020.

xv) 10.80% Nil (March 31,2016 ₹ 23.97 Crore; April 1,2015 ₹ 47.97 Crore) is secured by first pari passu charge over fixed assets (present & future) of cement division of OCL India Limited repayable in 2 equal yearly installments till Feb 2017.

xvi) 10.20% non convertible debentures of ₹ 74.95 Crore (March 31,2016 Nil; April 1,2015 Nil) is secured by first pari-passu charge by way of Hypothecation of the present and future current assets of DBL and first pari passu with term lenders having charge over all receivables and Corporate guarantee by the Company.

xvii) 9.90% to 10.45% series I,II,III,IV & V non convertible debentures of ₹ Nil (March 31,2016 ₹ 72.44 Crore ; April 1,2015 Nil) is secured by first pari-passu charge on immovable property of Ariyalur power plant, further secured by pari-passu charge on movable assets and cash flows at dalmiapuram power plant, ariyalur power plant and cash flows of belgaum power plant.

xviii) 12.87% Nil (March 31,2016 ₹ 189.01 Crore ; April 1,2015 Nil) are secured by pledge of shares & redeemable in 5 annual installments commencing from October 2015.

2) Term Loans from Banks referred to in B (i) above to the extent of :

i) ₹ Nil (March 31, 2016: ₹ 109.53 Crore, April 1, 2015: ₹ 109.46 Crore) are secured by a first pari-passu charge on movable and immovable property, plant and equipments of Kadappa and Ariyalur Unit at base rate plus 0.18%. It is repayable within 36 unequal quarterly installments commencing from May 2018. This loan is prepaid in Nov 2016

ii) ₹ 521.04 Crore (March 31, 2016: Nil, April 1, 2015: Nil) are secured by First charge on property, plant and equipments (movable and immovable) of the cement plant located at Belgaum, Karnataka both present and future except specific assets financed by ECA at MCLR (present 8.40%). It is repayable in 60 unequal quarterly installments starting from March 2017 in the range of ₹ 0.53 Crore to ₹ 17.10 Crore till Dec 31, 2031.

iii) ₹ 399.43 Crore (March 31, 2016: ₹ 770.24 Crore, April 1, 2015: ₹777.85 Crore) are secured by exclusive first charge on land and building and hypothecation of all the property, plant and equipments of Cement units at Kadappa and Ariyalur excluding assets charged to working capital lenders and Vertical roller mills and other machineries and equipments for projects at Kadappa and Ariyalur acquired under foreign currency loan at base rate plus 0.75% (present 8.75%). It is repayable in unequal quarterly installment in the range of ₹ 1.95 Crore to ₹ 27.29 Crore each till March 2030.

iv) ₹ Nil (March 31, 2016: ₹ 99.49 Crore, April 1, 2015: ₹ 99.35 Crore) are secured by a first pari-passu charge on movable and immovable property, plant and equipments (exluding plant and machinery charged on exclusive basis to specific lenders) of Kadappa and Ariyalur unit at base rate plus 1.05% & redeemable in twenty quarterly instalments commencing from September 2017. This is prepaid in Oct 2016.

v) ₹ 352.11 Crore (March 31, 2016: Nil, April 1, 2015: Nil) Secured by way of first pari-passu charge over movable and immovable property, plant and equipments pertaining to Kadappa and Ariyalur plants except specific equipment exclusively charged to ECA lenders at MCLR (present 8.40%). It is repayable in 60 unequal quarterly installments starting from March 2017 in the range of ₹ 0.36 Crore to ₹ 11.34 Crore till March 31, 2030.

vi) ₹ 296.71 Crore (March 31, 2016: Nil, April 1, 2015: Nil) carrying interest at 8.40% are secured by way of first charge on fixed assets (movable & immovable) of the cement plant located at Belgaum, Karnataka both present & future execpt specific assets financed by ECA lenders. This is repayable in 60 unequal quarterly installments starting from March 2017 in the range of ₹ 0.30 Crore to ₹ 9.73 Crore till December 31, 2031.

Notes to consolidated financial statements for the year ended March 31, 2017

12. Financial liabilities *(contd...)*

vii) ₹ 197.63 Crore (March 31, 2016: Nil, April 1, 2015: Nil) carrying interest at 8.40% are secured by First charge on property, plant and equipments (movable & immovable) of the cement plant located at Belgaum, Karnataka both present & future execpt specific assets financed by ECA lenders. This is repayable in 60 unequal quarterly installments starting from March 2017.

viii) ₹ Nil (March 31, 2016: ₹ 1,026.98 Crore, April 1, 2015: ₹ 871.08 Crore) are secured by a first charge by way of mortgage over all the immovable properties, assets and movable property, plant and equipments of Belgaum Project, second charge on entire property, plant and equipments of the company and lien of Investment of ₹ 43 Crore at base rate plus 1.50%. It is repayable within 40 unequal quarterly installments in the range of ₹2.36 Crore to 23.63 Crore commencing from 18 months after Commercial operation date or January 01, 2017 whichever is earlier. These loans are prepaid till Jan 2017.

ix) ₹ Nil (March 31, 2016: ₹ 199.34 Crore, April 1, 2015: ₹ 199.44 Crore) are secured by a first pari-passu charge on movable and immovable property, plant and equipments of Dalmiapuram Unit at base rate plus 1.05%. It is repayable within 24 equal quarterly installments commencing from December 2016. This is prepaid in Oct 2016.

x) ₹ Nil (March 31, 2016: ₹ 89.88 Crore, April 1, 2015: ₹ 94.83 Crore) are secured by a first pari-passu charge on movable and immovable property, plant and equipments of Dalmiapuram Unit at base rate plus 0.95%. This loan is prepaid in Oct 2016.

xi) ₹ 6.71 Crore (March 31, 2016: ₹ 20.54 Crore, April 1, 2015: ₹ 32.34 Crore) carrying interest at Libor plus 2.146% are secured by way of exclusive charge on Vertical roller mills & other machineries and equipments acquired through this loan for projects at Kadappa & Ariyalur. The Loan has been availed in foreign currency repayable in half yearly installments of USD 0.10 each till July 2017.

xii) ₹ Nil (March 31, 2016: ₹ 49.78 Crore, April 1, 2015: ₹ 49.73 Crore) are secured by a first pari-passu charge on movable and immovable property, plant and equipments of Ariyalur and Kadappa Unit at base rate plus 1.05%. It is repayable within 24 equal quarterly installments commencing from December 2016. This is Prepaid in Oct 2016.

xiii) ₹ Nil (March 31, 2016: Nil, April 1, 2015: ₹ 206.50 Crore) are secured by exclusive first charge on land and building and hypothecation of all the property, plant and equipments of Cement units at Kadappa and Ariyalur excluding assets charged to working capital lenders and Vertical roller mills & other machineries and equipments for projects at Kadappa & Ariyalur acquired under foreign currency loan at base rate plus 1.00%. it is prepaid in April 2015.

xiv) ₹ 45.43 Crore (March 31, 2016: ₹ 54.96 Crore, April 1, 2015: ₹ 59.47 Crore) carrying interest at Libor plus 2.05% are secured by way of exclusive charge on Roller press acquired through this loan for projects at Belgaum. The Loan has been availed in foreign currency repayable in 16 half yearly installments of USD 0.06 each till October 2022.

xv) ₹ 231.33 Cr. (March 31,2016 ₹ Nil; April 1,2015 ₹ Nil) carrying interest at MCLR plus 0.65% is secured by First pari passu charge all Movable and Immovable Fixed Assets (both present & future) providing minimum cover of 1.25 times of facility amount.

xvi) Nil (March 31,2016 ₹ 233.53 Cr.; April 1,2015 ₹ 235.91 Cr.) carrying interest at Base rate plus 0.45% is secured by First pari passu charge all Movable and Immovable Fixed Assets (both present & future) providing minimum cover of 1.25 times of facility amount.

xvii) ₹ 166.06 Cr (March 31,2016 ₹ 167.61 Cr.; April 1,2015 ₹ 302.17 Cr.) carrying interest at base rate plus 1.75% are secured by first pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets (other than vehicle acquired under specific vehicle loan) of the Cement division, (both present and future) and further secured by second pari passu charge on all current assets of the Company. It is repayable in 32 quarterly installments from Dec 2010.

xviii) ₹ 114.75 Cr (March 31,2016 ₹ 114.73 Cr.; April 1,2015 Nil) carrying interest at LTMLR plus 0.15% are secured by first pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets (other than vehicle acquired under specific vehicle loan) of the Cement division, (both present and future) and further secured by second pari passu charge on all current assets of the Company. It is repayable in 40 quarterly installments from Mar 2021.

xix) ₹ 0.28 Cr (March 31,2016 ₹ 0.36 Cr.; April 1,2015 ₹ 0.45 Cr.) carrying interest at 10% are secured by first and exclusive charge of vehicle purchase therefrom. It is repayable in 60 monthly installments from Feb 2015.

12. Financial liabilities *(contd...)*

xx) Nil (March 31,2016 Nil; April 1,2015 ₹ 17.42 Cr.) carrying interest at 6M LIBOR plus 3.25% are secured by first pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets (other than vehicle acquired under specific vehicle loan) of the Cement division, (both present and future) and further secured by second pari passu charge on all current assets of the Company. It is repayable in 27 quarterly installments from June 2010.

xxi) Nil (March 31,2016 Nil; April 1,2015 ₹ 5.31 Cr.) carrying interest at base rate plus 1.30% are secured by first charge on fixed assets of the Cement division of the Company, (both present and future) to be shared pari passu with the providers of the other debt and existing lenders; further secured by way of second pari passu charge on current assets of cement division.

xxii) Nil (March 31,2016 ₹ 1.94 Cr. ; April 1,2015 ₹ 5.52 Cr.) carrying interest at 9.75% are secured by first charge on fixed assets and mortgage of land and building, both present and future of the OCL China Limited (step down subsidiary). Guarantee given by OCL Global Limited (Subsidiary).

xxiii) ₹ 199.62 Cr. (March 31,2016 ₹ 237.86 Cr. ; April 1,2015 ₹ 277.98 Cr.) carrying interest at base rate plus 1.50% are secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of the Company, both present and future, except for assets charged exclusively to banks / financial institution for deferred payment credits and other specific purposes and second charge on all other assets of the Company. All the above charges rank pari-passu inter-se amongst various lenders is repayable in 32 structured quarterly installments starting from June 30, 2015 to March 31, 2023.

xxiv) Nil (March 31,2016 ₹ 4.11 Cr. ; April 1,2015 ₹ 14.06 Cr.) carrying interest at base rate plus 0.45% are secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of the Company, both present and future, except for assets charged exclusively to banks / financial institution for deferred payment credits and other specific purposes and second charge on all other assets of the Company. All the above charges rank pari-passu inter-se amongst various lenders. The loan was Prepaid on November 4, 2016.

xxv) Nil (March 31,2016 ₹ 11.97 Cr. ; April 1,2015 ₹ 12.93 Cr.) carrying interest at base rate plus 0.45% are secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of the Company, both present and future, except for assets charged exclusively to banks / financial institution for deferred payment credits and other specific purposes and second charge on all other assets of the Company. All the above charges rank pari-passu inter-se amongst various lenders. The loan was Prepaid on November 4, 2016.

xxvi) Nil (March 31,2016 ₹ 143.40 Cr. ; April 1,2015 ₹ 146.51 Cr.) carrying interest at base rate plus 0.75% are secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of the Company, both present and future, except for assets charged exclusively to banks / financial institution for deferred payment credits and other specific purposes and second charge on all other assets of the Company. All the above charges rank pari-passu inter-se amongst various lenders. The loan was Prepaid on November 4, 2016.

xxvii) Nil (March 31,2016 ₹ 64.65 Cr. ; April 1,2015 ₹ 75.11 Cr.) carrying interest at base rate plus 1.50% are secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of the Company, both present and future, except for assets charged exclusively to banks / financial institution for deferred payment credits and other specific purposes and second charge on all other assets of the Company. All the above charges rank pari-passu inter-se amongst various lenders. The loan was Prepaid on November 7, 2016.

xxviii) NIl (March 31,2016 Nil ; April 1,2015 ₹ 0.03 Cr.) carrying interest at 11.76% are secured by hypothecation of vehicles purchased there. The loan is paid by monthly installments by May 2015.

xxix) ₹ 598.30 Cr (March 31, 2016 ₹ 589.55 Cr, April 1, 2015 ₹ 568.13 Cr.) including Funded interest term loan are secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of Calcom Cement India Limited ("CCIL"), both present and future and a second charge on the entire current assets of CCIL. These loans are also secured by the pledge of 43,848,910 equity shares of CCIL held by erstwhile promoters, their relatives and two subsidiaries of CCIL. These loans are additionally secured by the corporate guarantee of two subsidiary companies of CCIL, personal guarantee of one director and two former directors of CCIL. The loan of ₹ 248.82 Crore (March 31, 2016: ₹ 253.18 Crore, April 1, 2015: ₹ 196.58 Crore) is also secured by corporate guarantee issued by Dalmia Cement (Bharat) Limited. The Loan is payable in unequal quarterly instalments till Dec 2027.

12. Financial liabilities *(contd...)*

xxx) Nil (March 31, 2016 ₹ 125.00 Crore, April 15: ₹ 117.75 Crore) is secured by exclusive charge on all immovable and movable fixed assets pertaining to DCB Power ventures Limited Belgaum project (present & future) and project land owned by Dalmia Cement (Bharat) Limited, at base rate plus 0.45% (present 10.70% p.a.). It is prepaid in October and November 2016.

xxxi) Nil (March 31, 2016: ₹ 47.98 Crore, April 1, 2015: Nil) is secured by first pari-passu charge on immovable properties of Ariyalur plant and movable assets at Dalmiapuram and Ariyalur plant of DCB Power Ventures Limited, at base rate plus 0.60% (present 10.10% p.a.). It is prepaid in October 2016.

xxxii) Nil (March 31, 2016 ₹ 269.63 Cr, April 1, 2015 Nil) is secured by the first pari passu charge on the immovable fixed assets, all the current assets, movable fixed assets of Dalmia Bharat Limited (both present and future). Loan is further secured by unconditional and irrevocable corporate guarantee of Dalmia Bharat Limited. Loan is further secured by first pari passu charge on all the current assets of Dalmia Power Limited and all the movable fixed assets pertaining to project of Dalmia Power Limited (both present and future) and exclusive charge over fixed deposit amounting to ₹ 28.00 Cr. duly lien marked in favor of the bank.

xxxiii) Nil (March 31, 2016: ₹74.09 Cr, April 01, 2015: Nil) are secured by a first Pari Passu charge on all movable fixed assets, equitable mortgage on all immovable fixed assets of the Company and exclusive charge by way of hypothecation on receivables under management contracts with group companies at base rate (Presently 10.65%) (Effective interest rate- 11.15%). It is prepaid in October 2016.

3) Term Loans from others referred to in B (ii) above to the extent of:

i) Term loan in form of government grant of ₹ 312.00 Crore (March 31, 2016: ₹312.00 Crore, April 1, 2015: ₹ 312.00 Crore) carrying interest @ 0.10% p.a. are secured by a first pari-passu charge on the movable and immovable properties of Cement unit at Dalmiapuram. Repayment is due from financial year 2018-19 (From Jan 19) but repayment schedule is yet to be finalised. This loan has been continued at previous GAAP carrying value

ii) Term loan in form of government grant of ₹ 31.55 Crore (March 31, 2016: ₹ 28.04 Crore, April 1, 2015: ₹ Nil) carrying interest @ 0.10% p.a. are secured by a second pari-passu charge on the movable and immovable properties of Cement unit at Ariyalur and Dalmiapuram. Repayment is due from financial year 2018-19 (From Jan 19) but repayment schedule is yet to be finalised. Loan has been accounted at fair value with a difference being recognised as government grant.

iii) ₹ 87.64 Crore (March 31, 2016 ₹ 110.37 Crore, April 1, 2015 ₹ 114.13 Crore) is secured by the mortgage and first charge on all the movable and immovable properties (both tangible and intangible) of Calcom Cement India Limited, both present and future and a second charge on the entire current assets of Calcom Cement India Limited. These loans are also secured by the pledge of 43,848,910 equity shares of Calcom Cement India Limited held by erstwhile promoters, their relatives and two subsidiaries of Calcom Cement India Limited. The loan is repayable in unequal quarterly instalments till October,2021 and carry interest @ 3 month Libor plus 1.25% to 2.50%. The loan has been availed in foreign currency.

iv) ₹ 13.47 Crore (March 31, 2016 ₹ 15.70 Crore, April 1, 2015 ₹ 17.74 Crore) are secured by a first charge of all the movable and immovable properties (present and future) of Calcom cement India Limited. It is repayable within unequal quarterly installments by October 2021.

v) ₹ 166.74 Crore (March 31, 2016 ₹ 183.90 Crore, April 1, 2015 ₹ 174.39 Crore) is secured by first pari passu charge by way of mortgage and hypothecation over all immovable properties and movable fixed assets (ex current assets) of cement division of OCL India Ltd and further secured by second pari passu charge on all current assets of OCL India Ltd @ 6M LIBOR plus 3.6%. repayable in 14 half yearly installments from June 16.

vi) Nil (March 31, 2016 ₹ 31.54 Crore, April 1, 2015 ₹ 62.99 Crore) is secured by first ranking mortgage and hypothecation on all movable and immovable assets (present and future) excluding current assets of cement division of OCL India Ltd @ 8.25% to 10.8% p.a. repayable in 4 half yearly equal installments till October 16.

vii) Nil (March 31, 2016 ₹ 375.55 Crore, April 1, 2015 ₹ 391.78 Crore) is secured by pledge of shares by Dalmia Bharat Cement Holdings Limited and carrying interest @ 12.75% p.a. & repayable in 5 unequal yearly installments commencing from October 2015.

12. Financial liabilities *(contd...)*

viii) 5.70% ₹ 1.15 Crore (March 31, 2016 ₹ 1.09 Crore, April 1, 2015 ₹ 1.03 Crore) redemable preference shares at ₹ 20 per share (Including premiun of ₹ 10 per share) in November 2020.

4) Finance lease obligation referred to in C above are secured against leased assets.

5) Deferred Payment Liabilities referred to in D above were secured by hypothecation of vehicles purchased against it and repaid in equated monthly instalments.

Nil (March 31, 2016 ₹ 21.13 Crore, April 1, 2015 ₹ 53.32 Crore) deferred payment liabilities referred to in D above are repayable after 10 years from date of deferrment and is payable in monthly instalments of ₹ 0.05 Cr to ₹ 7.67 Cr till FY 2016-17.

6) Unsecured loans referred to in E above.

i) Foreign currency loan ₹ 145.72 Crore (March 31, 2016: ₹ Nil, April 1, 2015: ₹ Nil) are unsecured at LIBOR plus 250 BPS. ₹ 50 repayable at end of 13 months and balance at the end of 18 months from date of first disbursement.

ii) Foreign currency loan ₹ 246.50 Crore (March 31, 2016: ₹ Nil, April 1, 2015: ₹ Nil) are unsecured at LIBOR plus 250 BPS and repayable in March 2019.

iii) ₹ 5 Crore (March 31, 2016: ₹ Nil, April 1, 2015: ₹ Nil) are taken from Radhikapur (west) Coal mining private limited

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(ii) Other financial liabilities			
Security deposit received	5.82	3.51	5.06
Retention money payable	-	2.61	1.22
	5.82	**6.12**	**6.28**
Financial liabilities carried at amortised cost			
Borrowings	6,248.87	7,518.60	7,158.60
Security deposit received	5.82	3.51	5.06
Retention Money Payable	-	2.61	1.22
	6,254.69	**7,524.72**	**7,164.88**

13. Provisions

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for Mines reclamation liability	27.95	25.43	23.10
Provision for leave encashment	19.61	15.51	13.30
Provision for employee benefits	10.60	40.54	23.01
Others	95.63	90.63	74.39
	153.79	**172.11**	**133.80**

Notes to consolidated financial statements for the year ended March 31, 2017

14. Income Tax

(i) The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are: (₹ Crore)

	March 31, 2017	March 31, 2016
Statement of profit and loss:		
Current income tax charge	278.42	220.37
MAT credit entitlement	(12.72)	(88.04)
Deferred Tax charge / (Credit)	23.51	113.29
Prior year tax charge	(13.06)	(0.12)
Income tax expense reported in the statement of profit or loss	**276.15**	**245.50**
OCI Section		
Re-measurement (gains)/ losses on defined benefit plans and Fair value gain on investments		
Income tax related to items recognized in OCI during the year	(12.36)	(7.67)
	(12.36)	**(7.67)**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2016: (₹ Crore)

	March 31, 2017	March 31, 2016
Accounting Profit before tax	**707.96**	**510.04**
Applicable tax rate	34.608%	34.608%
Computed Tax Expense	**245.01**	**176.51**
Adjustments in respect of current income tax/ deferred tax of previous years	(13.06)	4.09
Tax effect of items that are not deductible for tax purpose	58.36	64.53
Tax effect of items that are deductible for tax purpose	(46.78)	(73.74)
Tax effect of items that are not taxable for tax purpose	78.58	94.15
Tax effect of deductions under Chapter VIA of Income Tax Act, 1961	(45.96)	(20.11)
	276.15	**245.43**

(iii) Deferred tax:

Deferred tax relates to the following: (₹ Crore)

	Balance Sheet		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Property, plant and equipment	1,745.50	1,754.40	1,666.31
Others	25.99	13.84	7.20
Less:			
Provisions, trade payables and other current liabilities	13.23	6.20	2.24
Unabsorbed depreciation	0.82	25.72	54.61
Others	181.05	61.73	63.03
Net deferred tax assets/(liabilities)	**1,576.39**	**1,674.59**	**1,553.63**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group in respect of its two subsidiaries Calcom Cement India Limited and Adhunik Cement Limited has deferred tax assets (primarily representing unabsorbed depreciation and losses under income tax Act) but in the absence of virtual certainty that sufficient future taxable income would be available against which such deferred tax assets can be realised, the Group has not recognised deferred tax assets in respect of these subsidiaries.

15. Government grant

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(i) Deferred capital investment subsidy			
Opening	138.10	78.43	78.43
Received during the year	9.22	70.50	-
Released to the statement of profit and loss	(7.78)	(4.45)	-
Less: Adjustment on account of short approval of the subsidy claim	-	(6.38)	-
Closing	139.54	138.10	78.43
(ii) Deferred export promotion capital goods			
Opening	5.80	5.80	5.80
Closing	5.80	5.80	5.80
	145.34	**143.90**	**84.23**

16. Other Long Term Liabilities

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred Govt Grant	29.99	37.20	-
Other liabilities	2.49	6.01	38.03
	32.48	**43.21**	**38.03**

17. Financial liabilities

(i) Borrowings

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured			
A. Rupee loan from Banks	66.30	205.99	279.96
B. Foreign currency loan	404.04	257.60	209.73
C. Short Term Loan	-	50.00	50.00
(A)	**470.34**	**513.59**	**539.69**
Unsecured			
D. From Others	7.41	7.41	7.41
E. Commercial Paper	742.20	330.19	133.27
(B)	**749.61**	**337.60**	**140.68**
Total short term borrowings (A+B)	**1,219.95**	**851.19**	**680.37**

A) Rupee loans from Banks referred to in A above to the extent of:
Rs. 66.30 Crore (March 31, 2016 Rs. 205.99 Crore, April 1, 2015 Rs. 279.96 Crore) are secured by hypothecation of inventories and other assets in favor of participating working capital consortiums bankers ranking pari pasu on inter se basis repayable in next one year and carry interest rate in the range of 10% p.a. to 12% p.a. Rs. 9.28 Crore (March 31, 2016 Rs. 6.42 Crore, April 1, 2015 Rs. 14.64 Crore) is also secured by second charge on fixed assets of Calcom Cement India Limited. Rs. 37.04 Crore (March 31, 2016 Rs. 115.77 Crore, April 1, 2015 Rs. 74.37 Crore) is further secured by second charge on entire fixed assets of Adhunik Cement Limited. Rs. 12.23 Crore (March 31, 2016 Rs. 10.20 Crore, April 1, 2015 Rs. 109.19 Crore) is further secured by second charge on fixed assets of cement division of OCL India Limited.

B) Foreign Currency Loans from Banks referred to in B above to the extent of:
Rs. 404.04 Crore (March 31, 2016 Rs. 257.60 Crore, April 1, 2015 Rs. 209.73 Crore) are secured by Letter of Undertaking issued by consortium bankers on the security of hypothecation of inventories and trade receivables in their favor ranking pari pasu on inter se basis repayable

Notes to consolidated financial statements for the year ended March 31, 2017

17. Financial liabilities *(contd...)*

in less than one year and carry interest rate at MIBOR Plus 2.5% (presently 3.41% p.a). Rs. 103.16 Crore (March 31, 2016 Rs. 82.18 Crore, April 1, 2015 Rs. 22.70 Crore) is further secured by second charge on fixed assets of cement division of OCL India Limited.

C) Short term loan referred to in C above to the extent of Nil (March 31, 2016 Rs. 50.00 Crore, April 1, 2015 Rs. 50.00 Crore) is secured by subservient hypothecation charge on all moveable fixed asset, present and future, all intangible assets both present and future, including but not limited to goodwill, trademarks and patents and undertakings and all current asset of the company. This facility is additionally secured by further pledge of 30% shares in the company held by Dalmia Group, negative lien on the balance shareholding of the Dalmia Group and corporate guarantee of Dalmia Cement (Bharat) Limited.

D) Loan from others referred to in D above are payable within next 6 months to 1 year and carry interest @ 12% to18%.

E) Commercial papers referred to in E above are payable in next three months and carry interest rate in the range of 6.40% to 7.50% per annum.

(ii) Trade payables

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Total outstanding dues of micro and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	954.11	856.58	697.95
	954.11	**856.58**	**697.95**

(iii) Other financial liabilities

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of long term borrowings	571.01	386.86	567.82
Interest accrued but not due on borrowings	80.63	65.51	42.81
Interest accrued and due on borrowings	16.92	14.76	7.98
Security deposit received	397.90	333.69	285.74
Capital creditors	65.93	123.22	91.65
Directors' commission payable	2.13	3.68	1.38
Unclaimed dividend*	2.97	5.77	2.24
Purchase consideration payable	91.39	91.39	98.70
	1,228.88	**1,024.88**	**1,098.32**

* Not due for deposit in Investor Education & Protection Fund

Financial liabilities carried at amortised cost

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payables	954.11	856.58	697.95
Borrowings	1,219.95	851.19	680.37
Current maturities of long term borrowings	571.01	386.86	567.82
Interest accrued but not due on borrowings	80.63	65.51	42.81
Interest accrued and due on borrowings	16.92	14.76	7.98
Security deposit received	397.90	333.69	285.74
Capital creditors	65.93	123.22	91.65
Directors' commission payable	2.13	3.68	1.38
Unclaimed dividend	2.97	5.77	2.24
Purchase consideration payable	91.39	91.39	98.70
	3,402.94	**2,732.65**	**2,476.64**

18. Other current liabilities

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advances from customers	100.46	75.16	57.63
Deferred Revenue	34.93	31.79	35.37
Deferred Govt Grant	4.20	-	-
Other liabilities			-
- Statutory dues	251.17	184.08	131.03
- Others	42.06	50.12	31.75
	432.82	**341.15**	**255.78**

19. Provisions

(₹ Crore)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for tax	309.96	143.93	4.28
Provision for employee benefits	21.52	21.13	11.90
Other provisions	70.11	56.99	53.50
	401.59	**222.05**	**69.68**

20. Revenue from operations

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of products (including excise duty)		
Cement sales	7,378.17	6,580.89
Refractory goods sales	379.83	330.17
Power sales	29.46	49.18
Traded Sales	13.18	18.19
	7,800.64	**6,978.43**
Management services	18.39	12.07
Sales Tax incentive/ VAT remission	388.23	176.61
Excise Refund	34.53	23.98
Other operating revenue	106.31	71.06
	8,348.10	**7,262.15**

Sale of goods includes excise duty collected from customers of ₹ 916.44 Cr. (31 March 2016: ₹ 889.55 Cr.). Sale of goods net of excise duty is ₹ 6,884.20 Cr. (31 March 2016: ₹ 6,088.88 Cr.)

Notes to consolidated financial statements for the year ended March 31, 2017

21. Other Income

(₹ Crore)

	For the year ended March 31, 2017		For the year ended March 31, 2016	
Dividend income				
- from non-current investments		-		0.90
- from current investments		16.05		6.51
Interest Income		24.70		37.32
Unwinding of interest income on financial instruments		51.10		39.17
Profit on sale of Investments	110.71		106.86	
Less: Loss on sale of investment	0.12	110.59	1.31	105.55
Fair value gain on financial instruments at fair value through profit or loss				
- Fair value gain on investments		73.67		30.88
Miscellaneous receipts		22.67		9.16
		298.78		**229.49**

22. Cost of materials consumed

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Class of product		
Limestone	381.54	254.56
Clinker	80.97	195.56
Gypsum	56.16	55.44
Fly ash	98.14	77.27
Slag	239.37	229.08
Others	312.43	273.69
	1,168.61	**1,085.60**

23. Change in inventories of finished goods and work in progress

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Finished Goods		
- Closing stock	129.72	201.87
- Opening stock	201.87	164.59
Add: Transfer from Trial run	-	0.51
	72.15	(36.77)
Work-in-Process		
- Closing stock	52.89	69.91
- Opening stock	69.91	80.94
Less: Transfer to self consumption	(0.18)	-
Add: Transfer from Trial run	-	6.56
	16.84	17.59
(Increase) / Decrease	**88.99**	**(19.18)**
Less: Transfer to Capital work in progress	-	1.17
Net (Increase) / Decrease	**88.99**	**(20.35)**

Notes to consolidated financial statements for the year ended March 31, 2017

24. Employee benefits expense

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus	533.82	440.10
Expenses on Employees Stock Options Scheme	7.12	2.46
Contribution to provident fund and other funds	35.84	34.96
Workmen and staff welfare expenses	32.40	27.79
	609.18	**505.31**

25. Finance costs

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest		
- On term loans and debentures	726.20	623.65
- On short term borrowings	80.76	39.89
- Others	10.95	15.54
Other borrowing cost	71.19	44.76
Exchange differences to the extent considered as an adjustment to borrowing cost	0.89	6.35
Unwinding of discount and effect of change in discount rate		
	889.99	**730.19**

26. Other Expenses

(₹ Crore)

	For the year ended March 31, 2017	For the year ended March 31, 2016
Power and fuel	979.23	882.01
Packing materials	253.00	218.65
Consumption of stores and spare parts	51.28	49.12
Freight charges	1,228.97	1,058.26
Repairs and maintenance :		
- Plant & machinery	157.49	152.17
- Buildings	14.21	13.30
Rent	30.04	26.07
Rates and taxes	29.26	28.43
Insurance	6.46	8.76
Depot expenses	132.84	109.92
Professional charges	40.91	80.01
Advertisement and publicity	158.74	117.86
Rebate and discounts	9.98	6.64
Excise duty variation on opening/closing inventories	(3.93)	10.62
Corporate Social responsibility expense	10.16	8.86
Cost for obligations	0.21	3.78
Miscellaneous expenses	388.33	344.48
	3,487.18	**3,118.94**

Notes to consolidated financial statements for the year ended March 31, 2017

27. Earning Per Share

	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic EPS		
Net profit for calculation of basic EPS (₹ in Cr)	**344.80**	**190.01**
Total number of equity shares outstanding at the end of the year	88,965,803	88,793,303
Weighted average number of equity shares in calculating Basic EPS	88,853,874	81,693,079
Basic EPS (₹)	38.81	23.26
Diluted EPS		
Net profit for calculation of diluted EPS (₹ in Cr)	**344.80**	**190.01**
Weighted average number of equity shares for calculation of diluted EPS	88,853,874	81,693,079
Add: Weighted average number of potential equity shares	688,419	493,660
Weighted average number of equity shares for calculation of diluted EPS	89,542,293	82,186,739
Diluted EPS (₹)	38.51	23.12

28. Disclosure of significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions

The judgements and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its judgements, assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Significant judgements, estimates and assumptions are as specified below:-

Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using black-Scholes model to determine the fair value of the liability incurred. Estimating fair value for equity-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility, risk free rate, expected dividend yield, market price and exercise price and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be disclosed at the carrying amount at end of each reporting period up to the date of settlement. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 30. Change in assumptions for estimating fair value of share-based payment transactions is expected to have insignificant impact on income statement.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2006-08. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 39 and 40 for further disclosures.

Provision for mines reclamation

The Group has recognised a provision for mine reclamation until the closure of mine. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected future inflation rates, discount rate, expected cost of reclamation of mines, expected balance of reserves available in mines and the expected life of mines. The carrying amount of the provision as at March 31, 2017 is Rs. 27.95 (March 31, 2016: Rs. 25.34; April 1, 2015: Rs. 23.10). The Group estimates that the costs would be incurred over its residual economic life estimated as per the mining plan or finite life whichever is lower and calculates the provision using the DCF method based on the following assumptions:

- Inflation rate – 7.31%
- Discount rate – 7.81%
- Expected cost of reclamation of mines – Rs. 34.97

Property, plant and equipment

The Group measures certain property, plant and equipment at fair values as deemed cost with changes in fair value being recognised in retained earnings as on transition date and use it as its deemed cost as at the date of transition. The Group engaged an independent valuation specialists to assess fair value at April 1, 2015 for revalued property, plant and equipment. Property, plant and equipment were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property.

29. Gratuity and Other Post Employment Benefit Plans

Gratuity

The Group has a defined benefit gratuity plan. The gratuity is governed by the Payment of Gratuity Act, 1972. Under the Act employee who has completed five years of service is entitled to gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Scheme is funded through Gratuity Fund Trust with an insurance company in the form of a qualifying insurance policy. The Trust is responsible for the administration of the plan assets and for the determination of investment strategy. The Group makes provision of such gratuity asset/ liability in the books of account on the basis of actuarial valuation carried out by an independent actuary.

Provident Fund ('PF')

The Group contributes provident fund liability to Dalmia Cement Provident Fund Trust. As per the Guidance Note on implementing notified AS 15, Employee Benefits issued by the Ministry of Corporate Affairs (MCA), provident funds set up by the employers, which require interest shortfall to be met by the employer, needs to be treated as defined benefit plan.

The following tables summarize the components of net employee benefit expenses recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the above mentioned plan.

Statement of Profit and Loss

Net employee benefit expenses (recognised in Employee Benefits Expenses) (₹ Crore)

Particulars	Gratuity (Funded)		PF (Funded)	
	2016-17	2015-16	2016-17	2015-16
Current Service Cost	6.81	8.24	5.61	4.70
Interest cost on benefit obligation	1.21	0.24	2.04	0.84
Net Benefit Expense	**8.02**	**8.48**	**7.65**	**5.54**

Notes to consolidated financial statements for the year ended March 31, 2017

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2017 (₹ Crore)

	Gratuity (Funded)			PF Trust (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2016 (1)	56.48	40.84	15.64	46.94	46.14	0.80
Service cost (2)	6.81	-	6.81	5.61	-	5.61
Net interest expense/ (income) (3)	4.37	3.16	1.21	5.70	3.66	2.04
Sub-total included in profit or loss (note 26) (2+3)=(4)	**11.17**	**3.16**	**8.02**	**11.31**	**3.66**	**7.65**
Re-measurements						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	0.28	(0.28)	-	2.04	(2.04)
(Gain)/loss from changes in demographic assumptions (6)	2.78	-	2.78	-	-	-
Experience (gains)/losses (7)	(0.81)	-	(0.81)	0.71	-	0.71
Sub-total included in OCI (5+6+7)=(8)	**1.97**	**0.28**	**1.69**	**0.71**	**2.04**	**(1.33)**
Contributions by employer (9)	-	2.02	(2.02)	-	5.61	(5.61)
Contribution by plan participation/ employees (10)	-	-	-	11.13	11.13	-
Settlements/ (Transfer in) (11)	-	-	-	18.31	18.31	-
Benefits paid (12)	(3.75)	(3.65)	(0.10)	1.92	1.92	-
Sub-total (9+10+11+12)=(13)	**(3.75)**	**(1.63)**	**(2.12)**	**27.52**	**33.13**	**(5.61)**
March 31, 2017 (1+4+8+13)	**65.87**	**42.65**	**23.22**	**86.48**	**84.97**	**1.51**

Change in the defined benefit obligation and fair value of plan assets as at March 31, 2016 (₹ Crore)

	Gratuity (Funded)			PF (Funded)		
	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)	Defined benefit obligation (A)	Fair value of plan assets (B)	Net obligation (A-B)
April 1, 2015 (1)	48.15	42.38	5.77	30.90	30.38	0.52
Service cost (2)	8.24	-	8.24	4.70	-	4.70
Net interest expense/ (income) (3)	3.58	3.34	0.18	3.25	2.41	0.84
Sub-total included in profit or loss (note 26) (2+3)=(4)	**11.82**	**3.34**	**8.48**	**7.95**	**2.41**	**5.54**
Re-measurement gains/(losses) in other comprehensive income						
Return on plan assets (excluding amounts included in net interest expense) (5)	-	0.08	(0.08)	-	0.84	(0.84)
Actuarial changes arising from changes in financial assumptions (6)	0.55	-	0.55	-	-	-
Experience (gains)/losses (7)	2.33	-	2.33	0.28	-	0.28
Sub-total included in OCI (5+6+7)=(8)	**2.88**	**0.08**	**2.80**	**0.28**	**0.84**	**(0.56)**
Contributions by employer (9)	-	1.78	(1.78)	-	4.70	(4.70)
Contribution by plan participation/ employees (10)	-	-	-	7.72	7.73	(0.01)
Settlements/ (Transfer in) (11)	-	(0.10)	0.10	1.09	1.09	-
Benefits paid (12)	(6.11)	(6.63)	0.52	1.00	1.00	-
Sub-total (9+10+11+12)=(13)	**(6.11)**	**(4.95)**	**(1.16)**	**7.81**	**12.52**	**(4.71)**
March 31, 2016 (1+4+8+13)	**56.74**	**40.85**	**15.89**	**46.94**	**46.15**	**0.79**

The Company expects to contribute Rs. 26.79 Crore (March 31, 2016: Rs. 17.82 Crore) to gratuity and Rs. 5.89 Crore (March 31, 2016: Rs. 5.17 Crore) to gratuity and PF respectively in 2017-18.

The major categories of plan assets of the fair value of the total plan assets of Gratuity and PF are as follows:- (₹ Crore)

	Gratuity (Funded)			PF (Funded)		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Unquoted investments:						
Insurance Company Products	100%	99.50%	100%	-	-	-
Government securities as defined under PF rules	-	0.50%	-	100%	100%	100%
Total	**100%**	**100%**	**15.99**	**36.69**	**21.21**	**13.61**

The principal assumptions used in determining gratuity and PF for the Company are shown below: (%)

	Gratuity (Funded)			PF (Funded)		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
	%	%	%	%	%	%
Discount rate	6.9%-7.60%	7.50	7.75	6.89%-7.5%	7.89% to 7.95%	7.90
Future salary increases	6%-9%	7.00	7.00	-	-	-
Guaranteed interest rate	-	-	-	8.65	8.80	8.75
Mortality Table	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified	IALM (2006-08) duly modified

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 and March 31, 2016 is as shown below

Gratuity Plan: (%)

Assumption	Discount rate				Future salary increases			
Sensitivity Level	1% Decrease		1% Increase		1% Decrease		1% Increase	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Impact on defined benefit obligation	2.85	0.59	3.89	3.02	2.51	1.60	4.63	1.75
Impact on defined benefit obligation (Change in %)	4.3%	1%	5.9%	5.3%	3.8%	2.8%	7%	3.1%

PF: (₹ Crore)

Assumption	Discount rate				Interest rate guarantee			
Sensitivity Level	1% Decrease		1% Increase		1% Decrease		1% Increase	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Impact on defined benefit obligation	0.39	0.12	(0.09)	(0.05)	(0.15)	(0.06)	0.69	0.20
Impact on defined benefit obligation (Change in %)	(3.30%)	(3.20%)	1.30%	1.40%	1.20%	1.20%	(5.80%)	(5.70%)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period

The following payments are expected contributions to the defined benefit plan in future years: (₹ Crore)

	Gratuity (Funded)		PF (Funded)	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Within the next 12 months (next annual reporting period)	16.80	12.16	17.14	10.75
Between 2 and 5 years	21.35	21.54	43.93	24.29
Between 5 and 10 years	29.60	31.11	25.44	13.95
Beyond 10 years	54.79	47.08	100.92	55.94
Total expected payments	**122.54**	**111.89**	**187.43**	**104.93**

The average duration of the defined benefit plan obligation for gratuity at the end of the reporting period is 8 years (March 31, 2016: 8 years) and for PF at the end of the reporting period is 8 years (March 31, 2016: 8 years).

Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:-

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. The plan asset investments is in insurance company products and in government securities. The investments are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

Asset liability matching risk

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

Liquidity Risk

The Company actively monitors how the duration and the expected yield of investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods.

30. Share – based payments

Employee stock option scheme 2011- "ESOP 2011"was approved by the shareholders of the company in their meeting held on 26th May,2011.The Company has granted 17,65,000 options to eligible employees of the company including employees of subsidiary company.

The fair value of the share options is estimated at the grant date using the Black- Scholes option pricing model, taking into account the terms and conditions upon which the share options were granted. However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

Options have been granted with vesting period of 5 years on the basis of graded vesting and are exercisable for a period of 3 years once vested. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement for these share options.

The expense recognised for employee services received during the year is shown in the following table: (₹ Crore)

	March 31, 2017	March 31, 2016
Expense arising from equity-settled share-based payment transactions	7.12	3.07
Total expense arising from share-based payment transactions	**7.12**	**3.07**

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	March 31, 2017	March 31, 2017	March 31, 2016	March 31, 2016
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	10,59,000	248.96	7,88,000	139.53
Granted during the year	-	-	4,86,000	362.94
Exercised during the year	(1,72,500)[1]	121.05	(1,04,000)[2]	105.50
Expired/ Lapsed during the year	(66,000)	105.50	(1,11,000)	105.50
Outstanding at the end of the year	8,20,500	287.40	10,59,000	248.96

[1] The weighted average share price at the date of exercise of these options is ₹ 1,940.55

[2] The weighted average share price at the date of exercise of these options is ₹ 713.21

The weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 5.55 years (March 31, 2016: 5.81 years, April 1, 2015: 5.20 years).

The weighted average fair value of options granted during the year was Rs. Nil (March 31, 2016: Rs. 479.29).

The range of exercise prices for options outstanding at the end of the year is Rs. 105.50 to Rs. 383.53 (March 31, 2016: Rs. 105.50 to Rs. 383.53, April 1, 2015: Rs. 105.50 to Rs. 217.23).

The following table list the inputs to the models used for the plan for the year ended March 31, 2017 and March 31, 2016:-

	Grant 1	Grant 2	Grant 3
Dividend yield (%)	1.42	0.40	0.21
Volatility (%)	42.76	48.58	46.92
Risk–free interest rate (%)	8.16	7.71	7.54
Average expected life of options (years)	4.50	4.53	4.51
Weighted average share price (Rs.)	105.95	502.05	713.80
Date of grant	May 18, 2012	January 29, 2015	February 03, 2016
Model used	Black Scholes Model	Black Scholes Model	Black Scholes Model

The following table list the inputs to the models used for the plan for the year ended April 1, 2015:-

	Grant 1	Grant 2
2Dividend yield (%)	1.42	0.40
Volatility (%)	42.76	48.58
Risk–free interest rate (%)	8.16	7.71
Average expected life of options (years)	4.50	4.53
Weighted average share price (Rs.)	105.95	502.05
Date of grant	May 18, 2012	January 29, 2015
Model used	Black Scholes Model	Black Scholes Model

31. Lease

A. Operating Lease- Assets taken on lease

The group has entered into cancellable lease agreements with an average life of between one to five years with renewal option at the mutual consent of lessor & lessee. Some of the lease agreements contain escalation clause of upto 10%. There are no restrictions placed upon the group by entering into these leases.

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016
Lease payments for the year	30.04	26.07
Total	**30.04**	**26.07**

B. Finance Lease -Group as Lessor

Future minimum lease receivables (MLR) and its present value under finance leases are as follows: (₹ Crore)

	March 31, 2017		March 31, 2016	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
within one year	0.36	0.03	0.38	0.05
After one year but not more than five years	1.31	-	1.43	0.03
more than five years	-	-	-	-
Unguaranteed residual values	1.80	1.32	1.80	1.32
Total minimum lease payments	**3.47**	**1.35**	**3.84**	**1.40**
Less: amounts representing finance charges	(0.49)	-	(0.50)	-
Present value of minimum lease payments	**2.98**	**1.35**	**3.34**	**1.40**

Notes to consolidated financial statements for the year ended March 31, 2017

C. Finance Lease- Group as Lessee

Future minimum lease receivables (MLR) and its present value under finance leases are as follows: (₹ Crore)

	March 31, 2017		March 31, 2016	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
within one year	1.41	1.17	1.41	1.30
After one year but not more than five years	4.20	2.94	5.54	4.07
more than five years	6.81	0.44	6.88	0.42
Total minimum lease payments	**12.42**	**4.55**	**13.83**	**5.79**
Less: amounts representing finance charges	(1.43)	-	(1.53)	-
Less: Amount representing interest	(6.44)	-	(6.51)	-
Present value of minimum lease payments	**4.55**	**4.55**	**5.79**	**5.79**

32. Capital and Other commitments

(₹ Crore)

Particulars	2016-17	2015-16
a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
In respect of Parent	0.50	0.38
In respect of Subsidiaries	104.95	156.78
b) Estimated amount of contracts remaining to be executed on other than capital account and not provided for (net of advances)		
In respect of Parent	-	-
In respect of Subsidiaries	50.03	1.22
c) Export obligation on import of equipment's and spare parts under EPCG Scheme		
In respect of Parent	-	-
In respect of Subsidiaries	286.67	286.67
d) Commitment towards forestry department as per the Forest (Conservation) Act, 1980		
In respect of Parent	-	-
In respect of Subsidiaries	31.60	31.60

33. Contingent liabilities/Litigations in respect of:

(A) Not provided for:

Parent Company (₹ Crore)

S. No.	Particulars	2016-17	2015-16
a)	Contingent liabilities / Litigations	Nil	Nil

Subsidiaries (₹ Crore)

S. No.	Particulars	2016-17	2015-16
a)	Claims against the Company not acknowledged as debts	189.13	191.22
b)	Demand raised by following authorities in dispute:		
	Excise, Customs, Service tax, VAT, Entry tax and Sales tax*	181.74	172.55
	Income tax matters	88.94	11.20
c)	Other monies for which Company is contingently liable	2.91	2.92
	Total	**462.72**	**377.88**

• In Respect of one of step down subsidiary namely, Dalmia Cement east Limited, Rs 6.98 Crore has been shown against Entry tax in West Bengal & out of Rs 6.98 Crore, Rs 2.55 Crore has been paid under protest and shown in other current assets.

Based on favourable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors etc., the Group believes that there is a fair chance of favourable decisions in respect of the items listed above and hence no provision is considered necessary against the same.

(B) The Group's subsidiary Dalmia Cement (Bharat) Limited (DCBL) holds 76% shares in one of its subsidiary company Calcom Cement India Ltd (CCIL) where Bawri group (BG) holds 21% (approx) voting rights. The DCBL is in the management of CCIL. During the previous year the DCBL alleged that BG has defaulted in completion of certain obligations under the shareholder agreement/ articles of association (referred as inter se arrangement or ISA) and sent notice to BG seeking remedies under the terms of ISA. In response thereto, BG denied the responsibility of completion of the said obligations and further filed a petition before the Company Law Board, Kolkata (CLB) under sections 397 and 398 of the Companies Act 1956 alleging oppression and mismanagement by the DCBL. BG prayed CLB, along with other non-financial matters, to get the subsidiary suitably compensated for such sums as may be found due. The management denied the allegations. On constitution of National Company Law Tribunal ('NCLT'), the case was referred to it. NCLT, Guwahati Branch, has concluded in response to an application filed under section 8 of the Arbitration and Conciliation Act 1996 by DCBL, vide its order dated January 5, 2017, that the said 397/398 petition is dressed up petition and therefore, disposed of the same and vacated all the interims orders. Further, NCLT referred both the parties to arbitration for settlement of their commercial disputes. The said order is currently under challenge before Hon'ble High Court of Guwahati. Pending final disposal of the disputes, no adjustments are considered necessary in the financial statements.

(C) The Group's subsidiary Dalmia Cement (Bharat) Limited has received summons from the Court of Principal Special Judge for CBI cases Hyderabad, under Section 120 (b) read with Section 420 of Indian Penal Code. The investigating agency has alleged that its investment in Bharthi Cement and acquisition of Eswar Cements Private Limited were made for the benefit of an influential person in the State, prime accused in the case, as a quid pro quo for grant of prospecting license over certain limestone bearing land in the State of Andhra Pradesh. However, both the investments made by Dalmia Bharat Sugar and Industries Limited were genuine investments as permitted under that Company's Memorandum and Articles of association and duly approved by their Board of Directors. The proceedings are still at the preliminary stage and in the opinion of the Company, no adverse impact is expected to devolve on the management on conclusion of such proceedings.

(D) The Company is involved in various litigations (including arbitrations) the liability of which are considered probable and in respect of which the Company has liabilities for March 31, 2017: Rs. 44.76 (March 31, 2016: Rs. 43.40, April 1, 2015: Rs. 39.06)

34. Related Party transactions

A) List of related parties along with nature and volume of transactions is given below

i. Key Management Personnel/ Director of the Company

Shri Jai Hari Dalmia - Managing Director, Shri Yadu Hari Dalmia - Managing Director, Shri Gautam Dalmia - Director, Shri Puneet Yadu Dalmia – Director, Shri Jayesh Doshi - Whole Time Director & Nidhi Bisaria - Company Secretary.

ii. Enterprises controlled by the Key Management Personnel of the Company

Dalmia Bharat Sugar and Industries Limited, Dalmia Refractories Limited, Keshav Power Limited and Glow Home Technologies Private Limited.

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

(₹ Crore)

Name of the Related Party	Nature of related party	Year	Dividend Paid	Dividend Received	Interest received	Loan Received	Loans & Advances received back	Managerial Remuneration	Purchase of goods & Services	Reimbursement of expense Payable	Reimbursement of expense receivable	Sale of goods & Services	Sitting Fees
Dalmia Bharat Sugar & Industries Limited	KMP Controlled	Mar-17	-	-	-	-	-	-	7.34	0.14	0.25	15.97	-
		Mar-16	(0.33)	(0.89)	(4.61)	-	(16.00)	-	(9.31)	(0.15)	(0.25)	(11.99)	-
Dalmia Cement (Bharat) Limited	Subsidiary	Mar-17	-	-	-	-	-	-	-	-	-	-	-
		Mar-16	-	-	-	-	-	-	-	-	-	-	-
Dalmia Refractories Limited	KMP Controlled	Mar-17	-	-	-	-	-	-	16.12	-	0.03	4.48	-
		Mar-16	-	-	-	-	-	-	(15.98)	-	-	(1.78)	-
Glow Home Technologies Pvt Limited	KMP Controlled	Mar-17	-	-	-	-	-	-	0.10	-	-	-	-
		Mar-16	-	-	-	-	-	-	-	-	-	-	-
Gautam Dalmia	KMP	Mar-17	-	-	-	-	-	4.09	-	-	-	-	0.06
		Mar-16	-	-	-	-	-	(11.36)	-	-	-	-	(0.07)
Jayesh Doshi	KMP	Mar-17	-	-	-	-	-	5.61	-	-	-	-	0.04
		Mar-16	-	-	-	-	-	(2.89)	-	-	-	-	(0.02)
Nidhi Bisaria	KMP	Mar-17	-	-	-	-	-	0.18	-	-	-	-	-
		Mar-16	-	-	-	-	-	(0.13)	-	-	-	-	-
OCL India Limited	Subsidiary	Mar-17	-	-	-	-	-	-	-	-	-	-	-
		Mar-16	-	-	-	-	-	-	-	-	-	-	-
Puneet Dalmia	KMP	Mar-17	-	-	-	-	-	23.50	-	-	-	-	0.03
		Mar-16	-	-	-	-	-	(13.11)	-	-	-	-	(0.03)
Radhikapur Mines	Joint Venture	Mar-17	-	-	0.16	5.00	-	-	-	-	-	-	-
		Mar-16	-	-	-	-	-	-	-	-	-	-	-
J.H. Dalmia	KMP	Mar-17	-	-	-	-	-	2.91	-	-	-	-	0.01
		Mar-16	-	-	-	-	-	(2.71)	-	-	-	-	(0.03)
Keshav Power Limited	KMP Controlled	Mar-17	-	-	-	-	-	-	-	-	-	-	-
		Mar-16	-	-	-	-	-	-	(2.20)	-	-	-	-
Y.H. Dalmia	KMP	Mar-17	-	-	-	-	-	2.81	-	-	-	-	0.03
		Mar-16	-	-	-	-	-	(3.84)	-	-	-	-	(0.02)
Total		Mar-17	-	-	0.16	5.00	-	39.10	23.56	0.14	0.28	20.45	0.17
		Mar-16	(0.33)	(0.89)	(4.61)	-	(16.00)	(34.04)	(27.49)	(0.15)	(0.25)	(13.77)	(0.17)

B.1) Balance outstanding at year end: (₹ Crore)

Name of the Related Party	Nature of related party	Year	Amounts Receivable	Interest Receivable	Loans / Advance receivable	Amounts Payable
Dalmia Bharat Sugar & Industries Limited	KMP Controlled	Mar-17	0.72	-	-	0.17
		Mar-16	(1.81)	-	-	(0.27)
		Mar-15	((0.50))	-	((50.00))	((0.24))
Dalmia Refractories Limited	KMP Controlled	Mar-17	0.19	0.27	0.01	1.29
		Mar-16	-	-	-	(1.39)
		Mar-15	((1.19))			((3.45))
Keshav Power Limited	KMP Controlled	Mar-17	-	-	-	-
		Mar-16	-	-	-	-
		Mar-15	-	-	-	((1.05))
Glow Home Technologies Pvt Limited	KMP Controlled	Mar-17	-	-	-	0.04
		Mar-16	-	-	-	-
		Mar-15	-	-	-	-
Total		Mar-17	0.91	0.27	0.01	1.50
		Mar-16	(1.81)	-	-	(1.66)
		Mar-15	((1.69))	-	((50.00))	((4.74))

C) **Compensation of key management personnel of the Company:-** (₹ Crore)

Particulars	March 31, 2017	March 31, 2016
Short-term employee benefits	34.93	30.78
Termination benefits	1.29	0.94
Post- employment gratuity	2.32	1.92
Share-based payment transactions	0.72	0.57
Total compensation paid to key management personnel	**39.27**	**34.21**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel including sitting fees.

D) **Directors' interests in the Senior Executive Plan**

Share options held by executive members of the Board of Directors under the senior executive plan to purchase equity shares have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price (₹)	March 31, 2017 Number outstanding	March 31, 2016 Number outstanding	April 1, 2015 Number outstanding
January 29, 2015	January 29, 2021	217.23	54,000	60,000	60,000
February 03, 2016	February 03, 2022	383.53	15,000	15,000	-
Total			**69,000**	**75,000**	**60,000**

35. Fair Values

See out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ Crore)

Particulars	Carrying Value			Fair Value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial Assets						
Financial assets carried at amortised cost						
Investment in tax free bonds	0.50	0.50	0.50	0.58	0.58	0.56
Loans and advances to employees	11.98	5.84	5.29	11.79	5.38	5.29
Security deposit	50.64	58.66	45.86	50.69	61.55	45.86
Incentives receivable	778.99	424.60	310.77	779.65	424.60	311.41
Financial assets carried at fair value through profit or loss						
Derivative Instruments	18.01	7.51	6.71	18.01	7.51	6.71
Investment in equity shares	40.75	26.40	21.72	40.75	26.40	21.72
Investment in mutual funds	2074.67	1920.67	1200.97	2074.67	1920.67	1200.97
Investment in Venture Capital fund	4.81	8.99	12.14	4.81	8.99	12.14
Financial assets carried at fair value through other comprehensive income						
Investment in LLP	132.50	-	-	132.50	-	-
Investment - Equity shares (unquoted)	397.50	221.20	-	397.50	221.20	-
Assets for which fair values are disclosed						
Investment Properties	0.33	0.33	0.34	2.99	2.99	3.03
Financial Liabilities						
Financial liabilities carried at amortised cost						
Borrowings (including current maturity of long term borrowings)	8,039.83	8,756.65	8,406.79	8,225.75	8,744.50	8,188.13
Security deposit received	403.72	337.20	290.80	403.35	338.83	290.80

36. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017: (₹ Crore)

Particulars	Carrying Value March 31, 2017	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	11.98	-	-	11.98
Security deposit	50.64	-	-	50.64
Incentives receivable	778.99	-	-	778.99
Investment in tax free bonds	0.50	0.58	-	-
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	8,039.83	-	-	8,039.83
Security deposit received	403.72	-	-	403.72
Measurement				
Financial assets carried at fair value through profit or loss				
Derivative Instruments	18.01	-	18.01	-
Investment in equity shares	40.75	40.75	-	-
Investment in mutual funds	2074.67	2074.67	-	-
Investment in venture capital fund	4.81	-	4.81	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2017.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016: (₹ Crore)

Particulars	Carrying Value March 31, 2016	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	5.84	-	-	5.84
Security deposit	58.66	-	-	58.66
Incentives receivable	424.60	-	-	424.60
Investment in tax free bonds	0.50	0.58	-	-
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	8,756.65	-	-	8,756.65
Security deposit received	337.20	-	-	337.20
Measurement				
Financial assets carried at fair value through profit or loss				
Derivative Instruments	7.51	-	7.51	-
Investment in equity shares	26.40	26.40	-	-
Investment in mutual funds	1920.67	1920.67	-	-
Investment in venture capital fund	8.99	-	8.99	-

There have been no transfers between Level 1 and Level 2 during the year ended March 31, 2016.

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2015: (₹ Crore)

Particulars	Carrying Value April 01, 2015	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Disclosure				
Financial assets carried at amortised cost				
Loans and advances to employees	5.29	-	-	5.29
Security deposit	45.86	-	-	45.86
Incentives receivable	310.77	-	-	310.77
Investment in tax free bonds	0.50	0.56	-	-
Financial liabilities carried at amortised cost				
Borrowings (including current maturity of long term borrowings)	8,406.79	-	-	8,406.79
Security deposit received	290.80	-	-	290.80
Measurement				
Financial assets carried at fair value through profit or loss				
Derivative Instruments	6.71	-	6.71	-
Investment in equity shares	21.72	21.72	-	-
Investment in mutual funds	1200.97	1200.97	-	-
Investment in venture capital fund	12.14	-	12.14	-

There have been no transfers between Level 1 and Level 2 during the year ended April 1, 2015.

37. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations

The Group is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision.

Derivatives are used exclusively for hedging purposes and not as trading for speculative instruments. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and commodity price risk. Financial instruments affected by market risk include investments and deposits, trade receivables, trade payables, loans and borrowings and derivative financial instruments.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets and liabilities of foreign operations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ Crore)

Particulars	Increase/ decrease in basis points	Effect on profit before taxes
March 31, 2017		
INR	+ 50 BPS	(11.99)
INR	- 50 BPS	21.99
USD	+ 50 BPS	(2.01)
USD	- 50 BPS	2.14
March 31, 2016		
INR	+ 50 BPS	(16.44)
INR	- 50 BPS	10.16
USD	+ 50 BPS	(0.86)
USD	- 50 BPS	0.84

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating and financing activities. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

The Group's exposure to foreign currency changes for currencies other than USD and EURO are not material.

(₹ Crore)

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2017	+5%	(27.61)	(27.61)
March 31, 2017	-5%	27.61	27.61
March 31, 2016	+5%	(15.08)	(15.08)
March 31, 2016	-5%	15.08	15.08

(₹ Crore)

	Change in Euro rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2017	+5%	(15.51)	(15.51)
March 31, 2017	-5%	15.51	15.51
March 31, 2016	+5%	0.01	0.01
March 31, 2016	-5%	(0.01)	(0.01)

(₹ Crore)

	Change in other rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2017	+5%	(0.01)	(0.01)
March 31, 2017	-5%	0.01	0.01
March 31, 2016	+5%	(0.01)	(0.01)
March 31, 2016	-5%	0.01	0.01

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.

Notes to consolidated financial statements for the year ended March 31, 2017

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

An impairment analysis is performed at each quarter end on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 9 (ii). The Group evaluates the concentration of risk with respect to trade receivables as low, the trade receivables are located in several jurisdictions and operate in largely independent markets.

(₹ Crore)

	Less than 180 days past due	More than 180 days past due	Total
As at March 31, 2017			
Gross carrying amount (A)	559.52	111.48	671.00
Expected Credit Losses (B)	11.19	66.49	77.68
Net Carrying Amount (A-B)	**548.33**	**44.99**	**593.32**
As at March 31, 2016			
Gross carrying amount (A)	498.74	84.55	583.29
Expected Credit Losses (B)	7.98	65.28	73.26
Net Carrying Amount (A-B)	**490.76**	**19.27**	**510.03**
As at April 1, 2015			
Gross carrying amount (A)	540.51	64.10	604.61
Expected Credit Losses (B)	25.54	53.09	78.63
Net Carrying Amount (A-B)	**514.97**	**11.01**	**525.98**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Group.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2017, March 31, 2016 and April 1, 2015 is the carrying amounts as illustrated in note 39 except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instruments is noted in note 39 and the liquidity table below.

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, debentures and cash credit facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contracted undiscounted payments (excluding transaction cost on borrowings).

(₹ Crore)

	Less than 1 Year	1 to 5 Years	More than 5 years	Total
As at March 31, 2017				
Borrowings	1876.40	3830.79	2401.98	8109.18
Trade payables	954.11	-	-	954.11
Other financial liabilities	1227.33	2.31	5.06	1234.70
As at March 31, 2016				
Borrowings	1204.01	4768.34	2874.17	8846.52
Trade payables	855.07	1.51	-	856.58
Other financial liabilities	1025.94	-	5.06	1031.00
As at April 1, 2015				
Borrowings	1162.06	3255.78	4042.70	8460.55
Trade payables	696.77	1.18	-	697.95
Other financial liabilities	1068.03	31.51	5.06	1104.60

38. 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.

(₹ Crore)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Long term borrowing	6,248.87	7,518.60	7,158.60
Short term borrowing	1,219.95	851.19	680.37
Current maturities of long term borrowings	571.01	386.86	567.82
Less : Cash and Cash Equivalents	137.22	150.18	458.64
Less : Current investments	2,641.38	2,554.69	1,610.25
Net Debt (A)	**5,261.23**	**6,051.78**	**6,337.90**
Equity	4,964.87	4,589.28	3,814.82
Capital and net debt (B)	**10,226.10**	**10,641.06**	**10,152.72**
Gearing ratio (A/B)	51%	57%	62%

To maintain or adjust the capital structure, the Group review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017, March 31, 2016 and April 1, 2015.

39. Movement of provision during the year:

(₹ Crore)

Particulars	Mines reclamation provision	Others	Total
As at April 1, 2015	23.10	75.81	98.91
Additions during the year	2.24	16.76	19.00
Utilized during the year	-	-	-
As at March 31, 2016	25.34	92.57	117.91
Additions during the year	2.61	3.04	5.65
Utilized during the year	-	-	-
As at March 31, 2017	**27.95**	**95.61**	**123.56**

Mines reclamation provision

The Group records a provision for mine reclamation cost until the closure of mine. Mine reclamation costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as cost of goods sold in statement of profit and loss.

Others

The Group is involved in various litigations (including arbitrations) the liability of which are considered probable of paying this amount is high. This provision is created for arbitration in respect of coal and other contingencies.

Notes to consolidated financial statements for the year ended March 31, 2017

40. Remuneration paid to auditors (included in Miscellaneous Expenses):

Parent Company (₹ Crore)

Particulars	March 31, 2017	March 31, 2016
Statutory Auditors		
a) As an auditor		
i) Statutory audit fee	0.06	0.06
ii) Tax Audit fee	0.01	0.01
iii) For Limited review	0.01	0.02
b) In other capacity		
i) Certification fee	0.01	0.01
Reimbursement of expenses	0.01	-

Subsidiaries (₹ Crore)

Particulars	March 31, 2017	March 31, 2016
A. Statutory Auditors		
As an auditor		
i) Statutory audit Fee	1.91	1.12
ii) Tax Audit Fees	0.10	0.10
iii) Limited Review Fee	0.93	0.59
In other capacity		
i) Certification Fee	0.20	0.11
Reimbursement of expenses	0.36	0.24
B. Cost auditors		
I) Audit fee	0.07	0.05

41. During the year, the Group has incurred expenditure related to acquisition/construction of fixed assets and therefore accounted for the same as pre-operative expenses under Capital work in progress. Details of such expenses capitalised and carried forward as part of capital work in progress are given below:

(₹ Crore)

Particulars	2016-17	2015-16
Brought forward from last year	**7.99**	**441.42**
Expenditure incurred during the year		
Employee benefits expense	0.05	22.60
Other Expenses		
Power and fuel	-	0.55
Repairs and maintenance	-	5.26
Rent	-	2.08
Rates and taxes	-	0.08
Insurance	-	0.27
Professional expenses	0.05	3.72
Miscellaneous expenses	2.91	6.40
Interest and financial charges	0.01	63.37
Trial Run Expenditure		
Raw Material Consumed	-	80.85
Consumption of Stores & Spare Parts	-	6.30
Power and Fuel	0.48	174.21
Packing material	-	6.37
Freight and forwarding Charges	-	45.92
Employee cost	-	23.71
Insurance	-	0.17
Professional expenses	-	0.89
Rates and taxes	-	0.26
Rent	-	0.18
Repairs and maintenance	-	6.93
Miscellaneous expenses	0.05	62.49
Depreciation	-	3.97
Interest and financial charges	-	112.84
Total expenses for the year	**3.54**	**629.42**
Less: Income		
Sales from trial production	0.03	312.02
Interest/ Dividend income	-	2.64
Income on sale of investments	-	-
Miscellaneous Income	0.01	0.30
Less: Change in inventories	-	5.71
Less: Transfer for captive consumption	-	64.65
Net expense for the year	**3.50**	**244.10**
Grand Total	**11.49**	**685.52**
Less: Capitalised during the year	6.14	677.53
Carried forward as part of Capital Work in Progress	**5.36**	**7.99**

Notes to consolidated financial statements for the year ended March 31, 2017

42. In 2011-12 the Group had initially acquired 14.59% stake in Calcom Cement India Limited (Calcom), ultimately extendable to 50% of the Equity Share Capital of Calcom by entering into definitive agreements with Calcom, Saroj Sunrise Private Limited ('SSPL') (a Company owned by the erstwhile promoters of Calcom) and the erstwhile promoters of Calcom. During the year 2012-13, revised agreements were entered in to increase the Company's nominal stake up to 66.26% (and voting stake up to 75.63%) ultimately extendable to nominal stake of 66.70% (and voting stake of 76.00%) of the Equity Share Capital of Calcom – including keeping shares representing nominal stake of 14.23% (and voting stake of 16.24%) of the Equity Share Capital of Calcom in escrow, with beneficial ownership being with the Company, to be released at a future date upon satisfaction of certain conditions. The Group has invested a total amount of ₹ 259.97 Crore and ₹ 59.00 Crore respectively in the Equity Shares of Calcom and Optionally Redeemable Convertible Debentures ('OCDs') of SSPL.

The OCDs are non-interest bearing and are secured by the pledge of equity shares of Calcom held by SSPL. If certain conditions for performance by promoters of Calcom are met, these OCDs are convertible into equity shares constituting 0.01% shareholding of SSPL, else the Company has an option either to get the debentures redeemed for an aggregate amount of ₹ 59.00 Crore or convert into equity shares constituting 99.99% shareholding of SSPL.

Apart from the above investments, the Group has granted loans to Calcom (including its subsidiaries) to the extent of Rs. 326.65 Crore (excluding interest and trade receivable of ₹ 91.53 Crore) as at March 31, 2017 to fund its ongoing Projects as well as losses.

Calcom has accumulated losses of ₹ 489.67 Crore as at March 31, 2017. Keeping in view of its nature of long term strategic investment and business projections of Calcom, no impairment has been considered for carrying cost of investments and loans/ advances given to Calcom.

43. (A) During the earlier years, the Group had invested ₹ 465.13 Crore in Adhunik Cement Limited (including its subsidiary) to make it 100% Subsidiary Company. The Company has granted loans to the extent of Rs. 364.50 Crore (excluding interest and trade receivable of ₹ 18.52 Crore) as at March 31, 2017.

Adhunik has accumulated losses of ₹ 404.36 Crore as at March 31, 2017. During the previous year, the subsidiary become a sick company. However, keeping in view of strategic long term nature of investment, no impairment has been considered for carrying cost of investments and loans / advances given to Adhunik.

(B) The Group, in joint venture with Sun Flag Iron & Steel Limited, was allocated Khappa & Extension Coal Block (KECB) by the Ministry of Coal, Government of India vide their letter dated May 29,2009 for development of coal mine and use of coal for captive mining.

The Group has made an investment of ₹ 1.84 Crore in shares of Khappa Coal Company Private Limited and given advance against share application money of ₹ 4.28 Crore.

Consequent upon decision of Hon'ble Supreme Court of India for cancellation of coal block vide order dated 24th September 2014, the company has provided for its exposure in joint venture company 'Khappa Coal Company Private Limited' amounting to ₹ 6.12 crore in earlier years.

44. (A) In respect of license granted for captive mining block at Radhikapur mines, a Joint Venture company Radhikapur (West) Coal Mining Private Limited has been incorporated on 29th March, 2010 in which the Company's interest jointly with OCL Iron & Steel Limited (OISL) is 14.696%. The Company has invested ₹ 7.35 Crore (PY ₹ 7.35 Crore) in equity shares of the JV Company which includes ₹ 3.83 Crore (PY ₹ 3.83 Crore) being proportionate value of shares to be transferred to OISL after the receipt of approval from the Ministry of Coal, Government of India and other Joint Venture Partners.

Consequent upon decision of the Hon'ble Supreme Court of India cancelling the allocation of Coal block, vide Order dated 24th September, 2014, the Company is in the process of assessing the recoverability of the amounts invested of ₹ 3.51 Crore in the Joint Venture Company, Radhikapur (West) Coal Mining Private Ltd. As a matter of prudence, a provision for similar amount has been made in the accounts during the earlier years.

(B) Income Tax department has carried out Search operation in the Office premises of its step down subsidiaries namely Calcom

Cement India Limited and Adhunik Cement Limited on 11th March 2016. Investigation process is still in progress & the company has not received any show cause notice. Impact of the search, if any, can be ascertained only after the assessment is completed, however as of now management don't expect any financial obligation/impact.

45. (A) The Debt Restructuring package was approved by CDR Empowered Group of Reserve bank of India in one of its subsidiary Calcom Cement India Limited, as a result of which its loan repayment schedule was restructured to defer the repayment. Considering these facts as well as the business of its subsidiary and the commitment of Group to provide the requisite liquidity support to its subsidiary, the management is confident that it will be able to operate as going concern and accordingly the financial statement of its subsidiary is drawn under going concern assumption.

(B) In earlier years, its step down subsidiaries Calcom Cement India Limited and Adhunik Cement Limited had imported certain plant and machinery under EPCG scheme after payment of concessional custom duty for which it had assumed export obligation to be fulfilled as per the provisions of the said scheme. As at the balance sheet date, the management has, based on its latest business plan, estimated that the Company and respective entity will be able to fulfil a portion of the export obligation within the stipulated time and consequently has made adequate provisions in books of accounts.

(C) In respect of its step down subsidiaries Calcom Cement India Limited & Adhunik Cement Limited, Excise duty remission decided in favour of the Company by the Hon'ble High Court of Guwahati. The amount recognised in the Financial Year ended 2016 includes Rs. 10.26 Crores pertaining to the previous periods. The Department of Excise and Customs has appealed against the decision of the Hon'ble High Court of Guwahati to the Apex Court and the matter is pending to be adjudicated. The management is confident of favorable decision by the Apex Court in the above matter.

46. In respect of its step down subsidiaries Calcom Cement India Limited & Adhunik Cement Limited, Revenue from operations and excise duty expense for the year ended March 31, 2017 include Nil (31 March 2016 include Rs. 12.26 Crores) on account of matter relating to excise duty remission decided in favour of the Company by the Hon'ble High Court of Guwahati. The amount recognised in the current year includes Nil (31 March 2016 include Rs. 10.27 Crores) pertaining to the previous periods. The Department of Excise and Customs has appealed against the decision of the Hon'ble High Court of Guwahati to the Apex Court and the matter is pending to be adjudicated. The management is confident of favorable decision by the Apex Court in the above matter.

47. Pursuant to the purchase of 15% equity shareholding of Dalmia Cement (Bharat) Limited (DCBL) by the company and its subsidiary from KKR Cement Investments Limited (KKR), the Company could place the shares held by KKR in the Company on the terms and conditions specified in the Placement Letter Agreement (PLA) and receive certain proceeds thereof. This was approved by the Board of the company on 15th Jan, 2016 and by its shareholders in their EGM held on 11th Feb, 2016.

The Board of the Company vide its meeting held on 20th Apr, 2017 approved the placement of shares. Accordingly, KKR placed its shares with third party investors on 21st Apr, 2017 in terms of the PLA. As a result of such placement, an aggregate amount of Rs. 588 crs. has been received by the Company and its subsidiary, from KKR on 28th Apr, 2017. The purchase price of equity shareholding of DCBL in the books of Company and its subsidiary would get reduced by such amounts received from KKR. Appropriate accounting treatment for the same shall be accorded in FY 2017-18 as required under the applicable accounting standards.

Notes to consolidated financial statements for the year ended March 31, 2017

48. Goodwill in the balance sheet as per the details given below represents goodwill arising on consolidation of subsidiaries. Such Goodwill had been tested for impairment by the management and no amortisation is required for the same. (₹ Crore)

Particulars	2016-17	2015-16
Subsidiaries/Step down subsidiaries		
Dalmia Cement East Limited	759.75	759.75
Dalmia Cement (Bharat) Limited	753.90	753.90
OCL India Limited*	708.75	708.75
Adhunik Cement Limited	253.42	253.42
Calcom Cement India Limited	214.03	214.03
Golden Hills Resorts Private Limited	4.00	4.00
Ishita Properties Limited	0.47	0.47
Rajputana Properties Private Limited	0.24	0.24
Dalmia Minerals & Properties Limited	0.10	0.10
Dalmia Power Limited	0.06	0.06
Arjuna Brokers & Minerals Limited	0.01	0.01
Sri Shanamugha Mines & Minerals Limited	0.01	0.01
Total	**2694.75**	**2694.75**

* Goodwill of ₹ 23.44 Crore recognised under consolidated financial statement has been impaired after the testing for impairment as at April 1, 2015.

49. The Group has debited direct expenses relating to limestone mining, captive power generation and depot expenses etc. to cost of raw material consumed, power& fuel and other expenses as under: (₹ Crore)

Particulars	March 31, 2017	March 31, 2016
Cost of materials consumed	268.93	227.86
Repairs and maintenance - Plant and machinery	27.87	19.91
Power and fuel	25.67	34.15
Depot expenses	9.25	8.62
Total	**331.72**	**290.54**

These expenses if reclassified on 'nature of expense' basis will be as follows: (₹ Crore)

Particulars	March 31, 2017	March 31, 2016
Consumption of stores and spare parts	68.51	74.03
Rent (lease rent)	6.90	7.67
Insurance	0.22	0.34
Salary and wages	25.01	17.09
Power Charges	15.46	14.85
Rates and Taxes (including royalty on limestone)	162.04	131.34
Advertisement and sales promotion	2.51	1.55
Repairs & Maintenace	58.02	45.00
Other expenses	(6.95)	(1.34)
Total	**331.72**	**290.53**

50. (a) Board of Directors of Group's subsidiaries in their respective meetings held on March 28, 2016, approved a scheme of arrangement and amalgamation amongst the Dalmia Cement (Bharat) Limited (DCBL), DCB Power Ventures Limited (DCBPVL), Adwetha Cement Holdings Limited (ACHL), and Dalmia Power Limited (DPL) and their respective, shareholders and creditors, in terms of sections 391 to section 394 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and Companies Act, 2013. It involves amalgamation of ACHL with the DCBL and transfer and vesting of power undertakings of DCBPVL with the DCBL by way of slump sale on going concern basis and amalgamation of residual DCBPVL with DPL. The second motion application for this scheme was filed with the jurisdictional HC of Madras in September 2016. After the provisions of the Companies Act, 2013 pertaining to arrangements and amalgamations having come into effect from December 15, 2016, the jurisdiction with respect to arrangements and amalgamations now vests with the National Company Law Tribunal. Accordingly, the proceedings have been transferred to the jurisdictional Benches of National Company Law Tribunal (NCLT) for their approval. The matter is pending for disposal by the NCLT.

(b) The board of directors have approved to revive the scheme of amalgamation of subsidiaries Adhunik Cement Limited (ACL), Adhunik MSP Cement (Assam) Limited (ACAL) with DCBL on February 11, 2016. The application for the revival of the scheme was filed with the jurisdictional High courts. However, in terms of the newly enforced provisions as mentioned herein above, the jurisdiction with respect to arrangements and amalgamations had been transferred to the jurisdictional NCLT. Accordingly, the NCLT, Guwahati vide order dated March 29, 2017 had approved the petition of ACAL and admitted the application of ACL. The final disposal of the matter in connection with ACL is pending with NCLT, Guwahati and in respect to the Company is pending with NCLT, Chennai.

(c) Group's step down subsidiaries OCL India Limited (OCL), Odisha Cement Limited (ODCL), Dalmia Cement East Limited (DCEL), Shri Rangam Securities & Holdings Limited (SRSHL), Dalmia Bharat Cements Holdings Limited (DBCHL) entered into scheme of arrangement and amalgamation in terms of Section 391 to 394 of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and Companies Act, 2013. It involves transfer and vesting of certain undertakings of OCL and DCEL to ODCL by way of slump sale on going concern basis and subsequent amalgamation of residual OCL, residual DCEL, DBCHL and SRSHL with ODCL including change of ODCL's name to OCL India Limited. This scheme was approved by the Stock Exchanges (BSE Limited and National Stock Exchange of India Limited) on July 12, 2016. It has also been approved by the shareholders as well as secured creditors of all the involved Companies. The petitions filed in this regard by DCEL, SRSHL, DBCHL for amalgamation with ODCL after being transferred to the NCLT, Chennai Bench, is pending for final disposal. The proceedings with respect to petition filed by OCL before Hon'ble High Court of Orissa have not been transferred to the jurisdictional NCLT Bench at Kolkata in view of stay granted by the Hon'ble High Court of Orissa on all such transfers in a writ petition filed by the Bar Council of Orissa seeking a NCLT Bench to be set up in Orissa itself.

(d) The board of directors have approved a scheme of arrangement and amalgamation on November 5, 2016 amongst Dalmia Bharat Limited (DBL), Dalmia Cement (Bharat) Limited (DCBL) and Odisha Cement Limited (OCL) and their respective shareholders and creditors. This scheme has been filed with the Stock Exchanges for their "no objection" letter which was received on May 5, 2017. Application is yet to be filed with NCLT.

51. Specified bank note transactions

Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below: (₹ Crore)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.34	0.08	0.42
(+) Permitted receipts	-	0.72	0.72
(-) Permitted payments	-	(0.37)	(0.37)
(-) Amount deposited in Banks	(0.34)	(0.09)	(0.43)
Closing cash in hand as on 30.12.2016	-	0.34	0.34

Notes to consolidated financial statements for the year ended March 31, 2017

52. Disclosure as required by Ind AS 108, Operating Segments

Identification of Segments:

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the nature of products and services and have been identified as per the quantitative criteria specified in the Ind AS.

Operating Segments identified as follows:

a) Cement Division

b) Refractory Division

c) Management Services Division

d) Others

Segment revenue and results:

The expense or incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as part of unallocable assets/liabilities.

Inter segment transfer:

As per practice consistently followed, inter segment transfers for capital jobs recognised at cost and for other jobs at estimated realisable value. Profit or loss on inter segment transfers are eliminated at the Group level.

(a) Summary of Segmental Information as at and for the year ended March 31, 2017 is as follows (₹ Crore)

Particulars	Cement	Refractory	Management Services	Others	Total Segment
Revenue					
Revenue	8,092.18	402.44	289.89	79.42	8,863.93
Less: Inter/ Intra Segment Revenue	157.87	7.54	271.00	79.42	515.83
Net Revenue	7,934.31	394.90	18.89	-	8,348.10
Results					
Segment result	1,220.38	(40.22)	50.66	91.02	1,321.84
Less: Finance Cost					889.99
Add: Other unallocable income net of unallocable expenditure					276.11
Profit/(loss) before tax					707.96
Tax expense					276.15
Less: Minority interest					87.01
Profit after tax					344.80
Segment Assets	13,898.27	407.93	205.33	394.29	14,905.82
Segment Liabilities	3,056.47	62.04	253.76	15.91	3,388.18
Other disclosures					
Depreciation	556.87	15.51	5.36	24.97	602.71
Capital Expenditure	382.92	4.20	3.38	2.69	393.19

(b) Summary of Segmental Information as at and for the year ended March 31, 2016 is as follows (₹ Crore)

Segment	Cement	Refractory	Management Services	Others	Total Segment
Segment					
Revenue					
Revenue	7,046.38	342.41	249.69	64.86	7,703.34
Less: Inter/ Intra Segment Revenue	135.81	3.10	237.42	64.86	441.19
Net Revenue	6,910.57	339.31	12.27	-	7,262.15
Results					
Segment result	948.53	(47.24)	22.01	96.60	1,019.90
Less: Finance Cost					730.19
Add: Other unallocable income net of unallocable expenditure					220.33
Profit/(loss) before tax					**510.04**
Tax expense					245.50
Less: Minority interest					74.53
Profit after tax					**190.01**
Segment Assets	13,721.80	470.08	147.89	399.46	14,739.23
Segment Liabilities	2,520.10	81.32	205.08	(40.38)	2,766.12
Other disclosures					
Depreciation	524.84	31.03	4.36	20.64	580.87
Capital Expenditure	2153.56	5.41	9.40	159.02	2327.39

(c) Summary of Segmental Information as at April 01, 2015 is as follows (₹ Crore)

Segment	Cement	Refractory	Management Services	Others	Total Segment
Segment					
Segment Assets	11580.90	483.40	214.94	344.70	12623.94
Segment Liabilities	2,112.19	65.52	32.66	5.15	2215.52

(d) Reconciliations to amounts reflected in the financial statements

(i) Reconciliation of profit before tax (₹ Crore)

	March 31, 2017	March 31, 2016
Segment profit	1321.84	1019.90
Adjustments		
Unallocated expenses	-889.99	-730.19
Unallocated receipts	276.11	220.33
Profit before tax and discontinued operations	**707.96**	**510.04**

Notes to consolidated financial statements for the year ended March 31, 2017

(ii) Reconciliation of Assets (₹ Crore)

	March 31, 2017	March 31, 2016	April 01, 2015
Segment assets	**14,905.82**	**14739.23**	**12623.94**
Adjustments:			
Capital work in progress	132.51	235.52	1,878.66
Non current investments	101.98	111.85	112.93
Current investments	2,641.38	2,554.69	1,610.25
Capital advance	119.10	108.00	116.01
Advance Tax	36.24	41.52	90.14
MAT credit entitlement	37.41	172.57	70.74
Unpaid dividend account	2.97	5.77	2.24
Other assets	0.43	0.43	0.44
Total assets	**17,977.84**	**17,969.58**	**16,505.35**

(iii) Reconciliation of Liabilities (₹ Crore)

	March 31, 2017	March 31, 2016	April 01, 2015
Segment liabilities	**3,388.18**	**2766.12**	**2215.52**
Long term borrowings	6,248.87	7,518.60	7,158.60
Current maturities of long term borrowings	571.01	386.86	567.82
Deferred tax liabilities	1,576.39	1,674.59	1,553.63
Capital creditors	65.93	123.22	91.65
Unclaimed dividend	2.97	5.77	2.24
Purchase consideration payable	91.39	91.39	98.70
Provision for tax	309.96	143.93	4.28
Government grants	145.34	143.90	84.23
Total liabilities	**12,400.04**	**12,854.38**	**11,776.67**

The Company has common property, plant and equipment and other assets for domestic as well as overseas market. Hence, additions to property, plant and equipment and all assets have been considered as for India (based on location of assets) except for trade receivables.

There are no revenues from transactions with a single external customer amounting to 10 per cent or more of an entity's revenues during the current and previous year.

53. First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

I) Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

a) Deemed Cost

Ind AS 101 permits a first time adopter to elect to fair value on its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be used for intangible assets covered by Ind-AS 38.

The Group has elected to consider fair value of its property, plant and equipment other than vehicles, furniture and fixtures, computers and office equipment's as its deemed cost on the date of transition to Ind AS. The Group has done a retrospective valuation for these assets. The Group has elected to measure all its intangible assets at their previous GAAP carrying value.

b) Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 1, 2015. Ind AS 101 provides the option that the Indian GAAP carrying amounts of assets and liabilities that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

Business combinations occurring prior to the transition date have not been restated.

c) Estimates

An entity 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 at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

(i) Share based payments

(ii) Revenue recognition- Non-cash incentive given to customers

(iii) Impairment of financial assets based on expected credit loss method

d) Government loan

Ind AS 109 and Ind AS 20 has been applied prospectively to government loans existing at the date of transition to Ind AS and has not recognised the corresponding benefit of the government loan at a below market rate of interest as a government grant. The Group has used its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS balance sheet.

e) Exchange differences

Ind AS 101 provides that a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

The Group has elected to continue with the policy adopted for accounting of exchange differences arising from translation of long-term foreign currency monetary items i.e. restatement of foreign currency loans related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset.

Notes to consolidated financial statements for the year ended March 31, 2017

II) Reconciliation of equity as previously reported under IGAAP to IND AS as at April 01, 2015 (₹ Crore)

Particulars	Foot Note	Balance Sheet as at April 01, 2015		
		IGAAP	+/-	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	a	5,815.76	2,211.95	8,027.71
Capital work-in-progress	a	1,914.23	(35.57)	1,878.66
Investment Property	t	-	0.34	0.34
Goodwill	a	1,964.28	(23.44)	1,940.84
Other intangible assets	a	7.57	10.92	18.49
Biological Assets other than bearer plants	t	-	0.10	0.10
Investments		88.78	-	88.78
Financial assets				
(i) Investments	f,s	15.26	8.89	24.15
(ii) Loans	p	30.50	3.86	34.36
(iii) Other financial assets	b,c,t	97.42	133.88	231.30
Other non-current assets	t	336.97	(14.53)	322.44
		10,270.77	**2,296.40**	**12,567.17**
Current Assets				
Inventories	a	729.32	(17.86)	711.46
Financial assets				
(i) Investments	f,s	1,582.94	27.31	1,610.25
(ii) Trade receivables	h	510.06	15.92	525.98
(iii) Cash and cash equivalents	t	453.18	5.46	458.64
(iv) Bank balance other than (iii) above	t	74.90	(7.16)	67.74
(v) Loans	p	117.53	(8.32)	109.21
(vi) Other financial assets	c,t	358.74	(202.72)	156.02
Other current assets	t	306.07	(7.19)	298.88
		4,132.74	**(194.56)**	**3,938.18**
Total Assets		**14,403.51**	**2,101.84**	**16,505.35**
EQUITY & LIABILITIES				
Equity				
Equity Share Capital		16.24	-	16.24
Other Equity		3,053.92	744.66	3,798.58
		3,070.16	744.66	3,814.82
Preference capital held by others	t	0.70	(0.70)	-
Non Controlling Interest		746.96	166.90	913.86
Non-current Liabilities				
Financial liabilities				
(i) Borrowings	d	7,222.71	(64.11)	7,158.60
(ii) Other financial liabilities	j,t	117.37	(111.09)	6.28
Provisions	k,t	46.07	87.73	133.80
Deferred tax liabilities (net)	i	400.59	1,153.04	1,553.63
Government grants	b	27.33	56.90	84.23
Other long-term liabilities	e,t	33.25	4.78	38.03
		7,847.32	**1,127.25**	**8,974.57**
Current Liabilities				
Financial liabilities				
(i) Borrowings	d	682.10	(1.73)	680.37
(ii) Trade payables	t	744.25	(46.30)	697.95
(iii) Other financial liabilities	j,t	1,002.35	95.97	1,098.32
Other current liabilities	t	260.88	(5.10)	255.78
Provisions	t,m	48.79	20.89	69.68
		2,738.37	**63.73**	**2,802.10**
Total Liabilities		**14,403.51**	**2,101.84**	**16,505.35**

Reconciliation of equity as previously reported under IGAAP to IND AS as at March 31, 2016 (₹ Crore)

Particulars	Foot Note	Balance Sheet as at March 31, 2016		
		IGAAP	+/-	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	a	7,604.00	2,100.96	9,704.96
Capital work-in-progress	a	270.18	(34.66)	235.52
Investment Property	t	0.33	-	0.33
Goodwill	a	2,718.18	(23.44)	2,694.74
Other intangible assets	a	7.23	9.96	17.19
Intangible assets under development		-	-	-
Biological Assets other than bearer plants		0.10	-	0.10
Investments		88.76	-	88.76
Financial assets				
(i) Investments	f,s	13.88	9.21	23.09
(ii) Loans	p	29.05	(11.48)	17.57
(iii) Other financial assets	b,c,t	271.04	113.71	384.75
Other non-current assets	t	369.52	(9.31)	360.21
		11,372.27	**2,154.95**	**13,527.22**
Current Assets				
Inventories	a	708.29	(10.70)	697.59
Financial assets				
(i) Investments	f,s	2,472.60	82.09	2,554.69
(ii) Trade receivables	h	494.64	15.39	510.03
(iii) Cash and cash equivalents	t	161.46	(11.28)	150.18
(iv) Bank balance other than (iii) above	t	86.86	(3.47)	83.39
(v) Loans	p	44.24	6.41	50.65
(vi) Other financial assets	c,t	316.89	(199.05)	117.84
Other current assets	t	300.50	(22.51)	277.99
		4,585.48	**(143.12)**	**4,442.36**
Total Assets		**15,957.75**	**2,011.83**	**17,969.58**
EQUITY & LIABILITIES				
Equity				
Equity Share Capital		17.76	-	17.76
Other Equity		3,839.12	732.40	4,571.52
		3,856.88	732.40	4,589.28
Non Controlling Interest		356.86	169.06	525.92
Non-current Liabilities				
Financial liabilities				
(i) Borrowings	d	7,626.06	(107.46)	7,518.60
(ii) Other financial liabilities	j,t	126.39	(120.27)	6.12
Provisions	k,t	62.26	109.85	172.11
Deferred tax liabilities (net)	i	567.43	1,107.16	1,674.59
Government grants	b	116.27	27.63	143.90
Other long-term liabilities	e,t	1.93	41.28	43.21
		8,500.34	**1,058.19**	**9,558.53**
Current Liabilities				
Financial liabilities				
(i) Borrowings	d	868.60	(17.41)	851.19
(ii) Trade payables	t	913.60	(57.02)	856.58
(iii) Other financial liabilities	j,t	923.52	101.36	1,024.88
Other current liabilities	t	348.64	(7.49)	341.15
Provisions	t,m	188.61	33.44	222.05
		3,242.97	**52.88**	**3,295.85**
Total Liabilities		**15,957.05**	**2,012.53**	**17,969.58**

Notes to consolidated financial statements for the year ended March 31, 2017

Reconciliation of profit and loss as previously reported under IGAAP to IND AS for the year ended March 31, 2016 (₹ Crore)

Particulars	Foot Note	Year ended March 31, 2016		
		IGAAP	+/-	Ind AS
Income				
Revenue from operations (gross)	o,n	6,437.95	824.20	7,262.15
Other income	c,fs,p	165.03	64.46	229.49
Total Revenue (I)		**6,602.98**	**888.66**	**7,491.64**
Expenses				
Cost of materials consumed	t	1,067.46	18.14	1,085.60
Freight on clinker transfer		104.09	-	104.09
Purchase of stock in trade	t	49.08	(23.03)	26.05
Change in inventories of finished goods, work in progress and stock in trade	t	(12.95)	(7.40)	(20.35)
Excise duty on sale of goods	o	-	850.90	850.90
Employee benefits expenses	q,r,p	506.45	(1.14)	505.31
Finance cost	d,e	725.64	4.55	730.19
Depreciation and amortization expenses	a	452.76	128.11	580.87
Other expenses	a,n, t,b	3,146.03	(27.09)	3,118.94
Total expenses (II)		**6,038.56**	**943.04**	**6,981.60**
Profit before exceptional items and tax		564.42	(54.38)	510.04
Exceptional Items		-	-	-
Profit before tax		**564.42**	**(54.38)**	**510.04**
Tax expense				
Current tax	t	220.40	(0.03)	220.37
MAT (credit entitlement) / charge		(88.04)	-	(88.04)
Deferred tax	i	166.84	(53.55)	113.29
Prior year tax charge / (written back)		(0.12)	-	(0.12)
Total tax expense		**299.08**	**(53.58)**	**245.50**
Profit/ (loss) after tax before share of profit in associates		265.34	(0.80)	264.54
Less: Share of minority interest		74.53		74.53
Profit after tax		**190.81**	**(0.80)**	**190.01**
Other Comprehensive income				
A (i) Items that will not be reclassified to profit or loss				
- Re-measurement gains on defined benefit plans	r	-	(2.80)	(2.80)
- Fair value gain on investments	s	-	25.12	25.12
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(7.67)	(7.67)
Other comprehensive income for the year, net of tax		-	14.65	14.65
Total Comprehensive income for the year		**190.81**	**13.85**	**204.66**

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit and loss for the year ended March 31, 2016-

a) **Property, plant and equipment**

i) The Company has elected to measure certain items of property, plant and equipment i.e. land, building, plant and machinery and capital work-in-progress at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS an increase in value was recognised in property, plant and equipment and corresponding change has been recognised against retained earnings. Goodwill recognised under consolidated financial statement has been impaired after testing for investment.

ii) As per Ind AS 16, spare parts, stand- by equipment and servicing equipment are recognised as Property, Plant and Equipment ('PPE') and de-recognised from Inventory from the date of purchase.

when they meet the following criteria:

- Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- Are expected to be used during more than one period.

Based on the above provision, stores and spares satisfying above criteria are de-recognised from Inventory and capitalized as PPE from the date of purchase.

Goodwill recognised under consolidated financial statement has been impaired after the testing for impairment

b) Incentive/ Subsidy receivable

- Under Indian GAAP, incentive receivable is recorded at transaction value which is equivalent to value as per scheme issued by the government. Under Ind AS, subsidy receivable is recorded at fair value i.e. by discounting to its present value using the market interest rate for similar loans. Difference between the fair value and transaction value is adjusted from retained earnings at the date of transition to Ind AS.

- The Group is entitled to various subsidies from Government in the form of government grant and recognise amount receivable from government as subsidy receivable when the Group is entitled to receive it to match them with expenses incurred for which they are intended to compensate. The Group records subsidy receivable by discounting it to its present value.

c) Security deposit paid

Under Indian GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

d) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are disclosed as prepaid expenses and amortised to profit or loss over the tenure of loan. Under Ind AS, transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition and charged to statement of profit and loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

e) Government grants

Under Indian GAAP, government assistance received in the form of loan at interest below market rate is recognised as borrowings at the value of assistance received from government. Under Ind AS, the loan is measured at fair value discounted using the market rate of interest for a similar loan. The difference between assistance received and fair value of loan is disclosed as Government grant.

f) Investment in mutual funds

Under Indian GAAP, investment in mutual funds were valued at cost or net realisable value whichever is lower. As per Ind AS, it is valued at fair value of the investment.

g) Investment in commercial paper

Under Indian GAAP, investment in commercial paper was recognised at cost (gross of interest). As per Ind AS, it is recognized at net of interest.

h) Trade receivable

Under Indian GAAP, the Company has created provision for impairment of receivables which is only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL).

i) Non-cash incentives to customers

The Company provides non-cash incentives to customers. Consideration received is allocated between the products sold and non-cash incentives to be issued to customers. The fair value of the non-cash incentives is deferred and recognised as revenue, net of associated cost when the incentive is issued.

j) Security deposit received

Under Indian GAAP, interest free security deposit received are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as rent received in advance.

k) Provision for mine reclamation

The Company has recognised provision of mine reclamation until the closure of mine based on fair value of the provision considering future inflation rate, discount rate, expected cost of reclamation of mines, expected balance of reserve available in mines & expected life of mines.

l) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. 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.

m) Short term provisions

Under Indian GAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declare. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

n) Cash discount

Under Indian GAAP, cash discount is disclosed under other expenses, whereas under Ind AS it is disclosed as net of revenue.

o) Excise duty

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss.

p) Employee loan

Under Indian GAAP, employee loan are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these employee loan under Ind AS. Difference between the fair value and transaction value of the employee loan has been recognised as prepaid salary.

q) Share-based payments

Under Indian GAAP, the Group was recognising share based payments as per intrinsic value method. Ind AS requires the fair value of such share options to be determined using an appropriate pricing model recognised over the vesting period.

r) Defined benefit liabilities

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, re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

s) Investment in equity shares/ venture capital fund

- Under Indian GAAP, investment in quoted equity shares were valued at cost or net realisable value whichever is lower. As per Ind AS, it is valued at fair value through profit and loss / OCI

- Under Indian GAAP, investment in venture capital fund was recognised at cost. As per Ind AS, it is recognized at fair value through profit and loss.

t) Re-classification

As per guidance of Ind AS-1 and 8, various reclassifications are made where necessary.

Notes to consolidated financial statements for the year ended March 31, 2017

54. Discloser as per Requirement of Schedule –III

Name of the entity	Net Assets		Share in profit / loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	Amount (₹ In. Cr)	As % of consolidated net assets	Amount (₹ In. Cr)	As % of consolidated profit / loss	Other Comprehensive	As % of consolidated OCI	Total Comprehensive Income	As % of total Comprehensive
Subsidiaries								
A. Parent								
Dalmia Bharat Limited	1,391.96	28.04%	63.37	18.38%	-2.46	-10.59%	60.91	16.55%
B. Subsidiaries								
Indian Subsidiaries								
Adwetha Cement Holdings Limited	(58.09)	-1.17%	(55.26)	-16.03%	-	-	(55.26)	-15.01%
Adhunik Cement Limited	(63.56)	-1.28%	(88.38)	-25.63%	0.04	0.17%	(88.34)	-24.00%
Adhunik MSP Cement (Assam) Limited	1.78	0.04%	(0.07)	-0.02%	-	-	(0.07)	-0.02%
Arjuna Brokers & Minerals Limited	0.06	0.00%	-	0.00%	-	-	-	0.00%
Bangaru Kamakshi Amman Agro Frams Private Limited	(0.31)	-0.01%	(0.36)	-0.10%	-	-	(0.36)	-0.10%
Calcom Cement India Limited	148.78	3.00%	(13.84)	-4.01%	(0.17)	-0.73%	(14.01)	-3.81%
Cosmos Cements Limited	12.74	0.26%	(0.11)	-0.03%	-	-	(0.11)	-0.03%
D.I. Properties Limited	0.38	0.01%	(0.17)	-0.05%	-	-	(0.17)	-0.05%
Dalmia Bharat Cement Holding Limited	134.59	2.71%	(80.22)	-23.27%	-	-	(80.22)	-21.80%
Dalmia Cement Bharat Limited	3354.25	67.56%	135.32	39.25%	1.50	6.46%	136.82	37.18%
Dalmia Cement East Limited (formerly known as Bokaro Jaypee Cement Limited)	462.49	9.32%	102.43	29.71%	(0.20)	-0.86%	102.23	27.78%
Dalmia Minerals & Properties Limited	0.61	0.01%	(0.04)	-0.01%	-	-	(0.04)	-0.01%
Dalmia Power Limited	(8.20)	-0.17%	(6.08)	-1.76%	-	-	(6.08)	-1.65%
DCB Power Ventures Limited	464.18	9.35%	22.32	6.47%	24.37	104.95%	46.69	12.69%
Geetee Estates Limited	1.24	0.03%	(0.01)	0.00%	-	-	(0.01)	0.00%
Golden Hills Resorts Private Limited	0.99	0.02%	(0.00)	0.00%	-	-	(0.00)	0.00%
Hemshila Properties Limited	1.12	0.02%	(0.01)	0.00%	-	-	(0.01)	0.00%
Ishita Properties Limited	(2.47)	-0.05%	0.30	0.09%	-	-	0.30	0.08%
Jayevijay Agro Farms Private Limited	(0.56)	-0.01%	(0.32)	-0.09%	-	-	(0.32)	-0.09%
Kanika Investments Limited	5.35	0.11%	(1.90)	-0.55%	-	-	(1.90)	-0.52%
OCL India Limited	2355.40	47.44%	383.87	111.33%	0.15	0.65%	384.02	104.35%
Odhisa Cement Limited	0.03	0.00%	(0.01)	0.00%	-	-	(0.01)	0.00%
Rajputana Properties Private Limited	0.01	0.00%	-	0.00%	-	-	-	0.00%

Notes to consolidated financial statements for the year ended March 31, 2017

Name of the entity	Net Assets		Share in profit / loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	Amount (₹ In. Cr)	As % of consolidated net assets	Amount (₹ In. Cr)	As % of consolidated profit / loss	Other Comprehensive	As % of consolidated OCI	Total Comprehensive Income	As % of total Comprehensive
B. **Subsidiaries** *(contd...)*								
RCL Cements Limited	14.96	0.30%	(3.25)	-0.94%	0.00	0.00%	(3.25)	-0.88%
SCL Cements Limited	(26.71)	-0.54%	(5.65)	-1.64%	(0.00)	-0.01%	(5.65)	-1.54%
Shri Radha Krishna Brokers & Holdings Limited	0.08	0.00%	-	0.00%	-	-	-	0.00%
Shri Rangam Properties Limited	2.03	0.04%	(0.01)	0.00%	-	-	(0.01)	0.00%
Shri Rangam Securities & Holdings Limited	906.37	18.26%	(0.71)	-0.21%	-	-	(0.71)	-0.19%
Sri Dhandauthapani Mines & Minerals Limited	0.14	0.00%	0.01	0.00%	-	-	0.01	0.00%
Sri Madhusudana Mines & Properties Limited	0.71	0.01%	(0.01)	0.00%	-	-	(0.01)	0.00%
Sri Shanmugha Mines & Minerals Limited	0.63	0.01%	-	0.00%	-	-	-	0.00%
Sri Subramanya Mines & Minerals Limited	0.81	0.02%	-	0.00%	-	-	-	0.00%
Sri Swaminatha Mines & Minerals Limited	0.33	0.01%	(0.05)	-0.01%	-	-	(0.05)	-0.01%
Sri Trivikrama Mines & Properties Limited	0.35	0.01%	(0.04)	-0.01%	-	-	(0.04)	-0.01%
Sutnga Mines Private Limited	2.39	0.05%	0.10	0.03%	-	-	0.10	0.03%
Vinay Cements Limited	(102.42)	-2.06%	(14.91)	-4.32%	(0.01)	-0.04%	(14.92)	-4.05%
Alsthom Industries Limited	4.71	0.09%	(0.29)	-0.08%	-	-	(0.29)	-0.08%
Dalmia Renewables Energy Limited	0.03	0.00%	(0.01)	0.00%	-	-	(0.01)	0.00%
Foreign Subsidiaries								
OCL Global Limited	61.51	1.24%	0.38	0.11%	-	-	0.38	0.10%
OCL China Limited	42.46	0.86%	(5.24)	-1.52%	-	-	(5.24)	-1.42%
Less: Minority Interest in all subsidiaries	-612.93	-12.35%	-87.01	-25.23%	-	-	(87.01)	-23.64%
C. **Joint Ventures**								
(As per proportionate consolidation / investment as per equity method)								
Indian Joint Ventures								
Khappa Coal Company Private Limited	0	0.00%	0.01	0.00%	-	-	0.01	0.00%
Radhikapur (West) Coal Mining Private Limited	0	0.00%	(0.02)	-0.01%	-	-	(0.02)	-0.01%
Associate								
Dalmia Renewables Energy Limited*	0.03	0.00%	(0.01)	0.00%	-	-	(0.01)	0.00%
Less: Elimination / Adjustments	-3,533.33	-71.17%	0.68	0.20%	-	-	0.68	0.21%
Total	**4,964.87**	**100%**	**344.80**	**100.00%**	**23.22**	**100.00%**	**368.02**	**100.00%**

• Consolidated due to control as per IND AS 110.

55. The Group comprises of the following entities:

(₹)

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2017	Percentage of Ownership held as at March 31, 2016	Percentage of Ownership held as at April 01, 2015
Subsidiaries				
Adwetha Cement Holdings Limited	India	100%	100%	-
Dalmia Cement (Bharat) Limited #	India	100%	100%	85.01%
Dalmia Power Limited	India	100%	100%	100%
Kanika Investments Limited	India	100%	100%	100%
Subsidiaries of Dalmia Cement (Bharat) Limited				
Adhunik Cement Limited	India	100%	100%	100%
Arjuna Brokers & Minerals Limited	India	100%	100%	100%
Bangaru Kamakshi Amman Agro Farms Private Limited	India	100%	100%	-
Calcom Cement India Limited	India	76%	76%	76%
D.I. Properties Limited	India	100%	100%	100%
Dalmia Bharat Cement Holding Limited	India	100%	100%	100%
Dalmia Minerals & Properties Limited	India	100%	100%	100%
Geetee Estates Limited	India	100%	100%	100%
Golden Hills Resorts Private Limited	India	100%	100%	100%
Hemshila Properties Limited	India	100%	100%	100%
Ishita Properties Limited	India	100%	100%	100%
Rajputana Properties Private Limited	India	100%	100%	100%
Jayevijay Agro Farms Private Limited	India	100%	100%	100%
OCL India Limited	India	74.66%	74.66%	74.66%
Shri Rangam Properties Limited	India	100%	100%	100%
Shri Radha Krishna Brokers & Holdings Limited	India	100%	100%	100%
Sri Dhandauthapani Mines & Minerals Limited	India	100%	100%	100%
Sri Madhusudana Mines & Properties Limited	India	100%	100%	100%
Sri Shanmugha Mines & Minerals Limited	India	100%	100%	100%
Sri Swaminatha Mines & Minerals Limited	India	100%	100%	100%
Sri Subramanya Mines & Minerals Limited	India	100%	100%	100%
Sri Trivikrama Mines & Properties Limited	India	100%	100%	100%
Alsthom Industries Limited	India	80%	-	-
Step Down subsidiaries of Dalmia Cement (Bharat) Limited				
Adhunik MSP Cement (Assam) Limited (subsidiary of Adhunik Cement Limited)	India	100%	100%	100%
Cosmos Cements Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100%	100%	100%
Odisha Cement Limited [(subsidiary of OCL India Limited]	India	100%	100%	100%

(₹)

Name of the Company	Country of incorporation	Percentage of Ownership held as at March 31, 2017	Percentage of Ownership held as at March 31, 2016	Percentage of Ownership held as at April 01, 2015
OCL China Limited [(subsidiary of OCL Global Limited]	China	90%	90%	90%
OCL Global Limited [(subsidiary of OCL India Limited]	Mauritius	100%	100%	100%
RCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100%	100%	100%
SCL Cements Limited (subsidiary of Vinay Cements Limited)	India	100%	100%	100%
Shri Rangam Securities & Holdings Limited (subsidiary of Dalmia Bharat Cement Holdings Limited)	India	100%	100%	100%
Dalmia Cement East Limited (Formerly known as Bokaro Jaypee Cement Limited) (Subsidiary of Shri Rangam Securities & Holdings Limited)	India	100%	100%	100%
Sutnga Mines Private Limited (subsidiary of Dalmia Minerals & Properties Limited)	India	100%	100%	100%
Vinay Cements Limited (subsidiary of Calcom Cement India Limited)	India	97.21%	97.21%	97.21%
Step down subsidiaries of Dalmia Bharat Limited				
DCB Power Venture Limited ## (subsidiary of Dalmia Power Limited)	India	100%	100%	100%
Associate				
Dalmia Renewable Energy Limited	India	49%	-	-
Joint Venture				
Khappa Coal Company Private Limited (JV of Dalmia Cement (Bharat) Limited)	India	36.73%	36.73%	36.73%
Radhikapur (West) Coal Mining Private Limited (JV of OCL India Limited))	India	7.03%	7.03%	7.03%

The share capital in Dalmia Cement (Bharat) Limited is held 92.62% by Dalmia Bharat Limited and 7.38% by Adwetha Cement Holdings Limited.

The share capital in DCB Power Venture Limited is held 74% by Dalmia Power Limited and 26% by Dalmia Cement (Bharat) Limited.

56. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flows

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after April 1, 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

Amendments to Ind AS 102, Share-based Payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after April 1, 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments from their applicability date.

57. Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our report of even date

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No. 000756N

Sunil Wahal
Partner
Membership No.: 087294
Place : New Delhi
Date: May 10, 2017

For and on behalf of the Board of Directors of Dalmia Bharat Limited

Y. H. Dalmia
Managing Director
DIN: 00009800

J. H. Dalmia
Managing Director
DIN: 00009717

Jayesh Doshi
Whole time Director & CFO
DIN: 00017963

Nidhi Bisaria
Company Secretary
Membership No. F5634

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Corporate information

Board of Directors

Pradip Kumar Khaitan – *Chairman*

Jai Hari Dalmia – *Managing Director*

Yadu Hari Dalmia– *Managing Director*

Gautam Dalmia

Puneet Yadu Dalmia

N. Gopalaswamy

Virendra Singh Jain

Sudha Pillai

Jayesh Doshi – *Whole Time Director & Chief Financial Officer*

Management Team

Jai Hari Dalmia

Yadu Hari Dalmia

Gautam Dalmia

Puneet Yadu Dalmia

Mahendra Singhi

T. Venkatesan

Jayesh Doshi

Company Secretary

Nidhi Bisaria

Auditors

S.S. Kothari Metha & Co.

Bankers

State Bank of India

Yes Bank Limited

HDFC Bank Limited

Axis Bank Limited

Punjab National Bank

International Finance Corporation (IFC)

IndusInd Bank Limited

Export Import Bank of India

Canara Bank

Landesbank, Germany

Registered Office

Dalmia Bharat Limited
Dalmiapuram - 621651
District: Tiruchirapalli
Tamil Nadu

Corporate Office

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

Registrar and Share Transfer Agent

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

Forward-looking statement

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

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forwardlooking statements, whether as a result of new information, future events or otherwise.

Dalmia
Bharat Limited

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